



AGENDA

Johnson City Development Authority Board Meeting

Friday, January 27, 2023 @ 8:00 AM
510 Bert St. Johnson City, TN 37604

1. CALL TO ORDER

- 1.1. Call to Order and Quorum Confirmation: 6/11 of Current Members Required
[Quorum Sheet for January 27 2023 Agenda 1.1](#)
- 1.2. Claim for Member Conflict of Interest
- 1.3. Review Order of Agenda and/or Addition of Action Items

2. ADOPTION OF MINUTES

- 2.1. ACTION: Review and Adoption of the Previous Regular JCDA Meeting Minutes
[Johnson City Development Authority - Nov 22 2022 - Minutes - Pdf](#)

3. COMMITTEE REPORTS

- 3.1. John Sevier Center Operations Report
[John Sevier Operations Report December January 2023](#)
- 3.2. John Sevier Center Disposition Report
[John Sevier Disposition January 2023](#)
- 3.3. TIF Advisory Committee Report - No Report
- 3.4. Downtown Center/Parking Report
[Downtown Centre Report January 2023](#)
- 3.5. Human Resources Report
[Human Resources Report January 2023](#)
- 3.6. Finance Committee Report
[Finance Committee Report January 19 2023](#)

4. FINANCIALS

- 4.1. ACTION: Johnson City Development Authority General Operating Fund Financial Statement (November and December)
[JCDA General Fund Nov 2022](#)
[JCDA General Fund December 2022](#)
- 4.2. ACTION: Johnson City Development Authority Tax Increment Financing (TIF) Special Fund Financial Statement
[JCDA-TIF Fund Nov 2022](#)
[JCDA-TIF Fund December 2022](#)
- 4.3. ACTION: John Sevier Center Financials
[John Sevier Financial Statement \(November 2022\)](#)
[John Sevier Financial Statement \(December 2022\)](#)
- 4.4. ACTION: Annual Audit Presentation from BCS and JCDA Audit Acceptance
[Audit 2023 Agenda Item 4.4](#)

5. STAFF REPORTS

- 5.1. Main Street America Program Report, in conjunction with Connect Downtown Johnson City Foundation
[Main Street Report DJCF 20230127](#)
- 5.2. Executive Director's Report

6. CHAIR REPORT

Comments from the Chairman

7. OTHER BUSINESS

- 7.1. Extension request for Bang! A Studio facade repair (700 Buffalo St.) through May 31, 2023
[Other Business Request for Construction Delay Extension BANG! a Salon](#)
[Altizer Request for 700 Buffalo St 011523](#)
[Exterior Extension Letter Skyline 700 Buffalo St](#)

8. ADJOURNMENT

Agenda Item #1.1.1.

1.1 Call to Order and Confirm Member Quorum

The Johnson City Development Authority (JCDA) consists of eleven active members, with no vacant seats. A majority (6 of 11 voting members) is required for quorum in order to conduct business. *

**JCDA By-Laws: Section 23. Quorum*

January 27, 2022 Meeting

Member	Term Expires	Present	Not Present
Hank Carr, Chairman	June 30, 2025 (3 year term)		
Shannon Castillo, Vice Chairman	June 30, 2024 (2 year term)		
Seth Thomas, Treasurer	June 30, 2023 (1 year term)		
Ernest Campbell	June 30, 2024 (fulfill unexpired)		
Jim Fickley	June 30, 2025 (3 year term)		
Commissioner Jodi Jones	County Commissioner Seat		
Commissioner Freddie Malone	County Commissioner Seat		
Commissioner Aaron Murphy	June 30, 2024 (2 year term)		
Jack Simpson	June 30, 2025 (3 year term)		
Robert Williams	June 30, 2023 (1 year term)		
Mayor Joe Wise	City Commission Seat		
Patricia C. Oldham, AICP, TCED	Executive Director- Non-Voting		

JCDA Finance Manager, Daniel McIntosh

Others Guests Present:



Minutes
Johnson City Development Authority
Tuesday, November 22, 2022 @ 8:00 AM
510 Bert St. Johnson City, TN 37604

CALL TO ORDER

Called to order at 8:01 AM by Chairman, Hank Carr.

Confirm: Quorum 6/11 Voting Members Required

[Quorum Sheet for November 22 2022 Agenda 1.1](#)

Claim for Member Conflict of Interest

Additional Action Item to Agenda

APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

Review and Adoption of the October 28, 2022 Meeting Minutes

Commissioner Aaron Murphy made a motion to approve the October Board Meeting Minutes as presented, which was seconded by Vice-Chair Shannon Castillo. The motion passed.

COMMITTEE REPORTS

TIF Advisory Report (Standing Committee) - No Report

John Sevier Operations Report

Executive Director Oldham updated the board on the current John Sevier Center operations. Updates were shared in regard to the elevator and recent flooding in the building. Oldham also shared recent news on Mark Up To Market and resident rates.

John Sevier Disposition Report

Executive Director, Patricia Oldham updated the board on the John Sevier Centers Disposition report.

Downtown Center/Parking Report (No Report)

Finance Committee Report

Finance Manager, Daniel McIntosh shared the finance committee report and recommendations for the following financial statements. The finance committee recommends board approval of the current financials for the Johnson City Development Authority General Fund, TIF, and the John Sevier Center. In addition, the finance committee also recommends approval for fund allocation from John Sevier Center Housing Assistance Program.

Human Resources Report

Chairman Carr shared the HR Committee report and the recent Executive Director employee review. Earnest Campbell motioned to approve the Executive Director's annual review and compensation adjustment. Robert Williams seconded the motion. The motion passed.

FINANCIALS

Johnson City Development Authority General Fund Financials, October 2022

Commissioner Freddie Malone made a motion to approve the JCDA General Fund Financials as presented. Mayor Joe Wise seconded the motion. The motion passed.

Johnson City Development Authority TIF Financials October 2022

Commissioner Freddie Malone made a motion to approve the TIF financials as presented by McIntosh. Commissioner Aaron Murphy seconded the motion. The motion passed.

Review of John Sevier Center Financials October 2022

Mayor Wise made a motion to approve the John Sevier Center financials for October 2022. Commissioner Malone seconded the motion. The motion passed.

Approve Deposit and Allocation of Funds from John Sevier Center Housing Assistance Program

The Finance Committee recommended that the funds from the U.S. Department of Housing and Urban Development Housing Assistance Program (HAP) in excess of the John Sevier regular operating costs and budget be accepted and then maintained in the John Sevier Reserve bank account. Additionally, that the payment to repay the amount due to the JCDA from the John Sevier Center per the budget line item (November \$75,000 and \$25,000 thereafter) be allocated initially as follows: \$50,000 to the JCDA to pay the line of credit, and \$25,000 to the JCDA operating reserve account and thereafter, \$20,000 to the JCDA line of credit repayment, and \$5,000 to the JCDA operating reserve. The motion having been made by the committee recommendation, was seconded by Commissioner Joe Wise. The motion carried, unanimously.

STAFF REPORTS

Main Street America Program Report in conjunction with Connect Downtown Johnson City Foundation

Deputy Director Lindsey Jones shared upcoming holiday events with the board: Candy Land Christmas, Sip Shop & Stroll, Holiday Market and more. She also shared statistics on Restaurant Week and the Community Paint by Number Mural. Chairman Carr suggested that Downtown Johnson City present updates to the JCDA board during the January or February meeting.

Executive Director's Report

CHAIRMAN'S REPORT

ADJOURNMENT

Meeting adjourned at 9:05 AM by Chairman, Hank Carr.

Chair:

Treasurer:

These minutes were approved in an open meeting on ___ day of ____, 2021.

Agenda Item #2.2.1.

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1.1 Call to Order and Confirm Member Quorum

The Johnson City Development Authority (JCDA) consists of eleven active members, with no vacant seats. A majority (6 of 11 voting members) is required for quorum in order to conduct business. *

**JCDA By-Laws: Section 23. Quorum*

November 22, 2022 Meeting

Member	Term Expires	Present	Not Present
Hank Carr, Chairman	June 30, 2025 (3 year term)	x	
Shannon Castillo, Vice Chairman	June 30, 2024 (2 year term)	x	
Seth Thomas, Treasurer	June 30, 2023 (1 year term)	X	
Ernest Campbell	June 30, 2024 (fulfill unexpired)	x	
Jim Fickley	June 30, 2025 (3 year term)	x	
Commissioner Jodi Jones	County Commissioner Seat		x
Commissioner Freddie Malone	County Commissioner Seat	x	
Commissioner Aaron Murphy	June 30, 2024 (2 year term)	x	
Jack Simpson	June 30, 2025 (3 year term)	X	
Robert Williams	June 30, 2023 (1 year term)	x	
Mayor Joe Wise	City Commission Seat	x	
Patricia C. Oldham, AICP, TCED	Executive Director- Non-Voting	x	

Also Present: Jeff Keeling- WJHL-TV, Jonathan Roberts-Johnson City Press

Johnson City Development Authority

John Sevier Center Operations Report

December 2022-January 2023

1. Security Personnel Contracted

The Operations Team met virtually with LHP on December 20, 2022, to discuss the increasingly urgent security conditions for the John Sevier residents, in addition to building vandalism and ongoing unauthorized occupation in common areas in the evening hours. The extreme cold weather exacerbated the ongoing safety and security issues at the facility. LHP recommended that JCDA allow a nighttime security guard immediately, with an estimated cost of \$10,000 per month, with the understanding that the cost would be evaluated with the JCDA in January. The action had been considered previously, but the investment in cameras, upgraded doors and hardware that had been employed as an initial approach has been insufficient due to existing conditions. Chairman Carr directed LHP to spend up to \$10,000 as an “emergency expense” to engage a security firm. The nighttime guard was in place by December 27th, which was the earliest the firm could have staff in place.

LHP and JCDA staff have been examining the budget impact of a number of items, including insurance coverage and roof repairs to meet insurance requirements, as further discussed in items 3 and 4, below. If the current security costs continue and additional costs such as water, roof repairs, winter weather water loss clean up (\$8,200), and capital expenses are taken into consideration, the budget will need to be reduced in other areas, significantly across the year. Staff recommends that the security expense be examined monthly in coordination with LHP and a collaborative effort between the JCDA Operations and Finance Committee members.

2. Water Leak Expenses Resolution Targeted

The water and sewer bill has returned to normal this month, yet, a large outstanding bill is due to the City of Johnson City Utility Services. The ongoing expense of nearly six months has resulted in a significant expense well beyond budget estimates. Staff is in the process of working with the City to determine how the leak policy could be applied.

Multiple meetings were held between LHP, JCDA staff, and City staff regarding potential problem areas and potential remedies. The City of Johnson City has been exceptionally helpful and has spent considerable time investigating the matter, including examining meters and use trends. Following an additional meeting on December 8 with LHP, the City, and JCDA staff, every toilet and bath in 150 units was checked for leaks, with additional focus on Sloan valves. The effort appears to have resulted in the bill returning to its current normal rate. Staff will continue to work with the City and LHP to determine if the current water use pattern shows a remedy and how to resolve the bill.

3. Insurance Coverage Under Review

JCDA staff received and email November 29 that certain requirements must be met for the insurance carrier before early February 2023. Since then, staff and LHP have worked to provide proof of repairs, upgrades, and other work performed at the John Sevier Center to meet the

insurance requirements as well as demonstrate the significant investment made in the building to meet HUD REAC requirements and beyond. The most critical incomplete item is the required roof evaluation and subsequent repairs. Currently, the estimate for the repairs is \$25,000, as discussed in more detail in the next item. It must be completed in order to satisfy the insurance carrier. The cost will be another large expenditure against a budget that quickly is running into a potential deficit position, however, the repairs must be made.

The insurance agent has been and continues to work with the current carrier, as well as other potential carriers to obtain coverage quotes. We requested a progress update Friday and will provide additional information at the meeting.

4. Roof Repair Necessary

As discussed in the item above, the JCDA staff and LHP Management were notified by the property insurance carrier for the John Sevier Building that roof repairs noted in a previous inspection needed to be addressed before the insurance renewal date. LHP received a quote in early January from a commercial roofing company in the amount of \$25,000 to repair the drain and repair sections of roof membrane that had detached from the parapet walls on the very top floor roof. The installed drain, for example, is elevated above the standing water line, creating a 'ponding' issue on the rooftop. The current adopted budget for the John Sevier Center does not include a capital expenditure of \$25,000 for roof repair, but due to the urgency of these repairs, as well as insurance expectations, LHP can move forward with emergency repairs. Since the board asked during the budget approval process to be kept informed of such necessary capital expenses, staff is providing notice of the emergency capital repair.

5. Current Vacancies

During the past few months, the current management team diligently has cleared the long-standing waiting list. Some on the waiting list were ineligible and others could not sign a lease due to deposit costs. Following some evictions and unit turnover, vacancies remain. LHP anticipates improving the vacancy rate, in particular, management has noted the difficulty that some potential residents have making up front utility deposits, thus will be creating a program to help qualified tenants manage the deposit.

6. December Weather Related Damages

During the extremely cold weather in December, a sprinkler ruptured in a recently unoccupied unit, which caused water damage to four units. The cost for clean-up was \$8,200.

7. Budget Forecasting

The John Sevier Center has sustained numerous emergency repairs in the past few months, in addition to those that must be made for insurance reasons. Staff is continuing to work with LHP to evaluate and update expenses against the budget. Previously, LHP had provided a weekly cash projection update. The Executive Director is recommending that LHP return to that reporting model beginning the week of January 23rd, in addition to holding a budget meeting with LHP to examine the recent unexpected expenses, the revenue from the MUTM, and the overall budget impact.

Johnson City Development Authority

John Sevier Disposition Update

Since the last Johnson City Development Authority meeting, in November, LHP has been working to file necessary paperwork related to the formal application to the U.S. Department of Housing and Urban Development to request the transfer of affordable housing credits, per 8(bb) Section 8, from the John Sevier Center (HAP Contract No. TN370070001) to Tapestry at Roan Hill (New Development) at 2162 South Roan Street. The thirty (30) day notification and comment period expired December 8, 2022. Next, a remote meeting concerning the transfer will be held on January 25, 2023, with staff from the U.S. Department of Housing and Urban Development. Staff will follow up with additional information at the January 27, 2023, JCDA meeting.

Additionally, on January 19, 2023, City Commission approved the issuance of tax exempt bonds from the Tennessee Housing Development Authority to fund the acquisition and construction of Tapestry at Roan Hill.

LHP work toward U.S. HUD 8 (bb) Section 8 transfer

2022 October/November	2023 First Quarter	2023 Spring	2023 Fall/Winter
<ul style="list-style-type: none"> November 2022 LHP and JCDA submitted the 8(bb) Section 8 transfer application to U.S. Dept. of HUD to start 12 Month Review October 6th tenant input meeting held. Comments, meeting minutes, and sign in sheets to be submitted at end of 30-day notice period as submitted to Owner A (JCDA) 	<ul style="list-style-type: none"> HUD meeting on January 25, 2023, regarding 8bb transfer. January 19, 2023 City Commission approved the issuance of tax exempt bonds from the Tennessee Housing Development Authority (THDA). THDA must provide LHP the credit award and bond allocation before HUD approval on the 8bb. January 25, 2023 Meeting set with U.S. HUD. 	<p>LHP submits firm loan application.</p>	<p>Close on the transaction and break ground on Tapestry at Roan Hill</p>
<p>U.S. HUD 12 mo. Review of 8 (bb) Section 8 Transfer Application from Owner A to Owner B</p>			

Johnson City Development Authority Meeting: January 27, 2023

Johnson City Development Authority

Downtown Centre Report

January 2023

The Downtown Centre lease between the JCDA and Northeast State expires in December 2023. Through the remaining term, as for the past four years, JCDA receives \$1,000 per month in rent revenue. Multiple investments have been made by the City of Johnson City, Washington County, and the JCDA, in addition to contributions by Northeast State. Northeast State also, in general, is responsible for the daily care and upkeep of the building, as specified by the agreement.

President Jeff McCord has spoken with Chairman Hank Carr and Executive Director Oldham about the lease deadline, including the availability and use of the parking garage spaces, the need to make a decision with due speed for fall term planning and enrollment, and what Northeast State's overall role in downtown could be in partnership with the JCDA. The JCDA has asked Northeast State to evaluate their use of the building fully and examine any opportunities for additional uses. President McCord would like the JCDA to provide options to remain on site, even on an interim basis, or provide notification of the intent to not renew the lease. In order to obtain up to date market rate data and commercial real estate comparisons, the JCDA has scheduled an appraisal, which should be ready by mid-February.

Recommendation:

The Executive Director recommends that the Finance Committee, and any others so appointed by Chairman Carr, consider the results of the appraisal when it is received and make further recommendations to the JCDA in February, while discussions with Northeast State also continue in the coming weeks. The JCDA also would keep the City of Johnson City informed and involved in the discussions.

Johnson City Development Authority

Human Resources Report

January 2023

Lindsey Jones, the Deputy Director of Main Street and Chief Communications Officer resigned her position on January 4, 2023. Her last work day was January 20, 2023.

Due to her academic schedule, Sara DelBene, has requested that she not be scheduled for her usual 20 hour work week during the academic year. The Executive Director offered a leave of absence, should the opportunity arise to have her handle limited special projects or employment outside the academic schedule.

Recommendation:

The Executive Director recommends that the Human Resources Committee convene in February 2023.

Johnson City Development Authority

Finance Committee Report

January 2023

The JCDA Finance Committee convened at 12:30 PM on January 19, 2023, at the JCDA office, with Board of Director members Hank Carr, Seth Thomas, Freddie Malone, Jack Simpson, Ernest Campbell, Executive Director Patricia “Tish” Oldham, and Finance Manager Daniel McIntosh in attendance. *[Please note that the Finance Committee received a written briefing and November financial statements by email on December 15, 2022, in lieu of a meeting, since the December regular JCDA meeting was cancelled.]*

Items reviewed included:

1. Review of Audit Findings with BCS
2. JCDA General Fund Financials
3. JCDA Special Reserve TIF Fund Financials
4. John Sevier Center Financials
5. Water Bill and Roof Estimate for the John Sevier Center

The following is a summary of the meeting and review by the Finance Committee, as related to the JCDA meeting agenda items.

4.1.1 APPROVE NOVEMBER AND DECEMBER 2022 JCDA GENERAL FUND FINANCIALS

Summary / Action

The December 2022 JCDA General Fund Financials, as prepared by the David M Ellis Firm, Certified Public Accountants were reviewed by the Finance Committee with a unanimous recommendation to accept and forward to the JCDA for approval of the financial statement. (Motion Malone/Simpson) Motion passed. (November financials reviewed electronically via email memo.)

4.1.2 APPROVE NOVEMBER AND DECEMBER 2022 JCDA SPECIAL RESERVE TIF FUND FINANCIALS

Summary / Action

The December 2022 JCDA Special Reserve TIF Fund Financials, as prepared by the David M Ellis Firm, Certified Public Accountants, were reviewed by the Finance Committee with a unanimous recommendation to accept and forward to the JCDA for approval of the financial statement. (Motion Thomas/Campbell) Motion passed. (November financials reviewed electronically via email memo.)

4.1.3 FORWARD NOVEMBER AND DECEMBER 2022 JOHN SEVIER CENTER FINANCIALS

Summary / Action

The December 2022 John Sevier Financials, prepared by LHP, were reviewed by the Finance Committee and forwarded to the JCDA for review. (Motion Campbell/Thomas) Motion passed. (November financials reviewed electronically via email memo.)

4.1.4 APPROVE AND ACCEPT THE 2022 AUDIT FOR THE JOHNSON CITY DEVELOPMENT AUTHORITY

Summary / Action

Staff heard comments from BCS regarding the Johnson City Development Authority audit performed by BCS for the Johnson City Development Authority. A presentation will be made by BCS at the JCDA regular meeting on January 27, 2023.

Additional discussion included

- JCDA and LHP efforts to document work performed at the John Sevier Center for the insurance renewal process at the John Sevier Center. (See also John Sevier Operations Report)
- Security, outstanding water bill, and roof repair place strain on the John Sevier operating budget. In the adopted budget, after all operational costs, mortgage payments, and the payback schedule to the JCDA for monies loaned, \$176,565 remained as net income. Budgeted revenue excess has been reduced by increased salary costs for building operations and management, unexpected utility water costs, higher than expected bad tenant debt, and more apartment vacancy than expected. LHP is currently analyzing the increased costs and does believe the increased revenue from the Housing Assistance Program (HAP) increase realized in November will carry the extra costs. The increased cost leaves little to no revenue to build capital reserves for next year's budget or other unexpected costs in the current fiscal year.
- Staff continues to review necessary amendments and revised revenue expectations for the JCDA Budget FY23 to reflect City of Johnson City revenue allocations.

DAVID M. ELLIS

Certified Public Accountant
Member, American Institute of
Certified Public Accountants

Member, Tennessee Society of
Certified Public Accountants

**JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND**

FINANCIAL STATEMENTS

For the Five Months Ended November 30, 2022

Leighton House
132 Depot Street West
Greeneville, Tennessee 37743
(423) 787-0855 - Fax (423) 639-0124

4130 Fort Henry Dr.
Kingsport, TN 37663
(423) 726-2002

**JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND
BALANCE SHEET
November 30, 2022**

ASSETS

Current Assets

Cash

HomeTrust Operating	\$ 90,034	
Home Trust Savings	80,599	

Total Cash		170,633
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Rental Security Deposits	600	
Johnson City Elevator Fund	385,600	
Due to/From Other Funds	458,403	
John Sevier Capital Repair Loan	315,399	

Total Current Assets		<u>\$ 1,330,635</u>
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LIABILITIES

Due to/From Other Funds	\$ 53,606	
Accounts Payable	1,940	
Payroll Liabilities	3,275	
Line of Credit	75,000	

Total Liabilities		<u>133,821</u>
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FUND BALANCES

Unassigned	1,196,814	
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Total Fund Balances		<u>1,196,814</u>
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Total Liabilities and Fund Balances		<u>\$ 1,330,635</u>
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**JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Five Months Ended November 30, 2022**

REVENUE

Operating Revenue - City of JC	\$ 170,000
Festival Allocation	15,000
Lease Income - Downtown Centre	5,000
Miscellaneous Income	400,000
Interest Income	<u>162</u>

Total Revenue 590,162

EXPENSE

Salaries	\$ 81,646
Payroll Taxes	5,786
Health Insurance	5,257
Accounting Fees	5,225
Office Furnishings	4,847
Internet	4,430
Office Rent	4,333
Property Coverage	3,661
Conference/Education	2,685
Computer/IT Support	1,752
Outside Contract Services	1,720
Office Supplies	804
Cell and Office Phones	756
Payroll Service Fees	744
Retirement Contributions	650
Worker's Compensation Insurance	397
Memberships/Dues/Subscriptions	317
Bank Fees	170
Marketing/Advertising	153
Miscellaneous	116
Legal Fees	78
Meals & Entertainment	<u>74</u>

Total Expenses 125,601

Excess (Deficiency) of Revenues Over
(Under) Expenditures 464,561

Fund Balances, Beginning of Fiscal Year 732,253

Fund Balances, End of Five Months \$ 1,196,814

DAVID M. ELLIS

Certified Public Accountant
Member, American Institute of
Certified Public Accountants

Member, Tennessee Society of
Certified Public Accountants

**JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND**

FINANCIAL STATEMENTS

For the Six Months Ended December 31, 2022

Leighton House
132 Depot Street West
Greeneville, Tennessee 37743
(423) 787-0855 - Fax (423) 639-0124

4130 Fort Henry Dr.
Kingsport, TN 37663
(423) 726-2002

**JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND
BALANCE SHEET
December 31, 2022**

ASSETS		
Current Assets		
Cash		
HomeTrust Operating	\$ 51,820	
Home Trust Savings	<u>85,624</u>	
Total Cash		137,444
Rental Security Deposits		600
Johnson City Elevator Fund		385,600
Due to/From Other Funds		458,403
John Sevier Capital Repair Loan		<u>290,868</u>
Total Current Assets		<u><u>\$ 1,272,915</u></u>
LIABILITIES		
TIF Repayment	\$ 53,606	
Accounts Payable	15,221	
Line of Credit	<u>55,000</u>	
Total Liabilities		<u>123,827</u>
FUND BALANCES		
Unassigned	<u>1,149,088</u>	
Total Fund Balances		<u>1,149,088</u>
Total Liabilities and Fund Balances		<u><u>\$ 1,272,915</u></u>

**JOHNSON CITY DEVELOPMENT AUTHORITY
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Six Months Ended December 31, 2022**

REVENUE

Operating Revenue - City of JC	\$ 170,000
Festival Allocation	15,000
Lease Income - Downtown Centre	6,000
Miscellaneous Income	400,000
Interest Income	188

Total Revenue	591,188
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EXPENSE

Salaries	\$ 103,687
Audit Fees	15,000
Payroll Taxes	7,717
Health Insurance	5,257
Office Rent	6,266
Internet	5,280
Accounting Fees	5,225
Office Furnishings	5,097
Directors and Officers Insurance	3,966
Property Coverage	3,661
Computer/IT Support	3,326
Conference/Education	2,685
Outside Contract Services	1,720
Flood Policy	1,460
Cell and Office Phones	897
Payroll Service Fees	864
Office Supplies	856
Retirement Contributions	780
Memberships/Dues/Subscriptions	457
Worker's Compensation Insurance	397
Bank Fees	205
Marketing/Advertising	153
Miscellaneous	(755)
Legal Fees	78
Meals & Entertainment	74

Total Expenses	<u>174,353</u>
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Excess (Deficiency) of Revenues Over (Under) Expenditures	416,835
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Fund Balances, Beginning of Fiscal Year	<u>732,253</u>
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Fund Balances, End of Six Months	<u><u>\$ 1,149,088</u></u>
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**JOHNSON CITY DEVELOPMENT AUTHORITY
BUDGET TO ACTUAL
For the Six Months Ended December 31, 2022**

	Year to Date Actual	Year to Date Budget	Variance
REVENUE			
Operating Revenue - City of JC	\$ 170,000	212,851	(42,851)
Festival Allocation	15,000	15,000	-
Lease Income - Downtown Centre	6,000	6,000	-
Miscellaneous Income	400,000	2,600	397,400
Interest Income	188	-	188
	<hr/>		
Total Revenue	591,188	236,451	354,737
EXPENSE			
Salaries	\$ 103,687	\$ 123,775	(20,088)
Audit Fees	15,000	19,175	(4,175)
Payroll Taxes	7,717	10,200	(2,483)
Health Insurance	5,257	5,293	(36)
Office Rent	6,266	6,266	-
Internet	5,280	3,000	2,280
Accounting Fees	5,225	7,000	(1,775)
Office Furnishings	5,097	5,000	97
Directors and Officers Insurance	3,966	-	3,966
Property Coverage	3,661	2,200	1,461
Computer/IT Support	3,326	4,750	(1,424)
Conference/Education	2,685	1,600	1,085
Outside Contract Services	1,720	4,000	(2,280)
Flood Policy	1,460	1,800	(340)
Cell and Office Phones	897	1,400	(503)
Payroll Service Fees	864	1,060	(196)
Office Supplies	856	2,575	(1,719)
Retirement Contributions	780	3,250	(2,470)
Memberships/Dues/Subscriptions	457	600	(143)
Worker's Compensation Insurance	397	450	(53)
Bank Fees	205	250	(45)
Marketing/Advertising	153	1,650	(1,497)
Miscellaneous	(755)	375	(1,130)
Legal Fees	78	2,500	(2,422)
Meals & Entertainment	74	150	(76)
Downtown Development	-	29,600	(29,600)
Downtown Events/Programs	-	8,550	(8,550)
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Total Expenses	174,353	246,469	(72,116)
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Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 416,835	\$ (10,018)	\$ 426,853

DAVID M. ELLIS

Certified Public Accountant
Member, American Institute of
Certified Public Accountants

Member, Tennessee Society of
Certified Public Accountants

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - TIF**

FINANCIAL STATEMENTS

For the Five Months Ended November 30, 2022

Leighton House
132 Depot Street West
Greeneville, Tennessee 37743
(423) 787-0855 - Fax (423) 639-0124

4130 Fort Henry Dr.
Kingsport, TN 37663
(423) 726-2002

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
BALANCE SHEET
November 30, 2022**

ASSETS		
Current Assets		
Cash		
HomeTrust Bank Money Market	\$ 1,593,795	
HomeTrust Bank Downtown Centre Fund	202,270	
Eastman Credit Union Savings	<u>7</u>	
Total Current Assets		\$ 1,796,072
Accounts Receivable		
Due From Other Funds	<u>53,606</u>	
Total Accounts Receivable		<u>53,606</u>
Total Assets		<u><u>\$ 1,849,678</u></u>
FUND BALANCES		
Restricted for Tax Increment Financing Projects	\$ 1,804,678	
Assigned	<u>45,000</u>	
Total Fund Balances		<u>1,849,678</u>
Total Fund Balances		<u><u>\$ 1,849,678</u></u>

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Five Months Ended November 30, 2022**

REVENUE		
City of Johnson City Funding	\$	459,597
Interest Income		<u>2,707</u>
Total Revenue		\$ 462,304
EXPENSE		
Debt Service		
Downtown Centre - Principal		155,230
Downtown Centre - Interest		44,277
Downtown Pavilion - Principal		109,725
Downtown Pavilion - Interest		25,167
Model Mill - Interest		20,811
Triple G - Interest		6,108
MMM Enterprises - Interest		<u>3,692</u>
Total Expenditures		<u>365,010</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		97,294
Fund Balances, Beginning of Fiscal Year		<u>1,752,384</u>
Fund Balances, End of Five Months		<u><u>\$ 1,849,678</u></u>

DAVID M. ELLIS

Certified Public Accountant
Member, American Institute of
Certified Public Accountants

Member, Tennessee Society of
Certified Public Accountants

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND - TIF**

FINANCIAL STATEMENTS

For the Six Months Ended December 31, 2022

Leighton House
132 Depot Street West
Greeneville, Tennessee 37743
(423) 787-0855 - Fax (423) 639-0124

4130 Fort Henry Dr.
Kingsport, TN 37663
(423) 726-2002

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
BALANCE SHEET
December 31, 2022**

ASSETS		
Current Assets		
Cash		
HomeTrust Bank Money Market	\$ 1,594,577	
HomeTrust Bank Downtown Centre Fund	202,344	
Eastman Credit Union Savings	<u>7</u>	
Total Current Assets		\$ 1,796,928
Accounts Receivable		
TIF Repayment	<u>53,606</u>	
Total Accounts Receivable		<u>53,606</u>
Total Assets		<u><u>\$ 1,850,534</u></u>
FUND BALANCES		
Restricted for Tax Increment Financing Projects	\$ 1,805,534	
Assigned	<u>45,000</u>	
Total Fund Balances		<u>1,850,534</u>
Total Fund Balances		<u><u>\$ 1,850,534</u></u>

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Six Months Ended December 31, 2022**

REVENUE		
City of Johnson City Funding	\$	459,597
Interest Income		<u>3,718</u>
Total Revenue		\$ 463,315
EXPENSE		
Administrative		
Legal Fees		155
Debt Service		
Downtown Centre - Principal		155,230
Downtown Centre - Interest		44,277
Downtown Pavilion - Principal		109,725
Downtown Pavilion - Interest		25,167
Model Mill - Interest		20,811
Triple G - Interest		6,108
MMM Enterprises - Interest		<u>3,692</u>
Total Expenditures		<u>365,165</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		98,150
Fund Balances, Beginning of Fiscal Year		<u>1,752,384</u>
Fund Balances, End of Six Months		<u><u>\$ 1,850,534</u></u>

**JOHNSON CITY DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND-TIF
BUDGET TO ACTUAL
For the Six Months Ended December 31, 2022**

	Actual	Budget	Variance
REVENUE			
City of Johnson City Funding	\$ 459,597	425,120	34,477
Interest Income	3,718	800	2,918
Total Revenue	463,315	\$ 425,920	37,395
EXPENDITURES			
Legal Fees	155	1,750	(1,595)
Debt Service			-
Downtown Centre - Principal	155,230	150,545	4,685
Downtown Centre - Interest	44,277	48,962	(4,685)
Downtown Centre-Other	-	2,775	(2,775)
Downtown Pavilion - Principal	109,725	103,950	5,775
Downtown Pavilion - Interest	25,167	28,639	(3,472)
Model Mill - Interest	20,811	23,269	(2,458)
Triple G - Interest	6,108	7,604	(1,496)
MMM Enterprises - Interest	3,692	4,596	(904)
Buffalo Street Boardwalk	-	22,500	(22,500)
Total Expenditures	365,165	394,590	(29,425)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 98,150	\$ 31,330	\$ 66,820

John Sevier Center

Monthly Financial Reports

Balance Sheet
Income Statement

November 30, 2022

John Sevier Center (1415) Balance Sheet As of Nov 2022		
Accrual YE13	Nov 2022	12/7/2022 9:50

ASSETS

CASH	
Current Assets	
Cash-Operating	142,725.78
Cash-Petty Cash	100.00
Cash-Restricted Reserve	789.29
Tenant AR	11,661.46
Allowance Doubtful Accts	(3,351.45)
AR/AP-HUD	14,582.00
AR-Other	8.71
Security Deposits	35,983.88
Prepaid Expenses	5,760.62
Prepaid Insurance	900.00
TOTAL CURRENT ASSETS	209,160.29
FIXED ASSETS	
Land	79,300.00
Buildings	4,650,395.00
Furniture for Project Use	34,952.00
Accumulated Depreciation	(360,487.60)
TOTAL FIXED ASSETS	4,404,159.40
OTHER ASSETS	
TOTAL OTHER ASSETS	0.00
TOTAL ASSETS	4,613,319.69

John Sevier Center (1415) Balance Sheet As of Nov 2022		
Accrual YE13	Nov 2022	12/7/2022 9:50

LIABILITIES & CAPITAL

LIABILITIES

Current Liabilities	
AP - Operations	13,924.47
AP - Other	79,317.49
Accrued Wages Payable	2,659.05
Accrued Benefits Liability	245.05
Accrued Mgmt Fee Payable	22,424.91
Accrued Interest-1st Mort	14,798.06
Accrued Property Taxes	37,900.48
Accrued Expenses	7,913.60
AP-Related Party	1,623.44
Security Deposit	27,737.00
Pet Deposit	1,500.00
Prepaid/Unearned Rent	3,131.60
Prepaid HUD	7,817.00
TOTAL CURRENT LIABILITIES	220,992.15

OTHER LIABILITIES

N/P - Operating	258,402.97
N/P-Entity	900,998.76
Mortgage Payable - 1st	3,900,722.44
TOTAL OTHER LIABILITIES	5,060,124.17
TOTAL LIABILITIES	5,281,116.32

CAPITAL

Owner Equity	(338,832.43)
Net Profit (Loss)	(328,964.20)
TOTAL CAPITAL	(667,796.63)

TOTAL LIABILITIES & CAPITAL	4,613,319.69
----------------------------------------	---------------------

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending November 30, 2022						
12/8/2022 6:28						
Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Revenue						
Tenant Rent Revenue	32,109.00	152,145.00	(120,036.00)	150,751.00	697,845.00	(547,094.00)
HUD Assistance	120,036.00	0.00	120,036.00	547,094.00	0.00	547,094.00
Total Gross Potential	152,145.00	152,145.00	0.00	697,845.00	697,845.00	0.00
VACANCY LOSS & CONCESSIONS						
Special Claims Revenue	0.00	1,115.67	(1,115.67)	75.00	5,578.35	(5,503.35)
Apartment Vacancy	(6,201.00)	(3,380.83)	(2,820.17)	(18,760.00)	(16,904.15)	(1,855.85)
Total Vacancy Loss & Concessions	(6,201.00)	(2,265.16)	(3,935.84)	(18,685.00)	(11,325.80)	(7,359.20)
OTHER INCOME						
Other	0.00	0.00	0.00	1,116.50	0.00	1,116.50
Laundry & Vending Revenue	102.50	66.67	35.83	1,746.26	333.35	1,412.91
Misc Tenant Charges	671.00	324.17	346.83	3,006.38	1,620.85	1,385.53
Late Fees	307.05	476.33	(169.28)	1,706.85	2,381.65	(674.80)
Damages	798.90	721.67	77.23	2,378.44	3,608.35	(1,229.91)
Other Income	136.79	250.00	(113.21)	734.84	1,250.00	(515.16)
Total Other Income	2,016.24	1,838.84	177.40	10,689.27	9,194.20	1,495.07
BAD DEBT						
Bad Debts	(5,200.00)	(293.81)	(4,906.19)	(13,623.29)	(1,469.05)	(12,154.24)
Bad Debts - Admin	(1,356.00)	0.00	(1,356.00)	(4,656.00)	0.00	(4,656.00)
Allowance for Bad Debts	3,044.16	0.00	3,044.16	4,016.51	0.00	4,016.51
Total Bad Debt	(3,511.84)	(293.81)	(3,218.03)	(14,262.78)	(1,469.05)	(12,793.73)
Effective Gross Income (EGI)	144,448.40	151,424.87	(6,976.47)	675,586.49	694,244.35	(18,657.86)
Expense						
OPERATING EXPENSES						
UTILITIES						
Electricity	2,188.55	2,469.51	280.96	13,717.52	15,357.54	1,640.02
Electricity-Vacants	265.37	0.00	(265.37)	2,803.03	0.00	(2,803.03)
Water	50.70	2,573.97	2,523.27	31,750.96	12,045.85	(19,705.11)
Gas	352.98	161.71	(191.27)	986.90	739.54	(247.36)
Sewer	(425.71)	5,803.02	6,228.73	73,109.95	26,871.67	(46,238.28)

John Sevier Center (1415)
Comparative Income Statement

Accrual^YE13
For the period ending November 30, 2022

12/8/2022 6:28

Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Total Utilities	2,431.89	11,008.21	8,576.32	122,368.36	55,014.60	(67,353.76)
CONTRACT SERVICES						
Contract-Exterminating	2,300.00	500.00	(1,800.00)	7,100.00	2,500.00	(4,600.00)
Contract-Elevator	14,381.33	3,956.33	(10,425.00)	18,139.42	19,781.65	1,642.23
Contract-Fire Alarm	1,403.66	628.75	(774.91)	4,728.78	3,143.75	(1,585.03)
Contract-Plumbing	280.00	347.17	67.17	1,028.75	1,735.85	707.10
Contract-Cable TV	0.00	3,375.00	3,375.00	0.00	16,875.00	16,875.00
Contract-Other	4,661.43	2,874.83	(1,786.60)	14,039.04	14,374.15	335.11
Garbage & Trash Removal	1,089.10	1,287.92	198.82	6,624.01	6,439.60	(184.41)
Contract-Security	35.95	766.67	730.72	349.25	3,833.35	3,484.10
Total Contract Services	24,151.47	13,736.67	(10,414.80)	52,009.25	68,683.35	16,674.10
REPAIRS & MAINTENANCE						
Janitorial Supplies	395.55	369.63	(25.92)	3,849.41	1,848.15	(2,001.26)
Maintenance Supplies	450.61	1,467.45	1,016.84	5,205.06	7,337.25	2,132.19
Decorating Supplies	0.00	333.33	333.33	525.60	1,666.65	1,141.05
Plumbing Supplies	3,203.81	1,251.30	(1,952.51)	7,505.04	6,256.50	(1,248.54)
Electrical Supplies	23.80	354.00	330.20	513.47	1,770.00	1,256.53
HVAC R & M	1,200.98	416.67	(784.31)	3,501.42	2,083.35	(1,418.07)
Appliances	0.00	244.42	244.42	2,793.57	1,222.10	(1,571.47)
Carpentry	0.00	9.67	9.67	113.51	48.35	(65.16)
Uniform Expense	0.00	500.00	500.00	548.57	500.00	(48.57)
NonRoutine Maintenance	0.00	2,047.08	2,047.08	1,692.30	10,235.40	8,543.10
Total Repairs & Maintenance	5,274.75	6,993.55	1,718.80	26,247.95	32,967.75	6,719.80
TURNOVER						
Painting & Paint Supplies	1,345.78	668.19	(677.59)	3,825.67	3,340.95	(484.72)
Contract-Janitorial	600.00	0.00	(600.00)	600.00	0.00	(600.00)
Contract-Carpet Cleaning	0.00	10.75	10.75	0.00	53.75	53.75
Contract-Paint	450.00	0.00	(450.00)	450.00	0.00	(450.00)
Total Turnover	2,395.78	678.94	(1,716.84)	4,875.67	3,394.70	(1,480.97)
ADMINISTRATIVE						
Conventions & Meetings	0.00	0.00	0.00	0.00	30.00	30.00
Office Equipment-Lease & Maint	46.95	70.58	23.63	196.57	352.90	156.33
Office Supplies	40.67	304.84	264.17	1,199.56	1,524.20	324.64
Postage	40.82	59.65	18.83	292.37	298.25	5.88
Telephone/Data/Cable/Answering Svc	85.25	170.00	84.75	4,210.69	850.00	(3,360.69)
Legal Exp-Collection/Evictions	0.00	245.42	245.42	2,852.28	1,227.10	(1,625.18)

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending November 30, 2022						
12/8/2022 6:28						
Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Misc Admin Expense	460.32	174.75	(285.57)	1,124.18	873.75	(250.43)
Meals & Entertainment	0.00	215.92	215.92	481.83	1,079.60	597.77
Computer Expense	1,295.14	626.90	(668.24)	5,260.96	3,134.50	(2,126.46)
Travel Expenses	0.00	393.83	393.83	49.48	1,969.15	1,919.67
Bank Charges	287.43	184.58	(102.85)	1,594.02	922.90	(671.12)
Professional Fees	0.00	1,000.00	1,000.00	101.61	5,000.00	4,898.39
Mileage	430.65	249.42	(181.23)	1,503.97	1,247.10	(256.87)
Total Administrative	2,687.23	3,695.89	1,008.66	18,867.52	18,509.45	(358.07)
MARKETING & RESIDENT RETENTION						
Advertising & Marketing	0.00	2.58	2.58	0.00	12.90	12.90
Screening Expense	389.50	317.17	(72.33)	1,612.50	1,585.85	(26.65)
Tenant Promotions	114.71	375.00	260.29	978.01	1,875.00	896.99
Total Marketing & Resident Retention	504.21	694.75	190.54	2,590.51	3,473.75	883.24
PERSONNEL						
Office Payroll	2,764.08	2,763.27	(0.81)	14,100.40	14,375.55	275.15
Office Payroll CC	0.00	542.53	542.53	346.20	2,712.65	2,366.45
Manager Payroll	14,929.41	3,297.46	(11,631.95)	24,082.36	18,051.36	(6,031.00)
Payroll Processing Fees	203.03	117.07	(85.96)	507.17	585.35	78.18
Repairs & Maint Payroll	11,363.76	9,427.49	(1,936.27)	53,829.46	49,277.37	(4,552.09)
Payroll Tax Expense	2,496.21	1,211.90	(1,284.31)	6,913.99	6,389.11	(524.88)
Employee Benefits & Insur	5,093.33	7,373.87	2,280.54	23,782.61	36,869.35	13,086.74
Total Personnel	36,849.82	24,733.59	(12,116.23)	123,562.19	128,260.74	4,698.55
Total Controllable Operating Expenses	74,295.15	61,541.60	(12,753.55)	350,521.45	310,304.34	(40,217.11)
Controllable NOI	70,153.25	89,883.27	(19,730.02)	325,065.04	383,940.01	(58,874.97)
AUDIT EXPENSE						
Audit Expense	0.00	560.42	560.42	0.00	2,802.10	2,802.10
MANAGEMENT & BOOKKEEPING						
Management Fees	22,424.91	10,232.94	(12,191.97)	46,793.62	51,164.70	4,371.08
Total Management & Bookkeeping	22,424.91	10,232.94	(12,191.97)	46,793.62	51,164.70	4,371.08
TAXES & INSURANCE						
Real Estate Taxes	3,613.81	3,692.50	78.69	18,069.05	18,462.50	393.45

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending November 30, 2022						
12/8/2022 6:28						
Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Property & Liability Insu	5,173.75	6,357.75	1,184.00	25,860.75	31,788.75	5,928.00
Workers Compensation Insu	450.00	232.44	(217.56)	8,266.33	1,162.20	(7,104.13)
License & Permits	55.00	0.00	(55.00)	285.00	165.00	(120.00)
Franchise & Excise Tax	0.00	15.77	15.77	0.00	78.85	78.85
Taxes-Other	462.00	37.50	(424.50)	462.00	187.50	(274.50)
Total Taxes & Insurance	9,754.56	10,335.96	581.40	52,943.13	51,844.80	(1,098.33)
TOTAL NON-CONTROLLABLE OPERATING	32,179.47	21,129.32	(11,050.15)	99,736.75	105,811.60	6,074.85
TOTAL OPERATING EXPENSES	106,474.62	82,670.92	(23,803.70)	450,258.20	416,115.94	(34,142.26)
NET OPERATING INCOME	37,973.78	68,753.95	(30,780.17)	225,328.29	278,128.41	(52,800.12)
NON-OPERATING EXPENSES						
Depreciation	9,217.81	0.00	(9,217.81)	46,089.05	0.00	(46,089.05)
Cap Ex-Appliances	1,305.50	672.50	(633.00)	4,149.87	3,362.50	(787.37)
Cap Ex-Unit Floorina	3,196.93	2,916.67	(280.26)	15,587.29	14,583.35	(1,003.94)
Cap Ex-Plumbina	0.00	483.75	483.75	1,634.22	2,418.75	784.53
Cap Ex-HVAC	0.00	466.92	466.92	0.00	2,334.60	2,334.60
Cap Ex-Upgrades-Furniture/Fixtures	0.00	0.00	0.00	2,573.47	0.00	(2,573.47)
Cap Ex-Upgrades-Buildina	135,690.77	0.00	(135,690.77)	406,956.48	0.00	(406,956.48)
Mortgage Interest-1st	14,798.06	15,313.33	515.27	75,804.04	75,884.18	80.14
Interest - Other	681.51	0.00	(681.51)	1,498.07	0.00	(1,498.07)
Total Non-Operating Expenses	164,890.58	19,853.17	(145,037.41)	554,292.49	98,583.38	(455,709.11)
NET INCOME	(126,916.80)	48,900.78	(175,817.58)	(328,964.20)	179,545.03	(508,509.23)
CASH FLOW ITEMS						
Principal Pmts-1st Mortga	7,736.68	7,740.02	3.34	39,321.44	39,412.57	91.13
Principal Pmts-2nd Mortga	0.00	25,000.00	25,000.00	0.00	75,000.00	75,000.00
Depreciation	(9,217.81)	0.00	9,217.81	(46,089.05)	0.00	46,089.05
TOTAL CASH FLOW ITEMS	(1,481.13)	32,740.02	34,221.15	(6,767.61)	114,412.57	121,180.18
Net Income after Cap Ex and DS	(125,435.67)	16,160.76	(141,596.43)	(322,196.59)	65,132.46	(387,329.05)

John Sevier Center

Monthly Financial Reports

Balance Sheet
Income Statement

December 31, 2022

John Sevier Center (1415) Balance Sheet As of Dec 2022		
Accrual YE13	Dec 2022	1/3/2023 12:42

ASSETS

CASH	
Current Assets	
Cash-Operating	98,891.07
Cash-Petty Cash	100.00
Cash-Restricted Reserve	8,515.07
Tenant AR	9,273.68
Allowance Doubtful Accts	(2,073.87)
AR/AP-HUD	11,593.00
Security Deposits	37,290.13
Prepaid Expenses	5,919.83
Prepaid Insurance	900.00
TOTAL CURRENT ASSETS	170,408.91
FIXED ASSETS	
Land	79,300.00
Buildings	4,650,395.00
Furniture for Project Use	34,952.00
Accumulated Depreciation	(369,705.41)
TOTAL FIXED ASSETS	4,394,941.59
OTHER ASSETS	
TOTAL OTHER ASSETS	0.00
TOTAL ASSETS	4,565,350.50

John Sevier Center (1415) Balance Sheet As of Dec 2022		
Accrual YE13	Dec 2022	1/3/2023 12:42

LIABILITIES & CAPITAL

LIABILITIES

Current Liabilities	
AP - Operations	12,381.82
AP - Other	82,366.83
Accrued Wages Payable	4,627.32
Accrued Benefits Liability	0.81
Accrued Mgmt Fee Payable	10,555.63
Accrued Interest-1st Mort	15,256.12
Accrued Property Taxes	22,800.29
Accrued Expenses	12,415.35
Security Deposit	28,058.00
Pet Deposit	1,500.00
Prepaid/Unearned Rent	5,320.95
Prepaid HUD	7,885.00
TOTAL CURRENT LIABILITIES	203,168.12

OTHER LIABILITIES

N/P - Operating	233,402.97
N/P-Entity	901,468.28
Mortgage Payable - 1st	3,892,467.15
TOTAL OTHER LIABILITIES	5,027,338.40
TOTAL LIABILITIES	5,230,506.52

CAPITAL

Owner Equity	(338,832.43)
Net Profit (Loss)	(326,323.59)
TOTAL CAPITAL	(665,156.02)

TOTAL LIABILITIES & CAPITAL	4,565,350.50
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John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending December 31, 2022						
1/3/2023 12:43						
Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Revenue						
Tenant Rent Revenue	33,656.00	152,145.00	(118,489.00)	184,407.00	849,990.00	(665,583.00)
HUD Assistance	118,489.00	0.00	118,489.00	665,583.00	0.00	665,583.00
Total Gross Potential	152,145.00	152,145.00	0.00	849,990.00	849,990.00	0.00
VACANCY LOSS & CONCESSIONS						
Special Claims Revenue	3,705.00	1,115.67	2,589.33	3,780.00	6,694.02	(2,914.02)
Apartment Vacancy	(8,479.00)	(3,380.83)	(5,098.17)	(27,239.00)	(20,284.98)	(6,954.02)
Total Vacancy Loss & Concessions	(4,774.00)	(2,265.16)	(2,508.84)	(23,459.00)	(13,590.96)	(9,868.04)
OTHER INCOME						
Other	0.00	0.00	0.00	1,116.50	0.00	1,116.50
Laundry & Vending Revenue	251.91	66.67	185.24	1,998.17	400.02	1,598.15
Misc Tenant Charges	374.82	324.17	50.65	3,381.20	1,945.02	1,436.18
Late Fees	422.95	476.33	(53.38)	2,129.80	2,857.98	(728.18)
Damages	0.00	721.67	(721.67)	2,378.44	4,330.02	(1,951.58)
Other Income	121.49	250.00	(128.51)	856.33	1,500.00	(643.67)
Total Other Income	1,171.17	1,838.84	(667.67)	11,860.44	11,033.04	827.40
BAD DEBT						
Bad Debts	(4,645.12)	(293.81)	(4,351.31)	(18,268.41)	(1,762.86)	(16,505.55)
Bad Debts - Admin	(3.00)	0.00	(3.00)	(4,659.00)	0.00	(4,659.00)
Allowance for Bad Debts	1,277.58	0.00	1,277.58	5,294.09	0.00	5,294.09
Total Bad Debt	(3,370.54)	(293.81)	(3,076.73)	(17,633.32)	(1,762.86)	(15,870.46)
Effective Gross Income (EGI)	145,171.63	151,424.87	(6,253.24)	820,758.12	845,669.22	(24,911.10)
Expense						
OPERATING EXPENSES						
UTILITIES						
Electricity	2,388.51	2,337.02	(51.49)	16,106.03	17,694.56	1,588.53
Electricity-Vacants	299.00	0.00	(299.00)	3,102.03	0.00	(3,102.03)
Water	5,001.62	1,245.27	(3,756.35)	36,752.58	13,291.12	(23,461.46)
Gas	303.86	143.17	(160.69)	1,290.76	882.71	(408.05)
Sewer	11,441.24	2,435.95	(9,005.29)	84,551.19	29,307.62	(55,243.57)

John Sevier Center (1415)
Comparative Income Statement

Accrual^YE13
For the period ending December 31, 2022

1/3/2023 12:43

Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Total Utilities	19,434.23	6,161.41	(13,272.82)	141,802.59	61,176.01	(80,626.58)
CONTRACT SERVICES						
Contract-Exterminating	700.00	500.00	(200.00)	7,800.00	3,000.00	(4,800.00)
Contract-Elevator	8,590.00	3,956.33	(4,633.67)	26,729.42	23,737.98	(2,991.44)
Contract-Fire Alarm	1,094.28	628.75	(465.53)	5,823.06	3,772.50	(2,050.56)
Contract-Plumbing	0.00	347.17	347.17	1,028.75	2,083.02	1,054.27
Contract-Cable TV	0.00	3,375.00	3,375.00	0.00	20,250.00	20,250.00
Contract-Other	1,828.81	2,874.83	1,046.02	15,867.85	17,248.98	1,381.13
Garbage & Trash Removal	1,567.25	1,287.92	(279.33)	8,191.26	7,727.52	(463.74)
Contract-Security	258.50	766.67	508.17	607.75	4,600.02	3,992.27
Total Contract Services	14,038.84	13,736.67	(302.17)	66,048.09	82,420.02	16,371.93
REPAIRS & MAINTENANCE						
Janitorial Supplies	863.67	369.63	(494.04)	4,713.08	2,217.78	(2,495.30)
Maintenance Supplies	860.73	1,467.45	606.72	6,065.79	8,804.70	2,738.91
Decorating Supplies	840.96	333.33	(507.63)	1,366.56	1,999.98	633.42
Plumbing Supplies	333.23	1,251.30	918.07	7,838.27	7,507.80	(330.47)
Electrical Supplies	67.97	354.00	286.03	581.44	2,124.00	1,542.56
HVAC R & M	0.00	416.67	416.67	3,501.42	2,500.02	(1,001.40)
Appliances	1,265.75	244.42	(1,021.33)	4,059.32	1,466.52	(2,592.80)
Carpentry	321.80	9.67	(312.13)	435.31	58.02	(377.29)
Uniform Expense	422.00	0.00	(422.00)	970.57	500.00	(470.57)
NonRoutine Maintenance	0.00	2,047.08	2,047.08	1,692.30	12,282.48	10,590.18
Total Repairs & Maintenance	4,976.11	6,493.55	1,517.44	31,224.06	39,461.30	8,237.24
TURNOVER						
Painting & Paint Supplies	0.00	668.19	668.19	3,825.67	4,009.14	183.47
Contract-Janitorial	225.00	0.00	(225.00)	825.00	0.00	(825.00)
Contract-Carpet Cleaning	0.00	10.75	10.75	0.00	64.50	64.50
Contract-Paint	225.00	0.00	(225.00)	675.00	0.00	(675.00)
Total Turnover	450.00	678.94	228.94	5,325.67	4,073.64	(1,252.03)
ADMINISTRATIVE						
Conventions & Meetings	0.00	30.00	30.00	0.00	60.00	60.00
Office Equipment-Lease & Maint	73.95	70.58	(3.37)	270.52	423.48	152.96
Office Supplies	805.79	304.84	(500.95)	2,005.35	1,829.04	(176.31)
Postage	163.85	59.65	(104.20)	456.22	357.90	(98.32)
Telephone/Data/Cable/Answering Svc	734.84	170.00	(564.84)	4,945.53	1,020.00	(3,925.53)
Legal Exp-Collection/Evictions	76.08	245.42	169.34	2,928.36	1,472.52	(1,455.84)

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending December 31, 2022						
1/3/2023 12:43						
Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Misc Admin Expense	266.06	174.75	(91.31)	1,390.24	1,048.50	(341.74)
Meals & Entertainment	263.34	215.92	(47.42)	745.17	1,295.52	550.35
Computer Expense	1,248.69	626.90	(621.79)	6,509.65	3,761.40	(2,748.25)
Travel Expenses	0.00	393.83	393.83	49.48	2,362.98	2,313.50
Bank Charges	382.38	184.58	(197.80)	1,976.40	1,107.48	(868.92)
Professional Fees	0.00	1,000.00	1,000.00	101.61	6,000.00	5,898.39
Mileage	390.00	249.42	(140.58)	1,893.97	1,496.52	(397.45)
Total Administrative	4,404.98	3,725.89	(679.09)	23,272.50	22,235.34	(1,037.16)
MARKETING & RESIDENT RETENTION						
Advertising & Marketing	40.00	2.58	(37.42)	40.00	15.48	(24.52)
Screening Expense	0.00	317.17	317.17	1,612.50	1,903.02	290.52
Tenant Promotions	3,142.98	375.00	(2,767.98)	4,120.99	2,250.00	(1,870.99)
Total Marketing & Resident Retention	3,182.98	694.75	(2,488.23)	5,773.49	4,168.50	(1,604.99)
PERSONNEL						
Office Payroll	2,712.82	3,192.87	480.05	16,813.22	17,568.42	755.20
Office Payroll CC	1,678.81	542.53	(1,136.28)	2,025.01	3,255.18	1,230.17
Manager Payroll	8,225.21	4,704.49	(3,520.72)	32,307.57	22,755.85	(9,551.72)
Payroll Processing Fees	0.00	117.07	117.07	507.17	702.42	195.25
Repairs & Maint Payroll	14,931.44	11,122.45	(3,808.99)	68,760.90	60,399.82	(8,361.08)
Payroll Tax Expense	1,936.05	1,483.81	(452.24)	8,850.04	7,872.92	(977.12)
Employee Benefits & Insur	6,902.26	7,373.87	471.61	30,684.87	44,243.22	13,558.35
Total Personnel	36,386.59	28,537.09	(7,849.50)	159,948.78	156,797.83	(3,150.95)
Total Controllable Operating Expenses	82,873.73	60,028.30	(22,845.43)	433,395.18	370,332.64	(63,062.54)
Controllable NOI	62,297.90	91,396.57	(29,098.67)	387,362.94	475,336.58	(87,973.64)
AUDIT EXPENSE						
Audit Expense	0.00	560.42	560.42	0.00	3,362.52	3,362.52
MANAGEMENT & BOOKKEEPING						
Management Fees	10,615.57	10,232.94	(382.63)	57,409.19	61,397.64	3,988.45
Total Management & Bookkeeping	10,615.57	10,232.94	(382.63)	57,409.19	61,397.64	3,988.45
TAXES & INSURANCE						
Real Estate Taxes	3,613.81	3,692.50	78.69	21,682.86	22,155.00	472.14

John Sevier Center (1415) Comparative Income Statement						
Accrual^YE13 For the period ending December 31, 2022						
1/3/2023 12:43						
Account	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance
Property & Liability Insu	3,918.75	6,357.75	2,439.00	29,779.50	38,146.50	8,367.00
Workers Compensation Insu	450.00	232.44	(217.56)	8,716.33	1,394.64	(7,321.69)
License & Permits	0.00	0.00	0.00	285.00	165.00	(120.00)
Franchise & Excise Tax	0.00	15.77	15.77	0.00	94.62	94.62
Taxes-Other	0.00	37.50	37.50	462.00	225.00	(237.00)
Total Taxes & Insurance	7,982.56	10,335.96	2,353.40	60,925.69	62,180.76	1,255.07
TOTAL NON-CONTROLLABLE OPERATING	18,598.13	21,129.32	2,531.19	118,334.88	126,940.92	8,606.04
TOTAL OPERATING EXPENSES	101,471.86	81,157.62	(20,314.24)	551,730.06	497,273.56	(54,456.50)
NET OPERATING INCOME	43,699.77	70,267.25	(26,567.48)	269,028.06	348,395.66	(79,367.60)
NON-OPERATING EXPENSES						
Depreciation	9,217.81	0.00	(9,217.81)	55,306.86	0.00	(55,306.86)
Cap Ex-Appliances	1,295.65	672.50	(623.15)	5,445.52	4,035.00	(1,410.52)
Cap Ex-Unit Floorina	8,124.50	2,916.67	(5,207.83)	23,711.79	17,500.02	(6,211.77)
Cap Ex-Plumbina	542.03	483.75	(58.28)	2,176.25	2,902.50	726.25
Cap Ex-HVAC	2,687.45	466.92	(2,220.53)	2,687.45	2,801.52	114.07
Cap Ex-Upgrades-Furniture/Fixtures	0.00	0.00	0.00	2,573.47	0.00	(2,573.47)
Cap Ex-Upgrades-Buildina	3,465.26	0.00	(3,465.26)	410,421.74	0.00	(410,421.74)
Mortgage Interest-1st	15,256.12	14,790.00	(466.12)	91,060.16	90,674.18	(385.98)
Interest - Other	470.34	0.00	(470.34)	1,968.41	0.00	(1,968.41)
Total Non-Operating Expenses	41,059.16	19,329.84	(21,729.32)	595,351.65	117,913.22	(477,438.43)
NET INCOME	2,640.61	50,937.41	(48,296.80)	(326,323.59)	230,482.44	(556,806.03)
CASH FLOW ITEMS						
Principal Pmts-1st Mortga	8,255.29	8,263.35	8.06	47,576.73	47,675.92	99.19
Principal Pmts-2nd Mortga	0.00	25,000.00	25,000.00	0.00	100,000.00	100,000.00
Depreciation	(9,217.81)	0.00	9,217.81	(55,306.86)	0.00	55,306.86
TOTAL CASH FLOW ITEMS	(962.52)	33,263.35	34,225.87	(7,730.13)	147,675.92	155,406.05
Net Income after Cap Ex and DS	3,603.13	17,674.06	(14,070.93)	(318,593.46)	82,806.52	(401,399.98)

Johnson City Development Authority

Audit Review 2023

January 2023

Blackburn, Childers & Stigall, PLC, Certified Public Accountants and Consultants (BCS) concluded the independent audit for the Johnson City Development Authority, in accordance with *Government Auditing Standards*, and for the discretely presented component unit, the Downtown Johnson City Foundation 501 (c)3, as well as the John Sevier Center, as a separate business-type entity, on November 30, 2022. BCS will be present at the meeting to discuss the audit reports and management letters. The audit and associated management letters will be available at the meeting for reference.



Date: January 27, 2023
Re: Main Street America Program Update
Administered by the Downtown Johnson City Foundation

Recent Meetings The January Downtown Johnson City Foundation meeting was held on Wednesday, January 18, 2023. Chaired by Alex Bomba, Secretary/Treasurer, the board approved the financial statements. Lindsey Jones reported successful Candyland Christmas, Holiday Market, and Sip Shop and Stroll December events. The board thanked Ms. Jones for her service and all her efforts on behalf of downtown. Everyone wished her great success and she noted that her last official day would be January 20, 2023, but that the 18th was her last day in the office. The committee meetings for Main Street will be scheduled for early February. Board members and terms are available upon request. Officers are: Tracy Johnson – Chair, Kim Blaine – Vice Chair, Alex Bomba – Secretary/Treasurer.

Annual Main Street Report and Letter

The Executive Director will request the necessary signatures from the City Manager and the Mayor for the annual program letter, in addition to completing the Main Street America annual report. The report requires obtaining recent data indicators such as city building permits, jobs created, and investment information from both public and private sources, budgets, board membership, financial statements, as well as photos, event information, and overall updates regarding the program and its forthcoming year.

Design/Placemaking Updates:

Paint by Numbers Mural

Grant funding reimbursements for the Community Paint by Number Mural (Mid City Grill building) were received from the Tennessee Arts Commission. Staff will be following up with the TAC to be sure that all grant closeout reporting has been completed.

Dog Park Dash Grant Project

All elements of the dog park dash funding process have been submitted to the Boyd Foundation. The next step is to schedule a Check Presentation at their convenience and receive the first portion of grand funding. The Downtown Johnson City Foundation approved the creation of a bank account to receive and maintain special project funds. At this time, the only special project is the Dog Park Dash. A matching donor anticipates providing 1:1 fund match with the Boyd Foundation, once the organization provides their funding. The project will require project management for material bids and donations toward the project to lower build out expenses. The Main Street design committee will initiate forming partnerships with the Washington County Animal Shelter and Humane Society and other stakeholders for dog park related tasks and ideas.

Johnson City Development Authority Meeting: January 27, 2023

Wild-about Walk-about Scavenger Hunt-

The ETSU Arts Department has completed the replacement animals, repaired others, and created fourteen new bronze animals that will be placed downtown in late January. The animals were selected to represent those in Ian Brownlee’s “Wildabout” Mural in King Commons. The CDJC Design Committee leads this task. The group will work with the Johnson City Public Library on clues and public outreach.

Promotions/Marketing Updates:

Candy Land Christmas Downtown Johnson City is responsible for the event organization, selling and arranging trees, and graphic creations for the event. Sponsors included Bank of Tennessee, BrightRidge, TPI Corporation, TownView Senior Living, and Appalachian Maid Services. In addition to fundraising through the 160 individual tree sales, \$21,000 was collected in sponsorships. Visitors experienced live music from multiple church choirs, had free hot cocoa on select nights, were able to shop at this year’s Holiday Markets, and visited with Santa in Founder’s Park. TVA revealed new SmartPoles that provided holiday music in the parks throughout the season. Axis Security monitored the trees nightly from November 14th through January 8th. A survey is currently underway for participants to give their feedback on the event. Results will be shared after the survey has concluded.

Sip, Shop, and Stroll – December 2nd

Holiday Sip, Shop, and Stroll event ticket sales reached 499 participants this year, compared to 346 tickets last year. Over twenty downtown merchants offered holiday hospitality, specials, and complimentary beverages and snacks. Participants picked up their Downtown Johnson City branded mugs and event maps at the JCDA office, where they could kick off the event with light snacks and non-alcoholic mocktails, sodas, and water to start their evening. The ticket revenue contributes toward downtown improvement projects. The event is free to all merchants and is intended to drive foot traffic and return purchase visits to merchant and restaurant doors during the holidays and beyond.

Holiday Market- December 10

The annual Holiday Market at the Pavilion was a festive and busy all day long. The weather was wonderful which brought large crowds to visit over 40 local artisans and makers offering a unique holiday shopping experience. As staff visited with vendors after the event, all had a very successful day and had a high rate of purchases per hour. Food vendors provided a variety of options, in addition to adding foot traffic to downtown restaurants and other merchants. Free (very cute) photos with Santa Claus were provided and posted on Facebook for all those who had signed a release form.

Economic Vitality Updates:

Placemaking Grant

The State of Tennessee Department of Economic and Community Development approved the request to extend the use of the Placemaking Grant funds through May 31, 2022. The majority of the grant has been disbursed and additional reimbursements for funding will be submitted. Staff will examine all applicable expenses that may be eligible for reimbursement, as well as determine the remaining amounts to be used for programming. A visit from the State of Tennessee will occur during the last week of January to monitor the grant, including the opportunity for them to see the grantees, The Generalist and Hometown Cottage.

Johnson City Development Authority

Other Business: Façade Grant Extension Request

January 27, 2023

Property Owner: Laura Altizer
Property Address: 700 Buffalo Street
Company: Bang! A Salon

During the July 2022 JCDA meeting, Bang! A Salon owner Laura Altizer was granted an extension of the use of previously approved funds from the Façade Grant program. Ms. Altizer has requested the the JCDA revise the timeline to use previously approved funds from the Façade Grant program. Due to the delay surrounding the availability of roofing materials, Skyline Restoration and Maintenance cannot complete the work on the parapet wall until the roof material has been installed. The majority of their work has been completed. The previous extension was granted in July until December 31, 2022. The new request would extend the deadline until May 31, 2023. Staff has remained in contact with both Ms. Altizer and Skyline Restoration and Maintenance concerning the repair process.

The orgininal grant was approved, as stated in the September 20, 2021, approval letter, for \$6,188. The company has provided a letter to the JCDA, also attached, confirming the delay.

Staff recommendation:

The Executive Director recommends that an extension be granted until May 31, 2023, conditioned upon providing written documentation on letterhead to oldham@downtownjc.com from both roofing company and Skyline Maintenance and Restoration to the Johnson City Development Authority stating the work schedule for Ms. Altizer's project, the work completed to date, a punch list of the remaining work to be completed, and the start date and completion date, by no later than February 1, 2023.

Agenda Item #7.7.1.

Via email

January 15, 2023

Hi Tish,

I am touching base with you on this facade grant extension and the progress on the work that Skyline has accomplished with the back wall of my building and the continued progress with the parapet work in which is why the extension was requested. Vohcarr Construction is scheduled to do the roof project with the expected finished work on the last week of January weather permitting. The finishing portion of that project entails the parapet work that is part of the grant monies. Ian Jones with Skyline Contractors was in touch with you about this extension in December and mentioned that you asked for me to reach out to you. Please let me know if you have any questions or concerns. I can be reached at (423)XXX-XXXX

Thank you,
Laura Altizer
700 Buffalo St.

Laura Altizer

Attn: Patricia Oldham

Façade Grant for 700 Buffalo Street

To whom it may concern,

Skyline is conducting the exterior façade repairs on the building at 700 Buffalo in Johnson City, Tn. So far, we have been able to complete the repairs/painting on the exterior painted wall. However, we still have the parapet caps on the roof left to repair.

The nature of our repairs requires the new roof to be installed. Due to material constraints the roof hasn't been able to be replaced yet. In conversations with the roofing company (Vohcar), we have received verbal estimates on roof install in the next 30 to 60 days depending on weather.

Skyline is requesting an extension of at least 90 days to complete repairs but would request an extension of 180 days to account for potential weather/material delays on the roofer's part and ours. We understand constraints and are willing to work with what timelines are available. Please let us know at your earliest convenience.

Thank you,

Ian Jones – Skyline Restoration & Maintenance

ian@srmhistoric.com

423-972-3352