

**URBAN HOUSING SOLUTIONS, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORTS**

**DECEMBER 31, 2020 AND 2019**

# URBAN HOUSING SOLUTIONS, INC.

## TABLE OF CONTENTS

Independent Auditor's Report	3
Financial Statements:	
Consolidated Statements of Financial Position	6
Consolidated Statements of Activities	8
Consolidated Statement of Functional Expenses - 2020	10
Consolidated Statement of Functional Expenses - 2019	11
Consolidated Statements of Cash Flows	12
Notes to Financial Statements	14
Required Supplementary Information	
Schedule of Changes in Total OPEB liability and related ratios	28
Supplemental Information	
Consolidating Statement of Financial Position, December 31, 2020	30
Consolidating Statement of Activities, December 31, 2020	32
Consolidating Statement of Functional Expenses, December 31, 2020	34
Consolidating Statement of Cash Flows, December 31, 2020	36
Schedule of Expenditures of Federal Awards and State Financial Assistance - 2020	38
Schedule of Expenditures of Federal Awards and State Financial Assistance - 2019	39
Schedule of Program Services Revenues and Expenses - 2020	40
Schedule of Program Services Revenues and Expenses - 2019	45
Schedule of Directors and Management Officials	46
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 <i>Government Auditing Standards</i>	50
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	52
Schedule of Findings and Questioned Costs	54
Schedule of Prior Audit Findings	55

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Urban Housing Solutions, Inc.  
Nashville, Tennessee

### **Report on the Financial Statements**

We have audited the accompanying combined financial statements of Urban Housing Solutions, Inc. and affiliates, which comprise the combined statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these combined 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 these combined financial statements based on our audits. We did not audit the financial statements of 300 E. Webster Street Holdings, L.P., and 2125 26th Ave N Holdings, L.P., which represent 19.7% and 8.5%, 6.5% and 14.5%, and 18% and 1.7%, respectively of the assets, net assets, and revenues of Urban Housing Solutions, Inc. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for 300 E. Webster Street Holdings, L.P. and 2125 26th Ave N Holdings, L.P., is based solely on the report of the other auditors. We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 entity'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.

## **Opinion**

In our opinion, based on our audit and the report of other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of Urban Housing Solutions, Inc. and affiliates as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows 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 the Schedule of Changes in Total OPEB Liability and Related Ratios, as listed in the Table of Contents 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 as a whole. The Consolidating Statements of Financial Position, Consolidating Statements of Activities, and Consolidating Statements of Cash Flows, and the Schedule of Program Services Revenues and Expenses for 2020 and 2019 as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2021 on our consideration of Urban Housing Solutions, Inc.'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Urban Housing Solution, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Urban Housing Solutions, Inc.'s internal control over financial reporting and compliance.

*Bellenfant, PLLC*

Nashville, Tennessee

September 27, 2021

**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020 AND 2019**

**ASSETS**

	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Current Assets</b>		
Cash	\$ 28,746,101	\$ 12,178,009
Restricted cash:		
Tenant security deposits	904	284,161
Replacement reserves	522,728	585,421
Investment securities	15,149,705	14,862,804
Accounts receivable:		
Grants	210,132	286,512
Tenants, net of doubtful accounts	143,415	51,469
Other	78,557	79,221
Investment - Skyliner	-	716,619
Prepaid expenses	6,074	6,074
Total Current Assets	<u>44,857,616</u>	<u>29,050,290</u>
 Fixed Assets - net of accumulated depreciation of \$22,776,291 and \$19,780,426 for 2020 and 2019	 <u>89,278,780</u>	 <u>66,652,061</u>
 <b>Other Assets</b>		
Intangible expenses	<u>218,143</u>	<u>-</u>
Total Other Assets	<u>218,143</u>	<u>-</u>
 Total Assets	 <u>134,354,539</u>	 <u>95,702,351</u>
 Deferred Outflows of Resources	 <u>3,173</u>	 <u>2,361</u>
 Total Assets and Deferred Outflows	 <u><u>\$ 134,357,712</u></u>	 <u><u>\$ 95,704,712</u></u>

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

**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS OF DECEMBER 31, 2020 AND 2019**

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable and accrued expenses	\$ 961,846	\$ 1,826,520
Due to related party	-	-
Line of credit	6,500,000	-
Tenant security deposits	317,126	287,821
Development fee payable	-	5,080,523
Prepaid rent	16,107	22,894
Current notes payable	4,625,879	11,515,680
Total Current Liabilities	<u>12,420,958</u>	<u>18,733,438</u>

**Noncurrent Liabilities**

Bonds payable	15,000,000	14,945,082
OPEB Liability	32,195	38,309
Non-current notes payable	46,719,454	20,867,502
Total Noncurrent Liabilities	<u>61,751,649</u>	<u>35,850,893</u>

Total Liabilities	<u>74,172,607</u>	<u>54,584,331</u>
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Deferred Inflows of Resources	<u>23,106</u>	<u>10,711</u>
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**Net Assets**

Without donor restrictions	60,161,999	41,109,670
With donor restrictions	-	-
Total Net Assets	<u>60,161,999</u>	<u>41,109,670</u>

Total Liabilities, Deferred Inflows, and Net Assets	<u>\$ 134,357,712</u>	<u>\$ 95,704,712</u>
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The accompanying notes are an integral part of these financial statements.

**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<b>2020</b>			<b>2019</b>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES						
Public Support:						
Individual and corporate gifts & Barnes Fund	\$ 849,149	\$ -	\$ 849,149	\$ 5,019,811	\$ -	\$ 5,019,811
Grants:						
Government	1,103,119	-	1,103,119	893,163	-	893,163
Total Public Support	1,952,268	-	1,952,268	5,912,974	-	5,912,974
Revenues:						
Rental Income	9,561,153	-	9,561,153	7,192,948	-	7,192,948
Laundry and vending machine income	39,033	-	39,033	36,606	-	36,606
Investment income	106,232	-	106,232	453,406	-	453,406
Interest income	403,050	-	403,050	-	-	-
Developer fees	-	-	-	253,300	-	253,300
Insurance proceeds	369,196	-	369,196	737,835	-	737,835
Miscellaneous	413,988	-	413,988	97,088	-	97,088
Application fees	30,265	-	30,265	25,091	-	25,091
Net assets released from restrictions:						
Satisfaction of time and purpose restricitons:	-	-	-	4,000	(4,000)	-
Total support and revenues	12,875,185	-	12,875,185	14,713,248	(4,000)	14,709,248

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



**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<b>2020</b>			<b>2019</b>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Expenses:						
Program services:						
Rental projects	9,462,575	-	9,462,575	7,062,605	-	7,062,605
Resident support programs	922,383	-	922,383	628,451	-	628,451
Total program services	10,384,958	-	10,384,958	7,691,056	-	7,691,056
Supporting services:						
Management and general	260,357	-	260,357	632,964	-	632,964
Total expenses	10,645,315	-	10,645,315	8,324,020	-	8,324,020
Change in net assets	2,229,870	-	2,229,870	6,389,228	(4,000)	6,385,228
Net Assets - Beginning of Year	41,109,670	-	41,109,670	33,811,751	4,000	33,815,751
Prior Period Adjustment	5,080,523	-	5,080,523	42,073	-	42,073
Syndication	-	-	-	(178,524)	-	(178,524)
Capital Contributions	11,741,936	-	11,741,936	1,045,142	-	1,045,142
Net Assets - End of Year	<u>\$ 60,161,999</u>	<u>\$ -</u>	<u>\$ 60,161,999</u>	<u>\$ 41,109,670</u>	<u>\$ -</u>	<u>\$ 41,109,670</u>

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

**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b><u>TOTAL PROGRAM SERVICES</u></b>	<b><u>TOTAL MANAGEMENT &amp; GENERAL</u></b>	<b><u>TOTAL EXPENSES</u></b>
Payroll and related expenses	\$ 2,687,382	\$ 39,958	\$ 2,727,340
OPEB Expense	5,469	-	5,469
Advertising	9,308	6,581	15,889
Bad debt expense	27,586	-	27,586
Contract Services	650,180	13,219	663,399
Dues and subscriptions	-	5,400	5,400
Insurance	555,697	194	555,891
Interest	320,163	-	320,163
Legal and professional	216,375	101,831	318,206
Miscellaneous	8,299	17,747	26,046
Printing and postage	10,231	7,971	18,202
Rebate expense	115,122	-	115,122
Repairs and maintenance	683,010	4,422	687,432
Security services	28,003	-	28,003
Social program funds	61,095	1,252	62,347
Supplies	120,517	33,893	154,410
Taxes and licenses	652,353	13,263	665,616
Telephone	17,576	7,334	24,910
Travel	34,904	661	35,565
Utilities	1,085,638	-	1,085,638
 Total Functional Expenses before Depreciation and Amortization	 7,288,908	 253,726	 7,542,634
 Depreciation and Amortization	 3,096,050	 6,631	 3,102,681
 Total Functional Expenses	 <u>\$ 10,384,958</u>	 <u>\$ 260,357</u>	 <u>\$ 10,645,315</u>

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

**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b><u>TOTAL PROGRAM SERVICES</u></b>	<b><u>TOTAL MANAGEMENT &amp; GENERAL</u></b>	<b><u>TOTAL EXPENSES</u></b>
Payroll and related expenses	\$ 1,893,747	\$ 273,345	\$ 2,167,092
OPEB Expense	-	6,213	6,213
Advertising	8,248	195	8,443
Contract services	691,051	5,848	696,899
Insurance	364,549	1,914	366,463
Interest	453,764	22,357	476,121
Legal and professional	79,799	71,803	151,602
Miscellaneous	1,723	112,953	114,676
Printing and postage	4,238	6,760	10,998
Repairs and maintenance	534,799	3,637	538,436
Social program funds	109,552	255	109,807
Supplies	105,381	29,871	135,252
Taxes and licenses	232,168	41,945	274,113
Telephone	17,964	3,828	21,792
Travel	40,959	2,623	43,582
Utilities	957,485	19,943	977,428
Total Functional Expenses before Depreciation and Amortization	5,495,427	603,490	6,098,917
Depreciation and amortization	2,195,629	29,474	2,225,103
Total Functional Expenses	<u>\$ 7,691,056</u>	<u>\$ 632,964</u>	<u>\$ 8,324,020</u>

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

**URBAN HOUSING SOLUTIONS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 2,229,870	\$ 6,385,228
Adjustments to reconcile increase in net assets		
Depreciation and amortization	3,102,681	2,225,103
Changes in:		
Restricted deposits	869,582	(47,821)
Accounts receivable	76,380	
Grants	(122,849)	1,035,469
Tenants	-	23,808
Development fee receivable	(2,250,000)	-
Due from related parties	(38,934)	-
Other	-	174,779
Prepaid expenses	(70,711)	(6,074)
Other assets	(812)	(496,945)
Deferred outflows	-	(2,077)
Accounts payable and accrued expenses	3,108,250	816,815
Due to related parties	2,250,000	-
Tenant security deposits payable	182,422	91,855
Prepaid rent	(6,787)	22,894
Development fee payable	1,027,500	5,080,523
OPEB liability	(6,114)	(997)
Deferred inflows	12,395	9,287
Net cash provided by operating activities	<u>10,362,873</u>	<u>15,311,847</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(24,546,582)	(20,930,649)
Payments for deferred charges	(163,850)	
Payment of contractor payable	(613,892)	-
Purchase of investment securities	(17,792,118)	-
Sale of investment securities, net	14,862,804	102,944
Net cash used in investing activities	<u>(28,253,638)</u>	<u>(20,827,705)</u>
Cash Flows from Financing Activities:		
Change in line of credit	6,500,000	-
Loan closing costs incurred	64,043	39,212
Payments to affiliates	(186,118)	
Bond issue costs	(10,000)	(54,918)
Proceeds from bonds payable	15,000,000	-
Payments on bonds payable	(15,000,000)	-
Proceeds from notes payable	26,274,339	7,639,446

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

**URBAN HOUSING SOLUTIONS, INC.**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u><b>2020</b></u>	<u><b>2019</b></u>
Cash Flows from Financing Activities (Continued):		
Principal payments on notes payable	(9,401,711)	(2,364,802)
Contributions	11,741,936	1,045,142
Syndication	<u>-</u>	<u>(178,524)</u>
Net cash provided by financing activities	<u>34,982,489</u>	<u>6,125,556</u>
 Change in cash and restricted cash	 17,091,724	 609,698
 Cash and restricted cash - beginning of year	 12,178,009	 11,526,238
 Prior period adjustment	 <u>-</u>	 <u>42,073</u>
 Cash and restricted cash - end of year	 <u><u>\$ 29,269,733</u></u>	 <u><u>\$ 12,178,009</u></u>

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

**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

**Organization and Purpose:**

Urban Housing Solutions, Inc. ("UHS") was founded in 1991 as a Tennessee not-for-profit corporation. UHS provides affordable rental housing and social services for low-income residents of Nashville, primarily those with special needs.

**Basis of Presentation:**

UHS prepares its financial statements and maintains its financial accounting records on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for Profit Organizations. Under the FASB Accounting Standards Codification, the Association is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

*Net assets without donor restrictions* - These are net assets that are not subject to donor-imposed stipulations. UHS had \$60,161,199 and \$41,109,670 of net assets without donor restrictions as of December 31, 2020 and 2019, respectively.

*Net assets with donor restrictions* - These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of UHS and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by UHS. Generally, donors of these assets permit UHS to use all or part of the income earned for general or specific purposes. UHS had \$0 of net assets with donor restrictions as of both December 31, 2020 and 2019, respectively.

**Contributions and Support:**

Contributions are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to without donor restrictions unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as net assets with donor restrictions support that increases that net asset class. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted.

UHS also receives grant revenue from various federal, state and local agencies, principally from the U.S. Department of Housing and Urban Development and the Metropolitan Development and Housing Agency. Grant revenue is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant. Grant funds received prior to recognition are recorded initially as deferred revenue.

**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

**Contributions and Support (Continued)**

UHS reports any gifts of equipment or materials as unrestricted support unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

**Income Taxes**

UHS has been determined by the Internal Revenue Service to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

UHS has evaluated its tax position in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. UHS believes that it has taken no uncertain tax positions. The Organization files U.S. Federal Form 990 - *Return of Organization Exempt from Income Tax*. The Organization's returns for those years prior to calendar year 2017 are no longer open for examination.

**Fixed Assets**

Fixed assets with a cost above \$500 are recorded at acquisition costs, or estimated fair market value if donated, and are depreciated using the straight-line method over their estimated useful lives of three to ten years for furniture and equipment and fifteen to thirty years for buildings and improvements.

**New Pronouncements**

In February 2016, FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the fiscal year ending December 31, 2021. UHS is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

**Program and Supporting Services**

The following program and supporting services are included in the accompanying financial statements:

**Woodland** - this building is used as our main administrative and leasing office.

**Mercury Courts and The Park** - provides 155 units of housing for formerly homeless and low-income adults, as well as access to the agency's shuttle service, on-site classes, service coordination, and health advocacy.

**Hope Terrace (formerly known as Centennial Commons), Crown Courts, and Vultee Gardens** - three properties that provide a total of 65 housing units for low-income individuals and families who are in recovery from drug and alcohol addiction, some of whom are homeless. UHS's Journeys of Hope program provides supportive services for these residents.

**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

**Program and Supporting Services (Continued)**

**Rental Projects (continued):**

**Mercury North** - provides 32 units of housing for low-income adults and families, many of whom are homeless.

**Greentree Terrace** - provides 57 units of housing for low-income individuals and families, some of whom are homeless.

**River Terrace** - provides 20 units of housing for low-income adults and families.

**Porter East** - provides 20 apartments for low-income adults and families with a focus on deaf individuals, as well as space for a variety of small commercial enterprises.

**Neely Meadows** - provides 148 units of housing for low-to-moderate income individuals and families.

**Eastwood Courts** - provides 61 units of housing for low-income adults and families.

**Village Place** - provides 69 units of housing for low-income adults and families.

**Clarksville Highway** - provides 141 units of housing for low-income adults and families.

**Millennium** - provides 25 units of housing for low-to-moderate income individuals and family.

**Lewis (1233-1235)** - provides 20 units of housing for developmentally-challenged adults and their friends from the Vanderbilt Divinity School.

**Old Hickory** - land purchase

**Rex Courtyard** - provides 96 units of housing for low-income individuals and families, many of whom are homeless.

**Resident Support Programs:**

**Neighborhood Stabilization Program II** - Thirteen properties, which were purchased to rehabilitate the neighborhoods in the Nashville area, including a total of 131 residential units for lower income adults and families. All properties are complete.

**Service Coordinator Program** - provides the supportive service staff that is essential to assess and assist the formerly homeless residents of Mercury Courts and those in need at other properties. Service coordinators provide referrals to community services, and assist residents in obtaining employment.

**Journeys of Hope Program** - provides addiction recovery services to residents living in 65 units of housing in three different properties - Vultee Gardens, Crown Courts, and Hope Terrace. In addition to weekly group meetings and regular drug testing, residents also have access to a full-time addictions specialist.



**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

**Program and Supporting Services (Continued)**

**Resident Support Programs (Continued):**

**Client Fund Program** - provides direct financial assistance to residents in order to meet their transportation, healthcare, or other emergency needs. The fund covers the cost of the resident shuttle, bus passes, medical and dental co-pays, food, rent concessions and basic starter household supplies for many of the agency's formerly homeless residents. This fund has recently been used to assist flood victims.

**Health Matters** - offers a full-time health advocate, health-related workshops, and semiannual health fairs for UHS residents - primarily to those living at Mercury Courts and The Park. The program helps to connect residents to primary care physicians, insurance and prescription assistance programs, and wellness programs in order to reduce dependency on emergency services and improve health outcomes.

**HOPWA (Housing Opportunities for Persons with AIDS)** - provides subsidized rent and case management for UHS residents living with HIV/AIDS.

**Homeless Recovery Program (SHP)** - At the end of 2015, the Permanent SHP, SOAR SHP and Mainstream SHP programs were consolidated into the Homeless Recovery Program. This program provides subsidized rent and case management services for people who are homeless and disabled. The SOAR SHP provided subsidized rent and supportive services for people who have applied for SSI/SSDI through the SOAR process. The Mainstream SHP provided subsidized rent and case management for people who are homeless.

**Vanderbilt** - provides the Safety Net grant for lab and medication fees. The grant proceeds pass-through Urban Housing Solutions from the State of Tennessee to the Clinic at Mercury Court.

**Low Income Housing Tax Credit Programs:**

**Gibson Creek:**

In December 2017, UHS paid earnest fees and expenses amounting to \$244,515 for the purchase of Hampton Terrace, which occurred in April 2018. This property was transferred to 300 E Webster Street Holdings, LP, a limited partnership, for a .01% ownership interest through its wholly owned subsidiary, 300 E. Webster Street Holdings GP, LLC. These expenses were reimbursed once the closing was complete. UHS is the developer of the property.

The property is managed by S&S Property Management. UHS is responsible for paying insurance, taxes, and other fees which are reimbursed by 300 E Webster Street Holdings, LP.

300 E Webster Street Holdings, LP qualifies 100% of the units for low income housing credits in accordance with Section 42 of the Internal Revenue Code as enacted by the Tax Reform Act of 1986. The applicable low-income housing tax credits will be available to the limited partner over a ten-year period. The units must meet the provisions of Section 42 of the Internal Revenue Code during fifteen years in order to remain qualified to receive the credits. After meeting the fifteen-year requirement, all tax credits have been earned. The project was completed by December 31, 2019.

**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

**Program and Supporting Services (Continued)**

**Low Income Housing Tax Credit Programs (Continued):**

**26th Avenue North (Clarksville Phase 3):**

In December 2018, UHS conveyed Unit 3 and an appurtenant interest in the common elements of 26th and Clarksville Commons to 2125 26th Ave N Holding, LP. Project was completed in the fall of 2020.

**Skyliner:**

In 2019 and 2020, UHS paid pre-development costs, fees, and expenses amounting to \$716,619 and \$2,948,630, respectively, for the closing of Skyliner. This property was transferred to Skyliner, LP, a limited partnership, for a .01% ownership interest through its wholly owned subsidiary, Skyliner Development, LLC. Expenses of \$306,217 were reimbursed in 2020. The majority of expenses will be reimbursed once the substantial funding occurs in 2021.

**Management and General** - includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program or fund-raising activity. Includes costs associated with providing coordination and articulation of UHS's program strategy, business management, general record keeping, budgeting and related purposes.

**Allocation of Functional Expenses**

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity benefited based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

**Use of estimates in the preparation of financial statements**

The preparation of 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Allowance for uncollectible accounts/bad debts**

At the end of each year, management reviews accounts receivable in detail and writes off any account that is deemed uncollectible. Based on assessment of specific accounts and historical collection experience of rental income, an allowance for uncollectible accounts was considered to be 20% of total balance as of December 31, 2020 and 2019, which was \$32,474 and \$10,929, respectively.

**2. GRANTS RECEIVABLE**

Grants receivable consists of receivables from programs funded by the U.S. Department of Housing and Urban Development ("HUD"), the Metropolitan Development and Housing Agency ("MDHA") and the Tennessee Department of Health. Financial activities of those programs are summarized in the schedule of expenditures of federal awards.

**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**3. FIXED ASSETS**

Fixed assets consist of the following as of December 31:

	2020	2019
Land	\$ 10,121,299	\$ 6,781,299
Buildings and improvements	95,522,363	73,111,435
Furniture and equipment	3,569,610	5,489,960
Construction in progress	3,869,299	1,049,793
Eliminations	(1,027,500)	-
	112,055,071	86,432,487
Less accumulated depreciation	(22,776,291)	(19,780,426)
Total Fixed Assets	\$ 89,278,780	\$ 66,652,061

**4. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by UHS in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, investments, accounts receivable, prepaid expenses, accounts payables, unearned revenue and accrued expenses: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

**5. NOTES PAYABLE**

Notes payable consist of the following at December 31:

	2020	2019
Note payable - Renasant Bank (prime rate - 4.00%); payable in monthly installments of \$6,400 beginning January 2017 final balloon payment for balance due January 2022; secured by real estate.	\$ 328,346	\$ 404,505
Note payable - Pinnacle Bank (index rate - 4.00%); payable in monthly principal and interest payment of \$5,479 beginning October 2008, final balloon payment for the balance due August 2027; secured by real estate at Mercury Courts.	443,868	508,852
Note payable - Regions Bank (3.50%); payable in monthly principal and interest payment of \$5,751 beginning March 2010, final payment for balance due August 2021; secured by real estate.	36,402	102,832
Note payable - Bank of TN (prime rate - 4.00%); payable in monthly principal payment of \$7,640 plus interest beginning February 2011, final balloon payment for balance due January 2026; secured by real estate.	465,840	557,520
Note payable - Bank of TN (prime rate - 4.00%); payable in monthly principal payment of \$6,390 plus interest beginning February 2011, final balloon payment for balance due January 2026; secured by real estate.	389,590	466,270

**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**5. NOTES PAYABLE (CONTINUED)**

	<u>2020</u>	<u>2019</u>
Note payable - Truxton Trust (prime rate - 4.00%); payable in monthly principal payments of \$11,031 plus interest, beginning February 2018, final balloon payment January 2028; secured by real estate.	948,645	1,081,017
Note payable - Renasant (prime rate - 4%); interest only until January 2020, then payable in monthly principal payment of \$4,167 plus interest, beginning February 2020, final balloon payment for balance due January 2023; secured by real estate.	2,777,102	2,153,422
Note Payable - Truxton Trust (prime rate - 4.00%); payable in monthly principal and interest payments of \$4,149; beginning June 2016, final balloon payment for balance due December 2024; secured by real estate.	813,188	863,068
Note Payable - Truxton Trust (prime rate - 4.00%); payable in monthly principal and interest payments of \$4,518; beginning January 2020, final balloon payment for balance due June 2024; secured by real estate.	650,989	703,829
Note Payable - Pinnacle (prime rate - 4.00%); payable in monthly principal and interest payments of \$5,416; beginning January 2020, final balloon payment for balance due May 2024; secured by real estate.	1,026,917	1,089,577
Note Payable - 300 E Webster St Holdings, LP; First Horizon (prime rate - 4.00%, 0.75% per annum as of December 31, 2019); Interest only will be payable monthly for the first 24 months, final balloon payment for balance due April 2035; secured by real estate.	12,242,881	12,497,484
Note Payable - 300 E Webster St Holdings, LP; First Horizon (prime rate - 4.00%, 0.75% per annum as of December 31, 2019); Interest only will be due and payable monthly for the first 24 months, all principal and interest payments are due on April 26, 2020; secured by real estate.	3,351,916	5,499,024
Note Payable - 2125 26th Ave. N Holdings, LP; Pinnacle Bank (prime rate 4.00%); secured by real estate. Interest only due until full balance due 1/6/2020. Subject to SWAP agreement stating fixed rate of 1.62%.	-	5,000,000
Note Payable - 2125 26th Ave. N. Holdings, LP; Pinnacle Bank (prime rate - 4.00%); payable in monthly principal and interest payments of \$4,000; beginning December 2020, and payments of \$5,000 beginning December 2024; final balloon payment for balance due May 2029; secured by real estate. Subject to a SWAP agreement stating a fixed rate of 1.62%.	1,679,651	1,679,651
Note payable - Regions Bank (prime rate - 4.00%); payable in monthly interest payments beginning January 2022, and final balloon payment for balance due December 2022; secured by real estate.	9,200,000	-

**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**5. NOTES PAYABLE (CONTINUED)**

	<u>2020</u>	<u>2019</u>
Note payable - Fifth Third Bank (prime rate - 4.00%); payable in annual principal payments beginning January 2023, and final balloon payment for balance due January 2038; secured by real estate.		
	17,200,000	-
<b>Total Notes Payable</b>	51,555,335	32,607,051
<b>Less: Unamortized Fees</b>	(210,002)	(223,869)
<b>Notes Payable, Net of Unamortized Fees</b>	<u>\$ 51,345,333</u>	<u>\$ 32,383,182</u>

Annual principal maturities of notes payable as of December 31, 2020 are as follows:

2021	\$ 4,625,879
2022	10,666,261
2023	8,385,304
2024	2,756,688
2025	1,374,088
2026 and thereafter	23,747,115
	<u>\$ 51,555,335</u>

Interest expense of \$320,163 and \$476,121 was paid in 2020 and 2019.

**6. BONDS PAYABLE**

On April 26, 2018, the Organization obtained financing from the issuance of Health and Educational Facilities Board issued by the Metro Government of Nashville and Davidson County. The bond bears interest at 2.05% per annum and are secured by the mortgage. All outstanding principal and interest was due and payable at maturity on April 26, 2020. As of December 31, 2020 and 2019, the outstanding principal balance was \$0 and \$15,000,000, respectively.

In January 2020, the Organization obtained financing from the issuance of Health and Educational Facilities Board issued by the Metro Government of Nashville and Davidson County. The bond bears interest at 2.01% per annum and are secured by the mortgage. Interest is paid annually. The outstanding principal is due and payable at maturity on January 5, 2023. As of December 31, 2020, the outstanding principal balance was \$15,000,000.

The bonds payable consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Principal balance	\$ 15,000,000	\$ 15,000,000
Less: unamortized bond fees	-	(54,918)
<b>Bonds payable, net of unamortized bond fees</b>	<u>\$ 15,000,000</u>	<u>\$ 14,945,082</u>

Debt issuance costs are amortized to interest expense over the term of the loan. For the year ended December 31, 2020, the effective interest rate was 2.05%. Amortization expense for debt issuance costs was \$67,294 and \$180,397 for the years ended December 31, 2020 and 2019, respectively.

**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**7. CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject UHS to concentrations of credit risk consist principally of grants and tenant accounts receivable. Tenant accounts receivable are widely dispersed to mitigate credit risk. Grants receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources.

UHS maintains deposit accounts with nine financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 each. UHS had excess uninsured balances in 2020 and 2019. In management's opinion, the risk is mitigated by the use of high-quality financial institutions.

**8. COMMITMENTS AND CONTINGENCIES**

**Federal and State Grants**

UHS received federal, state and local grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowances of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for any potential reimbursements to the grantor.

**9. ACCRUE PAYMENTS IN LIEU OF TAXES (PILOT)**

UHS is not required to pay property taxes on several of its properties that have been granted property tax exempt status. Under this exempt status, UHS is required to make a payment in lieu of taxes (PILOT) to the city and county.

The Metropolitan Council approved the formula for calculating PILOT payments to be 25% of the normal property taxes. PILOT expenses were \$225,887 and \$66,655 for the years ended December 31, 2020 and 2019, respectively.

**10. CONSORTIUM AGREEMENT**

UHS is a consortium member with Metropolitan Development and Housing Agency (MDHA) to implement the Neighborhood Stabilization Program 2 (NSP2) by conducting certain activities including:

- Redevelopment of Demolished or Vacant Property as Housing (New Construction).
- Acquisition and Rehab of Abandoned or Foreclosed Homes of Residential Properties.

**11. COMPENSATED ABSENCES**

Employees of UHS are entitled to paid vacation and sick days. Employees are allowed to carryover 5 unused vacation days at December 31; sick days are not paid if the employee leaves. Accordingly, the accrued leave has been calculated as the total of vacation days available. As of December 31, 2020 and 2019, the amount of accrued leave was \$39,559 and \$23,639, respectively.

**12. PENSION**

UHS maintains a 401(k) plan. Matching contributions are made on each employee's behalf up to 5.0% of compensation. Employees are eligible after ninety days of service. Total contributions were \$95,859 and \$75,814 for the years ended December 31, 2020 and 2019, respectively.

**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**13. CLOSED LOCAL GOVERNMENT OPEB PLAN**

**Plan description** - Employees of UHS are provided with pre-65 retiree health insurance benefits through the Local Government OPEB Plan (LGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGOP.

**Benefits provided** - UHS offers the LGOP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGOP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGOP, receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. UHS does not directly subsidize and are only subject to the implicit subsidy. The LGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms - At July 1, 2020, the following employees of UHS were covered by the benefit terms of the LGOP:

Inactive employees currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	44
Total	<u>44</u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGOP by member employers and employees through the blended premiums established for active and retired employees.

Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2020, UHS paid \$386 to the LGOP for OPEB benefits as they came due.

***Total OPEB Liability***

Actuarial assumptions - The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.10%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent.
Healthcare costs and trends	7.56% for 2021, decreasing annually over a 10 year period to an ultimate rate of 4.50%.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this Valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**13. CLOSED LOCAL GOVERNMENT OPEB PLAN (CONTINUED)**

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

**Discount rate** - The discount rate used to measure the total OPEB liability was 2.21 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-Year Municipal GO AA index.

***Changes in the Total OPEB Liability***

	Total OPEB Liability (a)
Total OPEB liability – beginning balance	\$ 38,309
Changes for the year:	
Service cost	6,655
Interest	1,621
Changes for benefit terms	-
Differences between expected and actual experience	(15,644)
Change in assumption	1,640
Benefit payments	(386)
Net changes	(6,114)
Total OPEB liability – ending balance	\$ 32,195

**Changes in assumptions** - The discount rate was changed from 3.62% as of the beginning of the measurement period to 3.51% as of June 30, 2019. This change in assumption decreased the total OPEB liability. It was also decided to change the status of the LGOP from a closed plan to one that is open to all eligible employees regardless of initial hire date. This change in status will increase the OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and slight changes to the near term health trend rates.

**Sensitivity of total OPEB liability to changes in the discount rate** - The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.



**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**13. CLOSED LOCAL GOVERNMENT OPEB PLAN (CONTINUED)**

	1% Decrease (2.51%)	Discount Rate (3.51%)	1% Increase (4.51%)
Total OPEB liability	\$ 35,001	\$ 32,195	\$ 29,604

***Sensitivity of total OPEB liability to changes in the healthcare cost trend rate*** - The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

	1% Decrease (6.56% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.56% decreasing to 4.5%)	1% Increase (8.56% decreasing to 5.5%)
Total OPEB liability	\$ 28,155	\$ 32,195	\$ 37,021

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

***OPEB expense*** - For the fiscal year ended June 30, 2019, UHS recognized OPEB expense of \$6,599.

***Deferred outflows of resources and deferred inflows of resources*** - For the fiscal year ended June 30, 2019, UHS reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the LGOP from the following sources:

	Deferred Outflows of resources	Deferred Inflows of resources
Differences between actual and expected experience	\$ -	\$ (22,010)
Changes of assumptions	3,173	(1,096)
Employer payments subsequent to the measurement date	-	-
Total	\$ 3,173	\$ (23,106)

The amounts shown above for "Employer payments subsequent to the measurement date" will be recognized as a reduction to total OPEB liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

For the year ended June 30:

2022	\$	(2,807)
2023	\$	(2,807)
2024	\$	(2,807)
2025	\$	(2,807)
2026	\$	(2,807)
Thereafter	\$	(5,898)

**URBAN HOUSING SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**14. PRIOR PERIOD ADJUSTMENT**

A prior period adjustment for Urban Housing Solutions in the amount of \$5,080,523 for the year ended December 31, 2020. This adjustment was to record a development fee receivable from 300 E. Webster Street Holdings, L.P. This transaction is eliminated in consolidation.

**15. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 27, 2021, which is the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**DECEMBER 31, 2020**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total OPEB liability</b>			
Service cost	\$ 6,837	\$ 6,054	\$ 6,655
Interest	1,160	1,610	1,621
Changes of benefit terms	-	-	-
Differences between expected and actual	-	(10,590)	(15,644)
Changes of assumptions	(1,588)	2,213	1,640
Benefit payments	-	(284)	(386)
<b>Net change in total OPEB liability</b>	<u>6,409</u>	<u>(997)</u>	<u>(6,114)</u>
<b>Total OPEB liability - beginning</b>	<u>32,897</u>	<u>39,306</u>	<u>38,309</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 39,306</u></u>	<u><u>\$ 38,309</u></u>	<u><u>\$ 32,195</u></u>

**Covered-employee payroll** \$ 2,421,857

**Total OPEB liability as a percentage of  
covered-employee payroll** 1.62%

**Notes to Schedule**

There are no assets accumulating, in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

## **SUPPLEMENTAL INFORMATION**

**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020**

	<b>Urban Housing Solutions</b>	<b>300 E . Webster St. Holdings, LP</b>	<b>2125 26th Ave. N. Holdings, LP</b>	<b>Skyliner</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b><u>ASSETS</u></b>					
<b>Current Assets</b>						
Cash	\$ 11,221,748	\$ 418,967	\$ 115,261	\$ 16,990,125	\$ -	\$ 28,746,101
Restricted cash:						
Tenant security deposits	904	-	-	-	-	904
Replacement reserves	27,033	495,695	-	-	-	522,728
Investments securities	-	-	-	15,149,705	-	15,149,705
Accounts receivable:						-
Grants	210,132	-	-	-	-	210,132
Tenants, net of doubtful accounts	129,894	-	13,521	-	-	143,415
Development fee receivable	6,261,140	-	-	153,117	(6,414,257)	-
Due from related parties	2,250,000	-	-	-	(2,250,000)	-
Other	-	39,623	13,133	25,801	-	78,557
Investment - Skyliner	3,359,032	-	-	-	(3,359,032)	-
Prepaid expenses	-	6,074	-	-	-	6,074
Total Current Assets	<u>23,459,883</u>	<u>960,359</u>	<u>141,915</u>	<u>32,318,748</u>	<u>(12,023,289)</u>	<u>44,857,616</u>
 Fixed Assets - net of accumulated depreciation of \$22,776,291	 <u>47,887,181</u>	 <u>25,599,889</u>	 <u>11,249,248</u>	 <u>5,569,962</u>	 <u>(1,027,500)</u>	 <u>89,278,780</u>
Intangible assets	<u>-</u>	<u>152,146</u>	<u>65,997</u>	<u>-</u>	<u>-</u>	<u>218,143</u>
Total Other Assets	<u>-</u>	<u>152,146</u>	<u>65,997</u>	<u>-</u>	<u>-</u>	<u>218,143</u>
 Total Assets	 71,347,064	 26,712,394	 11,457,160	 37,888,710	 (13,050,789)	 134,354,539
 Deferred outflows of resources	 <u>3,173</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>3,173</u>
 Total assets and deferred outflows	 <u><u>\$ 71,350,237</u></u>	 <u><u>\$ 26,712,394</u></u>	 <u><u>\$ 11,457,160</u></u>	 <u><u>\$ 37,888,710</u></u>	 <u><u>\$ (13,050,789)</u></u>	 <u><u>\$ 134,357,712</u></u>

-30-

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

**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS OF DECEMBER 31, 2020**

**LIABILITIES AND NET ASSETS**

	<b>Urban Housing Solutions</b>	<b>300 E . Webster St. Holdings, LP</b>	<b>2125 26th Ave. N. Holdings, LP</b>	<b>Skyliner</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Current Liabilities</b>						
Accounts payable and accrued expenses	\$ 734,351	\$ 187,412	\$ 40,082	\$ 3,359,033	\$ (3,359,032)	\$ 961,846
Due to related parties	-	2,000,000	-	250,000	(2,250,000)	-
Line of credit	6,500,000	-	-	-	-	6,500,000
Tenant security deposits	243,639	73,487	-	-	-	317,126
Development fee payable	-	5,080,523	1,027,500	153,117	(6,261,140)	-
Prepaid rent	-	16,107	-	-	-	16,107
Current notes payable	815,717	3,810,162	-	-	-	4,625,879
Total Current Liabilities	8,293,707	11,167,691	1,067,582	3,762,150	(11,870,172)	12,420,958
Bonds payable	-	-	-	15,000,000	-	15,000,000
OPEB liability	32,195	-	-	-	-	32,195
Non-current notes payable	16,212,618	11,627,185	1,679,651	17,200,000	-	46,719,454
Total Noncurrent Liabilities	16,244,813	11,627,185	1,679,651	32,200,000	-	61,751,649
Total Liabilities	24,538,520	22,794,876	2,747,233	35,962,150	(11,870,172)	74,172,607
Deferred inflows of resources	23,106	-	-	-	-	23,106
<b>Net Assets</b>						
Without donor restrictions	46,788,611	3,917,518	8,709,927	1,926,560	(1,180,617)	60,161,999
With donor restrictions	-	-	-	-	-	-
Total net assets	46,788,611	3,917,518	8,709,927	1,926,560	(1,180,617)	60,161,999
Total liabilities						
Deferred inflows and net assets	\$ 71,350,237	\$ 26,712,394	\$ 11,457,160	\$ 37,888,710	\$ (13,050,789)	\$ 134,357,712

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

**URBAN HOUSING SOLUTIONS**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Urban Housing Solutions</b>	<b>300 E . Webster St. Holdings, LP</b>	<b>2125 26th Ave. N. Holdings,</b>	<b>Skyliner</b>	<b><u>Eliminations</u></b>	<b><u>Consolidated</u></b>
<b>SUPPORT AND REVENUES</b>						
Public Support:						
Individual and corporate gifts & Barnes Fund	\$ 849,149	\$ -	\$ -	\$ -	\$ -	\$ 849,149
Grants:						
Government	1,103,119	-	-	-	-	1,103,119
Total public support	1,952,268	-	-	-	-	1,952,268
Revenues:						
Rental income	7,111,866	2,303,438	145,849	-	-	9,561,153
Laundry and vending machine income	23,166	15,867	-	-	-	39,033
Investment income	25,318	4,191	76,723	-	-	106,232
Interest income	-	-	-	403,050	-	403,050
Developer fees	1,180,617	-	-	-	(1,180,617)	-
Insurance proceeds	369,196	-	-	-	-	369,196
Miscellaneous	412,314	-	1,674	-	-	413,988
Application fees	30,265	-	-	-	-	30,265
Net assets released from restrictions:						
Satisfaction of time and purpose restrictions	-	-	-	-	-	-
<b>TOTAL SUPPORT AND REVENUES</b>	<b>11,105,010</b>	<b>2,323,496</b>	<b>224,246</b>	<b>403,050</b>	<b>(1,180,617)</b>	<b>12,875,185</b>



**URBAN HOUSING SOLUTIONS**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Urban Housing Solutions</b>	<b>300 E . Webster St. Holdings, LP</b>	<b>2125 26th Ave. N. Holdings,</b>	<b>Skyliner</b>	<b><u>Eliminations</u></b>	<b><u>Consolidated</u></b>
<b>EXPENSES</b>						
Program services:						
Rental projects	\$ 6,740,477	\$ 2,302,560	\$ 239,090	\$ 180,448	\$ -	\$ 9,462,575
Resident support programs	922,383	-	-	-	-	922,383
Total program services	<u>7,662,860</u>	<u>2,302,560</u>	<u>239,090</u>	<u>180,448</u>	<u>-</u>	<u>10,384,958</u>
Supporting services:						
Management and general	<u>124,256</u>	<u>136,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,357</u>
<b>TOTAL EXPENSES</b>	<u>7,787,116</u>	<u>2,438,661</u>	<u>239,090</u>	<u>180,448</u>	<u>-</u>	<u>10,645,315</u>
<b>CHANGE IN NET ASSETS</b>	3,317,894	(115,165)	(14,844)	222,602	(1,180,617)	2,229,870
Net Assets, Beginning of year	38,390,194	666,020	2,053,456	-	-	41,109,670
Prior Period Adjustment	5,080,523	-	-	-	-	5,080,523
Syndication	-	-	-	-	-	-
Capital Contributions	-	3,366,663	6,671,315	1,703,958	-	11,741,936
Net Assets, End of year	<u>\$ 46,788,611</u>	<u>\$ 3,917,518</u>	<u>\$ 8,709,927</u>	<u>\$ 1,926,560</u>	<u>\$ (1,180,617)</u>	<u>\$ 60,161,999</u>

**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	PROGRAM SERVICES								
	URBAN HOUSING SOLUTIONS			300 E. WEBSTER ST. HOLDINGS, LP	2125 26TH AVE. N. HOLDINGS, LP	Skyliner	Eliminations	TOTAL PROGRAM SERVICES	
	RENTAL PROJECTS	RESIDENT SUPPORT PROGRAMS	Total						
Payroll and related expenses	\$ 1,852,294	\$ 529,605	\$ 2,381,899	\$ 279,241	\$ 26,242	\$ -	\$ -	2,687,382	
OPEB Expense	-	5,469	5,469	-	-	-	-	5,469	
Advertising	-	-	-	9,308	-	-	-	9,308	
Bad debt expense	-	-	-	27,586	-	-	-	27,586	
Contract services	638,182	5,156	643,338	6,842	-	-	-	650,180	
Dues and subscriptions	-	-	-	-	-	-	-	-	
Insurance	415,712	8,644	424,356	121,902	9,439	-	-	555,697	
Interest	19,029	1	19,030	98,213	27,920	175,000	-	320,163	
Legal and professional	138,168	9,941	148,109	53,386	14,880	-	-	216,375	
Miscellaneous	-	1,892	1,892	1	958	5,448	-	8,299	
Printing and postage	8,471	1,760	10,231	-	-	-	-	10,231	
Rebate expense	-	-	-	115,122	-	-	-	115,122	
Repairs and maintenance	270,447	2,181	272,628	394,811	15,571	-	-	683,010	
Security services	-	-	-	28,003	-	-	-	28,003	
Social program funds	43,961	16,457	60,418	-	677	-	-	61,095	
Supplies	103,003	16,204	119,207	-	1,310	-	-	120,517	
Taxes and licenses	503,158	-	503,158	146,064	3,131	-	-	652,353	
Telephone	13,675	3,686	17,361	-	215	-	-	17,576	
Travel	30,861	3,639	34,500	-	404	-	-	34,904	
Utilities	947,234	-	947,234	113,451	24,953	-	-	1,085,638	
Total functional expenses before depreciation and amortization	4,984,195	604,635	5,588,830	1,393,930	125,700	180,448	-	7,288,908	
Depreciation and amortization	1,756,282	317,748	2,074,030	908,630	113,390	-	-	3,096,050	
Total Functional Expenses	\$ 6,740,477	\$ 922,383	\$ 7,662,860	\$ 2,302,560	\$ 239,090	\$ 180,448	\$ -	\$ 10,384,958	

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

**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Supporting Services</b>						
	<b>Management and General</b>						
	<u>URBAN HOUSING SOLUTIONS</u>	<u>300 E. WEBSTER ST. HOLDINGS, LP</u>	<u>2125 26TH AVE. N. HOLDINGS, LP</u>	<u>Skyliner</u>	<u>TOTAL MANAGEMENT &amp; GENERAL</u>	<u>Eliminations</u>	<u>TOTAL EXPENSES</u>
Payroll and related expenses	\$ 39,958	\$ -	\$ -	\$ -	\$ 39,958	\$ -	\$ 2,727,340
OPEB Expense	-	-	-	-	-	-	5,469
Advertising	6,581	-	-	-	6,581	-	15,889
Bad debt expense	-	-	-	-	-	-	27,586
Contract services	1,025	12,194	-	-	13,219	-	663,399
Dues and subscriptions	-	5,400	-	-	5,400	-	5,400
Insurance	194	-	-	-	194	-	555,891
Interest	-	-	-	-	-	-	320,163
Legal and professional	22,934	78,897	-	-	101,831	-	318,206
Miscellaneous	-	17,747	-	-	17,747	-	26,046
Printing and postage	3,353	4,618	-	-	7,971	-	18,202
Rebate expense	-	-	-	-	-	-	115,122
Repairs and maintenance	4,422	-	-	-	4,422	-	687,432
Security services	-	-	-	-	-	-	28,003
Social program funds	1,252	-	-	-	1,252	-	62,347
Supplies	21,665	12,228	-	-	33,893	-	154,410
Taxes and licenses	13,263	-	-	-	13,263	-	665,616
Telephone	2,866	4,468	-	-	7,334	-	24,910
Travel	112	549	-	-	661	-	35,565
Utilities	-	-	-	-	-	-	1,085,638
<b>Total functional expenses before depreciation and amortization</b>	117,625	136,101	-	-	253,726	-	7,542,634
Depreciation and amortization	6,631	-	-	-	6,631	-	3,102,681
<b>Total Functional Expenses</b>	<u>\$ 124,256</u>	<u>\$ 136,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,357</u>	<u>\$ -</u>	<u>\$ 10,645,315</u>

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

**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Urban Housing Solutions	300 E . Webster St. Holdings, LP	2125 26th Ave. N. Holdings, LP	Skyliner	Eliminations	Consolidated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Change in net assets:	\$ 3,317,894	\$ (115,165)	\$ (14,844)	\$ 222,602	\$ (1,180,617)	\$ 2,229,870
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:						
Depreciation and amortization	2,080,661	908,630	113,390	-	-	3,102,681
(Increase) decrease in:						
Restricted deposits	807,496	62,086	-	-	-	869,582
Accounts receivable:						
Grants	76,380	-	-	-	-	76,380
Tenants	(78,425)	(30,903)	(13,521)	-	-	(122,849)
Development free receivable	(1,180,617)	-	-	-	1,180,617	-
Due from related parties	(2,250,000)	-	-	-	-	(2,250,000)
Other	-	-	(13,133)	(25,801)	-	(38,934)
Prepaid expenses	-	-	-	-	-	-
Other assets	-	-	(70,711)	-	-	(70,711)
Deferred Outflows	(812)	-	-	-	-	(812)
Increase (decrease) in:						
Accounts payable and accrued expenses	180,775	171,997	(603,555)	3,359,033	-	3,108,250
Due to related parties	-	2,000,000	-	250,000	-	2,250,000
Tenant security deposits payable	17,904	11,401	-	153,117	-	182,422
Prepaid rent	-	(6,787)	-	-	-	(6,787)
Development fee payable	-	-	1,027,500	-	-	1,027,500
OPEB Liability	(6,114)	-	-	-	-	(6,114)
Deferred Inflows	12,395	-	-	-	-	12,395
Net cash provided (used) by operating activities	2,977,537	3,001,259	425,126	3,958,951	-	10,362,873

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

**URBAN HOUSING SOLUTIONS, INC.**  
**CONSOLIDATING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	(10,816,765)	(13,500)	(7,993,238)	(5,723,079)	-	(24,546,582)
Payments for deferred charges	-	(163,850)	-	-	-	(163,850)
Payment of contractor payable	-	(613,892)	-	-	-	(613,892)
Purchase of investment securities	(2,642,413)	-	-	(15,149,705)	-	(17,792,118)
Sale of investment securities, net	-	14,862,804	-	-	-	14,862,804
Net cash provided (used) by investing activities	<u>(13,459,178)</u>	<u>14,071,562</u>	<u>(7,993,238)</u>	<u>(20,872,784)</u>	<u>-</u>	<u>(28,253,638)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Changes in line of credit	6,500,000	-	-	-	-	6,500,000
Loan closing costs incurred	64,043	-	-	-	-	64,043
Payments to affiliates	-	(186,118)	-	-	-	(186,118)
Bond issue costs	-	(10,000)	-	-	-	(10,000)
Proceeds from bonds payable	-	-	-	15,000,000	-	15,000,000
Payments on bonds payable	-	(15,000,000)	-	-	-	(15,000,000)
Proceeds from notes payable	9,074,339	-	-	17,200,000	-	26,274,339
Principal payments on notes payable	-	(4,401,711)	(5,000,000)	-	-	(9,401,711)
Contributions	-	3,366,663	6,671,315	1,703,958	-	11,741,936
Syndication	-	-	-	-	-	-
Net cash provided by (used by) financing activities	<u>15,638,382</u>	<u>(16,231,166)</u>	<u>1,671,315</u>	<u>33,903,958</u>	<u>-</u>	<u>34,982,489</u>
NET INCREASE (DECREASE) IN CASH	5,156,741	841,655	(5,896,797)	16,990,125	-	17,091,724
CASH - BEGINNING OF YEAR	6,092,944	73,007	6,012,058	-	-	12,178,009
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-
CASH - END OF YEAR	<u>\$ 11,249,685</u>	<u>\$ 914,662</u>	<u>\$ 115,261</u>	<u>\$ 16,990,125</u>	<u>\$ -</u>	<u>\$ 29,269,733</u>

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/ Pass-Through Grantor	Program/Cluster Name	CFDA Number	Contract Number	Pass-through to Subrecipients	Expenditures
<b><u>Federal Awards</u></b>					
<b>Direct Funding:</b>					
US Department of Housing and Urban Development	Supportive Housing Program - Merged	14.235	TN0061L4J041811		\$ 60,725
US Department of Housing and Urban Development	Supportive Housing Program - Merged	14.235	TN0061L4J041912		507,815
**Total Program 14.235					568,540
<b>Pass-through Funding:</b>					
US Department of Housing and Urban Development through Metropolitan Development and Housing Agency	Housing Opportunities for Persons with AIDS	14.241	N/A		394,615
Total Program 14.241					394,615
<b>TOTAL FEDERAL AWARDS</b>					\$ 963,155
<b><u>State Financial Assistance</u></b>					
Tennessee Department of Health	Health Care Safety Net Primary Care Services for Uninsured Adult Tennesseans 19-64 Years of Age	N/A	N/A		10,912
Tennessee CARES Grant	CARES Act	N/A	N/A		130,408
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>					\$ 141,320
<b>TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE</b>					\$ 1,104,475

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance summarized the expenditures of Urban Housing Solutions, Inc. under programs of the federal and state governments for the year ended December 31, 2020. The schedule is presented using the accrual basis of accounting. Urban Housing Solutions elected to use the 10% de minimis cost rate permitted in the Uniform Guidance.

\*\* Tested as Major Program

NOTE: This schedule was prepared on a modified accrual basis in accordance with the format prescribed by the Tennessee Comptroller of the Treasury Division of Local Government Audit.

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal Grantor/ Pass-Through Grantor	Program/Cluster Name	CFDA Number	Contract Number	Passed Through to Subrecipients	Expenditures
<b><u>Federal Awards</u></b>					
<b><u>Direct Funding:</u></b>					
US Department of Housing and Urban Development	Supportive Housing Program - Merged	14.235	TN0061L4J041508		516,671
***Total Program 14.235					\$ 516,671
<b><u>Pass-through Funding:</u></b>					
US Department of Housing and Urban Development through Metropolitan Development and Housing Agency	Housing Opportunities for Persons with AIDS	14.241	N/A		349,537
Total Program 14.241					\$ 349,537
<b>TOTAL FEDERAL AWARDS</b>					\$ 866,208
<b><u>State Financial Assistance</u></b>					
Tennessee Department of Health	Health Care Safety Net Primary Care Services for Uninsured Adult Tennesseans 19-64 Years of Age	N/A	N/A		9,982
Tennessee Housing Development Agency	Lewis Rehabilitation	N/A	N/A		16,973
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>					\$ 26,955
<b>TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE</b>					\$ 893,163

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance summarized the expenditures of Urban Housing Solutions, Inc. under programs of the federal and state governments for the year ended December 31, 2019. The schedule is presented using the accrual basis of accounting.

Urban Housing Solutions elected to use the 10% de minimis cost rate permitted in the Uniform Guidance.

\*\* Tested as Major Program

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF PROGRAM SERVICES REVENUES AND EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**PROGRAM SERVICES**

	<b>SKYLINER</b>	<b>WOODLAND</b>	<b>MERCURY COURTS</b>	<b>HOPE</b>	<b>CROWN</b>	<b>FISK</b>	<b>RUSSELL</b>	<b>MERCURY NORTH</b>
<b>REVENUES</b>								
Rental Income	\$ 6,000	\$ -	\$ 891,767	\$ 98,931	\$ 104,931	\$ 138,692	\$ 108,157	\$ 185,027
Individual and corporate gifts & Barnes Fund	250,000	-	51	-	-	-	-	-
Grants	-	-	42,809	57,391	43,797	-	-	35,070
Other	12,704	29,576	38,569	5,652	207,404	1,246	54,471	6,243
<b>Total Revenues</b>	<b>268,704</b>	<b>29,576</b>	<b>973,196</b>	<b>161,974</b>	<b>356,132</b>	<b>139,938</b>	<b>162,628</b>	<b>226,340</b>
<b>EXPENSES</b>								
Payroll and related expenses	88,323	1,540	219,569	47,815	30,806	31,199	18,484	47,209
OPEB Expense	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-
Contract services	-	4,275	75,178	18,432	14,001	12,889	6,618	15,295
Dues and subscriptions	-	-	-	-	-	-	-	-
Insurance	554	777	40,615	8,278	7,047	5,020	3,411	9,126
Interest	-	-	766	-	391	-	-	-
Legal and professional	1,087	30	5,263	901	604	574	362	1,814
Miscellaneous	-	-	-	-	-	-	-	-
Printing and postage	-	4,657	2,153	-	-	-	-	-
Rebate expense	-	-	-	-	-	-	-	-
Repairs and maintenance	68	6,071	27,154	5,237	6,887	4,890	3,078	2,614
Security services	-	-	-	-	-	-	-	-
Resident/Social program funds	-	4	5,940	565	529	2,608	600	706
Supplies/Office	807	2,731	13,182	2,713	1,802	1,750	1,125	2,806
Taxes and licenses	-	-	-	4,038	4,178	1,435	-	1,460
Telephone	347	109	1,879	344	237	222	142	379
Travel	124	27	3,943	867	537	593	326	934
Utilities	-	10,042	181,614	16,686	12,692	15,361	7,104	45,919
<b>TOTAL FUNCTIONAL EXPENSES</b>								
<b>BEFORE DEPRECIATION</b>	<b>91,310</b>	<b>30,263</b>	<b>577,256</b>	<b>105,876</b>	<b>79,711</b>	<b>76,541</b>	<b>41,250</b>	<b>128,262</b>
REVENUE OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	177,394	(687)	395,940	56,098	276,421	63,397	121,378	98,078
Depreciation and amortization	1,226	16,250	103,963	31,533	19,922	16,857	21,362	49,155
<b>REVENUE OVER EXPENSES</b>	<b>\$ 176,168</b>	<b>\$ (16,937)</b>	<b>\$ 291,977</b>	<b>\$ 24,565</b>	<b>\$ 256,499</b>	<b>\$ 46,540</b>	<b>\$ 100,016</b>	<b>\$ 48,923</b>



**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF PROGRAM SERVICES REVENUES AND EXPENDITURES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>PROGRAM SERVICES</b>							
	<b>GREENTREE TERRACE</b>	<b>RIVER TERRACE</b>	<b>PORTER EAST</b>	<b>NEELY MEADOWS</b>	<b>HAPPY GARDEN</b>	<b>EASTWOOD COURTS</b>	<b>VILLAGE PLACE</b>	<b>MCA WALL</b>
<b>REVENUES</b>								
Rental Income	\$ 348,806	\$ 108,512	\$ 342,410	\$ 1,061,924	\$ 64,339	\$ 430,346	\$ 454,066	\$ -
Individual and corporate gifts & Barnes Fund	-	-	-	-	-	-	-	-
Grants	31,875	17,119	45,946	94,217	-	56,074	71,039	-
Other	2,869	1,280	1,285	34,929	272	5,496	14,395	-
<b>Total Revenues</b>	<b>383,550</b>	<b>126,911</b>	<b>389,641</b>	<b>1,191,070</b>	<b>64,611</b>	<b>491,916</b>	<b>539,500</b>	<b>-</b>
<b>EXPENSES</b>								
Payroll and related expenses	84,437	30,806	34,288	226,968	11,710	93,958	107,895	29,388
OPEB Expense	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-
Contract services	27,558	10,051	29,790	84,555	5,756	45,458	55,324	-
Dues and subscriptions	-	-	-	-	-	-	-	-
Insurance	19,898	5,803	11,146	48,847	2,872	18,897	46,819	137
Interest	641	-	1,149	1,375	-	2,581	1,179	-
Legal and professional	1,680	604	669	8,570	245	3,591	4,067	346
Miscellaneous	-	-	-	-	-	-	-	-
Printing and postage	-	-	-	337	-	370	540	-
Rebate expense	-	-	-	-	-	-	-	-
Repairs and maintenance	12,547	5,608	5,013	51,779	1,323	14,293	34,358	(108)
Security services	-	-	-	-	-	-	-	-
Resident/Social program funds	609	79	207	4,563	32	818	1,275	-
Supplies/Office	5,130	1,802	1,922	13,278	747	5,496	6,331	229
Taxes and licenses	8,058	3,212	36,472	99,246	7,375	20,591	12,527	-
Telephone	658	237	265	1,740	97	723	805	100
Travel	1,568	544	551	5,139	222	1,655	2,216	56
Utilities	40,213	7,152	63,144	79,538	6,058	43,101	45,498	-
<b>TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION</b>	<b>202,997</b>	<b>65,898</b>	<b>184,616</b>	<b>625,935</b>	<b>36,437</b>	<b>251,532</b>	<b>318,834</b>	<b>30,148</b>
<b>REVENUE OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION</b>	<b>180,553</b>	<b>61,013</b>	<b>205,025</b>	<b>565,135</b>	<b>28,174</b>	<b>240,384</b>	<b>220,666</b>	<b>(30,148)</b>
Depreciation and amortization	68,143	16,764	168,299	190,017	45,620	72,891	87,051	-
<b>REVENUE OVER EXPENSES</b>	<b>\$ 112,410</b>	<b>\$ 44,249</b>	<b>\$ 36,726</b>	<b>\$ 375,118</b>	<b>\$ (17,446)</b>	<b>\$ 167,493</b>	<b>\$ 133,615</b>	<b>\$ (30,148)</b>

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF PROGRAM SERVICES REVENUES AND EXPENDITURES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	PROGRAM SERVICES							
	REX JR.	URBAN FLATS	PARLIAMENT	CLARKSVILLE HIGHWAY	1227-1235 LEWIS	OLD HICKORY	REX'S COURTYARD	VULTEE GARDENS
<b>REVENUES</b>								
Rental Income	\$ -	\$ -	\$ 22,730	\$ 639,932	\$ 120,973	\$ -	\$ 682,889	\$ 71,393
Individual and corporate gifts & Barnes Fund	-	-	-	276,760	-	-	-	-
Grants	-	-	-	45,871	-	-	75,087	21,394
Other	-	-	-	1,035,329	1,760	-	9,528	1,907
<b>Total Revenues</b>	-	-	22,730	1,997,892	122,733	-	767,504	94,694
<b>EXPENSES</b>								
Payroll and related expenses	34,485	16,360	-	232,784	29,275	-	138,743	23,565
OPEB Expense	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-
Contract services	-	-	-	38,046	10,635	-	62,060	14,258
Dues and subscriptions	-	-	-	-	-	-	-	-
Insurance	143	21	-	37,634	6,363	-	35,652	4,652
Interest	-	-	-	6,870	-	-	986	-
Legal and professional	413	165	-	95,351	612	-	2,762	469
Miscellaneous	-	-	-	-	-	-	-	-
Printing and postage	-	-	-	44	-	-	370	-
Rebate expense	-	-	-	-	-	-	-	-
Repairs and maintenance	48	33	-	12,858	2,507	-	33,366	6,778
Security services	-	-	-	-	-	-	-	-
Resident/Social program funds	-	-	-	20,413	79	-	3,129	63
Supplies/Office	327	129	-	12,904	1,742	-	8,577	1,441
Taxes and licenses	-	-	20	115,552	13,968	10,414	14,197	2,654
Telephone	113	32	-	1,491	243	-	1,112	185
Travel	47	-	-	2,901	555	-	2,686	441
Utilities	-	-	-	86,003	10,417	210	155,771	10,488
<b>TOTAL FUNCTIONAL EXPENSES</b>								
<b>BEFORE DEPRECIATION</b>	35,576	16,740	20	662,851	76,396	10,624	459,411	64,994
REVENUE OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	(35,576)	(16,740)	22,710	1,335,041	46,337	(10,624)	308,093	29,700
Depreciation and amortization	-	-	-	431,662	212,649	4,703	93,890	25,974
<b>REVENUE OVER EXPENSES</b>	<u>\$ (35,576)</u>	<u>\$ (16,740)</u>	<u>\$ 22,710</u>	<u>\$ 903,379</u>	<u>\$ (166,312)</u>	<u>\$ (15,327)</u>	<u>\$ 214,203</u>	<u>\$ 3,726</u>

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF PROGRAM SERVICES REVENUES AND EXPENDITURES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>PROGRAM SERVICES</b>			
	<b>NEIGHBORHOOD STABILIZATION</b>	<b>THE PARK AT MERCURY COURT</b>	<b>MILLENNIUM</b>	<b>TOTAL RENTAL PROJECTS</b>
<b>REVENUES</b>				
Rental Income	\$ 903,390	\$ 109,260	\$ 217,391	\$ 7,111,866
Individual and corporate gifts & Barnes Fund	-	-	-	526,811
Grants	19,188	27,130	378	684,385
Other	10,032	890	2,192	1,478,029
<b>Total Revenues</b>	<b>932,610</b>	<b>137,280</b>	<b>219,961</b>	<b>9,801,091</b>
<b>EXPENSES</b>				
Payroll and related expenses	188,721	36,008	47,958	1,852,294
OPEB Expense	-	-	-	-
Advertising	-	-	-	-
Bad debt expense	-	-	-	-
Contract services	80,864	13,062	14,077	638,182
Dues and subscriptions	-	-	-	-
Insurance	85,628	6,514	9,858	415,712
Interest	758	-	2,333	19,029
Legal and professional	3,932	1,775	2,282	138,168
Miscellaneous	-	-	-	-
Printing and postage	-	-	-	8,471
Rebate expense	-	-	-	-
Repairs and maintenance	23,863	2,748	7,434	270,447
Security services	-	-	-	-
Resident/Social program funds	1,018	370	354	43,961
Supplies/Office	11,205	2,117	2,710	103,003
Taxes and licenses	116,481	11,561	19,719	503,158
Telephone	1,567	289	359	13,675
Travel	3,546	599	784	30,861
Utilities	73,470	16,033	20,720	947,234
<b>TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION</b>	<b>591,053</b>	<b>91,076</b>	<b>128,588</b>	<b>4,984,195</b>
<b>REVENUE OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION</b>	<b>341,557</b>	<b>46,204</b>	<b>91,373</b>	<b>4,816,896</b>
Depreciation and amortization	-	37,233	41,118	1,756,282
<b>REVENUE OVER EXPENSES</b>	<b>\$ 341,557</b>	<b>\$ 8,971</b>	<b>\$ 50,255</b>	<b>\$ 3,060,614</b>

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF PROGRAM SERVICE REVENUES AND EXPENDITURES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	PROGRAM SERVICES							SUPPORTING SERVICES				
	SERVICE COORDINATOR PROGRAM	HEALTH MATTERS	CLIENT FUND PROGRAM	HOPWA	PERMANENT SUPPORTIVE HOUSING	VANDERBILT HEALTH	GENERAL DEVELOPMENT	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL SUPPORTING SERVICES	TOTAL
REVENUES												
Rental Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,111,866	\$ -	\$ -	\$ -	\$ 7,111,866
Individual and corporate gifts & Barnes Fund	-	39,564	202,583	-	25,000	-	-	793,958	55,191	-	55,191	\$ 849,149
Grants	-	10,912	130,408	68,766	208,648	-	-	1,103,119	-	-	-	1,103,119
Other	-	-	-	-	-	-	-	1,478,029	562,848	-	409,730	2,040,877
Total Revenues	-	50,476	332,991	68,766	233,648	-	-	10,486,972	618,039	-	464,921	11,105,011
EXPENSES												
Payroll and related expenses	25,415	59,615	21,873	73,714	251,805	-	97,183	2,381,899	39,958	31,630	39,958	2,421,857
OPEB Expenses	-	-	-	-	-	-	6,269	6,269	-	-	-	6,269
Advertising	-	-	-	-	-	-	-	-	6,581	-	6,581	6,581
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-
Contract services	-	-	-	-	5,207	-	(51)	643,338	1,025	-	1,025	644,363
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	776	1,221	440	1,082	4,477	-	648	424,356	194	294	194	424,550
Interest	-	-	-	-	-	-	1	19,030	-	-	-	19,030
Legal and professional	337	1,150	444	1,308	5,419	-	1,283	148,109	22,934	609	22,934	171,043
Miscellaneous	-	-	-	-	-	-	1,892	1,892	-	-	-	1,892
Printing and postage	-	-	-	4	-	-	1,756	10,231	3,353	1,746	3,353	13,584
Rebate expense	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	11	581	253	393	837	63	43	272,628	4,422	17	4,422	277,050
Security services	-	-	-	-	-	-	-	-	-	-	-	-
Resident/Social program funds	-	12,316	175	-	3,966	-	-	60,418	1,252	-	1,252	61,670
Supplies/Office	116	1,282	575	1,637	5,616	-	6,978	119,207	21,665	2,976	21,665	140,872
Taxes and licenses	-	-	-	-	-	-	-	503,158	13,263	-	13,263	516,421
Telephone	174	573	188	583	1,819	-	349	17,361	2,866	116	2,866	20,227
Travel	-	145	100	906	2,101	-	387	34,500	112	216	112	34,612
Utilities	-	-	-	-	-	-	-	947,234	-	-	-	947,234
TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION	26,829	76,883	24,048	79,627	281,247	63	116,738	5,589,630	117,625	37,604	117,625	5,707,255
REVENUE OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	(26,829)	(26,407)	308,943	(10,861)	(47,599)	(63)	(116,738)	4,897,342	500,414	(37,604)	347,296	5,397,756
Depreciation and amortization	-	-	-	-	294,644	-	23,104	2,074,030	6,631	-	6,631	2,080,661
REVENUE OVER EXPENSES	\$ (26,829)	\$ (26,407)	\$ 308,943	\$ (10,861)	\$ (342,243)	\$ (63)	\$ (139,842)	\$ 2,823,312	\$ 493,783	\$ (37,604)	\$ 340,665	\$ 3,317,095

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF PROGRAM SERVICES REVENUES AND EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>PROGRAM SERVICES</b>							
	<b>SKYLINER</b>	<b>WOODLAND</b>	<b>MERCURY COURTS</b>	<b>HOPE</b>	<b>CROWN</b>	<b>FISK</b>	<b>RUSSELL</b>	<b>MERCURY NORTH</b>
<b>REVENUES</b>								
Rental Income	\$ 37,935	\$ -	\$ 963,672	\$ 105,349	\$ 111,709	\$ 133,010	\$ 110,292	\$ 172,855
Grants	-	-	29,770	61,495	15,168	-	-	34,362
Other	-	5,019	26,196	6,180	3,388	1,483	521	2,032
<b>Total Revenues</b>	<b>37,935</b>	<b>5,019</b>	<b>1,019,638</b>	<b>173,024</b>	<b>130,265</b>	<b>134,493</b>	<b>110,813</b>	<b>209,249</b>
<b>EXPENSES</b>								
Payroll and related expenses	-	1,128	189,349	32,719	22,565	19,981	13,539	25,913
Advertising	-	-	1	-	4	-	2	-
Contract services	-	5,757	84,110	30,285	15,272	13,207	6,049	29,649
Insurance	-	1,797	32,507	4,871	3,727	1,786	1,957	5,372
Interest	-	-	7,114	-	2,446	-	-	-
Legal and professional	-	27	5,061	796	549	478	329	604
Miscellaneous	20	-	-	-	-	-	-	-
Printing and postage	-	-	2,151	20	14	15	8	24
Repairs and maintenance	-	5,453	26,569	8,954	5,409	3,482	1,814	7,796
Resident/Social program funds	-	338	14,319	989	126	1,778	543	3,109
Supplies/Office	-	6,426	13,794	2,724	1,753	1,583	1,049	2,388
Taxes and licenses	-	-	5,607	3,001	3,110	1,088	7	1,111
Telephone	-	13	1,841	379	263	186	158	264
Travel	9	34	6,159	984	678	575	407	775
Utilities	-	11,397	178,754	14,873	12,087	17,429	4,213	44,969
<b>TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION</b>	<b>29</b>	<b>32,370</b>	<b>567,336</b>	<b>100,595</b>	<b>68,003</b>	<b>61,588</b>	<b>30,075</b>	<b>121,974</b>
<b>REVENUE OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION</b>	<b>37,906</b>	<b>(27,351)</b>	<b>452,302</b>	<b>72,429</b>	<b>62,262</b>	<b>72,905</b>	<b>80,738</b>	<b>87,275</b>
Depreciation and amortization	1,455	15,484	136,984	29,234	17,843	15,944	19,422	48,325
<b>REVENUE OVER EXPENSES</b>	<b>\$ 36,451</b>	<b>\$ (42,835)</b>	<b>\$ 315,318</b>	<b>\$ 43,195</b>	<b>\$ 44,419</b>	<b>\$ 56,961</b>	<b>\$ 61,316</b>	<b>\$ 38,950</b>

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF PROGRAM SERVICES REVENUES AND EXPENDITURES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>PROGRAM SERVICES</b>							
	<b>GREENTREE TERRACE</b>	<b>RIVER TERRACE</b>	<b>PORTER EAST</b>	<b>NEELY MEADOWS</b>	<b>EASTWOOD COURTS</b>	<b>VILLAGE PLACE</b>	<b>LINDSLEY</b>	<b>CLARKSVILLE HIGHWAY</b>
<b>REVENUES</b>								
Rental Income	\$ 339,848	\$ 97,574	\$ 391,023	\$ 1,035,913	\$ 412,751	\$ 439,902	\$ -	\$ 146,981
Grants	37,698	15,710	27,327	97,998	45,536	60,030	-	27,785
Other	3,483	8,118	1,719	41,191	8,565	8,772	-	2,713
<b>Total Revenues</b>	<b>381,029</b>	<b>121,402</b>	<b>420,069</b>	<b>1,175,102</b>	<b>466,852</b>	<b>508,704</b>	<b>-</b>	<b>177,479</b>
<b>EXPENSES</b>								
Payroll and related expenses	64,310	22,565	22,565	154,294	68,823	100,864	-	23,589
Advertising	10	4	4	-	11	-	-	-
Contract services	36,292	13,952	20,272	101,952	49,627	65,021	-	15,689
Insurance	15,751	3,715	21,330	47,051	15,289	22,118	-	11,216
Interest	9,345	-	7,202	7,484	4,871	2,748	-	11,954
Legal and professional	1,565	549	549	3,386	1,674	2,454	-	562
Miscellaneous	-	-	-	-	-	-	-	-
Printing and postage	39	14	21	91	49	588	-	17
Repairs and maintenance	19,461	5,716	8,356	46,518	31,026	38,768	-	1,161
Resident/Social program funds	1,857	618	1,051	11,102	1,802	3,548	-	1,732
Supplies/Office	5,001	1,750	1,759	11,806	5,466	6,772	-	1,911
Taxes and licenses	5,987	2,388	25,429	72,274	15,429	9,396	-	22,126
Telephone	745	261	263	1,323	800	894	-	221
Travel	1,934	678	678	4,374	2,292	3,201	-	693
Utilities	34,942	6,352	68,864	93,363	38,020	41,987	-	18,327
<b>TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION</b>	<b>197,239</b>	<b>58,562</b>	<b>178,343</b>	<b>555,018</b>	<b>235,179</b>	<b>298,359</b>	<b>-</b>	<b>109,198</b>
REVENUE OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	183,790	62,840	241,726	620,084	231,673	210,345	-	68,281
Depreciation and amortization	65,864	16,344	168,090	169,144	65,597	82,983	-	232,044
<b>REVENUE OVER EXPENSES</b>	<b>\$ 117,926</b>	<b>\$ 46,496</b>	<b>\$ 73,636</b>	<b>\$ 450,940</b>	<b>\$ 166,076</b>	<b>\$ 127,362</b>	<b>\$ -</b>	<b>\$ (163,763)</b>

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF PROGRAM SERVICES REVENUES AND EXPENDITURES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	PROGRAM SERVICES							
	1227-1235 LEWIS	OLD HICKORY	REX'S COURTYARD	VULTEE GARDENS	NEIGHBORHOOD STABILIZATION	THE PARK AT MERCURY COURT	MILLENNIUM	TOTAL RENTAL PROJECTS
<b>REVENUES</b>								
Rental Income	\$ 118,225	\$ -	\$ 673,235	\$ 84,576	\$ 879,082	\$ 111,091	\$ 112,377	\$ 6,477,400
Grants	-	-	74,290	18,632	21,759	16,819	89	584,468
Other	110,477	-	22,659	1,749	719,244	1,205	675	975,389
<b>Total Revenues</b>	<b>228,702</b>	<b>-</b>	<b>770,184</b>	<b>104,957</b>	<b>1,620,085</b>	<b>129,115</b>	<b>113,141</b>	<b>8,037,257</b>
<b>EXPENSES</b>								
Payroll and related expenses	22,565	-	138,995	18,052	144,414	16,371	11,703	1,114,304
Advertising	4	-	-	3	23	-	-	66
Contract services	8,205	-	57,844	9,126	80,198	12,971	29,986	685,464
Insurance	5,595	-	29,130	3,040	85,641	5,842	7,540	325,275
Interest	-	-	2,298	-	4,666	-	7,489	67,617
Legal and professional	549	-	3,181	439	3,936	5,882	258	32,828
Miscellaneous	-	-	-	-	-	-	-	20
Printing and postage	14	-	74	11	87	11	6	3,254
Repairs and maintenance	1,566	-	23,071	4,161	22,410	4,525	16,699	282,915
Resident/Social program funds	253	-	4,926	423	8,258	1,907	839	59,518
Supplies/Office	1,752	-	8,643	1,400	11,220	1,982	1,254	90,433
Taxes and licenses	9,299	7,784	10,723	1,974	86,000	8,906	14,739	306,378
Telephone	261	-	1,332	209	1,676	166	112	11,367
Travel	678	-	3,780	543	4,341	491	330	33,634
Utilities	7,022	-	149,306	7,968	60,368	12,910	12,714	835,865
<b>TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION</b>	<b>57,763</b>	<b>7,784</b>	<b>433,303</b>	<b>47,349</b>	<b>513,238</b>	<b>71,964</b>	<b>103,669</b>	<b>3,848,938</b>
REVENUE OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	170,939	(7,784)	336,881	57,608	1,106,847	57,151	9,472	4,188,319
Depreciation and amortization	47,873	4,216	90,682	25,225	427,158	45,509	-	1,725,420
<b>REVENUE OVER EXPENSES</b>	<b>\$ 123,066</b>	<b>\$ (12,000)</b>	<b>\$ 246,199</b>	<b>\$ 32,383</b>	<b>\$ 679,689</b>	<b>\$ 11,642</b>	<b>\$ 9,472</b>	<b>\$ 2,462,899</b>

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF PROGRAM SERVICES REVENUES AND EXPENDITURES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	PROGRAM SERVICES							SUPPORTING SERVICES MANAGEMENT AND GENERAL	TOTAL
	SERVICE COORDINATOR PROGRAM	HEALTH MATTERS	CLIENT FUND PROGRAM	HOPWA	PERMANENT SUPPORTIVE HOUSING	VANDERBILT HEALTH	RESIDENT SUPPORT PROGRAMS	TOTAL PROGRAM SERVICES	
<b>REVENUES</b>									
Rental Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,477,400	\$ 135,541
Grants	-	26,955	-	54,370	227,370	-	308,695	893,163	-
Other	-	27,500	104,550	-	-	-	132,050	1,107,439	4,871,425
<b>Total Revenues</b>	-	54,455	104,550	54,370	227,370	-	440,745	8,478,002	5,006,966
<b>EXPENSES</b>									
Payroll and related expenses	(1,464)	49,883	109,622	53,953	306,314	-	518,308	1,632,612	273,345
OPEB Expenses	-	-	-	-	-	-	-	-	6,213
Advertising	-	-	-	-	-	-	-	66	195
Contract services	-	-	-	-	5,587	-	5,587	691,051	5,848
Insurance	-	639	1,343	592	4,190	-	6,764	332,039	1,914
Interest	-	-	-	-	-	-	-	67,617	22,357
Legal and professional	-	999	8,729	969	6,905	-	17,602	50,430	17,803
Miscellaneous	-	-	-	-	-	-	-	20	-
Printing and postage	-	15	854	14	101	-	984	4,238	6,760
Repairs and maintenance	-	-	100	-	73	-	173	283,088	3,637
Resident/Social program funds	-	21,239	23,396	113	5,286	-	50,034	109,552	255
Supplies/Office	-	1,147	5,659	1,081	7,061	-	14,948	105,381	29,871
Taxes and licenses	-	-	109	20	-	-	129	306,507	41,945
Telephone	-	969	817	606	4,205	-	6,597	17,964	3,828
Travel	19	1,180	991	846	4,289	-	7,325	40,959	2,623
Utilities	-	-	-	-	-	-	-	835,865	19,943
<b>TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION</b>	(1,445)	76,071	151,620	58,194	344,011	-	628,451	4,477,389	436,537
REVENUE OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	1,445	(21,616)	(47,070)	(3,824)	(116,641)	-	(187,706)	4,000,613	4,570,429
Depreciation and amortization	-	-	-	-	-	-	-	1,725,420	29,474
<b>REVENUE OVER EXPENSES</b>	\$ 1,445	\$ (21,616)	\$ (47,070)	\$ (3,824)	\$ (116,641)	\$ -	\$ (187,706)	\$ 2,275,193	\$ 4,540,955



**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF DIRECTORS AND MANAGEMENT OFFICIALS**  
**DECEMBER 31, 2020**

Commissioners:

John Gregory	Chairman
Steve Harris	HR Committee Chair
Elroy Mihailov	Equity Committee Chair
Kurt Schreiber	Strategic Planning Chair
Jennifer Carlat	Director
Kate Hyde	Director
Michael Lewis	Director
Chris Mayfield	Finance Committee Chair

Management Officials:

Brent Elrod	Managing Director
Laura Ward	Director of Finance

**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**

Board of Directors  
Urban Housing Solutions, Inc.  
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Urban Housing Solutions, Inc. which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 27, 2020. Our report includes a reference to other auditors who audited the financial statements of 300 E. Webster Street Holdings, L.P. and 2125 26th Ave N Holdings, L.P., as described in our report on Urban Housing Solutions, Inc.'s financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Urban Housing Solutions, Inc.'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 Urban Housing Solutions, Inc. internal control. Accordingly, we do not express an opinion on the effectiveness of the Urban Housing Solutions, Inc.'s internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Urban Housing Solutions, Inc.'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bellenfant, PLLC*

Nashville, Tennessee

September 27, 2020

**BELLENFANT**

CERTIFIED PUBLIC ACCOUNTANTS &amp; ADVISORS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Urban Housing Solutions, Inc.  
Nashville, Tennessee

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

We have audited Urban Housing Solutions, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Urban Housing Solutions, Inc.'s major federal programs for the years ended December 31, 2020 and 2019. Urban Housing Solutions, Inc.'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Urban Housing Solutions, Inc.'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 Regulation 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 Urban Housing Solutions, Inc.'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 Urban Housing Solutions, Inc.'s compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Urban Housing Solutions, Inc. 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 years ended December 31, 2020 and 2019.

## **Report on Internal Control Over Compliance**

Management of Urban Housing Solutions, Inc. 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 Urban Housing Solutions, Inc.'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 Urban Housing Solutions, Inc.'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.

*Bellenfant, PLLC*

Nashville, Tennessee

September 27, 2020

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**PART I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ Yes       X       No

Significant deficiencies identified not  
considered to be material weaknesses? \_\_\_\_\_ Yes       X       None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes       X       No

**Federal Awards**

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ Yes       X       No

Significant deficiencies identified not  
considered to be material weaknesses? \_\_\_\_\_ Yes       X       None reported

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

Any audit findings disclosed that are required to be  
reported in accordance with Uniform Guidance \_\_\_\_\_ Yes       X       No

Identification of major programs:

14.235 Supporting Housing Program

Dollar threshold used to distinguish between  
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?       X       Yes \_\_\_\_\_ No

**URBAN HOUSING SOLUTIONS, INC.**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

There were no audit findings for the year ended December 31, 2019.