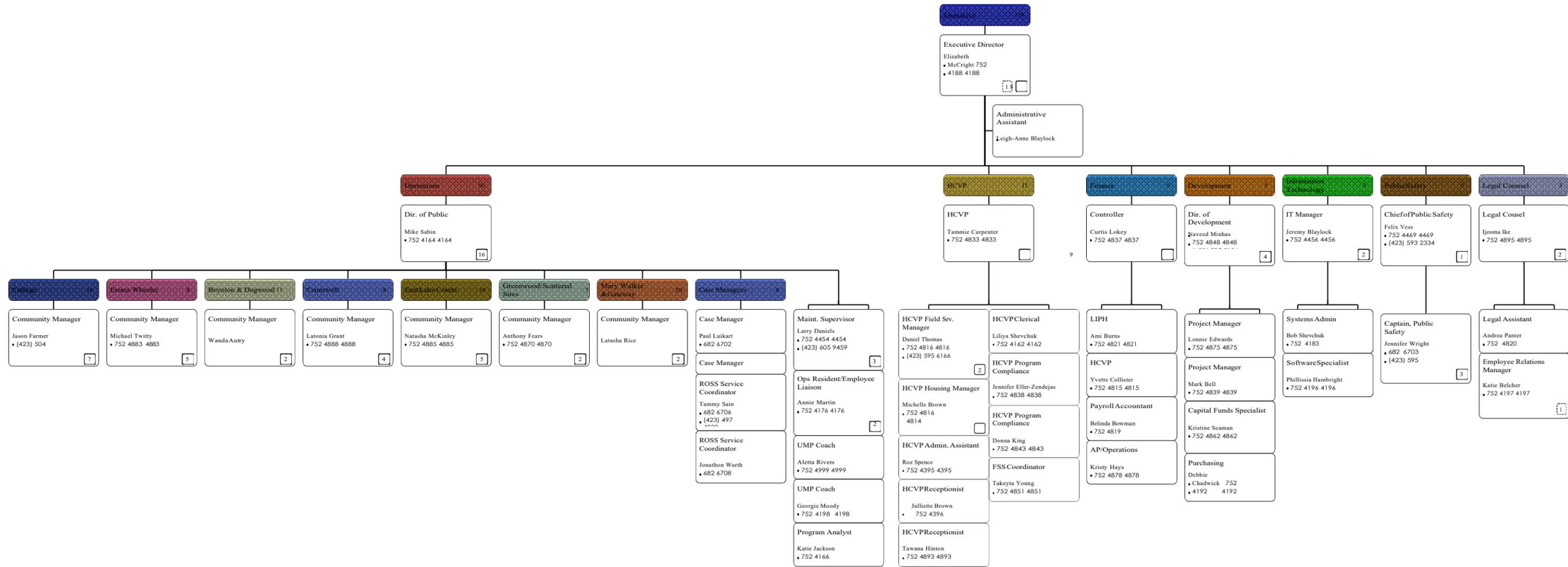


**Chattanooga Housing Authority**  
**Audit of Financial Statements**  
**Year Ended December 31, 2019**

**Chattanooga Housing Authority  
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Year Ended December 31, 2019**

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# Chattanooga Housing Authority Organizational Chart





## **Independent Auditor's Report**

To the Board of Commissioners  
Chattanooga Housing Authority  
**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Chattanooga Housing Authority (the "Authority") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility 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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MCM CPAs & Advisors LLP

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## **Independent Auditor's Report (Continued)**

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of December 31, 2019, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis 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") and is not a required part of the financial statements. In addition, the accompanying statement and certification of actual capital fund grant costs and the financial data schedule are also 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

## Independent Auditor's Report (Continued)

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

MCM CPAs & Advisors LLP

Lexington, Kentucky  
June 24, 2020

# CHATTANOOGA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS

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CHATTANOOGA, TN 37401-1486

## Management's Discussion and Analysis (MD&A) For the Year Ended December 31, 2019

### *Our Mission:*

*Our Mission: The mission of the Chattanooga Housing Authority parallels that of the Department of Housing and Urban Development: to create strong, sustainable, inclusive communities and quality affordable homes for all; to strengthen the housing market to bolster the economy and protect consumer; to meet the need for quality affordable rental homes; to utilize housing as a platform for improving quality of life and to build inclusive and sustainable communities free from discrimination.*

This section of the Authority's annual financial report presents management's analysis of the CHA's financial performance during the Fiscal Year Ended December 31, 2019.

### **Financial Highlights and Conclusions:**

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), the Chattanooga Housing Authority ("CHA" or the "Authority") is pleased to provide this executive narrative. The financial statements for 2019 have been reviewed by key management staff to assess the financial health of the CHA. It is apparent in the future that the CHA must rely less on uncertain grant funding and develop alternative resources to maintain current service levels. Financial highlights of this past year are as follows:

- **Conversion Activities:** During December 2019, CHA embarked on conversion of two of its Public Housing family developments to Low-Income Housing Tax entities. The 200 units at Cromwell are undergoing a full rehabilitation using 4% Low-Income Housing Tax Credits and debt while the 111 units at the Scattered Sites are being transformed into Chattanooga Housing Authority - Emerald Villages, LLC ("Emerald Villages") under HUD's Rental Assistance Demonstration Program also utilizing 4% tax credits and debt. These developments and the related activities have had a dramatic effect on the agency's financial position as \$22,670,368 of unexpended debt proceeds, \$18,357,356 of capital improvements and \$25,747,414 of debt was included on the Statement of Net Position as of December 31, 2019.
- **Public Housing Program:** had a \$5,051,628 million excess of expenses over revenues for the year ended December 31, 2019. To place this number in proper context, it is important to note that this loss includes \$4,518,353 million of depreciation expense and a \$3,353,293 loss on disposition of Cromwell Hills and the Scattered sites. Exclusive of these non-cash items, the program had a net operating surplus of approximately \$2.8 million for Fiscal Year 2019.
- **Housing Choice Voucher Program:** recognized net income of \$893,144 due primarily to a \$186,170 excess of advances from HUD in relation to program expenditure levels of Housing Assistance Payments ("HAP"). As a result, the balance of HAP equity increased from \$83,371 to \$269,541, while the administrative portion of operations finished the year with a balance of \$81,708, an increase of \$26,808. Lease-up levels for the year were consistent with prior periods and the agency recognized an increase of \$70,031 in total HAP program funding compared with FY2018.

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

### Financial Highlights and Conclusions (Continued)

- **Central Office Cost Center:** experienced an increase in Net Position of \$893,144 during Fiscal Year 2019. This was primarily due to \$386,352 of developer fees received for Cromwell and \$262,382 of developer fees received for Emerald Villages.
- **Federal Funding:** Federal funding expended in 2019 was \$37,187,710, which represents a decrease of \$2,347,328 (a 5% decrease) from the \$39,535,038 recognized in 2018. This was due primarily to a \$2,897,910 decrease in Capital Fund Program funding offset somewhat by an increase of \$486,000 of operating subsidy for the Public Housing Program. See chart on page 10.
- **HAP Utilization:** payments to landlords for the Housing Assistance Payments decreased from \$21,402,590 in 2018 to \$21,157,557 which represents a \$245,033 (1%) decrease from the prior year.
- **Business Activities:** experienced an increase in net position of \$15,954,133 due to the activities discussed in the audit report related to the creation of Emerald Villages LLC and Cromwell Development I LLC to provide comprehensive rehabilitation of these sites.
- **Cash & Investments:** position increased from \$13,553,575 at the end of 2018 to \$39,742,178 as of December 31, 2019. While this \$24,057,734 increase was due primarily to CHA having \$22,670,378 of unexpended debt proceeds for business activities, the cash position for CHA's other programs increased \$1,387,356 which represents a 10% increase in the agency's cash position in relation to 2018 levels.

### Required Financial Statements

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

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

Net Investment in Capital Assets: This component of Net Position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, whereby constraints are placed on the assets by creditors (such as debt covenants), grantors, laws, and regulations.

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

### **Required Financial Statements (Continued)**

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

The basic financial statements also include a Statement of Revenue, 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 non-operating revenues/expenses such as grant revenue, investment income and interest expense.

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

### **Major Programs**

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

Conventional Public Housing: Under the Conventional Public Housing Program, the CHA rents units that it owns to eligible low-income families, the elderly, and persons with disabilities. The CHA uses income limits developed by HUD which set the limits at up to 80 percent of median income for the area. This program is operated under an Annual Contributions Contract ("ACC") with HUD, whereby HUD provides the CHA operating subsidy funding to assist in funding the operating and maintenance expenses and offer rent based upon 30 percent of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program which remain the primary funding sources for modernization of, and physical and management improvements to, the CHA's properties. As of December 31, 2019, CHA had 2,310 units in its low-income public housing portfolio (exclusive of the 311 units at Cromwell and Scattered Sites which will still receiving operating subsidy through Calendar 2020).

Housing Choice Voucher Program: Under the Housing Choice Voucher Program ("HCVP"), the CHA administers contracts with independent landlords to allow very low and extremely low-income families to reside in privately- owned rental housing. The CHA subsidizes the family's rent through a HAP paid to the landlord. This program is administered under an ACC with HUD, whereby HUD provides funding to enable the CHA to oversee a lease that sets the participant's rent at 30 percent of adjusted gross household income. As of December 31, 2019, CHA had 3,603 Housing Choice Vouchers.

### **Non-major Programs**

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

Resident Opportunity and Supportive Services Program: This program provides public housing residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient.

Moderate Rehabilitation/Single Room Occupancy Program: This program assists very low-income, single, homeless individuals in obtaining decent, safe, and sanitary housing in privately owned, rehabilitated buildings.

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

### Non-major Programs (Continued)

**Business Activities:** These represent programs supported by non-HUD resources developed from a variety of CHA - initiated activities including the existing entities of Greenwood Terrace LLC and Holtzclaw LLC, as well as the Cromwell Development I, LLC and Emerald Villages, LLC which began operations in December 2019 to totally rehabilitate these sites using Low Income Housing Tax Credits and conventional debt. Upon completion of these activities in early 2022, these sites will be managed by CHA and funded with Project Based Rental Assistance after their transition from Public Housing funding has been completed.

### Financial Analysis of CHA

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

As illustrated in the Statement of Net Position, total assets were up 29% increasing \$29,478,741 from \$101,676,226 in 2018 to \$131,154,967. Overall CHA's Net position increased 6% from \$87,965,723 to \$92,979,842 as detailed in Table II below.

#### CHATTANOOGA HOUSING AUTHORITY

##### Statement of Net Position

TABLE I

<b>Account descriptions</b>	<b>2019</b>	<b>2018</b>	<b>Total change</b>	<b>% change</b>
Current assets	\$ 40,393,707	\$ 14,531,556	\$ 25,862,151	178%
Capital assets	61,560,548	57,937,272	3,623,276	6%
Other noncurrent assets	29,202,597	29,207,398	(4,801)	0%
<b>Total assets</b>	<b>131,156,852</b>	<b>101,676,226</b>	<b>29,480,626</b>	<b>29%</b>
<b>Deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
Current liabilities	3,512,781	5,257,013	(1,744,232)	-33%
Noncurrent liabilities	34,664,229	8,453,490	26,210,739	310%
<b>Total liabilities</b>	<b>38,177,010</b>	<b>13,710,503</b>	<b>24,466,507</b>	<b>178%</b>
<b>Deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
Net investment in capital assets	26,539,108	47,051,831	(20,512,723)	-44%
Restricted net position	2,938,405	3,070,844	(132,439)	-4%
Unrestricted net position	63,502,329	37,843,048	25,659,281	68%
<b>Total net position</b>	<b>\$ 92,979,842</b>	<b>\$ 87,965,723</b>	<b>\$ 5,014,119</b>	<b>6%</b>

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

### Financial Analysis of CHA (Continued)

Current assets increased 178% from \$14.5 million to \$40.4 million, which was primarily a function of CHA's increased cash position as discussed previously. Current liabilities decreased by \$1,746,117 or 33%. This decrease was primarily due a decrease in the current portion of long-term debt of about \$2.1 million due to the retirement of debt at five communities undergoing redevelopment and higher accounts payable (\$342K). Non-current liabilities increased \$26.2 million or 310%, primarily due to the addition of long-term debt related to the conversion activities as discussed previously.

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

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

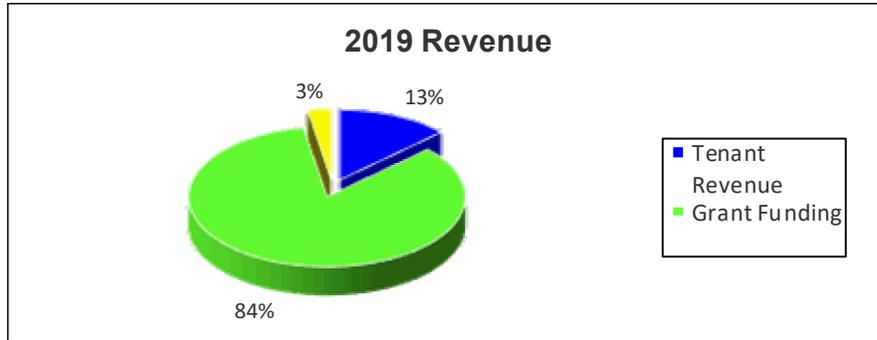
<u>Account descriptions</u>	<u>2019</u>	<u>2018</u>	<u>Total change</u>	<u>% change</u>
Tenant revenue	\$ 5,756,431	\$ 5,679,190	\$ 77,241	1%
Grant funding	37,189,168	39,535,038	(2,345,870)	-6%
Other income	1,285,447	544,933	740,514	136%
<b>Total revenue</b>	<b>44,231,046</b>	<b>45,759,161</b>	<b>(1,528,115)</b>	-3%
Administrative	6,216,368	6,150,199	66,169	1%
	7,129	-	7,129	100%
Tenant services	794,137	488,507	305,630	63%
Utilities	4,539,107	4,638,614	(99,507)	-2%
Protective services	515,740	494,764	20,976	4%
Insurance expense	565,752	545,627	20,125	4%
Maintenance	4,879,678	4,076,834	802,844	20%
General expense	564,540	468,458	96,082	21%
Housing assistance payments	21,157,557	21,402,590	(245,033)	-1%
Depreciation and amortization	4,954,651	4,975,741	(21,090)	0%
<b>Total expenses</b>	<b>44,194,659</b>	<b>43,241,334</b>	<b>953,325</b>	2%
<b>Non-operating items</b>				
Interest income	122,527	161,474	(38,947)	-24%
Interest expense	(462,669)	(561,353)	98,684	-18%
Casualty loss	(27,672)	(23,484)	(4,188)	18%
Gain on disposal of capital assets	173,850	41,359	132,491	320%
<b>Total non-operating items</b>	<b>(193,964)</b>	<b>(382,004)</b>	<b>188,040</b>	
Partner contributions	5,171,696	-	5,171,696	
Changes in net position	5,014,119	2,135,823	2,878,296	135%
Beginning net position	87,965,723	85,829,900	2,135,823	2%
<b>Ending net position</b>	<b>\$ 92,979,842</b>	<b>\$ 87,965,723</b>	<b>\$ 5,014,119</b>	6%

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

**Financial Analysis of CHA (Continued)**

**Revenues**

In reviewing the Statement of Revenues, Expenses, and Changes in Net Position, you will find that 84% of the CHA's revenues are derived from grants from the Department of Housing and Urban Development and other Federal programs. The CHA receives revenue from tenants for dwelling rental charges, excess utilities, and miscellaneous charges of 13% of total revenue. Interest Revenue and Other Revenue comprises the remaining 3%. Compared to the fiscal year ended December 31, 2018, operating revenues had an overall decrease of \$1,618,249 or 4% as discussed below:



**Tenant Revenue:** Total Tenant Revenue, net of bad debts, was slightly higher with an increase of \$77,241 from \$5,679,190 to \$5,756,431 due to slightly higher occupancy at its public housing sites.

**Program Grants/Subsidies:** The CHA's Federal Funding experienced a 6% decrease (\$2,347,328) in Federal Financial Assistance from \$39.5 million in 2018 to \$37.2 million in 2019 as detailed in the table below). This decrease was primarily attributable to decrease funding from HUD for the Capital Fund Grant Program (\$2,897,910) offset somewhat by higher Housing Public Housing Program funding of \$486,968.

**Interest and Other Income:** Interest Income was \$54,215 lower while other income was up by \$650,380 primarily due to the receipt of increased developer fee receipts and increased donations from the Maclellan Foundation.

**CHATTANOOGA HOUSING AUTHORITY  
Federal Financial Awards Comparison  
For the Fiscal Years 2019 and 2018**

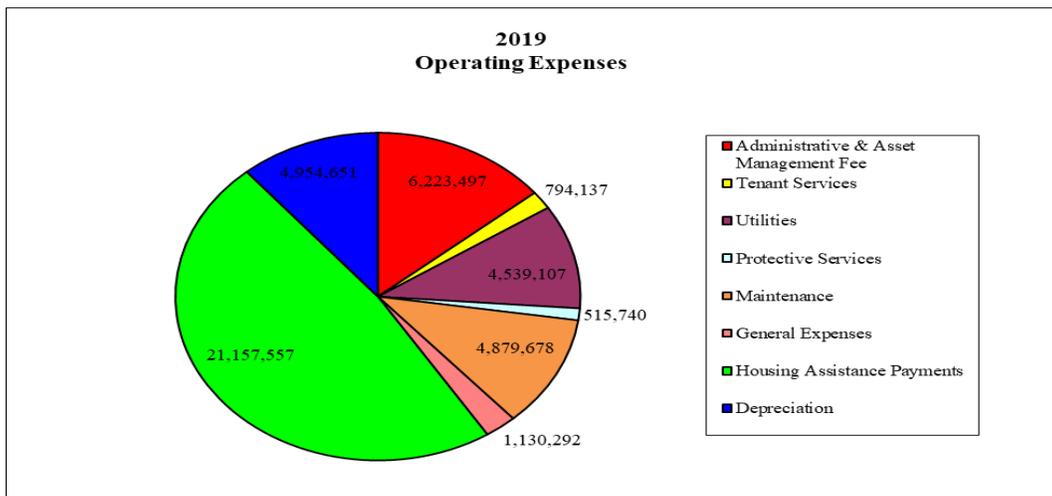
	<u>2019</u>	<u>2018</u>	<u>Increase/ decrease</u>
<b>PUBLIC HOUSING</b>			
Public and Indian Housing Program	\$ 11,059,422	\$ 10,572,454	\$ 486,968
Capital Fund Program	2,315,568	5,213,478	(2,897,910)
Resident Opportunity and Supportive Services	69,350	142,528	(73,178)
PIH Family Self-Sufficiency Program	139,484	72,752	66,732
<b>HOUSING ASSISTANCE PAYMENTS</b>			
Section 8 Housing Choice Voucher Program	23,563,774	23,509,470	54,304
Mod Rehab/ SRO	40,112	24,356	15,756
<b>TOTALS</b>	<u>\$ 37,187,710</u>	<u>\$ 39,535,038</u>	<u>\$ (2,347,328)</u>

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

### Financial Analysis of CHA (Continued)

#### Expenses

The Chattanooga Housing experienced a decrease of \$863,191 in total operating expenses for the current year from \$43,241,334 to \$44,104,525 or 2%. Notable changes in expense levels by category for the current year are as follows:



**Administration:** Administration costs were \$73,298 higher than in 2018 as these costs increased from \$6,150,199 to \$6,223,497. This represents a 1% increase as \$109,703 higher salary offset by a decrease of \$26,921 in benefit costs.

**Tenant Services:** Tenant Services costs include all costs incurred by the CHA to provide social services to the residents. In addition to the HUD ROSS grants, the recognized Resident Councils receive funding for board meetings, training costs, and other items. In addition, the individual recognized Resident Councils receive assistance on costs of meetings and other training activities provided. Tenant Services increased \$305,630 from \$488,507 in 2018 to \$794,137 primarily due to higher relocation costs (\$77K) and higher salary and benefit costs (\$126K) due to higher grant funding in relation to 2019.

**Utilities:** The total utilities expense for the CHA decreased by \$99,507 from \$4,638,614 to \$4,539,107 due to lower utility usage at CHA properties.

**Maintenance Costs:** Maintenance costs were \$802,844 higher than in 2018 as these costs increased from \$4,076,834 to \$4,879,678. This increase was primarily due to \$283,667 higher salary and benefit costs, \$169,995 increases in materials expenses, and \$355,489 higher contract costs as higher staffing levels were in place for 2019 and there was additional focus placed on unit turnover to get vacant units back online.

**Housing Assistance Payments Program:** HAP payments consist of rental payments to owners of private property for which the housing CHA has a HAP agreement with the tenant and the owner for the difference between the tenants rent and the applicable payment standard. CHA utilization levels were slightly lower during 2019 and as a result, HAP expense decreased by \$245,033 (1%).

**Depreciation and Amortization:** Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items are recorded as depreciation. Due to lower levels of assets placed into service during 2019, depreciation expense was \$21,090 lower in relation to prior year levels as the expense level decreased from \$4,975,741 to \$4,954,651.

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

### Financial Analysis of CHA (Continued)

#### Capital Assets

At the end of fiscal year 2019, the CHA had invested in Capital Assets of \$61,560,548, net of depreciation. For the year ended December 31, 2019, net capital assets increased by \$3,623,276 due to primarily \$8.1M of improvements at Emerald & Cromwell and offset by \$4.9M of depreciation expense. Major changes during the year total \$3,623,276 as detailed below:

**CHATTANOOGA HOUSING AUTHORITY**  
**Statement of Capital Assets**  
**TABLE III**

<u>Account descriptions</u>	<u>2019</u>	<u>2018</u>	<u>Total change</u>	<u>% change</u>
Land	\$ 9,491,854	\$ 9,494,942	\$ (3,088)	-0.03%
Buildings	166,335,392	157,562,156	8,773,236	5.57%
Furniture & Equipment	1,943,759	2,060,793	(117,034)	-5.68%
Construction in Process	8,818,682	9,017,131	(198,449)	-2.20%
Accumulated Depreciation	<u>(125,029,139)</u>	<u>(120,197,750)</u>	<u>(4,831,389)</u>	<u>4.02%</u>
<b>Total capital assets</b>	<b><u>\$ 61,560,548</u></b>	<b><u>\$ 57,937,272</u></b>	<b><u>\$ 3,623,276</u></b>	<b><u>6.25%</u></b>

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

<b>Balance at January 1, 2019</b>	\$ 57,937,272
Current period additions - Capital grants	1,664,993
Current period additions - operations	46,775
Current period additions - debt proceeds	6,863,019
Current period dispositions - operations	(1,673)
Current period depreciation expense	<u>(4,949,838)</u>
<b>Balance at December 31, 2019</b>	<b><u>\$ 61,560,548</u></b>

#### Debt Administration

As of December 31, 2019, the CHA had \$35,021,440 of debt outstanding (including accrued interest) related to the operation of various federal and local programs. The following is a summary in the changes of total debt obligations for the year ended December 31, 2019:

Balance as of January 1, 2019	\$ 10,885,441
Debt issued - Cromwell/Emerald LLC	26,221,097
Debt payments	<u>(2,085,098)</u>
<b>Balance as of December 31, 2019</b>	<b><u>\$ 35,021,440</u></b>

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

### **Financial Analysis of CHA (Continued)**

#### **Economic Factors and Events Affecting Operations:**

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

- (1) The level of Federal funding for both the Low-Income Public Housing and the Housing Choice Voucher Programs continue to be at prorated levels that are significantly below formula eligibility amounts.
- (2) Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental revenue paid; unemployment continues to remain over 6%.
- (3) Fuel prices are expected to be volatile and continued inflationary pressures are expected to increase supplies and other costs.

#### **Financial Contact**

This financial report is designed to provide our residents and participants, the citizens of Chattanooga, Tennessee, all federal and state regulatory bodies and any creditors with a general overview of the CHA's finances. If you have any questions regarding these financial statements or supplemental information, you may contact Philippe T. Lindsay, CPA at 423.752.4153, at [plindsay@chahousing.org](mailto:plindsay@chahousing.org) or via mail at P.O. Box 1486, Chattanooga, TN 37401.

**Chattanooga Housing Authority**  
**Statement of Net Position**  
**December 31, 2019**

**Assets**

Current assets

Cash and cash equivalents, unrestricted	\$ 9,752,257
Cash and cash equivalents, restricted	29,989,921
Accounts receivable - HUD	257,913
Accounts receivable - miscellaneous	41
Accounts receivable - tenants, net	146,851
Accounts receivable - fraud recovery, net	67,070
Investments	89,824
Prepaid expenses	89,830

Total current assets	<u>40,393,707</u>
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Capital assets

Land	9,491,854
Buildings	166,335,392
Furniture and equipment	1,943,759
Construction in progress	8,818,682

	186,589,687
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Less: accumulated depreciation	<u>(125,029,139)</u>
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Capital assets, net	<u>61,560,548</u>
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Noncurrent assets

Notes receivable, net	29,172,936
Other assets	29,661

Total noncurrent assets	<u>29,202,597</u>
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Total assets	131,156,852
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**Deferred outflows of resources**

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Total assets and deferred outflows of resources	<u><u>\$ 131,156,852</u></u>
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See accompanying notes.

**Chattanooga Housing Authority**  
**Statement of Net Position (Continued)**  
**December 31, 2019**

**Liabilities**

Current liabilities

Current portion of long-term debt	\$ 1,024,334
Accounts payable	1,162,569
Accounts payable - other government	163,882
Accounts payable - HUD	55,940
Accrued wages/payroll taxes payable	245,748
Current portion of accrued compensated absences	120,618
Accrued interest payable	6,223
Tenant security deposits	249,773
Unearned revenue	120,973
Other current liabilities	<u>362,721</u>

Total current liabilities 3,512,781

Long-term liabilities

Long-term debt, net of current portion	33,997,106
Accrued compensated absences, net of current portion	361,096
Other noncurrent liabilities	<u>306,027</u>

Total noncurrent liabilities 34,664,229

Total liabilities 38,177,010

**Deferred inflows of resources**

Total liabilities and deferred inflows of resources 38,177,010

**Net position**

Net investment in capital assets	26,539,108
Restricted by program requirements	2,938,405
Unrestricted net position	<u>63,502,329</u>

Total net position \$ 92,979,842

See accompanying notes.

**Chattanooga Housing Authority**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year Ended December 31, 2019**

Operating revenues	
Tenant revenue, net of bad debts of \$207,412	\$ 5,756,431
HUD PHA operating grants	35,521,173
Other government grants	3,000
Other revenue	1,093,128
Fraud recovery	192,319
	<hr/>
Total operating revenues	42,566,051
Operating expenses	
Administrative	6,216,368
Asset management fee	7,129
Tenant services	794,137
Utilities	4,539,107
Protective services	515,740
Insurance expense	565,752
Maintenance	4,879,678
General expenses	564,540
Housing assistance payments	21,157,557
Depreciation and amortization	4,954,651
	<hr/>
Total operating expenses	44,194,659
Net operating loss	(1,628,608)
Nonoperating revenues (expenses)	
Interest income	122,527
Interest expense	(462,669)
Casualty loss	(27,672)
Gain on disposal of capital assets	173,850
	<hr/>
Total nonoperating expense, net	(193,964)
Net loss before capital contributions	(1,822,572)
Partner contributions	5,171,696
Capital contributions	
Capital fund grant	1,664,995
	<hr/>
Changes in net position	5,014,119
Net position, beginning of year	87,965,723
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Net position, end of year	<u><u>\$ 92,979,842</u></u>

See accompanying notes.

**Chattanooga Housing Authority**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

Operating activities	
Cash received from tenants	\$ 5,943,279
Cash received from HUD grants	35,483,393
Cash received from other governmental grants	3,000
Cash received from other sources	1,027,085
Cash payments to employees for services	(5,659,642)
Cash payments for the Housing Choice Voucher Program	(21,157,557)
Cash payments to other suppliers for goods and services	<u>(11,659,197)</u>
Net cash provided by operating activities	3,980,361
Investing activities	
Interest received	121,322
Partner capital contributions	5,171,696
Reinvestment of interest earned on investments	(2,376)
Notes receivable additions	<u>(12)</u>
Net cash provided by investing activities	5,290,630
Capital and related financing activities	
Capital grant receipts	1,664,995
Purchase of capital assets	(8,574,787)
Proceeds from disposal of capital assets	175,523
Proceeds from new debt	26,221,097
Principal paid on debt	(2,085,098)
Interest paid on debt	<u>(456,446)</u>
Net cash provided by capital and related financing activities	16,945,284
Non-capital financing activities	
Casualty loss	<u>(27,672)</u>
Cash used by non-capital financing activities	<u>(27,672)</u>
Net increase in cash	26,188,603
Cash - beginning of year	<u>13,553,575</u>
Cash - end of year	<u><u>\$ 39,742,178</u></u>
Cash and cash equivalents, unrestricted	\$ 9,752,257
Cash and cash equivalents, restricted	<u>29,989,921</u>
	<u><u>\$ 39,742,178</u></u>

See accompanying notes.

**Chattanooga Housing Authority**  
**Statement of Cash Flows (Continued)**  
**Year Ended December 31, 2019**

Operating activities	
Net operating loss	\$ (1,628,608)
Adjustments to reconcile net operating loss to net cash provided by operating activities	
Depreciation expense	4,949,838
Amortization expense	4,813
Bad debt expense	-
Decrease (increase) in	
Accounts receivable - HUD	2,370
Accounts receivable - miscellaneous	1,957
Accounts receivable - tenants	7,352
Accounts receivable - fraud recovery	(27,092)
Prepaid expenses	344,241
Increase (decrease) in	
Accounts payable	436,162
Accounts payable - other government	23,087
Accounts payable - HUD	(40,150)
Accrued wages and payroll taxes payable	(22,893)
Tenant security deposits	3,739
Unearned revenue	(57,470)
Other current liabilities	44,114
Accrued compensates absences	(65,569)
Other noncurrent liabilities	4,470
	<hr/>
Net cash provided by operating activities	<u><u>\$ 3,980,361</u></u>

See accompanying notes.

**Chattanooga Housing Authority  
Notes to Financial Statements  
Year Ended December 31, 2019**

**Note A - Nature of the Organization and Operations**

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

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

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

**Note B - Summary of Significant Accounting Policies**

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

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note B - Summary of Significant Accounting Policies (Continued)**

The following is a summary of the most significant policies:

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

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

*Public and Indian Housing* - The Authority currently receives operating subsidy funding for 14 projects consisting of 2,732 units of public housing under an Annual Contributions Contract ("ACC") with HUD. The program offers income based rental assistance (subsidy) for elderly, disabled and single families who qualify under the low-income guidelines. Revenues for the projects consist of rents and other fees collected from tenants and an operating subsidy received from HUD. Typically, residents pay 30% of their adjusted gross income in rents. The Authority's subsidy is received under an Annual Contributions Contract to offset the cost of operating the units. HUD also provides funds to maintain and improve the public housing projects under the *Public Housing Capital Fund* Program. Substantially all additions and improvements to land, structures and equipment of public housing are accomplished through these capital grant funds.

*Section 8 Housing Choice Vouchers* - The Authority provides rental assistance payments to approximately 3,638 households who live in private rental housing. Funded by HUD pursuant to Section 8 of the U.S. Housing Act, this program allows participating families and individuals to choose their own housing with the use of a housing voucher. Generally, the participant pays between 30% and 40% of their monthly income towards rent and utilities and the Authority pays the remainder. The Authority targets this program to the elderly, disabled households and families that are homeless or at the risk of homelessness.

2. Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
3. Cash Equivalents: The Authority considers all short-term investments with an original maturity of 90 days or less to be cash equivalents.

Cash and cash equivalents (unrestricted and restricted) were comprised of the following at December 31, 2019:

Checking accounts	\$ 33,125,751
Saving accounts/money market	6,612,877
Petty cash	3,550
	<hr/>
	\$ 39,742,178
	<hr/>

**Chattanooga Housing Authority  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2019**

**Note B - Summary of Significant Accounting Policies (Continued)**

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

The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable, which is based on historical experience, coupled with a review of the current status of existing receivables. The allowance for doubtful accounts was \$24,084 for accounts receivable - tenants and \$1,424,744 for accounts receivable fraud recovery at December 31, 2019. Management believes all other accounts receivable as of December 31, 2019, were collectible and no additional allowance was considered necessary.

5. Prepaid Expenses: Payments made to vendors for goods or services that will benefit periods beyond December 31, 2019, are recorded as prepaid expenses.
6. Inter-program Receivables and Payables: Inter-program receivables and payables are all current and are the result of the use of the Public and Indian Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically and all inter-program balances net to zero. These inter-program receivables and payables have been eliminated in the preparation of the financial statements.
7. Investments: Investments are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD and State of Tennessee statutes. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority or by the Authority's agent in the Authority's name. It is the Authority's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Tennessee. Additionally, the Authority considers its investment and deposit policies to be in accordance with the State of Tennessee's legal provisions related to the deposits as required by the *Codification of Governmental Accounting and Financial Reporting Standards*, Section C20.103.
8. Inventories: The Authority maintains no inventory of expendable items. All supplies are expensed when purchased. Supplies on hand are minimal. The Authority's administration believes that the benefits of maintaining an inventory would be less in value than the cost of maintaining such a system.
9. Capital Assets: All purchased capital assets are recorded at cost when historical records are available. When no historical records are available, capital assets are recorded at estimated historical cost. Donated capital assets are recorded at their fair value at the time they are received. Donor imposed restrictions are deemed to expire as the asset depreciates. Land values were derived from development closeout documentation.

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

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

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note B - Summary of Significant Accounting Policies (Continued)**

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

Under the provisions of GASB No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, long-lived assets are to be reviewed for impairment. If the sum of the expected future cash flows is less than the carrying value amount of the asset, an impairment loss should be recognized. No such impairment loss was incurred during the year ended December 31, 2019.

10. Derivatives and Hedging Activities: The Authority recognizes all derivatives on the Statement of Net Position at fair value and includes such items in other noncurrent liabilities. Derivatives that are not hedges must be adjusted to fair value through income. The Authority holds derivative financial instruments for the purpose of limiting its exposure to interest rate fluctuations through the use of interest rate swaps. Net amounts paid or received under interest rate swap arrangements are reflected as adjustments to interest income. Derivatives are held only for the purpose of hedging or limiting such risks, not for speculation. See Note H for additional information.
11. Compensated Absences: The Authority's employees earn sick and vacation leave. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Upon termination of employment, the Authority's employees do not receive any payment for their accrued but unused bank of sick leave; therefore, no amount has been accrued in the financial statements for sick leave. However, vacation leave is recorded as an expense and related liability in the period earned by employees. Vacation leave accrued but not yet paid as of December 31, 2019, is shown as a liability allocated between current and noncurrent as indicated in the Statement of Net Position.
12. Litigation Losses: The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurs but not before the loss is probable and reasonably estimable.
13. Restricted Assets: Certain assets may be classified as restricted assets on the Statement of Net Position, because their use is restricted by contracts or agreements with outside third parties and lending institutions. Net position is reported as restricted when constraints placed on net position use are either: externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, imposed by law through constitutional provisions or enabling legislation.
14. Operating Revenues and Expenses: Operating revenues and expenses consist of revenues earned and expenses incurred as a result of the principal operations of the Authority. Operating revenue results from exchange transactions associated with providing housing and related services, and federal operating subsidies and housing assistance payments that are directly related to the Authority's mission. Nonoperating revenue includes capital and noncapital federal grants, interest revenue, and other revenues not meeting the definition of operating. Operating expenses consist of all expenses incurred to provide housing services.
15. Annual Contribution Contracts: Annual Contribution Contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.
16. Application of Restricted Resources: The Authority will first apply restricted resources when an expense incurred for purposes for which both restricted and unrestricted net position is available.

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note B - Summary of Significant Accounting Policies (Continued)**

17. Subsequent Events: Subsequent events for the Authority have been considered through the date of the Independent Auditor's Report, which represents the date that the financial statements were available to be issued.
18. Tenant Accounts Receivable Net of Bad Debt Expenses: The State of Tennessee Comptroller's Office requires that in accordance with the Governmental Accounting Standards Boards Statement No. 34, revenues in proprietary funds should be reported as net of all related allowances, which include amounts pertaining to uncollectible accounts. Therefore, the increase and decrease in the estimate of uncollectible accounts should be reported net of revenue instead of bad debt expense. The Authority's bad debt expense charged against revenue was \$207,412 for the year ended December 31, 2019.
19. Capital Contributions: Capital contributions represent amounts that investor members are required to make in certain entities (See Note U). The partner capital contributions totaled \$5,171,696 for the year ended December 31, 2019. Partner capital accounts (excluding the Authority's) represent approximately 99.99% (as required by the operating agreement) of the equity of Greenwood Terrace, Emerald Villages and Cromwell Hills.

**Note C - Deposits, Investments and Fair Value**

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

The Authority's unrestricted and restricted cash and cash equivalents consist of cash held in both interest and non-interest-bearing checking accounts totaling \$39,742,178.

Investments are carried at fair value. The financial statements reflect the accounting standard related to fair value measurements, which provides a comprehensive framework for measuring fair value and expands required disclosures concerning fair value measurements. Specifically, the standard sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs.

The standard defines levels with the hierarchy of inputs as follows:

- Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Quoted prices for similar assets and liabilities in active markets (other than those included in Level 1) which are observable for the asset or liability, either directly or indirectly.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Fair values of financial assets measured on a recurring basis at December 31, 2019 are as follows:

<u>December 31, 2019</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury	<u>\$ 89,824</u>	<u>\$ 89,824</u>	<u>\$ -</u>	<u>\$ -</u>

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note C - Deposits, Investments and Fair Value (Continued)**

The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments. The Authority's investment in U.S. Treasuries are considered Level 1 as they are traded in an active market.

- *Interest Rate Risk:* The Authority's policy does not address interest rate risk.
- *Credit Risk:* The Authority's investments consist of U.S. Treasury obligations, which are not considered to have any credit rate risk; however, the Authority's policy does not address credit rate risk.
- *Custodial Credit Risk:* The custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be recovered. At December 31, 2019, all of the Authority's deposits were either covered by FDIC insurance up to \$250,000 or adequately collateralized with SunTrust Bank and First Tennessee Bank, both of which participate in the State of Tennessee Collateral Pool for Public Deposits for interest-bearing and money-market accounts. Investments are backed by the full faith and credit of the United States government.

**Note D - Prepaid Expenses**

Prepaid expenses at December 31, 2019, consisted of \$89,830 in prepaid insurance premiums.

**Note E - Notes Receivable**

Notes receivable consist of the following as of December 31, 2019:

McCallie Homes Housing Partnership, LLC (net of allowance of \$146,641)	\$ 4,933,447
Alton Park Housing Partnership, LLC (net of allowance of \$189,034)	8,185,382
The Villages of Alton Park, Inc. (net of allowance of \$3,067,885)	-
The Villages Housing Partnership, LLC (net of allowance of \$23,000)	6,336,100
Johnson Terrace, LLC (The Oaks at Camden) (no allowance)	3,376,578
Steiner Redevelopment, LLC (Maple Hills) (no allowance)	<u>6,341,429</u>
	<u><u>\$ 29,172,936</u></u>

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note E - Notes Receivable (Continued)**

On August 26, 2003, the Authority entered into various loan agreements with McCallie Homes Housing Partnership, LLC totaling \$5,540,088, as evidenced by notes receivable, for the construction of low-income dwellings in association with the HOPE VI Program and secured by deeds of trust. The terms of the notes are generally between thirty-five (35) and forty-five (45) years from the date of the note. An allowance of \$146,641 has been provided for the uncollectible principal portion of the notes receivable. Certain notes bear 0% interest; however, one loan for \$3,433,447 bears interest at the long-term Applicable Federal Rate in effect at the date of the note (4.95%). Interest earned during the year ended December 31, 2019 was \$293,933. However, an allowance totaling \$3,259,262 has been provided for the cumulative interest earned on this interest-bearing note. No payments of principal or interest are due until the payment date. The total outstanding balance on the notes, net of allowance, as of December 31, 2019, was \$4,933,447.

On December 16, 2003, the Authority entered into various loan agreements with Alton Park Housing Partnership, LLC totaling \$8,918,685 as evidenced by notes receivable, for the construction of low-income dwelling in association with the HOPE VI Program and secured by deeds of trust. The terms of the notes are generally between forty-nine (49) and fifty (50) years from the date of the note. An allowance of \$189,034 has been provided for the uncollectible principal portion of the notes receivable. Certain notes bear 0% interest; however, one loan for \$3,954,363 bears interest at the long-term Applicable Federal Rate in effect at the date of the note (4.43%). Interest earned during the year ended December 31, 2019 was \$271,831. However, an allowance totaling \$2,993,132 has been provided for the cumulative interest earned on this interest-bearing note. No payments of principal or interest are due until the payment date. The total outstanding balance on the notes, net of allowance, as of December 31, 2019, was \$8,185,382.

On October 26, 2004, the Authority entered into a loan agreement with The Villages at Alton Park, Inc., totaling \$3,067,885, as evidenced by a note receivable, for the construction of low-income homeownership dwellings in association with the HOPE VI Program and secured by a deed of trust. The term of the note is variable, tied to the termination/expiration date of the ground lease. The note bears 0% interest. No payment of principal is due until the payment date which is forty-nine (49) years from the date of the note. Management determined in a prior year to establish an allowance for the full loan amount and therefore, the total outstanding balance on the notes, net of allowance, as of December 31, 2019, was \$0.

On May 12, 2005, the Authority entered into various loan agreements with The Villages Housing Partnership, LLC totaling \$6,359,100, as evidenced by notes receivable, for the construction of low-income dwellings in association with the HOPE VI Program and secured by deeds of trust. The terms of the notes are generally between forty-five (45) and fifty (50) years from the date of the note. An allowance of \$23,000 has been provided for the uncollectible principal portion of the notes receivable. The notes bear 0% interest; however, one loan for \$3,111,100 bears interest at the long-term Applicable Federal Rate, compounded annually, in effect at the date of the note (4.56%). Interest earned during the year ended December 31, 2019 was \$220,776. However, an allowance totaling \$2,715,576 has been provided for the cumulative interest earned on this interest-bearing note. No payments of principal or interest are due until the payment date. The total outstanding balance on the notes as of December 31, 2019, was \$6,336,100.

On June 6, 2007, the Authority entered into two loan agreements with Johnson Terrace LLC (The Oaks at Camden) totaling \$3,376,578, as evidenced by notes receivable, for the construction of low-income dwellings and secured by deeds of trust. The terms of the notes are between forty (40) and forty-three (43) years from the date of the note. One note bears 0% interest; however, the other loan for \$943,144 bears interest at the long-term Applicable Federal Rate in effect at the date of the note (4.94%). Interest earned during the year ended December 31, 2019 was \$79,295. However, an allowance totaling \$741,305 has been provided for the cumulative interest earned on this interest-bearing note. No payments of principal or interest are due until the maturity date. The total outstanding balance on the notes as of December 31, 2019, was \$3,376,578.

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note E - Notes Receivable (Continued)**

On August 30, 2011, the Authority entered into four loan agreements with Steiner Redevelopment LLC (Maple Hills) totaling up to \$6,346,668, as evidenced by notes receivable, for the construction of low-income dwellings and secured by deeds of trust. The terms of the notes are for thirty-five (35) years from the date of the note. These notes bear 0% interest. No payments were received on these loans during the year ended December 31, 2019. The total outstanding balance on the notes as of December 31, 2019, was \$6,341,429.

Management has provided an allowance for the uncollectible principal value of all notes receivable totaling \$3,426,560, a breakdown of which is shown on the previous page. Additionally, management has provided an allowance for the accrued interest on the various interest-bearing notes totaling \$9,709,275. Management evaluates annually the collectability of all note balances, including reviewing the value of the properties versus the face value of the notes receivable.

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

**Note F - Capital Assets**

A summary of the changes in capital assets for the year ended December 31, 2019 is as follows:

	Balance 1/1/2019	Additions	Disposals	Transfers	Balance 12/31/19
Land	\$ 9,494,942	\$ -	\$ (3,088)	\$ -	\$ 9,491,854
Buildings	157,562,156	6,909,794	-	1,863,442	166,335,392
Furniture, equipment and machinery	2,060,793	-	(117,034)		1,943,759
Construction in progress	9,017,131	1,664,993	-	(1,863,442)	8,818,682
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets	178,135,022	8,574,787	(120,122)	-	186,589,687
Accumulated depreciation	<hr/> (120,197,750)	<hr/> (4,949,838)	<hr/> 118,449	<hr/> -	<hr/> (125,029,139)
Net capital assets	<hr/> <u>\$ 57,937,272</u>	<hr/> <u>\$ 3,624,949</u>	<hr/> <u>\$ (1,673)</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 61,560,548</u>

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note G - Other Long-term Liabilities Other than Debt**

The activities of compensated absences and other noncurrent liabilities consisted of the following at December 31, 2019:

	Balance at 1/1/2019	Additions	Adjustments/ payments	Balance at 12/31/2019	Current portion
Compensated absences	<u>\$ 547,283</u>	<u>\$ 84,171</u>	<u>\$ (149,740)</u>	<u>\$ 481,714</u>	<u>\$ 120,618</u>
FSS escrow deposit	\$ 154,802	\$ 123,355	\$ (111,659)	\$ 166,498	67,297
Liability of deficit swap position (Holtzclaw Development, LLC)	<u>208,031</u>	<u>-</u>	<u>(1,205)</u>	<u>206,826</u>	<u>-</u>
Total	<u>\$ 362,833</u>	<u>\$ 123,355</u>	<u>\$ (112,864)</u>	<u>\$ 373,324</u>	<u>\$ 67,297</u>

**Note H - Notes Payable**

As of December 31, 2019, the Authority had \$35,021,440 of debt outstanding related to various projects and programs. These debts are the obligations associated with the following:

Bank of America Leasing - Public Housing	\$ 7,281,343
First Tennessee - Holtzclaw Development, LLC	1,519,000
SunTrust Bank - Cromwell Development I, LLC	1,969,277
U.S. Bank National Association - Cromwell Development I, LLC	15,207,530
Bank OZK - Emerald Villages, LLC	1,580,137
U.S. Bank National Association - Emerald Villages, LLC	<u>7,464,153</u>
Total debt outstanding at December 31, 2019	<u>\$ 35,021,440</u>
Current portion	\$ 1,024,334
Long-term portion	<u>33,997,106</u>
	<u>\$ 35,021,440</u>

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note H - Notes Payable (Continued)**

**Bank of America Leasing (Public Housing)**

On August 21, 2019, the Authority entered into a capitalized lease with Bank of America Leasing to refinance the outstanding Energy Performance Contracting loan. The loan was for \$7,648,298 with an interest rate of 3.72%. At December 31, 2019, combined monthly payments including interest totaled \$113,038. Combined monthly payments vary each calendar year and range from \$90,464 to \$108,019 through December 2026 (maturity date) and are secured by pledged revenues. Retirements during the year totaled \$1,902,698, which includes \$1,535,743 made on the retired debt, and interest expense during the year was \$334,596. The outstanding balance at December 31, 2019, is \$7,281,343.

Future payments consist of:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 828,734	\$ 256,831	\$ 1,085,565
2021	893,224	224,910	1,118,134
2022	961,148	190,531	1,151,679
2023	1,032,663	153,567	1,186,230
2024	1,107,942	113,875	1,221,817
Thereafter	<u>2,457,632</u>	<u>97,063</u>	<u>2,554,695</u>
	<u>\$ 7,281,343</u>	<u>\$ 1,036,777</u>	<u>\$ 8,318,120</u>

**First Tennessee Bank (Holtzclaw Development, LLC)**

On April 28, 2006, Holtzclaw Development, LLC, a blended component unit, entered into a promissory note with First Tennessee Bank for \$3,100,000. The note bears interest at a variable rate of the 30-day LIBOR rate plus 1.25% (interest rate was 2.96% at December 31, 2019) with monthly principal payments of \$6,600 commencing in January 2007 and increasing to \$27,000 upon maturity in April 2026 (monthly principal payments were \$16,300 at December 31, 2019). The note is secured by a construction mortgage deed of trust and the assignment of rents and leases. Interest expense during the year was \$58,664. The outstanding balance at December 31, 2019, is \$1,519,000.

Holtzclaw Development, LLC, has entered into an interest rate swap agreement with an original notional amount of \$3,027,400 that limits the variable interest cash flow exposure on the loan for a period of around twenty years from the date issued, April 28, 2006. Under the interest rate swap agreement, Holtzclaw Development, LLC pays or receives on a monthly basis an amount based on the notional amount, \$1,501,200 at December 31, 2019, multiplied by the positive or negative difference, respectively, of .34%. As of December 31, 2019, the fair value of the interest rate swap obligation was a liability of \$206,826, a decrease of \$1,205 during the year. Since the swap used LIBOR as the basis to calculate the receive-variable rate, Holtzclaw Development, LLC is exposed to interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the interest rate swap. The fair value of the swap will generally decline with a decrease in interest rates and increase when interest rates increase. These changes in valuation do not affect Holtzclaw Development, LLC's cash flow. The Authority's interest rate swap was based on Level 2 (See Note C) techniques summarizing observed inputs for underlying interest rates and market-determined risk premiums from third parties or similar arrangements.

**Chattanooga Housing Authority  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2019**

**Note H - Notes Payable (Continued)**

**First Tennessee Bank (Holtzclaw Development, LLC) (Continued)**

Future principal payments consist of:

	<u>Principal</u>
2020	\$ 195,600
2021	210,000
2022	225,600
2023	241,200
2024	259,200
Thereafter	<u>387,400</u>
	<u>\$ 1,519,000</u>

**SunTrust Bank (Cromwell Development I, LLC)**

On December 5, 2019, Cromwell Development I, LLC ("Cromwell"), a blended component unit, entered into a construction mortgage with SunTrust Bank in the maximum amount of \$14,928,000 to finance improvements for a 200-unit low income housing complex. The loan bears interest at a rate of LIBOR plus 2.5% and is secured by the property. Interest only payments are due monthly and all outstanding principal is due and payable at maturity, December 1, 2021, subject to an additional six-month extension option. Cromwell has a permanent loan commitment from SunTrust that would enable Cromwell to convert the construction loan to a permanent mortgage that will require monthly principal and interest payments with a fixed rate of 3.71% and a maturity date of December 1, 2037. During the year ended December 31, 2019, \$6,223 of interest was incurred and is included in construction in progress. As of December 31, 2019, the outstanding principal and accrued interest of the construction loan was \$1,969,277 and \$6,223, respectively.

**U.S. National Bank Association (Cromwell Development I, LLC)**

On December 5, 2019, the Authority issued Series 2019A tax exempt bonds totaling \$14,928,000 to provide funding to Cromwell to enable Cromwell to pay a portion of the cost of acquiring, constructing and rehabilitating low and moderate income multifamily rental housing. The bond proceeds were provided to Cromwell through a bond loan note agreement between the Authority and Cromwell on December 5, 2019 in the maximum amount of \$14,928,000. The bond loan note was assigned to the bond trustee, U.S. Bank National Association, at the closing date of the bonds. The bonds and interest are limited obligations of the Authority. The bond loan note is collateralized by bond reserves. The note shall bear interest at a rate of 2.41%. Payments of interest are due monthly. No payments of principal are due until the termination date of December 1, 2021. The termination date may be extended for up to two additional 6-month periods. All outstanding principal and interest shall be due on the termination date. As of December 31, 2019, the outstanding principal is \$14,928,000. The bonds were issued at a premium, which is being amortized over the life of the loan. The unamortized premium as of December 31, 2019 is \$279,530.

**Chattanooga Housing Authority  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2019**

**Note H - Notes Payable (Continued)**

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

On December 5, 2019, Cromwell entered into a construction mortgage with the Authority in the maximum amount of \$1,522,000, financed with Series 2019B tax-exempt bonds. Effective December 5, 2019, the Authority sold the loan receivable to STI Institutional & Government, Inc. The mortgage is secured by the property and an assignment of lease and rents. The loan bears interest at a rate of LIBOR + 2.5%. Interest-only payments are due monthly and all outstanding principal shall be due at maturity, which is December 1, 2021, subject to an additional six-month extension option. As of December 31, 2019, no amounts have been drawn on the loan.

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

On December 1, 2019, the Authority issued Series 2019A tax exempt bonds totaling \$7,272,000 to provide funding to Emerald Villages to enable Emerald Villages to pay a portion of the cost of acquiring, constructing and rehabilitating low and moderate income multifamily rental housing. The bond proceeds were provided to Emerald Villages through a bond loan note agreement between the Authority and Emerald Villages on December 1, 2019 in the maximum amount of \$7,272,000. The bond loan note was assigned to the bond trustee, U.S. Bank National Association, at the closing date of the bonds. The bonds and interest are limited obligations of the Authority. The bond loan note is collateralized by bond reserves. The note shall bear interest at a rate of 2.63%. Payments of interest are due monthly. No payments of principal are due until the termination date of January 1, 2022. The termination date may be extended for up to two additional 6-month periods. All outstanding principal and interest shall be due on the termination date. As of December 31, 2019, the outstanding principal is \$7,272,000. The bonds were issued at a premium, which is being amortized over the life of the loan. The unamortized premium as of December 31, 2019 is \$192,153.

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

On December 27, 2019, Emerald Villages entered into a promissory note with the Authority in the maximum amount of \$2,222,000, financed with Series 2019B tax-exempt bonds. Effective December 27, 2019, the Authority assigned the loan receivable to U.S. Bank National Association. The mortgage is secured by the property and an assignment of lease and rents. The loan bears interest at a rate of LIBOR + 2.3%. Interest-only payments are due monthly and all outstanding principal shall be due at maturity, which is December 1, 2021, subject to an additional six-month extension option. As of December 31, 2019, no amounts have been drawn on the loan.

**Bank OZK (Emerald Villages, LLC)**

On December 27, 2019, Emerald Villages, LLC ("Emerald Villages"), a blended component unit, entered into a construction loan agreement with Bank OZK in the maximum amount of \$7,272,000. The loan bears interest at a rate of LIBOR plus 3.0% (4.78% at December 31, 2019). Interest only payments are due monthly and all outstanding principal is due and payable at maturity, January 1, 2022, subject to two additional six-month extension options and is secured by the property. Emerald Villages has a permanent loan commitment from Truist Bank that would enable Emerald Villages to convert the construction loan to a permanent mortgage that will require monthly principal and interest payments with a fixed rate of 3.93% and a maturity date of January 1, 2028. As of December 31, 2019, the outstanding principal and accrued interest of the construction loan was \$1,580,137 and \$0, respectively.

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note H - Notes Payable (Continued)**

Below is a summary of the changes in Notes Payable of the primary government for the year ended December 31, 2019:

	Bank of America	First Tennessee	SunTrust - Cromwell LLC	U.S. Bank National Association - Cromwell LLC	Bank OZK - Emerald Villages, LLC	U.S. Bank National Association - Emerald Villages, LLC	Total
Beginning balances	\$ 9,184,041	\$ 1,701,400	\$ -	\$ -	\$ -	\$ -	\$ 10,885,441
Debt issued			1,969,277	15,207,530	1,580,137	7,464,153	26,221,097
Principal payments	(1,902,698)	(182,400)	-	-	-	-	(2,085,098)
Ending balance	<u>\$ 7,281,343</u>	<u>\$ 1,519,000</u>	<u>\$ 1,969,277</u>	<u>\$ 15,207,530</u>	<u>\$ 1,580,137</u>	<u>\$ 7,464,153</u>	<u>\$ 35,021,440</u>

**Note I - Inter-program Eliminations**

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

Inter-program notes	\$ 19,025,382
Right of use assets/deferred ground lease liability, net	<u>14,801,778</u>
Statement of net position totals	<u>\$ 33,827,160</u>
Operating subsidy	\$ 443,347
Management fees	2,261,843
Bookkeeping fees	472,039
Asset management fees	171,120
Front-line fees	848,224
Investment income/expense	243,423
Rental income/expense	<u>468,191</u>
Statement of revenue, expense and changes in net position totals	<u>\$ 4,908,187</u>

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note J - Pension Plan Obligations**

The Authority sponsors a defined contribution plan for all employees having at least six months of service. Participants do not contribute to the Plan and become fully vested in employer contributions and investments earnings after five years of participation in the Plan. Total employer contributions to the Plan during the year were \$288,361. Total payroll during the year was \$6,630,699. Forfeited amounts can be used for administrative fees or disbursed by percentage to remaining employees.

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

Assets in the Plan are recorded at market value but are administered by a private corporation under contract with the Authority. The Authority has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. Additional details on the plan can be obtained from USI Consulting Group, Karlo Rodriguez, 900 South Gay Street, Suite 1796, Knoxville, TN 37902, 865-523-8353.

**Note K - Restricted Cash**

Restricted cash was comprised of the following as of December 31, 2019:

Unexpended sales proceeds and developer fees reserved for future development	\$ 3,176,021
Replacement and operating deficit reserves - Greenwood Terrace	1,040,130
Restricted for HUD payable	242,535
Cromwell and Emerald Villages bond reserve	24,891,059
Tenant security deposits	249,773
FSS participant escrow balances	166,498
Housing Choice Voucher HAP net position	<u>223,905</u>
	<u>\$ 29,989,921</u>

**Note L - Contingencies**

The Authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the Authority to federal grantors and/or program beneficiaries. There were no examinations for the year ended December 31, 2019, that resulted in repayments required by the Authority.

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

**Chattanooga Housing Authority  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2019**

**Note M - Leasing Activities (as Lessor)**

The Authority is the lessor of dwelling units mainly to low-income residents. 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. The Authority may cancel the lease only for cause.

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

During June 2013, the Authority entered into a contract with Mental Health Cooperative, Inc. to lease approximately 7,857 sq. ft. in the main building at 801 N. Holtzclaw Ave. The initial lease term expired in 2018 but was extended for an additional 3 years through May 31, 2021. The terms of the extended lease require a base monthly rent of \$7,216 in year one. Rent increases to \$7,361 per month in the second year and \$7,508 in the third year of the lease. Total rental income for the 3 year term is \$265,014.

**Note N - Annual Contributions by Federal Agencies**

Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. HUD operating subsidy contributions for the year ended December 31, 2019, were \$11,059,422.

The Section 8 Housing Choice Voucher program provides for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments with respect to existing and moderately rehabilitated housing covering the difference between the maximum rental on a dwelling unit, the amount of rent contribution by a participating family and related administrative expense. The Authority is also eligible to receive reimbursement of preliminary expenses prior to lease up. HUD Section 8 Housing Choice Voucher program contributions for the year ended December 31, 2019, were \$23,563,774.

**Note O - Economic Dependency**

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

The Authority received approximately 84% of its operating and capital fund grant revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operating reserves could be adversely affected.

**Note P - Risk Management**

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

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note P - Risk Management (Continued)**

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

**Note Q - Supplementary Information**

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

**Note R - Income Taxes**

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

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

**Note S - Subsequent Events**

In March 2020, the World Health Organization declared the global novel coronavirus disease 2019 ("COVID-19") outbreak a pandemic. Further, the United States Centers for Disease Control and Prevention confirmed the spread of the disease throughout the United States. As of the date the financial statements to be issued, the Authority's operations have not been significantly impacted by the COVID-19 outbreak. However, it is likely the Authority's operations will be adversely affected as a result of COVID-19, but the impact is not known at this point as the scale and severity of the outbreak, and resulting economic impact, is still largely unknown.

**Note T - Recent Accounting Pronouncements**

In May 2020, the GASB issued *Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance*. The provisions of this Statement are effective immediately. This Statement provides temporary relief to governments in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of LIBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged.

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note T - Recent Accounting Pronouncements (Continued)**

The implementation of this standard has been delayed one year by the provisions of GASB Statement No. 95.

In June 2018, the GASB issued *Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period*. The provisions of this Statement are effective for fiscal years beginning after December 15, 2019. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The implementation of this standard has been delayed one year by the provisions of GASB Statement No. 95.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The provisions of this statement are effective for fiscal years beginning after June 15, 2018.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The implementation of this standard has been delayed one year by the provisions of GASB Statement No. 95.

In June 2017, the GASB issued *Statement No. 87, Leases*. The provisions of this Statement are effective for fiscal years beginning after December 15, 2019. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The implementation of this standard has been delayed by eighteen months by the provisions of GASB Statement No. 95.

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note U - Condensed Financial Statements**

**Chattanooga Housing Authority**  
**Statement of Net Position**  
**December 31, 2019**

	Chattanooga Housing Authority	Greenwood Terrace, LLC	Holtzclaw Development LLC	Emerald Villages	Cromwell Hills	Eliminations	Total
<b>Assets</b>							
Current assets	\$ 13,851,408	\$ 1,158,768	\$ 377,731	\$ 8,625,697	\$ 16,380,103	\$ -	\$ 40,393,707
Capital assets, net	49,722,000	4,105,067	702,532	8,099,587	13,733,140	(14,801,778)	61,560,548
Noncurrent assets	48,198,322	29,657	-	-	-	(19,025,382)	29,202,597
<b>Total assets</b>	<b>111,771,730</b>	<b>5,293,492</b>	<b>1,080,263</b>	<b>16,725,284</b>	<b>30,113,243</b>	<b>(33,827,160)</b>	<b>131,156,852</b>
<b>Deferred outflows of resources</b>							
<b>Total assets and deferred outflows of resources</b>	<b>111,771,730</b>	<b>5,293,492</b>	<b>1,080,263</b>	<b>16,725,284</b>	<b>30,113,243</b>	<b>(33,827,160)</b>	<b>131,156,852</b>
<b>Liabilities</b>							
Current liabilities	17,352,558	2,310,966	244,912	1,507,033	1,763,219	(19,665,907)	3,512,781
Noncurrent liabilities	6,669,298	1,937,366	1,768,865	13,173,146	25,276,807	(14,161,253)	34,664,229
<b>Total liabilities</b>	<b>24,021,856</b>	<b>4,248,332</b>	<b>2,013,777</b>	<b>14,680,179</b>	<b>27,040,026</b>	<b>(33,827,160)</b>	<b>38,177,010</b>
<b>Deferred inflows of resources</b>							
<b>Total liabilities and deferred inflows of resources</b>	<b>24,021,856</b>	<b>4,248,332</b>	<b>2,013,777</b>	<b>14,680,179</b>	<b>27,040,026</b>	<b>(33,827,160)</b>	<b>38,177,010</b>
<b>Net position</b>							
Net investment in capital assets	34,335,979	2,168,814	(816,468)	2,394,450	(11,543,667)	-	26,539,108
Restricted by program requirements	2,938,405	-	-	-	-	-	2,938,405
Unrestricted net position (deficit)	50,475,490	(1,123,654)	(117,046)	(349,345)	14,616,884	-	63,502,329
<b>Total net position</b>	<b>\$ 87,749,874</b>	<b>\$ 1,045,160</b>	<b>\$ (933,514)</b>	<b>\$ 2,045,105</b>	<b>\$ 3,073,217</b>	<b>\$ -</b>	<b>\$ 92,979,842</b>

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note U - Condensed Financial Statements (Continued)**

**Chattanooga Housing Authority**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year Ended December 31, 2019**

	Chattanooga Housing Authority	Greenwood Terrace, LLC	Holtzclaw Development LLC	Emerald Villages	Cromwell Hills	Eliminations	Total
<b>Operating revenues</b>							
Tenant revenue, net of bad debts of \$207,412	\$ 5,522,331	\$ 337,806	\$ 348,384	\$ -	\$ 16,101	\$ (468,191)	\$ 5,756,431
HUD PHA operating grants	35,521,173	385,594	-	-	57,753	(443,347)	35,521,173
Other government grants	3,000	-	-	-	-	-	3,000
Management fees	2,261,843	-	-	-	-	(2,261,843)	-
Asset management fees	171,120	-	-	-	-	(171,120)	-
Bookkeeping fee	472,039	-	-	-	-	(472,039)	-
Other fees	848,224	-	-	-	-	(848,224)	-
Other revenue	1,065,043	27,771	-	-	314	-	1,093,128
Fraud recovery	197,025	-	-	-	(4,706)	-	192,319
<b>Total operating revenues</b>	<b>46,061,798</b>	<b>751,171</b>	<b>348,384</b>	<b>-</b>	<b>69,462</b>	<b>(4,664,764)</b>	<b>42,566,051</b>
<b>Operating expenses</b>							
Administrative	9,567,654	202,363	4,312	(936)	34,170	(3,591,195)	6,216,368
Asset management fee	169,507	7,129	-	-	1,613	(171,120.00)	7,129
Tenant service	931,867	2,450	-	-	1,516	(141,696)	794,137
Utilities	4,290,996	234,301	-	-	13,810	-	4,539,107
Protective services	1,066,407	-	-	-	2,674	(553,341)	515,740
Insurance expense	522,551	41,099	-	-	2,102	-	565,752
Maintenance	4,783,540	69,622	-	-	26,516	-	4,879,678
General expense	840,136	15,276	-	(84,993)	1,533	(207,412)	564,540
Housing assistance payments	21,157,557	-	-	-	-	-	21,157,557
Depreciation and amortization	4,555,724	156,523	224,182	-	18,222	-	4,954,651
<b>Total operating expenses</b>	<b>47,885,939</b>	<b>728,763</b>	<b>228,494</b>	<b>(85,929)</b>	<b>102,156</b>	<b>(4,664,764)</b>	<b>44,194,659</b>
<b>Net operating (loss) income</b>	<b>(1,824,141)</b>	<b>22,408</b>	<b>119,890</b>	<b>85,929</b>	<b>(32,694)</b>	<b>-</b>	<b>(1,628,608)</b>
<b>Nonoperating revenues (expenses)</b>							
Interest income	349,797	14,948	1,205	-	-	(243,423)	122,527
Interest expense	(334,817)	(243,420)	(112,586)	(1,189)	(14,080)	243,423	(462,669)
Casualty loss	(27,672)	-	-	-	-	-	(27,672)
Gain on disposal of capital assets	173,850	-	-	-	-	-	173,850
<b>Total nonoperating expense, net</b>	<b>161,158</b>	<b>(228,472)</b>	<b>(111,381)</b>	<b>(1,189)</b>	<b>(14,080)</b>	<b>-</b>	<b>(193,964)</b>
<b>Net (loss) income before capital contributions</b>	<b>(1,662,983)</b>	<b>(206,064)</b>	<b>8,509</b>	<b>84,740</b>	<b>(46,774)</b>	<b>-</b>	<b>(1,822,572)</b>
<b>Partner contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,051,705</b>	<b>3,119,991</b>	<b>-</b>	<b>5,171,696</b>
<b>Capital contributions</b>							
Capital fund grant	1,664,995	-	-	-	-	-	1,664,995
<b>Changes in net position</b>	<b>2,012</b>	<b>(206,064)</b>	<b>8,509</b>	<b>2,136,445</b>	<b>3,073,217</b>	<b>-</b>	<b>5,014,119</b>
<b>Net position, beginning of year</b>	<b>87,000,101</b>	<b>1,907,645</b>	<b>(942,023)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,965,723</b>
<b>Prior period adjustment</b>	<b>747,761</b>	<b>(656,421)</b>	<b>-</b>	<b>(91,340)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position, end of year</b>	<b>\$ 87,749,874</b>	<b>\$ 1,045,160</b>	<b>\$ (933,514)</b>	<b>\$ 2,045,105</b>	<b>\$ 3,073,217</b>	<b>\$ -</b>	<b>\$ 92,979,842</b>

**Chattanooga Housing Authority**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2019**

**Note U - Condensed Financial Statements (Continued)**

**Chattanooga Housing Authority**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

	<u>Chattanooga Housing Authority</u>	<u>Greenwood Terrace, LLC</u>	<u>Holtzclaw Development LLC</u>	<u>Emerald Villages</u>	<u>Cromwell Hills</u>	<u>Total</u>
Net cash provided (used) by operating activities	\$ 3,642,451	\$ 176,164	\$ 209,406	\$ -	\$ (47,660)	\$ 3,980,361
Net cash provided by investing activities	24,478,204	-	-	-	(19,187,574)	5,290,630
Net cash used by capital and related financing activities	(5,237,267)	-	(182,400)	2,051,700	20,313,251	16,945,284
Net cash used by non-capital financing activities	<u>(27,672)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,672)</u>
Net increase (decrease) in cash	22,855,716	176,164	27,006	2,051,700	1,078,017	26,188,603
Operating cash and cash equivalents						
Cash - beginning of year	<u>12,297,594</u>	<u>905,256</u>	<u>350,725</u>	<u>-</u>	<u>-</u>	<u>13,553,575</u>
Cash - end of year	<u>\$ 35,153,310</u>	<u>\$ 1,081,420</u>	<u>\$ 377,731</u>	<u>\$ 2,051,700</u>	<u>\$ 1,078,017</u>	<u>\$ 39,742,178</u>

## **Supplementary Information**

**Chattanooga Housing Authority**  
**Statement and Certification of Actual Capital Fund Grant Costs**  
**Year Ended December 31, 2019**

Capital fund

TN37P004501-15

1.) Funds approved	\$ 3,219,749
Funds expended	<u>3,219,749</u>

Excess/deficiency of funds approved	<u><u>\$ -</u></u>
-------------------------------------	--------------------

Funds advanced	\$ 3,219,749
Funds expended	<u>3,219,749</u>

Excess/deficiency of funds advanced	<u><u>\$ -</u></u>
-------------------------------------	--------------------

- 2.) The costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval are in agreement with the Housing Authority's records.
- 3.) All Capital Fund Grant costs have been paid and all related liabilities have been discharged through
- 4.) The time in which such liens could be filed has expired.
- 5.) This statement is included in the FY2019 report to facilitate grant closeout by

**Chattanooga Housing Authority**  
**Schedule of Expenditures of Federal Awards - State of Tennessee Format**  
**Year Ended December 31, 2019**

<b>FEDERAL GRANTOR</b>	<b>CFDA number</b>	<b>Contract number</b>	<b>Beginning (accrued) deferred</b>	<b>Cash receipts</b>	<b>Expenditures</b>	<b>Ending (accrued) deferred</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						
<b>Public housing</b>						
Public & Indian Housing Program	14.850	N/A	\$ -	11,059,422	\$ 11,059,422	\$ -
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	(2,502)	61,164	69,350	(10,688)
Public Housing Capital Fund Program	14.872	N/A	(241,571)	2,314,363	2,315,568	(242,776)
Family Self-Sufficiency Program	14.896	N/A	(3,900)	138,935	139,484	(4,449)
<b>Section 8 programs</b>						
Housing Voucher Cluster						
Section 8 Housing Choice Voucher Program	14.871	N/A	(12,310)	23,348,108	23,335,798	-
Section 8 Mainstream Vouchers	14.879	N/A	42,492	185,484	227,976	-
<b>Section 8 project-based cluster</b>						
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	N/A	53,598	42,454	40,112	55,940
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<b>\$ (164,193)</b>	<b>\$ 37,149,930</b>	<b>\$ 37,187,710</b>	<b>\$ (201,973)</b>

Threshold for Type A/B

\$ 1,115,631

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

Accounts receivable - HUD	\$ (257,913)
Accounts payable - HUD	<u>55,940</u>
Ending (accrued) deferred balance on the Schedule of Expenditures of Federal Awards	<u>\$ (201,973)</u>

See independent auditor's report

**Chattanooga Housing Authority**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2019**

**Note A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note B - Indirect Cost Rate**

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

## **Other Reports**



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

To the Board of Commissioners  
Chattanooga Housing Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Chattanooga Housing Authority (the "Authority") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 24, 2020.

**Internal Control over Financial Reporting**

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

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



Lexington, Kentucky  
Jun 24, 2020

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

To the Board of Commissioners  
Chattanooga Housing Authority

### **Report on Compliance for Each Major Federal Program**

We have audited Chattanooga Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2019. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

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

**Opinion on Each Major Federal Program**

In our opinion, the Authority 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 December 31, 2019.

**Report on Internal Control over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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



Lexington, Kentucky  
June 24, 2020



**Chattanooga Housing Authority  
Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2019**

No prior year findings.

## Independent Accountant's Report on Applying Agreed-Upon Procedure

Board of Commissioners  
Chattanooga Housing Authority

We have performed the procedure enumerated in the second paragraph, which was agreed to by Chattanooga Housing Authority (the "Housing Authority") and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center ("REAC"), s on whether the electronic submission of certain information agrees with related hard copy documents. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure enumerated below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the chart attached under the "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the electronic submission of the items listed in the "UFRS Rule Information" column in the chart attached. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

We were engaged to perform an audit in accordance with 2 CFR 200 Subpart F, Audit Requirements, for the Housing Authority as of and for the year ended December 31, 2019 and have issued our reports thereon dated June 24, 2020. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority's Financial Data Schedule ("FDS") dated June 24, 2020, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

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**Independent Accountant's Report on Applying Agreed-Upon Procedure (Continued)**

A copy of the reporting package required by the Uniform Guidance, which includes the auditor's reports, is available in its entirety from the Chattanooga Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

*MCM CPAs & Advisors LLP*

Lexington, Kentucky

June 24, 2020

**Financial Data Schedule**

<b>PROCEDURE</b>	<b>UFRS RULE INFORMATION</b>	<b>HARD COPY DOCUMENT(S)</b>	<b>AGREES</b>	<b>DOES NOT AGREE</b>
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's	X	
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	X	
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	X	
4	Audit Findings Narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	X	
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	Uniform Guidance Data Collection Form	X	
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs, Part 1 and Uniform Guidance Data Collection Form	X	
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs, Part 1 and Uniform Guidance Data Collection Form	X	
8	Type of Compliance Requirement (G4200-020 & G4000-030)	Uniform Guidance Data Collection Form	X	
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.879 Mainstream Vouchers	2 State/Local	1 Business Activities	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$5,418,067			\$356,161	\$30,961	\$9,473	\$1,021	\$90,285	\$3,846,289	\$9,752,257		\$9,752,257
112 Cash - Restricted - Modernization and Development	\$2,527,905							\$26,312,312	\$200,000	\$29,040,217		\$29,040,217
113 Cash - Other Restricted	\$53,900			\$323,106	\$55,940	\$186,595	\$55,000	\$20,311		\$694,852		\$694,852
114 Cash - Tenant Security Deposits	\$220,136							\$25,864	\$8,852	\$254,852		\$254,852
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	\$8,220,008	\$0	\$0	\$679,267	\$86,901	\$196,068	\$56,021	\$26,448,772	\$4,055,141	\$39,742,178	\$0	\$39,742,178
121 Accounts Receivable - PHA Projects												
122 Accounts Receivable - HUD Other Projects	\$242,776	\$4,449	\$10,688							\$257,913		\$257,913
124 Accounts Receivable - Other Government												
125 Accounts Receivable - Miscellaneous				\$41						\$41		\$41
126 Accounts Receivable - Tenants	\$132,716							\$38,219		\$170,935		\$170,935
126.1 Allowance for Doubtful Accounts - Tenants	(\$21,360)							(\$2,724)		(\$24,084)		(\$24,084)
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0				\$0	(\$358,663)	(\$358,663)		(\$358,663)
127 Notes, Loans, & Mortgages Receivable - Current									\$358,663	\$358,663		\$358,663
128 Fraud Recovery	\$57,307			\$1,424,744				\$9,763		\$1,491,814		\$1,491,814
128.1 Allowance for Doubtful Accounts - Fraud	\$0			(\$1,424,744)				\$0		(\$1,424,744)		(\$1,424,744)
129 Accrued Interest Receivable												
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$411,439	\$4,449	\$10,688	\$41	\$0	\$0	\$0	\$45,258	\$0	\$471,875	\$0	\$471,875
131 Investments - Unrestricted							\$89,824			\$89,824		\$89,824
132 Investments - Restricted												
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets	\$4,283							\$75,000	\$10,547	\$89,830		\$89,830
143 Inventories												
143.1 Allowance for Obsolete Inventories												
144 Inter Program Due From									\$10,786	\$10,786	(\$10,786)	\$0
145 Assets Held for Sale												
150 Total Current Assets	\$8,635,730	\$4,449	\$10,688	\$679,308	\$86,901	\$196,068	\$145,845	\$26,569,030	\$4,076,474	\$40,404,493	(\$10,786)	\$40,393,707

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.879 Mainstream Vouchers	2 State/Local	1 Business Activities	COCC	Subtotal	ELIM	Total
161 Land	\$8,999,580							\$492,274		\$9,491,854		\$9,491,854
162 Buildings	\$128,131,579			\$5,000				\$52,698,310	\$302,281	\$181,137,170	(\$14,801,778)	\$166,335,392
163 Furniture, Equipment & Machinery - Dwellings	\$31,168									\$31,168		\$31,168
164 Furniture, Equipment & Machinery - Administration	\$1,102,742			\$8,204				\$408,229	\$393,416	\$1,912,591		\$1,912,591
165 Leasehold Improvements												
166 Accumulated Depreciation	(\$100,961,975)			(\$13,204)				(\$23,470,206)	(\$583,754)	(\$125,029,139)		(\$125,029,139)
167 Construction in Progress	\$8,818,682									\$8,818,682		\$8,818,682
168 Infrastructure												
160 Total Capital Assets, Net of Accumulated Depreciation	\$46,121,776	\$0	\$0	\$0	\$0	\$0	\$0	\$30,128,607	\$111,943	\$76,362,326	(\$14,801,778)	\$61,560,548
171 Notes, Loans and Mortgages Receivable - Non-Current	\$32,003,039							\$16,195,279		\$48,198,318	(\$19,025,382)	\$29,172,936
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due												
173 Grants Receivable - Non Current												
174 Other Assets								\$29,661		\$29,661		\$29,661
176 Investments in Joint Ventures												
180 Total Non-Current Assets	\$78,124,815	\$0	\$0	\$0	\$0	\$0	\$0	\$46,353,547	\$111,943	\$124,590,305	(\$33,827,160)	\$90,763,145
200 Deferred Outflow of Resources												
290 Total Assets and Deferred Outflow of Resources	\$86,760,545	\$4,449	\$10,688	\$679,308	\$86,901	\$196,068	\$145,845	\$72,922,577	\$4,188,417	\$164,994,798	(\$33,837,946)	\$131,156,852
311 Bank Overdraft												
312 Accounts Payable <= 90 Days	\$440,568			\$92,020				\$599,513	\$30,468	\$1,162,569		\$1,162,569
313 Accounts Payable >90 Days Past Due												
321 Accrued Wage/Payroll Taxes Payable	\$85,171	\$1,848	\$2,503	\$28,051			\$2,440	\$11,512	\$114,223	\$245,748		\$245,748
322 Accrued Compensated Absences - Current Portion	\$32,749			\$22,731			\$892	\$1,908	\$62,338	\$120,618		\$120,618
324 Accrued Contingency Liability												
325 Accrued Interest Payable								\$2,216,726		\$2,216,726	(\$2,210,503)	\$6,223
331 Accounts Payable - HUD PHA Programs					\$55,940					\$55,940		\$55,940
332 Account Payable - PHA Projects												
333 Accounts Payable - Other Government	\$163,882									\$163,882		\$163,882
341 Tenant Security Deposits	\$215,057							\$25,864	\$8,852	\$249,773		\$249,773
342 Unearned Revenue	\$59,965						\$55,000	\$14,826,009		\$14,940,974	(\$14,820,001)	\$120,973
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$828,734							\$195,600		\$1,024,334		\$1,024,334
344 Current Portion of Long-term Debt - Operating Borrowings	\$7,515									\$7,515		\$7,515
345 Other Current Liabilities	\$46,982							\$20,313		\$67,295		\$67,295
346 Accrued Liabilities - Other	\$245,605			\$17,864				\$2,648,913	\$10,932	\$2,923,314	(\$2,635,403)	\$287,911
347 Inter Program - Due To		\$2,601	\$8,185							\$10,786	(\$10,786)	\$0
348 Loan Liability - Current												
310 Total Current Liabilities	\$2,126,228	\$4,449	\$10,688	\$160,666	\$55,940	\$0	\$58,332	\$20,546,358	\$226,813	\$23,189,474	(\$19,676,693)	\$3,512,781

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.879 Mainstream Vouchers	2 State/Local	1 Business Activities	COCC	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$6,452,609							\$41,705,750		\$48,158,359	(\$14,161,253)	\$33,997,106
352 Long-term Debt, Net of Current - Operating Borrowings												
353 Non-current Liabilities - Other				\$99,201				\$206,826		\$306,027		\$306,027
354 Accrued Compensated Absences - Non Current	\$98,247			\$68,192			\$2,676	\$4,968	\$187,013	\$361,096		\$361,096
355 Loan Liability - Non Current												
356 FASB 5 Liabilities												
357 Accrued Pension and OPEB Liabilities												
350 Total Non-Current Liabilities	\$6,550,856	\$0	\$0	\$167,393	\$0	\$0	\$2,676	\$41,917,544	\$187,013	\$48,825,482	(\$14,161,253)	\$34,664,229
300 Total Liabilities	\$8,677,084	\$4,449	\$10,688	\$328,059	\$55,940	\$0	\$61,008	\$62,463,902	\$413,826	\$72,014,956	(\$33,837,946)	\$38,177,010
400 Deferred Inflow of Resources												
508.3 Nonspendable Fund Balance												
508.4 Net Investment in Capital Assets	\$38,840,433			\$0				(\$11,772,743)	\$111,943	\$27,179,633	(\$640,525)	\$26,539,108
509.3 Restricted Fund Balance												
510.3 Committed Fund Balance												
511.3 Assigned Fund Balance												
511.4 Restricted Net Position	\$2,527,905			\$223,905		\$186,595				\$2,938,405		\$2,938,405
512.3 Unassigned Fund Balance												
512.4 Unrestricted Net Position	\$36,715,123	\$0	\$0	\$127,344	\$30,961	\$9,473	\$84,837	\$22,231,418	\$3,662,648	\$62,861,804	\$640,525	\$63,502,329
513 Total Equity - Net Assets / Position	\$78,083,461	\$0	\$0	\$351,249	\$30,961	\$196,068	\$84,837	\$10,458,675	\$3,774,591	\$92,979,842	\$0	\$92,979,842
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$86,760,545	\$4,449	\$10,688	\$679,308	\$86,901	\$196,068	\$145,845	\$72,922,577	\$4,188,417	\$164,994,798	(\$33,837,946)	\$131,156,852

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.879 Mainstream Vouchers	2 State/Local	1 Business Activities	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$4,955,861							\$344,584		\$5,300,445	(\$207,412)	\$5,093,033
70400 Tenant Revenue - Other	\$508,371							\$394,106	\$21,700	\$924,177	(\$260,779)	\$663,398
70500 Total Tenant Revenue	\$5,464,232	\$0	\$0	\$0	\$0	\$0	\$0	\$738,690	\$21,700	\$6,224,622	(\$468,191)	\$5,756,431
70600 HUD PHA Operating Grants	\$11,708,453	\$69,350	\$139,484	\$23,335,798	\$40,112	\$227,976		\$443,347		\$35,964,520	(\$443,347)	\$35,521,173
70610 Capital Grants	\$1,664,995									\$1,664,995		\$1,664,995
70710 Management Fee									\$2,261,843	\$2,261,843	(\$2,261,843)	\$0
70720 Asset Management Fee									\$171,120	\$171,120	(\$171,120)	\$0
70730 Book Keeping Fee									\$472,039	\$472,039	(\$472,039)	\$0
70740 Front Line Service Fee												
70750 Other Fees									\$848,224	\$848,224	(\$848,224)	\$0
70700 Total Fee Revenue									\$3,753,226	\$3,753,226	(\$3,753,226)	\$0
70800 Other Government Grants							\$3,000			\$3,000		\$3,000
71100 Investment Income - Unrestricted	\$77,659			\$141			\$2,376	\$39,323	\$3,028	\$122,527		\$122,527
71200 Mortgage Interest Income	\$243,423									\$243,423	(\$243,423)	\$0
71300 Proceeds from Disposition of Assets Held for Sale												
71310 Cost of Sale of Assets												
71400 Fraud Recovery	\$57,565			\$134,754						\$192,319		\$192,319
71500 Other Revenue	\$137,166						\$123,000	\$180,101	\$652,861	\$1,093,128		\$1,093,128
71600 Gain or Loss on Sale of Capital Assets	\$174,940								(\$1,090)	\$173,850		\$173,850
72000 Investment Income - Restricted												
70000 Total Revenue	\$19,528,433	\$69,350	\$139,484	\$23,470,693	\$40,112	\$227,976	\$128,376	\$1,401,461	\$4,429,725	\$49,435,610	(\$4,908,187)	\$44,527,423
91100 Administrative Salaries	\$945,837			\$904,431				\$115,932	\$1,671,551	\$3,637,751		\$3,637,751
91200 Auditing Fees	\$27,547			\$17,864				\$11,985	\$11,700	\$69,096		\$69,096
91300 Management Fee	\$2,784,888			\$477,996				\$49,306		\$3,312,190	(\$2,261,843)	\$1,050,347
91310 Book-keeping Fee	\$172,795			\$298,748				\$496		\$472,039	(\$472,039)	\$0
91400 Advertising and Marketing				\$126					\$23,360	\$23,486		\$23,486
91500 Employee Benefit contributions - Administrative	\$237,398			\$185,447				\$33,708	\$352,815	\$809,368		\$809,368
91600 Office Expenses	\$215,400		\$4,642	\$175,699				\$18,825	\$397,495	\$812,061	(\$704,126)	\$107,935
91700 Legal Expense	\$246,528			\$7,658				\$9,311	\$24,185	\$287,682	(\$153,187)	\$134,495
91800 Travel	\$18,253			\$15,900			\$4,033	\$1,878	\$23,179	\$63,243		\$63,243
91810 Allocated Overhead	\$0									\$0		\$0
91900 Other	\$213,768			\$297			\$3,000	\$3,072	\$100,510	\$320,647		\$320,647
91000 Total Operating - Administrative	\$4,862,414	\$0	\$4,642	\$2,084,166	\$0	\$0	\$7,033	\$244,513	\$2,604,795	\$9,807,563	(\$3,591,195)	\$6,216,368
92000 Asset Management Fee	\$169,507							\$8,742		\$178,249	(\$171,120)	\$7,129
92100 Tenant Services - Salaries	\$206,537	\$53,907	\$98,467				\$89,904	\$477	\$106,115	\$555,407	(\$141,696)	\$413,711
92200 Relocation Costs	\$78,569								\$925	\$79,494		\$79,494
92300 Employee Benefit Contributions - Tenant Services	\$49,004	\$14,951	\$15,529				\$25,144		\$29,233	\$133,861		\$133,861
92400 Tenant Services - Other	\$58,018							\$103,798	\$5,255	\$167,071		\$167,071
92500 Total Tenant Services	\$392,128	\$68,858	\$113,996	\$0	\$0	\$0	\$115,048	\$104,275	\$141,528	\$935,833	(\$141,696)	\$794,137

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.879 Mainstream Vouchers	2 State/Local	1 Business Activities	COCC	Subtotal	ELIM	Total
93100 Water	\$422,070			\$1,650				\$30,794	\$8,369	\$462,883		\$462,883
93200 Electricity	\$2,390,325			\$15,482				\$148,641	\$63,667	\$2,618,115		\$2,618,115
93300 Gas	\$189,066			\$528					\$8,307	\$197,901		\$197,901
93400 Fuel												
93500 Labor												
93600 Sewer	\$1,050,777							\$59,602	\$11,011	\$1,121,390		\$1,121,390
93700 Employee Benefit Contributions - Utilities												
93800 Other Utilities Expense	\$120,945			\$2,416				\$9,074	\$6,383	\$138,818		\$138,818
93000 Total Utilities	\$4,173,183	\$0	\$0	\$20,076	\$0	\$0	\$0	\$248,111	\$97,737	\$4,539,107	\$0	\$4,539,107
94100 Ordinary Maintenance and Operations - Labor	\$1,965,543							\$15,487		\$1,981,030		\$1,981,030
94200 Ordinary Maintenance and Operations - Materials and Other	\$855,711			\$2,423				\$24,852	\$19,119	\$902,105		\$902,105
94300 Ordinary Maintenance and Operations Contracts	\$1,374,146			\$6,067				\$75,363	\$42,279	\$1,497,855		\$1,497,855
94500 Employee Benefit Contributions - Ordinary Maintenance	\$490,029							\$8,659		\$498,688		\$498,688
94000 Total Maintenance	\$4,685,429	\$0	\$0	\$8,490	\$0	\$0	\$0	\$124,361	\$61,398	\$4,879,678	\$0	\$4,879,678
95100 Protective Services - Labor									\$358,724	\$358,724		\$358,724
95200 Protective Services - Other Contract Costs	\$114,208			\$11,064				\$677	\$0	\$125,949	(\$84,814)	\$41,135
95300 Protective Services - Other	\$499,142							\$2,000	\$4,419	\$505,561	(\$468,527)	\$37,034
95500 Employee Benefit Contributions - Protective Services									\$78,847	\$78,847		\$78,847
95000 Total Protective Services	\$613,350	\$0	\$0	\$11,064	\$0	\$0	\$0	\$2,677	\$441,990	\$1,069,081	(\$553,341)	\$515,740
96110 Property Insurance	\$294,385			\$2,774				\$42,447	\$13,810	\$353,416		\$353,416
96120 Liability Insurance												
96130 Workmen's Compensation	\$109,493	\$492	\$846	\$7,105			\$814	\$4,410	\$41,832	\$164,992		\$164,992
96140 All Other Insurance	\$7,170			\$3,621				\$75	\$36,478	\$47,344		\$47,344
96100 Total insurance Premiums	\$411,048	\$492	\$846	\$13,500	\$0	\$0	\$814	\$46,932	\$92,120	\$565,752	\$0	\$565,752
96200 Other General Expenses	\$285,351			\$26,758					\$8	\$312,117		\$312,117
96210 Compensated Absences	\$50,601						\$2,592	\$4,709	\$25,586	\$83,488		\$83,488
96300 Payments in Lieu of Taxes	\$163,006							\$5,930		\$168,936		\$168,936
96400 Bad debt - Tenant Rents	\$198,065							\$9,347		\$207,412	(\$207,412)	\$0
96500 Bad debt - Mortgages												
96600 Bad debt - Other												
96800 Severance Expense												
96000 Total Other General Expenses	\$697,023	\$0	\$0	\$26,758	\$0	\$0	\$2,592	\$19,986	\$25,594	\$771,953	(\$207,412)	\$564,541

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

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Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.879 Mainstream Vouchers	2 State/Local	1 Business Activities	COCC	Subtotal	ELIM	Total
96710 Interest of Mortgage (or Bonds) Payable	\$334,596							\$371,496		\$706,092	(\$243,423)	\$462,669
96720 Interest on Notes Payable (Short and Long Term)												
96730 Amortization of Bond Issue Costs												
96700 Total Interest Expense and Amortization Cost	\$334,596	\$0	\$0	\$0	\$0	\$0	\$0	\$371,496	\$0	\$706,092	(\$243,423)	\$462,669
96900 Total Operating Expenses	\$16,338,678	\$69,350	\$119,484	\$2,164,054	\$0	\$0	\$125,487	\$1,171,093	\$3,465,162	\$23,453,308	(\$4,908,187)	\$18,545,121
97000 Excess of Operating Revenue over Operating Expenses	\$3,189,755	\$0	\$20,000	\$21,306,639	\$40,112	\$227,976	\$2,889	\$230,368	\$964,563	\$25,982,302	\$0	\$25,982,302
97100 Extraordinary Maintenance												
97200 Casualty Losses - Non-capitalized	\$25,672								\$2,000	\$27,672		\$27,672
97300 Housing Assistance Payments				\$21,093,661	\$31,987	\$31,908				\$21,157,556		\$21,157,556
97350 HAP Portability-In												
97400 Depreciation Expense	\$4,518,352			\$367				\$415,224	\$20,708	\$4,954,651		\$4,954,651
97500 Fraud Losses												
97600 Capital Outlays - Governmental Funds												
97700 Debt Principal Payment - Governmental Funds												
97800 Dwelling Units Rent Expense												
90000 Total Expenses	\$20,882,702	\$69,350	\$119,484	\$23,258,082	\$31,987	\$31,908	\$125,487	\$1,586,317	\$3,487,870	\$49,593,187	(\$4,908,187)	\$44,685,000
10010 Operating Transfer In									\$20,000	\$20,000	(\$20,000)	\$0
10020 Operating transfer Out			(\$20,000)							(\$20,000)	\$20,000	\$0
10030 Operating Transfers from/to Primary Government												
10040 Operating Transfers from/to Component Unit	(\$3,528,233)							\$3,528,233		\$0		\$0
10050 Proceeds from Notes, Loans and Bonds												
10060 Proceeds from Property Sales												
10070 Extraordinary Items, Net Gain/Loss												
10080 Special Items (Net Gain/Loss)								\$5,171,696		\$5,171,696		\$5,171,696
10091 Inter Project Excess Cash Transfer In	\$325,000									\$325,000	(\$325,000)	\$0
10092 Inter Project Excess Cash Transfer Out	(\$325,000)									(\$325,000)	\$325,000	\$0
10093 Transfers between Program and Project - In												
10094 Transfers between Project and Program - Out												
10100 Total Other financing Sources (Uses)	(\$3,528,233)	\$0	(\$20,000)	\$0	\$0	\$0	\$0	\$8,699,929	\$20,000	\$5,171,696	\$0	\$5,171,696

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

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Fiscal Year End: 12/31/2019

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10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$4,882,502)	\$0	\$0	\$212,611	\$8,125	\$196,068	\$2,889	\$8,515,073	\$961,855	\$5,014,119	\$0	\$5,014,119
11020 Required Annual Debt Principal Payments	\$1,299,679	\$0	\$0	\$0	\$0	\$0	\$0	\$182,400	\$0	\$1,482,079		\$1,482,079
11030 Beginning Equity	\$82,309,414	\$0	\$0	\$138,638	\$22,836	\$0	\$81,948	\$2,600,151	\$2,812,736	\$87,965,723		\$87,965,723
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$656,549							(\$656,549)		\$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				\$81,407						\$81,407		\$81,407
11180 Housing Assistance Payments Equity				\$269,842						\$269,842		\$269,842
11190 Unit Months Available	34485			42036	120	120		3930	12	80703	12	80715
11210 Number of Unit Months Leased	31583			40068	102	46		3715	12	75526	12	75538
11270 Excess Cash	\$2,709,665									\$2,709,665		\$2,709,665
11610 Land Purchases	\$0								\$0	\$0		\$0
11620 Building Purchases	\$1,622,903								\$0	\$1,622,903		\$1,622,903
11630 Furniture & Equipment - Dwelling Purchases	\$0								\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$42,092								\$0	\$42,092		\$42,092
11650 Leasehold Improvements Purchases	\$0								\$0	\$0		\$0
11660 Infrastructure Purchases	\$0								\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0								\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0								\$0	\$0		\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000029	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
111 Cash - Unrestricted	\$1,095,060	\$800,719	\$27,049	\$60,466	\$326,430	\$1,030,105	\$71,096	\$45,584	\$60,348	\$222,235	\$413,471	\$33,103	\$3,601	\$154,712	\$36,358	\$1,037,730		\$5,418,067
112 Cash - Restricted - Modernization and Development			\$2,527,905															\$2,527,905
113 Cash - Other Restricted	\$6,904	\$1,642	\$14,788			\$9,346		\$6,972						\$14,248				\$53,900
114 Cash - Tenant Security Deposits	\$61,135	\$47,076	\$8,678		\$20,963	\$33,695	\$19,221			\$11,828				\$1,660		\$15,880		\$220,136
115 Cash - Restricted for Payment of Current Liabilities																		
100 Total Cash	\$1,163,099	\$849,437	\$2,578,420	\$60,466	\$347,393	\$1,073,146	\$90,317	\$52,556	\$60,348	\$234,063	\$413,471	\$33,103	\$3,601	\$170,620	\$36,358	\$1,053,610	\$0	\$8,220,008
121 Accounts Receivable - PHA Projects																		
122 Accounts Receivable - HUD Other Projects							\$242,776											\$242,776
124 Accounts Receivable - Other Government																		
125 Accounts Receivable - Miscellaneous																		
126 Accounts Receivable - Tenants	\$43,585	\$45,171			\$5,380	\$24,413	\$9,808			\$657				\$1,912		\$1,790		\$132,716
126.1 Allowance for Doubtful Accounts - Tenants	(\$5,609)	(\$9,530)			(\$1,312)	(\$3,172)	(\$1,363)			\$0				(\$374)		\$0		(\$21,360)
126.2 Allowance for Doubtful Accounts - Other	\$0				\$0		\$0											\$0
127 Notes, Loans, & Mortgages Receivable - Current																		
128 Fraud Recovery	\$3,924	\$42,833			\$1,245	\$6,673	\$2,632											\$57,307
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0			\$0	\$0	\$0											\$0
129 Accrued Interest Receivable																		
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$41,900	\$78,474	\$0	\$0	\$5,313	\$27,914	\$253,853	\$0	\$0	\$657	\$0	\$0	\$0	\$1,538	\$0	\$1,790	\$0	\$411,439
131 Investments - Unrestricted																		
132 Investments - Restricted																		
135 Investments - Restricted for Payment of Current Liability																		
142 Prepaid Expenses and Other Assets						\$4,283												\$4,283
143 Inventories																		
143.1 Allowance for Obsolete Inventories																		
144 Inter Program Due From																		
145 Assets Held for Sale																		
150 Total Current Assets	\$1,204,999	\$927,911	\$2,578,420	\$60,466	\$352,706	\$1,105,343	\$344,170	\$52,556	\$60,348	\$234,720	\$413,471	\$33,103	\$3,601	\$172,158	\$36,358	\$1,055,400	\$0	\$8,635,730
161 Land	\$415,382	\$23,641		\$170,534	\$75,735	\$114,533	\$26,000			\$33,867	\$7,947,263		\$55,325		\$52,300	\$85,000		\$8,999,580
162 Buildings	\$20,420,336	\$28,094,716			\$12,903,877	\$27,668,483	\$10,275,142			\$14,044,990	\$403	\$75	\$2,505,998	\$4,216,615	\$18,116	\$7,982,828		\$128,131,579
163 Furniture, Equipment & Machinery - Dwellings					\$31,168													\$31,168
164 Furniture, Equipment & Machinery - Administration	\$307,605	\$285,642			\$22,795	\$148,990	\$304,380		\$2,003	\$27,722			\$1,602			\$2,003		\$1,102,742
165 Leasehold Improvements																		
166 Accumulated Depreciation	(\$20,362,269)	(\$26,533,285)			(\$9,742,397)	(\$17,139,440)	(\$8,688,072)	(\$7,684)	(\$3,343)	(\$12,584,627)	(\$403)	(\$75)	(\$2,504,719)	(\$985,467)	(\$8,489)	(\$2,401,705)		#####
167 Construction in Progress	\$31,804	\$217,705			\$532,921	\$61,485	\$7,667,227	\$36,164	\$21,602	\$146,540			\$35,940	\$16,536		\$50,758		\$8,818,682
168 Infrastructure																		
160 Total Capital Assets, Net of Accumulated Depreciation	\$812,858	\$2,088,419	\$0	\$170,534	\$3,824,099	\$10,854,051	\$9,584,677	\$28,480	\$20,262	\$1,668,492	\$7,947,263	\$0	\$94,146	\$3,247,684	\$61,927	\$5,718,884	\$0	\$46,121,776

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000029	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
171 Notes, Loans and Mortgages Receivable - Non-Current											\$18,094,917	\$3,376,578	\$4,190,115		\$6,341,429			\$32,003,039
172 Notes, Loans, & Mortgages Receivable - Non Current - Past																		
173 Grants Receivable - Non Current																		
174 Other Assets																		
176 Investments in Joint Ventures																		
180 Total Non-Current Assets	\$812,858	\$2,088,419	\$0	\$170,534	\$3,824,099	\$10,854,051	\$9,584,677	\$28,480	\$20,262	\$1,668,492	\$26,042,180	\$3,376,578	\$4,284,261	\$3,247,684	\$6,403,356	\$5,718,884	\$0	\$78,124,815
200 Deferred Outflow of Resources																		
290 Total Assets and Deferred Outflow of Resources	\$2,017,857	\$3,016,330	\$2,578,420	\$231,000	\$4,176,805	\$11,959,394	\$9,928,847	\$81,036	\$80,610	\$1,903,212	\$26,455,651	\$3,409,681	\$4,287,862	\$3,419,842	\$6,439,714	\$6,774,284	\$0	\$86,760,545
311 Bank Overdraft																		
312 Accounts Payable <= 90 Days	\$90,728	\$119,943	\$125		\$33,814	\$53,217	\$27,785	\$17,780	\$27,648	\$44,355				\$692		\$24,481		\$440,568
313 Accounts Payable >90 Days Past Due																		
321 Accrued Wage/Payroll Taxes Payable	\$16,339	\$22,299			\$5,779	\$13,830	\$9,085	\$6,609		\$4,887				\$507		\$5,836		\$85,171
322 Accrued Compensated Absences - Current Portion	\$4,393	\$9,661			\$2,756	\$4,915	\$6,147			\$2,093				\$138		\$2,646		\$32,749
324 Accrued Contingency Liability																		
325 Accrued Interest Payable																		
331 Accounts Payable - HUD PHA Programs																		
332 Account Payable - PHA Projects																		
333 Accounts Payable - Other Government	\$2,000	\$2,000			\$24,561	\$23,450	\$12,825	\$1,165	\$6,607	\$24,861	\$27,041	\$5,455		\$5,908	\$4,971	\$23,038		\$163,882
341 Tenant Security Deposits	\$63,017	\$48,013			\$20,963	\$34,395	\$19,301			\$11,828				\$1,660		\$15,880		\$215,057
342 Unearned Revenue	\$17,184	\$10,632			\$5,553	\$9,328	\$4,889			\$5,819				\$706		\$5,854		\$59,965
343 Current Portion of Long-term Debt - Capital	\$15,829	\$240,830			\$31,326	\$459,202	\$72,514			\$9,033								\$828,734
344 Current Portion of Long-term Debt - Operating Borrowings							\$7,515											\$7,515
345 Other Current Liabilities	\$6,904	\$1,642	\$14,842			\$9,346								\$14,248				\$46,982
346 Accrued Liabilities - Other	\$71,704	\$56,347	\$24,934		\$1,991	\$26,510		\$1,405	\$2,575	\$9,666	\$34,217	\$6,660		\$1,637	\$3,970	\$3,989		\$245,605
347 Inter Program - Due To																		
348 Loan Liability - Current																		
310 Total Current Liabilities	\$288,098	\$511,367	\$39,901	\$0	\$126,743	\$634,193	\$160,061	\$26,959	\$36,830	\$112,542	\$61,258	\$12,115	\$0	\$25,496	\$8,941	\$81,724	\$0	\$2,126,228
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$123,516	\$1,875,109			\$244,246	\$3,575,114	\$564,888			\$69,736								\$6,452,609
352 Long-term Debt, Net of Current - Operating Borrowings																		
353 Non-current Liabilities - Other																		
354 Accrued Compensated Absences - Non Current	\$13,180	\$28,983			\$8,267	\$14,744	\$18,441			\$6,279				\$413		\$7,940		\$98,247
355 Loan Liability - Non Current																		
356 FASB 5 Liabilities																		
357 Accrued Pension and OPEB Liabilities																		
350 Total Non-Current Liabilities	\$136,696	\$1,904,092	\$0	\$0	\$252,513	\$3,589,858	\$583,329	\$0	\$0	\$76,015	\$0	\$0	\$0	\$413	\$0	\$7,940	\$0	\$6,550,856
300 Total Liabilities	\$424,794	\$2,415,459	\$39,901	\$0	\$379,256	\$4,224,051	\$743,390	\$26,959	\$36,830	\$188,557	\$61,258	\$12,115	\$0	\$25,909	\$8,941	\$89,664	\$0	\$8,677,084
400 Deferred Inflow of Resources																		
508.4 Net Investment in Capital Assets	\$673,513	(\$27,520)		\$170,534	\$3,548,527	\$6,819,735	\$8,947,275	\$28,480	\$20,262	\$1,589,723	\$7,947,263		\$94,146	\$3,247,684	\$61,927	\$5,718,884		\$38,840,433
511.4 Restricted Net Position			\$2,527,905															\$2,527,905
512.4 Unrestricted Net Position	\$919,550	\$628,391	\$10,614	\$60,466	\$249,022	\$915,608	\$238,182	\$25,597	\$23,518	\$124,932	\$18,447,130	\$3,397,566	\$4,193,716	\$146,249	\$6,368,846	\$965,736	\$0	\$36,715,123
513 Total Equity - Net Assets / Position	\$1,593,063	\$600,871	\$2,538,519	\$231,000	\$3,797,549	\$7,735,343	\$9,185,457	\$54,077	\$43,780	\$1,714,655	\$26,394,393	\$3,397,566	\$4,287,862	\$3,393,933	\$6,430,773	\$6,684,620	\$0	\$78,083,461
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$2,017,857	\$3,016,330	\$2,578,420	\$231,000	\$4,176,805	\$11,959,394	\$9,928,847	\$81,036	\$80,610	\$1,903,212	\$26,455,651	\$3,409,681	\$4,287,862	\$3,419,842	\$6,439,714	\$6,774,284	\$0	\$86,760,545

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000029	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
70300 Net Tenant Rental Revenue	\$959,568	\$794,551			\$526,386	\$726,228	\$439,537	\$240,595	\$373,895	\$406,521				\$39,914		\$448,666		\$4,955,861
70400 Tenant Revenue - Other	\$114,995	\$100,141			\$20,236	\$126,249	\$43,857	\$33,796	\$35,243	\$15,799						\$18,055		\$508,371
70500 Total Tenant Revenue	\$1,074,563	\$894,692	\$0	\$0	\$546,622	\$852,477	\$483,394	\$274,391	\$409,138	\$422,320	\$0	\$0	\$0	\$39,914	\$0	\$466,721	\$0	\$5,464,232
70600 HUD PHA Operating Grants	\$2,084,952	\$2,310,842			\$609,494	\$1,987,166	\$1,126,923	\$810,581	\$797,933	\$391,531	\$557,454	\$113,635	\$386,463	\$59,200	\$102,742	\$369,537		\$11,708,453
70610 Capital Grants	\$12,487	\$217,705			\$283,244	\$59,894	\$915,468		\$21,602	\$76,563			\$35,940	\$16,536		\$25,556		\$1,664,995
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	\$17,862	\$14,833			\$5,452	\$12,200	\$5,879	\$3,937	\$7,215	\$4,729				\$652		\$4,900		\$77,659
71200 Mortgage Interest Income													\$243,423					\$243,423
71300 Proceeds from Disposition of Assets Held for Sale																		
71310 Cost of Sale of Assets																		
71400 Fraud Recovery	\$4,731	\$23,228	\$1,076		\$1,500		\$4,651	\$4,117	\$18,100	\$162								\$57,565
71500 Other Revenue	\$1,289	\$18,727	\$1,537		\$42,988	\$1,173	\$14,785	\$2,874	\$784	\$14,424	\$21,495	\$3,103		\$1,881		\$12,106		\$137,166
71600 Gain or Loss on Sale of Capital Assets			(\$385,672)					\$528,982	(\$125,032)		\$156,662							\$174,940
72000 Investment Income - Restricted																		
70000 Total Revenue	\$3,195,884	\$3,480,027	(\$383,059)	\$0	\$1,489,300	\$2,912,910	\$2,551,100	\$1,624,882	\$1,129,740	\$909,729	\$735,611	\$116,738	\$665,826	\$118,183	\$102,742	\$878,820	\$0	\$19,528,433
91100 Administrative Salaries	\$217,614	\$150,718			\$58,522	\$155,969	\$91,972	\$60,280	\$96,296	\$55,267				\$4,820		\$54,379		\$945,837
91200 Auditing Fees	\$6,372	\$5,292			\$1,944	\$4,356	\$2,100	\$1,404	\$2,407	\$1,692				\$228		\$1,752		\$27,547
91300 Management Fee	\$269,831	\$257,635			\$157,592	\$187,629	\$362,093	\$141,367	\$178,732	\$89,452	\$470,013	\$102,272	\$385,594	\$10,681	\$92,468	\$79,529		\$2,784,888
91310 Book-keeping Fee	\$40,180	\$33,236			\$13,209	\$27,941	\$13,742	\$8,230	\$12,084	\$10,758				\$1,591		\$11,824		\$172,795
91400 Advertising and Marketing																		
91500 Employee Benefit contributions - Administrative	\$48,353	\$35,286			\$14,293	\$36,856	\$24,689	\$21,301	\$31,501	\$13,487				\$1,200		\$10,432		\$237,398
91600 Office Expenses	\$42,865	\$30,103			\$18,426	\$25,918	\$23,814	\$22,514	\$16,053	\$16,425	\$375	\$376	\$1,504	\$1,256	\$375	\$15,396		\$215,400
91700 Legal Expense	\$64,634	\$69,710			\$10,977	\$49,618	\$13,045	\$8,763	\$22,414	\$3,711				\$1,828		\$1,828		\$246,528
91800 Travel	\$3,625	\$829			\$1,875	\$3,035	\$2,593	\$715	\$1,738	\$2,270				\$30		\$1,543		\$18,253
91810 Allocated Overhead	\$0							\$0										\$0
91900 Other	\$33,426	\$46,536	\$3,602		\$13,589	\$59,475	\$17,325	\$8,777	\$8,832	\$9,543				\$1,404		\$11,259		\$213,768
91000 Total Operating - Administrative	\$728,900	\$629,345	\$3,602	\$0	\$290,427	\$550,797	\$551,373	\$273,351	\$370,057	\$202,605	\$470,388	\$102,648	\$387,098	\$23,038	\$92,843	\$187,942	\$0	\$4,862,414
92000 Asset Management Fee	\$59,400					\$40,560		\$13,080	\$22,387	\$15,720				\$2,160		\$16,200		\$169,507
92100 Tenant Services - Salaries	\$15,317	\$13,341			\$39,305	\$10,870	\$40,614	\$3,366	\$5,776	\$39,267						\$38,681		\$206,537
92200 Relocation Costs					\$794	\$420	\$76,500			\$855								\$78,569
92300 Employee Benefit Contributions - Tenant Services	\$3,349	\$3,123			\$9,354	\$2,553	\$10,903	\$1,108	\$1,889	\$9,305						\$7,420		\$49,004
92400 Tenant Services - Other	\$11,850	\$10,017			\$3,725	\$8,150	\$3,875	\$2,625	\$4,501	\$3,150	\$4,700	\$850		\$450	\$775	\$3,350		\$58,018
92500 Total Tenant Services	\$30,516	\$26,481	\$0	\$0	\$53,178	\$21,993	\$131,892	\$7,099	\$12,166	\$52,577	\$4,700	\$850	\$0	\$450	\$775	\$49,451	\$0	\$392,128

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000029	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
93100 Water	\$78,823	\$95,862			\$36,330	\$55,335	\$33,177	\$34,224	\$51,880	\$15,053				\$224		\$21,162		\$422,070
93200 Electricity	\$566,500	\$569,435			\$178,424	\$208,855	\$222,890	\$158,630	\$192,712	\$129,061				(\$10,359)		\$174,177		\$2,390,325
93300 Gas	\$5,151	\$4,290			\$14,388	\$155,191	\$9,935			\$111								\$189,066
93400 Fuel																		
93500 Labor																		
93600 Sewer	\$231,835	\$304,616			\$59,170	\$163,412	\$72,375	\$59,167	\$97,778	\$26,363						\$36,061		\$1,050,777
93700 Employee Benefit Contributions - Utilities																		
93800 Other Utilities Expense	\$21,508	\$19,704			\$2,220	\$22,757	\$8,742	\$7,077	\$5,080		\$20,120	\$4,440		\$2,636	\$4,163	\$2,498		\$120,945
93000 Total Utilities	\$903,817	\$993,907	\$0	\$0	\$290,532	\$605,550	\$347,119	\$259,098	\$347,450	\$170,588	\$20,120	\$4,440	\$0	(\$7,499)	\$4,163	\$233,898	\$0	\$4,173,183
94100 Ordinary Maintenance and Operations - Labor	\$394,251	\$452,389			\$112,097	\$324,164	\$176,270	\$145,480	\$154,010	\$112,964				\$5,029		\$88,889		\$1,965,543
94200 Ordinary Maintenance and Operations - Materials and	\$232,227	\$181,763			\$66,052	\$171,228	\$64,114	\$38,250	\$12,330	\$45,703				\$3,532		\$40,512		\$855,711
94300 Ordinary Maintenance and Operations Contracts	\$341,655	\$219,045			\$106,249	\$276,685	\$100,710	\$77,589	\$73,180	\$80,563				\$16,544		\$81,926		\$1,374,146
94500 Employee Benefit Contributions - Ordinary Maintenance	\$87,225	\$105,910			\$29,130	\$76,123	\$47,320	\$46,468	\$50,379	\$29,160				\$1,263		\$17,051		\$490,029
94000 Total Maintenance	\$1,055,358	\$959,107	\$0	\$0	\$313,528	\$848,200	\$388,414	\$307,787	\$289,899	\$268,390	\$0	\$0	\$0	\$26,368	\$0	\$228,378	\$0	\$4,685,429
95100 Protective Services - Labor																		
95200 Protective Services - Other Contract Costs	\$47,884	\$8,747			\$41,135	\$10,020	\$159	\$315	\$5,843	\$105								\$114,208
95300 Protective Services - Other	\$125,288	\$103,878				\$87,213	\$44,997	\$25,425	\$36,880	\$33,564				\$4,977		\$36,920		\$499,142
95500 Employee Benefit Contributions - Protective Services																		
95000 Total Protective Services	\$173,172	\$112,625	\$0	\$0	\$41,135	\$97,233	\$45,156	\$25,740	\$42,723	\$33,669	\$0	\$0	\$0	\$4,977	\$0	\$36,920	\$0	\$613,350
96110 Property Insurance	\$47,180	\$39,740			\$32,423	\$36,047	\$42,468	\$10,489	\$18,654	\$34,903				\$1,593		\$30,888		\$294,385
96120 Liability Insurance																		
96130 Workmen's Compensation	\$21,732	\$23,446			\$6,970	\$17,905	\$10,318	\$7,737	\$8,717	\$7,039				\$292		\$5,337		\$109,493
96140 All Other Insurance	\$1,115	\$557			\$279	\$1,393	\$279	\$2,229	\$1,040	\$278								\$7,170
96100 Total Insurance Premiums	\$70,027	\$63,743	\$0	\$0	\$39,672	\$55,345	\$53,065	\$20,455	\$28,411	\$42,220	\$0	\$0	\$0	\$1,885	\$0	\$36,225	\$0	\$411,048
96200 Other General Expenses	\$5,378	\$82,000			\$10,656	\$158,064	\$24,652	\$2,901	\$766	\$2,934								\$285,351
96210 Compensated Absences		\$14,876			\$6,377	\$4,184	\$10,460			\$6,377						\$8,327		\$50,601
96300 Payments in Lieu of Taxes	\$2,000	\$2,000			\$24,561	\$23,450	\$12,825	\$1,165	\$5,731	\$24,861	\$27,041	\$5,455		\$5,908	\$4,971	\$23,038		\$163,006
96400 Bad debt - Tenant Rents	\$58,075	\$67,174	(\$6,040)		\$9,660	\$31,924	\$5,089	\$12,555	\$24,662	\$3,687				(\$9,944)		\$1,223		\$198,065
96500 Bad debt - Mortgages																		
96600 Bad debt - Other																		
96800 Severance Expense																		
96000 Total Other General Expenses	\$65,453	\$166,050	(\$6,040)	\$0	\$51,254	\$215,622	\$53,026	\$16,621	\$31,159	\$37,859	\$27,041	\$5,455	\$0	(\$4,036)	\$4,971	\$32,588	\$0	\$697,023
96710 Interest of Mortgage (or Bonds) Payable	\$5,863	\$90,354			\$11,659	\$169,741	\$26,870	\$25,475	\$2,414	\$2,149				\$71				\$334,596
96720 Interest on Notes Payable (Short and Long Term)																		
96730 Amortization of Bond Issue Costs																		
96700 Total Interest Expense and Amortization Cost	\$5,863	\$90,354	\$0	\$0	\$11,659	\$169,741	\$26,870	\$25,475	\$2,414	\$2,149	\$0	\$0	\$0	\$71	\$0	\$0	\$0	\$334,596
96900 Total Operating Expenses	\$3,090,506	\$3,041,612	(\$2,438)	\$0	\$1,091,385	\$2,605,041	\$1,596,915	\$948,706	\$1,146,666	\$825,777	\$522,249	\$113,393	\$387,098	\$47,414	\$102,752	\$821,602	\$0	\$16,338,678
97000 Excess of Operating Revenue over Operating Expenses	\$105,378	\$438,415	(\$380,621)	\$0	\$397,915	\$307,869	\$954,185	\$676,176	(\$16,926)	\$83,952	\$213,362	\$3,345	\$278,728	\$70,769	(\$10)	\$57,218	\$0	\$3,189,755
97100 Extraordinary Maintenance																		
97200 Casualty Losses - Non-capitalized		(\$278)			(\$2,278)					\$28,228								\$25,672
97300 Housing Assistance Payments																		
97350 HAP Portability-In																		
97400 Depreciation Expense	\$110,724	\$526,936			\$488,795	\$1,245,116	\$307,092	\$475,876	\$142,918	\$592,476		\$2,178	\$142,738	\$1,203	\$482,300			\$4,518,352
97500 Fraud Losses																		
97600 Capital Outlays - Governmental Funds																		
97700 Debt Principal Payment - Governmental Funds																		
97800 Dwelling Units Rent Expense																		
90000 Total Expenses	\$3,201,230	\$3,568,270	(\$2,438)	\$0	\$1,577,902	\$3,850,157	\$1,904,007	\$1,424,582	\$1,289,584	\$1,446,481	\$522,249	\$113,393	\$389,276	\$190,152	\$103,955	\$1,303,902	\$0	\$20,882,702
10010 Operating Transfer In																		

Chattanooga Housing Authority (TN004)  
 CHATTANOOGA, TN  
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	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000029	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
10020 Operating transfer Out																		
10030 Operating Transfers from/to Primary Government																		
10040 Operating Transfers from/to Component Unit								(\$2,119,549)	(\$1,408,684)									(\$3,528,233)
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		\$150,000			\$100,000		\$75,000											\$325,000
10092 Inter Project Excess Cash Transfer Out						(\$325,000)												(\$325,000)
10093 Transfers between Program and Project - In																		
10094 Transfers between Project and Program - Out																		
10100 Total Other financing Sources (Uses)	\$0	\$150,000	\$0	\$0	\$100,000	(\$325,000)	\$75,000	(\$2,119,549)	(\$1,408,684)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,528,233)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	(\$5,346)	\$61,757	(\$380,621)	\$0	\$11,398	(\$1,262,247)	\$722,093	(\$1,919,249)	(\$1,568,528)	(\$536,752)	\$213,362	\$3,345	\$276,550	(\$71,969)	(\$1,213)	(\$425,082)	\$0	(\$4,882,502)
11020 Required Annual Debt Principal Payments	\$16,151	\$253,125	\$0	\$0	\$272,413	\$471,012	\$74,685	\$116,578	\$91,898	\$3,817	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,299,679
11030 Beginning Equity	\$1,598,409	\$539,114	\$1,021,020	\$231,000	\$3,786,151	\$9,872,590	\$8,463,364	\$3,038,929	\$1,569,825	\$2,251,407	\$26,181,031	\$3,394,221	\$3,354,763	\$3,465,902	\$6,431,986	\$7,109,702	\$0	\$82,309,414
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$0	\$1,898,120	\$0	(\$875,000)	\$0	(\$1,065,603)	\$42,483	\$0				\$656,549	\$0		\$0		\$656,549
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	5940	4932	0	0	1812	4056	4053	1308	2400	1572	1800	1800	1176	216	1800	1620	0	34485
11210 Number of Unit Months Leased	5355	4432	0	0	1761	3736	3736	1097	1677	1434	1800	1800	1164	212	1800	1579	0	31583
11270 Excess Cash	\$652,455	\$164,305	(\$4,174)	\$60,466	\$140,755	\$240,435	\$79,893	(\$53,257)	(\$63,904)	\$54,799	\$352,213	\$20,988	\$3,601	\$128,463	\$27,417	\$905,210	\$0	\$2,709,665
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$12,487	\$217,705	\$0	\$0	\$283,244	\$59,894	\$915,468	\$0	\$21,602	\$76,563	\$0	\$0	\$35,940	\$0	\$0	\$0	\$0	\$1,622,903
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,536	\$0	\$25,556	\$0	\$42,092
11650 Leasehold Improvements Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0