

**URBAN RESIDENTIAL FINANCE AUTHORITY
OF THE CITY OF ATLANTA, GEORGIA
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

June 30, 2024

CERTIFIED PUBLIC ACCOUNTANTS

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URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)

June 30, 2024

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INDEPENDENT AUDITORS' REPORT

**The Board of Directors of the
Urban Residential Finance Authority Atlanta, Georgia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and each major fund of the **Urban Residential Finance Authority** (the "Authority"), a component unit of The Atlanta Development Authority, d/b/a Invest Atlanta ("Invest Atlanta"), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and each major fund of the Urban Residential Finance Authority as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of URFA-Sexton, LP or Columbia at Sylvan Hills, LP, (the Authority owns .01% as general partner of each), which represent .5 percent, 0 percent, and 0 percent, respectively, of the assets, net position, and revenues of the Authority as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for URFA-Sexton, LP and Columbia at Sylvan Hills, LP, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 7 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 and other auditors 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 the Authority's internal control over financial reporting and compliance.

CARMICHAEL, BRASHER, TUVELL & CO, PC

Carmichael, Brasher, Tuvell + Co., P.C.

Atlanta, Georgia
December 6, 2024

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024

This section of the Urban Residential Finance Authority (“URFA” or the “Authority”) annual financial report presents our discussion and analysis of URFA’s financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the financial statements and accompanying notes.

Fiscal Year 2024 Selected Financial Highlights

- Total assets of the Authority, excluding component units, increased \$27.5 million during the fiscal year ended June, 30, 2024. This increase is primarily related to an increase in receivables on the 2021 draw down bond and 2023 draw down bond.
- Total liabilities of the Authority, excluding component units, increased \$21.8 million as of the fiscal year ended June, 30, 2024. The increase is primarily related to draws on the 2021 draw down bond and 2023 draw down bond for projects.
- The Authority’s assets related to business-type activities, excluding component units, exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended June, 30, 2024, by \$28.4 million (net position). Of this amount, \$16.1 million represents an unrestricted net position which may be used to meet the Authority’s ongoing obligations to citizens and creditors.
- The Authority’s total net position related to business-type activities, excluding component units, increased by \$5.8 million during the fiscal year ended June, 30, 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority’s financial statements. The Authority’s basic financial statements consist of four components: management’s discussion and analysis (this section), government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority’s finances, including information related to its component units.

The *statement of net position* presents information on all of the Authority’s assets, liabilities, and deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
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MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024

The government-wide financial statements include not only the Authority itself (known as the *primary government*), but also legally separate entities for which the Authority is financially accountable: Lakewood Hills, Inc.; GP URFA Sexton, Inc.; Sylvan Hills Development, LLC; and Toby Sexton Development, LLC (collectively known as *component units*). Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The accompanying statements include two funds, one for the administrative fund and another for all other grant related accounts of the Authority. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements, but show the activity in greater detail, presenting the activity of each of the funds and also presenting cash flow information. The basic proprietary fund financial statements can be found on pages 10-12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-25 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an entity’s financial position. In the case of the Authority, assets exceeded liabilities and deferred inflows of resources by \$28.4 million at the end of fiscal year 2024. A summary of the net position follows:

Summary of the Authority’s Net Position
June 30, 2024, and June 30, 2023
Business-type Activities

	2024	2023
Assets		
Current assets	\$ 32,308,383	\$ 26,162,294
Other non-current assets	<u>74,608,402</u>	<u>53,219,123</u>
Total Assets	106,916,785	79,381,417
Liabilities		
Current liabilities	6,714,883	6,300,104
Long-term liabilities	<u>71,271,546</u>	<u>49,847,427</u>
Total liabilities	77,986,429	56,147,531
Deferred inflow of resources	508,010	593,222
Net Position		
Restricted	12,298,763	7,180,493
Unrestricted	<u>16,123,583</u>	<u>15,460,151</u>
Total net position	\$ 28,422,346	\$ 22,640,664

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024

The Authority’s total assets equal approximately \$106.9 million as of the fiscal year ended June 30, 2024. Total assets increased approximately \$27.5 million. This increase is primarily due to increases in receivables on the 2021 and 2023 draw down bonds. Total liabilities increased approximately \$21.8 million primarily related to draws on the 2021 and 2023 draw down bonds.

The largest portion of the Authority’s net position, amounting to approximately \$12.3 million, represents resources that are subject to external restrictions on how they may be used.

The Authority’s net position increased by \$5,781,682 during the fiscal year ended June 30, 2024. A summary of that change is presented on the following page compared to the change in the prior fiscal year.

Summary of Changes in the Authority’s Net Position
Fiscal Years Ended June 30, 2024, and June 30, 2023

	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ 13,143,750	\$ 3,730,616
Operating grants and contributions	<u>1,295,916</u>	<u>1,392,565</u>
Total revenues	14,439,666	5,123,181
Expenses:		
Economic development	<u>8,657,984</u>	<u>5,487,469</u>
Total expenses	<u>8,657,984</u>	<u>5,487,469</u>
Capital contribution:		
Increase (decrease) in net position	5,781,682	(364,288)
Net position, beginning of fiscal year	<u>22,640,664</u>	<u>23,004,952</u>
Net position, end of fiscal year	\$ 28,422,346	\$ 22,640,664

Charges for services accounted for 91% of the revenues of the Authority. This revenue includes program income, servicing, administration, and loan fees related primarily to loan programs administered by the Authority. Operating grants and contributions make up 9% of the revenues. This revenue consists of grants for loan programs and funding from the City of Atlanta for debt service related to the Housing Opportunity Bonds.

The Authority’s total revenue increased approximately \$9.3 million for the fiscal year ended June 30, 2024. This increase is primarily due to an increase in service, administration, and loan fees.

The Authority’s total operating expenses are approximately \$8.7 million and related to its overall mission of providing assistance for single-family and multi-family residential housing. Total operating expenses increased approximately \$3.2 million from the prior fiscal year primarily due to expenses related to housing programs funded in the fiscal year.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
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MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024

Analysis of the Authority’s Funds

As previously discussed, the Authority’s funds report the activities of the administrative fund and restricted program funds with an overall increase in net position of \$5.8 Million.

Debt Administration

At the end of the fiscal year, the Authority had total bond debt outstanding of \$75.3 million. The Authority’s debt increased \$25.51 million during the current fiscal year. This increase was due to the \$15.2 million draw down bonds addition from the 2021 bond and a \$10.3 million draw down bond addition from the new 2023 Bond. Activity for long term obligations of the Authority for the fiscal year ended June 30, 2024 which are reported in the Statement of Net Position is summarized as follows:

Primary Government	June 30, 2023	Additions	Reductions	June, 30, 2024
Bonds payable, Housing Opportunity Program 2017	\$41,870,000	\$ -	\$(3,935,000)	\$37,935, 000
Bonds payable, Housing Opportunity Program 2021	11,912,427	15,182,869	-	27,095,296
Bonds payable, Housing Opportunity Program 2023	-	10,281,250	-	10,281,250
Total primary government	\$53,782,427	\$25,464,119	\$(3,935,000)	\$75,311,546

More detail regarding the long-term liabilities of the Authority are presented in Note 6 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Authority’s finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Chief Financial Officer, 133 Peachtree Street, NE, Suite 2900, Atlanta, GA 30303.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
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STATEMENT OF NET POSITION
June 30, 2024

Assets	Business-type Activities	Component Units
Current assets:		
Cash and cash equivalents	\$ 20,424,805	\$ 123,919
Restricted cash and cash equivalents	7,023,362	-
Other receivables	715,699	24,589
Prepaid items	-	810
Due from Atlanta Housing Opportunity, Inc., current portion	4,144,517	-
Total current assets	<u>32,308,383</u>	<u>149,318</u>
Noncurrent assets:		
Capital assets, net of depreciation	-	461,570
Loans receivable	2,362,968	-
Due from component units	293,294	-
Other receivables	665,594	515,102
Lease receivable	-	231,178
Other assets - development projects	15,000	(420)
Due from Atlanta Housing Opportunity, Inc.	71,271,546	-
Total noncurrent assets	<u>74,608,402</u>	<u>1,207,430</u>
Total assets	<u>106,916,785</u>	<u>1,356,748</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	45,714	11,424
Bonds, notes, and loans payable, current portion	4,040,000	-
Accrued interest payable	385,158	-
Unearned revenue	2,074,769	-
Due to Atlanta Housing Opportunity, Inc.	17,436	-
Due to Invest Atlanta	135,356	90,297
Due to City of Atlanta	13,006	-
Funds held in escrow	3,444	-
Total current liabilities	<u>6,714,883</u>	<u>101,721</u>
Noncurrent liabilities:		
Due to primary government (URFA)	-	4,234,971
Due to others	-	808,396
Loan payable to Invest Atlanta	-	948,563
Bonds payable	71,271,546	-
Total noncurrent liabilities	<u>71,271,546</u>	<u>5,991,930</u>
Total liabilities	<u>77,986,429</u>	<u>6,093,651</u>
Deferred Inflows of Resources		
Deferred gain on leases - GASB 87	-	280,318
Deferred gain on bond refunding	508,010	-
Net Position		
Net investment in capital assets	-	461,570
Restricted for programs	12,298,763	-
Unrestricted (deficit)	16,123,583	(5,478,791)
Total net position	<u>\$ 28,422,346</u>	<u>\$ (5,017,221)</u>

See the accompanying notes to the financial statements.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority, d/b/a Invest Atlanta)
STATEMENT OF ACTIVITIES
Fiscal Year Ended June 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Business-type Activities	Component Units
Functions/Programs:					
Primary government:					
Business-type activities:					
Economic development	\$ 8,657,984	\$ 13,143,750	\$ 1,295,916	\$ 5,781,682	
Total primary government activities	<u>\$ 8,657,984</u>	<u>\$ 13,143,750</u>	<u>\$ 1,295,916</u>	<u>5,781,682</u>	
Component units:					
Lakewood Hills, Inc.	\$ 173,025	\$ 139,780	\$ -		\$ (33,245)
GP URFA Sexton, Inc.	173,193	-	-		(173,193)
Sylvan Hills Development, LLC	47	-	-		(47)
Toby Sexton Development, LLC	-	-	-		-
Total component unit activities	<u>\$ 346,265</u>	<u>\$ 139,780</u>	<u>\$ -</u>		<u>(206,485)</u>
General revenues:					
Revenues from the sale of property				-	-
Total general revenues				<u>-</u>	<u>-</u>
Capital contributions				-	-
Distributions				-	-
Change in net position				5,781,682	(206,485)
Net position – beginning of fiscal year				<u>22,640,664</u>	<u>(4,810,736)</u>
Net position – ending of fiscal year				<u>\$ 28,422,346</u>	<u>\$ (5,017,221)</u>

See the accompanying notes to the financial statements.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority, d/b/a Invest Atlanta)
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2024

Business-type Activities - Enterprise Funds			
	Administrative Fund	Grants and Restricted Program Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 17,340,896	\$ 3,083,909	\$ 20,424,805
Restricted cash and cash equivalents	7,023,362	-	7,023,362
Prepaid items	-	-	-
Other receivables	542,034	173,665	715,699
Due from Atlanta Housing Opportunity, Inc., current	4,144,517	-	4,144,517
Due from other funds	306,601	-	306,601
Total current assets	<u>29,357,410</u>	<u>3,257,574</u>	<u>32,614,984</u>
Noncurrent assets:			
Loans receivable	25,000	2,337,968	2,362,968
Other assets - development projects	15,000	-	15,000
Due from component units	293,294	-	293,294
Other receivables	665,594	-	665,594
Due from Atlanta Housing Opportunity, Inc.	71,271,546	-	71,271,546
Total noncurrent assets	<u>72,270,434</u>	<u>2,337,968</u>	<u>74,608,402</u>
Total assets	<u>101,627,844</u>	<u>5,595,542</u>	<u>107,223,386</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	35,618	10,096	45,714
Bonds payable, current portion	4,040,000	-	4,040,000
Accrued interest payable	385,158	-	385,158
Unearned revenue	2,074,769	-	2,074,769
Funds held in escrow	-	3,444	3,444
Due to other funds	-	306,601	306,601
Due to Atlanta Housing Opportunity, Inc.	17,436	-	17,436
Due to Invest Atlanta	135,356	-	135,356
Due to City of Atlanta	13,006	-	13,006
Total current liabilities	<u>6,701,343</u>	<u>320,141</u>	<u>7,021,484</u>
Noncurrent liabilities:			
Bonds payable	71,271,546	-	71,271,546
Total noncurrent liabilities	<u>71,271,546</u>	<u>-</u>	<u>71,271,546</u>
Total liabilities	<u>77,972,889</u>	<u>320,141</u>	<u>78,293,030</u>
Deferred Inflows of Resources			
Deferred gain on bond refunding	508,010	-	508,010
Net Position			
Restricted for programs	7,023,362	5,275,401	12,298,763
Unrestricted (deficit)	16,123,583	-	16,123,583
Total net position	<u>\$ 23,146,945</u>	<u>\$ 5,275,401</u>	<u>\$ 28,422,346</u>

See the accompanying notes to the financial statements.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority, d/b/a Invest Atlanta)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Fiscal Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds		
	Administrative Fund	Grants and Restricted Program Fund	Total
Operating revenues:			
Investment income	\$ -	\$ -	\$ -
Service, administration, and loan fees	7,257,049	820,116	8,077,165
Developer fees	-	-	-
Subsidy income for debt service payments - City of Atlanta	1,295,916	-	1,295,916
Other revenue	5,066,585	-	5,066,585
Total operating revenues	<u>13,619,550</u>	<u>820,116</u>	<u>14,439,666</u>
Operating expenses:			
Interest on bonds, notes, and loans	3,430,477	-	3,430,477
Economic development	373,606	170,000	543,606
General and administrative	4,652,035	31,866	4,683,901
Total operating expenses	<u>8,456,118</u>	<u>201,866</u>	<u>8,657,984</u>
Operating income (loss)	<u>5,163,432</u>	<u>618,250</u>	<u>5,781,682</u>
Capital contribution	-	-	-
Distributions	-	-	-
Change in net position	5,163,432	618,250	5,781,682
Net position (deficit) at beginning of fiscal year	<u>17,983,513</u>	<u>4,657,151</u>	<u>22,640,664</u>
Net position at end of fiscal year	<u>\$ 23,146,945</u>	<u>\$ 5,275,401</u>	<u>\$ 28,422,346</u>

See the accompanying notes to the financial statements.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority, d/b/a Invest Atlanta)
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Fiscal Year Ended June 30, 2024

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Administrative Fund</u>	<u>Grants and Restricted Program Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from customers and other governments	\$ 12,345,327	\$ 803,313	\$ 13,148,640
Receipts of interest on loans	-	-	-
Receipts of developer fees from component units	-	-	-
Receipts of distributions from component units	-	-	-
Payments (to) from other funds	183,590	(183,590)	-
Payments (to) from component units	-	-	-
Payments to suppliers	(1,259,177)	-	(1,259,177)
Payments to primary government for reimbursement of operating transactions	(3,430,477)	-	(3,430,477)
Payments for programs	(620,575)	(197,829)	(818,404)
Net cash provided by (used in) operating activities	<u>7,218,688</u>	<u>421,894</u>	<u>7,640,582</u>
Cash flows from noncapital financing activities:			
Receipts from the City of Atlanta to cover debt service on revenue bonds issued on behalf of the City of Atlanta for AHOI	(20,224,861)	-	(20,224,861)
Proceeds from issuance of bonds	25,464,119	-	25,464,119
Repayment on bond principal	(3,935,000)	-	(3,935,000)
Payments for interest	(3,255,107)	-	(3,255,107)
Net cash provided by (used in) noncapital financing activities	<u>(1,950,849)</u>	<u>-</u>	<u>(1,950,849)</u>
Net increase (decrease) in cash and cash equivalents	5,267,839	421,894	5,689,733
Cash and cash equivalents at beginning of fiscal year	<u>19,096,419</u>	<u>2,662,015</u>	<u>21,758,434</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 24,364,258</u>	<u>\$ 3,083,909</u>	<u>\$ 27,448,167</u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents	\$ 17,340,896	\$ 3,083,909	\$ 20,424,805
Restricted cash and cash equivalents	7,023,362	-	7,023,362
	<u>\$ 24,364,258</u>	<u>\$ 3,083,909</u>	<u>\$ 27,448,167</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 5,163,432	\$ 618,250	\$ 5,781,682
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Interest receipts reported in operating income	(1,295,916)	-	(1,295,916)
Interest payments reported in operating income	3,430,477	-	3,430,477
Distribution from component unit	-	-	-
Amortization of deferred gain on refunding in operating income	(85,212)	-	(85,212)
(Increase) decrease in:			
Other receivables	(296,408)	(63,290)	(359,698)
Loans receivable	(25,000)	46,487	21,487
Prepaid items and other assets	13,353	-	13,353
Due from other funds	183,590	-	183,590
Due from component units	-	-	-
Increase (decrease) in:			
Accounts payable and accrued expenses	34,240	-	34,240
Due to Invest Atlanta	-	-	-
Due to other funds	-	(183,590)	(183,590)
Due to Atlanta Housing Opportunity, Inc.	(246,969)	-	(246,969)
Funds held in escrow	-	4,037	4,037
Unearned revenue	343,101	-	343,101
Net cash provided by (used in) operating activities	<u>\$ 7,218,688</u>	<u>\$ 421,894</u>	<u>\$ 7,640,582</u>

See the accompanying notes to the financial statements.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority, d/b/a Invest Atlanta)
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2024

	Lakewood Hills, Inc.	GP URFA Sexton, Inc.	Sylvan Hills Devel., LLC	Toby Sexton Devel., LLC	Total Component Units
Assets					
Current assets:					
Cash and cash equivalents	\$ 123,919	\$ -	\$ -	\$ -	\$ 123,919
Prepaid items	810	-	-	-	810
Other receivables	24,589	-	-	-	24,589
Total current assets	<u>149,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,318</u>
Noncurrent assets:					
Developer fees receivables, net of allowance	-	-	515,102	-	515,102
Lease receivable	231,178	-	-	-	231,178
Capital assets, net of depreciation	461,570	-	-	-	461,570
Other assets - development projects	-	-	(420)	-	(420)
Total noncurrent assets	<u>692,748</u>	<u>-</u>	<u>514,682</u>	<u>-</u>	<u>1,207,430</u>
Total assets	<u>842,066</u>	<u>-</u>	<u>514,682</u>	<u>-</u>	<u>1,356,748</u>
Liabilities					
Current liabilities:					
Accounts payable	11,424	-	-	-	11,424
Income taxes payable	-	-	-	-	-
Due to Invest Atlanta	90,297	-	-	-	90,297
Total current liabilities	<u>101,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,721</u>
Noncurrent liabilities:					
Due to the primary government (URFA)	4,234,971	-	-	-	4,234,971
Due to others	293,294	-	515,102	-	808,396
Loan payable to Invest Atlanta	948,563	-	-	-	948,563
Total noncurrent liabilities	<u>5,476,828</u>	<u>-</u>	<u>515,102</u>	<u>-</u>	<u>5,991,930</u>
Total liabilities	<u>5,578,549</u>	<u>-</u>	<u>515,102</u>	<u>-</u>	<u>6,093,651</u>
Deferred Inflows of Resources					
Deferred gain on leases - GASB 87	280,318	-	-	-	280,318
Net Position (Deficit)					
Net investment in capital assets	461,570	-	-	-	461,570
Unrestricted (deficit)	(5,478,371)	-	(420)	-	(5,478,791)
Total net position (deficit)	<u>\$ (5,016,801)</u>	<u>\$ -</u>	<u>\$ (420)</u>	<u>\$ -</u>	<u>\$ (5,017,221)</u>

See the accompanying notes to the financial statements.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority, d/b/a Invest Atlanta)
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
Fiscal Year Ended June 30, 2024

	Program Revenues		Net (Expense) Revenue and Changes in Net Position				Total Component Units
	Expenses	Charges for Services	Lakewood Hills, Inc.	GP URFA Sexton, Inc.	Sylvan Hills Devel., LLC	Toby Sexton Devel., LLC	
Functions/ Programs:							
Component units:							
Lakewood Hills, Inc.	\$ 173,025	\$ 139,780	\$ (33,245)	\$ -	\$ -	\$ -	\$ (33,245)
GP URFA Sexton, Inc.	173,193	-	-	(173,193)	-	-	(173,193)
Sylvan Hills Development, LLC	47	-	-	-	(47)	-	(47)
Toby Sexton Development, LLC	-	-	-	-	-	-	-
Total component unit activities	<u>\$ 346,265</u>	<u>\$ 139,780</u>	<u>(33,245)</u>	<u>(173,193)</u>	<u>(47)</u>	<u>-</u>	<u>(206,485)</u>
General revenues:							
Revenues from the sale of property			-	-	-	-	-
Total general revenues			-	-	-	-	-
Changes in net position			(33,245)	(173,193)	(47)	-	(206,485)
Capital contribution			-	-	-	-	-
Distributions			-	-	-	-	-
Net position (deficit) – beginning of fiscal year			(4,983,556)	173,193	(373)	-	(4,810,736)
Net position (deficit) – ending of fiscal year			<u>\$ (5,016,801)</u>	<u>\$ -</u>	<u>\$ (420)</u>	<u>\$ -</u>	<u>\$ (5,017,221)</u>

See the accompanying notes to the financial statements.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies

(a) The Financial Reporting Entity

The Urban Residential Finance Authority of the City of Atlanta, Georgia (“URFA” or “the Authority”) was created in 1979 to assist in providing financing for the construction or rehabilitation of single-family and multi-family residential housing, and to provide funds to be used as down payment assistance for families within certain income limitations within the City of Atlanta.

In 1997, the City created a new umbrella economic development agency, the Atlanta Development Authority, d/b/a Invest Atlanta (“Invest Atlanta”), which combined several previously existing economic development entities, including the Authority. The Authority is considered to be a blended component unit of Invest Atlanta, and its financial statements are included in Invest Atlanta’s financial statements.

The component unit column in the government-wide financial statements also includes Lakewood Hills, Inc.; GP URFA Sexton, Inc.; Sylvan Hills Development, LLC; and Toby Sexton Development, LLC, which are discretely presented component units of URFA. They are reported in a separate column to emphasize they are legally separate from the Authority.

Each of these component units is accounted for as proprietary fund types.

Lakewood Hills, Inc. (LHI) is wholly owned by URFA and was created to develop single-family and multi-family homes in the City of Atlanta. The Board of Directors of LHI is appointed by the Board of Directors of URFA, who can also impose their will on LHI by removal of board members at any time. Lakewood Hills, Inc. has a December 31 year-end and its balances are shown as of its year ending date.

GP URFA Sexton, Inc. (GP URFA Sexton) is wholly owned by URFA and is the general partner and owner of .01% of URFA-Sexton, LP, which consists of an affordable multi-family residential housing facility. The Board of Directors of GP URFA Sexton is appointed by the Board of Directors of URFA, who can also impose their will on GP URFA Sexton by removal of board members at any time. GP URFA Sexton, Inc. has a December 31 year-end and its balances are shown as of its year ending date.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies (Continued)

(a) The Financial Reporting Entity (Continued)

Sylvan Hills Development, LLC (Sylvan Hills) is wholly owned by URFA and is the general partner and owner of .01% of Columbia at Sylvan Hills, LP, which consists of an affordable multi-family residential housing facility. The Board of Directors of Sylvan Hills is appointed by the Board of Directors of URFA, who can also impose their will on Sylvan Hills by removal of board members at any time. Sylvan Hills Development, LLC has a December 31 year-end and its balances are shown as of its year ending date.

Toby Sexton Development, LLC (Toby Sexton) is a joint venture in which URFA has an interest of 79%. Toby Sexton was organized to improve and develop property for use as affordable multi-family residential housing. As the majority owner of the limited liability company, URFA controls the activity of Toby Sexton. Toby Sexton Development, LLC has a December 31 year-end and its balances are shown as of its year ending date.

Separate financial statements or financial information on these component units may be obtained from the Chief Financial Officer, Invest Atlanta at 133 Peachtree Street, NE, Suite 2900, Atlanta, GA 30303.

(b) Government-wide and Fund Financial Statements

The Authority presents government-wide financial statements which are prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements (i.e. the statement of net position and the statement of activities) do not provide information by fund. Net position in the statement of net position is distinguished between amounts that are invested in capital assets, restricted for use by third parties or outside requirements, and unrestricted amounts.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use, or benefit from the services provided by a given function or segment and include interest income on loans provided for economic development and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted interest income on investments and other items not properly included among program revenues are reported as general revenues.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

(b) Government-wide and Fund Financial Statements (Continued)

In addition to the government-wide financial statements, the Authority has prepared separate financial statements for proprietary funds. These fund financial statements use the accrual basis of accounting and the economic resources measurement focus.

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Interest income and service, administration, and loan fees are recognized as revenue when earned regardless of when the cash is received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenses are recorded when a liability is incurred.

The Authority reports the following major enterprise funds:

Administrative Fund – The Administrative Fund is used to record the receipt of income not directly pledged to the repayment of specific bonds or grant programs and the payment of expenses related to the Authority’s administrative functions.

Grants and Restricted Program Fund – This fund is used to account for all activity of the Authority that is restricted for grant activities.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund’s principal ongoing operations. The principal operating revenues of each of the Authority’s enterprise funds are interest income on loans outstanding; service, administration, and loan fees; and other activity surrounding the development of property. Operating expenses for the enterprise funds include direct, general and administrative expenses of administering the economic development programs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

(d) Cash, Cash Equivalents, and Investments

For the purposes of the statement of cash flows, the Authority considers all short-term investment securities with original maturities of three months or less, local government investment pools, repurchase agreements, money market accounts, and investment agreements under which funds can be withdrawn at any time without penalty to be cash equivalents. Certain resources set aside for specific purposes are classified as restricted assets on the statement of net position because their use is limited by the purpose of certain agreements with other parties.

(e) Loans Receivable

Loans receivable are stated at their unpaid principal balance less loan discounts. The discounts are amortized using a method approximating a level yield over the estimated average life of the loans.

(f) Other Assets – Development Projects

Other assets - development projects represent the Authority's acquisition and improvement of properties in anticipation of either private or public development of the property. These are recorded at cost.

(g) Capital Assets

Capital assets are stated at cost. At June 30, 2024, the Authority had no capital assets.

For the Authority's component unit, Lakewood Hills, Inc., capital assets consists of real property representing 11 condominium units in Phase VI-A and are recorded at cost. Depreciation of the rental property (buildings) is computed primarily using the straight-line method over a 40 year estimated useful life.

(h) Unearned Revenue

The Authority has received certain money from administrative fees on Housing Opportunity Fund operations, representing an exchange transaction, for which revenue will be recognized when earned. Therefore, the Authority has reported these items as unearned revenue under the accrual basis of accounting on the statement of net position.

(i) Cost Allocations

The Authority pays the primary government, Invest Atlanta, for an allocation of administrative costs of the Authority, primarily reimbursements of Invest Atlanta personnel and related costs. The allocations of these costs are considered operating expenses of the Authority and are included within general and administrative expenses.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

(j) Deferred Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. The Authority has one type of deferred inflow, a deferred charge (gain) on refunding resulting from the difference in carrying value of the refunded debt and its reacquisition price. This deferred gain will be amortized over the shorter life of the refunded or refunding debt.

(k) Use of Estimates

Management of the Authority has made a number of estimates and assumptions relating to the reporting of assets, liabilities, deferred inflows of resources, the disclosure of contingent assets, liabilities, and deferred inflows of resources and the reported amounts of revenues and expenses to prepare the financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from these estimates.

(2) Deposits and Investments

(a) Credit Risk

The Authority is authorized to invest in obligations or investments as determined by the Board of Directors of the Authority, subject to any agreement with bondholders and with applicable law. As of June 30, 2024, the Authority did not have any investments other than deposits with financial institutions.

(b) Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities or for financial institutions to participate in the state sponsored secure deposit collateral program. As of June 30, 2024, the Authority had no bank balances that were exposed to custodial credit risk.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

(3) Other Assets – Development Projects

Other assets - development projects of the Authority and its discretely presented component units consisted of the following at June 30, 2024:

	2024
URFA:	
IHFC – TRIO	\$ <u>15,000</u>
Component Units:	
GP URFA Section Inc	0
Sylvan Hills Development LLC	<u>(420)</u>
Total	\$ <u>14,580</u>

(4) Capital Assets

Capital assets activity for the fiscal year ended June 30, 2024 consists of the following:

	June 30, 2023	Additions	Reductions	June, 30, 2024
Capital assets, being depreciated:				
Building and improvements	\$745,971	\$ -	\$-	\$745,971
Capital assets being depreciated	745,971	-	-	745,971
Less accumulated depreciation	(265,752)	(18,649)	-	(284,401)
Net capital assets, being depreciated	\$480,219	\$(18,649)	\$-	\$461,570

(5) Receivables

As of June 30, 2024, the Administrative Fund had \$1,054,214 gross other receivables less \$159,681 in allowances for uncollectible receivables which net to an ending balance of \$894,533. In addition, the Administrative Fund reported \$4,818,631 in gross loans receivable which is fully allowed. These loans receivable include loans from Lakewood Hills, Inc. of \$4,234,971; loans due from URFA-Sexton, LP of \$0; and other loans due of \$583,660.

As of June 30, 2024, the Grants and Restricted Program Fund had \$2,362,048 in gross loans outstanding less \$24,080 in allowances for uncollectible loans and loans which are not expected to require repayment under the various Authority programs, netting to an ending balance of \$2,337,968.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

(6) Due from Atlanta Housing Opportunity, Inc.

As mentioned in Note 7 below, On March 4, 2021, URFA issued up to \$50,000,000 of Georgia Taxable Draw-Down Revenue Bonds (Housing Opportunity Program), Series 2021 for the purpose of providing proceeds from the sale of the bonds to Atlanta Housing Opportunity, Inc. (AHOI) from which loans will be made to finance single-family housing and multi-family housing in the City and to provide land assemblage for such purposes. At June 30, 2024, the balance of the Series 2021 bonds was \$27,095,296. The intergovernmental agreement between URFA and AHOI calls for repayments of the loan to mirror those of the bonds. At June 30, 2024, an amount of \$27,095,296 is recorded as being due from AHOI.

On July 13, 2023 URFA issued up to \$100,000,000 of Georgia Taxable Draw-Down Revenue Bonds (Housing Opportunity Project), Series 2023, for the purpose of providing proceeds from the sale of the bonds to AHOI from which loans will be made fund Multifamily Preservation, Public Land Development, and Multifamily Loan Programs within the City. At June 30, 2024, the balance of the Series 2023 bonds was \$10,281,250. The intergovernmental agreement between URFA and AHOI calls for repayments of the loan to mirror those of the bonds. At June 30, 2024, an amount of \$10,281,250 is recorded as being due from AHOI.

(7) Long-term Liabilities

Activity for the bonds payable, loans payable and other long-term liabilities for the fiscal year ended June 30, 2024 consists of the following:

	June 30, 2023	Additions	Reductions	June, 30, 2024	Due Within One Fiscal Year
Primary government:					
Bonds payable, 2017A Series Housing Opportunity Program	\$41,870,000	\$ -	\$(3,935,000)	\$37,935,000	\$4,040,000
Bonds payable, Housing Opportunity Program 2021	11,912,427	15,182,869	-	\$27,095,296	-
Bonds payable, Housing Opportunity Program 2023	-	10,281,250	-	10,281,250	-
Total primary government	\$53,782,427	\$25,464,119	\$(3,935,000)	\$75,311,546	\$4,040,000
Component units:					
Advance loan from Invest Atlanta	\$ 948,563	\$ -	\$ -	\$ 948,563	\$ -
Total component units	\$ 948,563	\$ -	\$ -	\$ 948,563	\$ -

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

(7) Long-term Liabilities (Continued)

On April 21, 2017, the Authority issued \$63,685,000 of Georgia Taxable Revenue Bonds (Housing Opportunity Program), Series 2017A, for the purpose of refunding the Series 2007A bonds and loaning the remaining proceeds from the sale of the bonds to AHOI. AHOI will use the additional bond proceeds to make loans to finance single-family and multi-family housing purchases in the City of Atlanta. The City of Atlanta has guaranteed that it will make payments sufficient in time and amount to enable AHOI to pay the principal and interest on the Series 2017A bonds, with the guarantee lasting the full term of the debt. Interest on the 2017A bonds is payable semiannually on June 1 and December 1 of each fiscal year, with interest rates ranging from 1.25% to 3.839%. The bonds mature on December 1, 2036. At June 30, 2024, the outstanding principal balance of the Series 2017A bonds was \$37,935,000. Also at June 30, 2024, an amount of \$37,935,000 is recorded as being due from AHOI, including accrued interest receivable.

On July 13, 2023, URFA issued up to \$100,000,000 of Georgia Taxable Draw-Down Revenue Bonds (Housing Opportunity Program), Series 2023 for the purpose of providing proceeds from the sale of the bonds to AHOI to fund Multifamily Preservation, Public Land Development, and Multifamily Loan Programs within the City. The City of Atlanta has guaranteed that it will make payments sufficient in time and amount to enable AHOI to pay the principal and interest on the bonds, with the guarantee lasting the full term of the debt. AHOI is not required to repay the City for any portion of these payments. As discussed in Note 2, a receivable has been recorded from the City for the full amount of payments due on the outstanding Series 2023 bonds. Interest on the Series 2023 bonds is payable monthly on the 1st day of each month, with an interest rate of 6.22%. The bonds mature on July 13, 2028. At June 30, 2024, the balance of the Series 2023 bonds was \$10,281,250. The intergovernmental agreement between URFA and AHOI calls for repayments of the loan to mirror those of the bonds. At June 30, 2024, an amount of \$10,281,250 is recorded as being due from AHOI.

Construction of the Lakewood Hills development was financed with construction loans. During the year ended June 30, 2015, the balance of these loans was paid by URFA and the amount paid by URFA on behalf of Lakewood Hills, Inc. was added to amounts due to URFA. These amounts will be repaid with net proceeds from the sale of condominium units.

On January 15, 2009, Lakewood Hills, Inc. obtained a loan in the amount of \$986,728 from Invest Atlanta to pay down a construction loan with Sun Trust Bank. The loan bears interest at a variable rate and matures on January 15, 2019. The loan is to be repaid with net proceeds from the sale of condominium units, with the entire balance and any unpaid accrued interest due becoming immediately payable upon the first to occur of the sale of the last unit or the maturity date. As of fiscal year-end, the loan due to Invest Atlanta was \$948,563.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

(7) Long-term Liabilities (Continued)

On March 4, 2021, URFA issued up to \$50,000,000 of Georgia Taxable Draw-Down Revenue Bonds (Housing Opportunity Program), Series 2021 for the purpose of providing proceeds from the sale of the bonds to Atlanta Housing Opportunity, Inc. (AHOI) from which loans will be made to finance single-family housing and multi-family housing in the City and to provide land assemblage for such purposes. The City of Atlanta has guaranteed that it will make payments sufficient in time and amount to enable AHOI to pay the principal and interest on the bonds, with the guarantee lasting the full term of the debt. AHOI is not required to repay the City for any portion of these payments. As discussed in Note 6, a receivable has been recorded from AHOI for the full amount of payments due on the outstanding Series 2021 bonds. Interest on the Series 2021 bonds is payable monthly on the 1st day of each month, with an interest rate of 6.05%. The bonds mature on March 4, 2026.

On July 13, 2023, URFA issued up to \$100,000,000 of Georgia Taxable Draw-Down Revenue Bonds (Housing Opportunity Program), Series 2023 for the purpose of providing proceeds from the sale of the bonds to AHOI to fund Multifamily Preservation, Public Land Development, and Multifamily Loan Programs within the City. The City of Atlanta has guaranteed that it will make payments sufficient in time and amount to enable AHOI to pay the principal and interest on the bonds, with the guarantee lasting the full term of the debt. AHOI is not required to repay the City for any portion of these payments. As discussed in Note 2, a receivable has been recorded from the City for the full amount of payments due on the outstanding Series 2023 bonds. Interest on the Series 2023 bonds is payable monthly on the 1st day of each month, with an interest rate of 6.22%. The bonds mature on July 13, 2028. At June 30, 2024, the balance of the Series 2023 bonds was \$10,281,250. The intergovernmental agreement between URFA and AHOI calls for repayments of the loan to mirror those of the bonds. At June 30, 2024, an amount of \$10,281,250 is recorded as being due from AHOI.

At June 30, 2024, the balance of the Series 2021 bonds was \$27,095,296 and the balance of Series 2023 Bonds was \$10,281,250. The intergovernmental agreement between URFA and AHOI calls for repayments of the loans to mirror those of the bonds. At June 30, 2024, an amount of \$27,095,296 and \$10,281,250 is recorded as being due from AHOI.

Debt Service Requirements

The annual principal and interest requirements for the Refunding Revenue Bonds (Housing Opportunity Program), Series 2017A are set forth below (dollar amounts in thousands):

Bonds of URFA			
Fiscal Year Ending June 30:	Principal	Interest	Total
2025	4,040	3,744	7,784
2026	41,532	3,627	45,159
2027	4,280	956	5,236
2028	4,410	825	5,235
2029	2,025	725	2,750
2030-2034	11,225	2,535	13,760
2035-2039	7,800	457	8,257
Totals	75,312	12,869	88,181

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
d/b/a Invest Atlanta)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

(8) Conduit Debt

The Authority issues private activity tax exempt and taxable revenue bonds to private sector entities for projects located within the city limits of Atlanta. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans or promissory notes. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. The Authority is not obligated in any manner for repayment of the bonds and does not report these as liabilities in the accompanying financial statements. The aggregate principal amounts outstanding as of June 30, 2024 for conduit debt issued by the Authority was \$326,209,497.

(9) Leases

Lessor

Beginning in March of 2009, Lakewood Hills, Inc. began leasing apartments to individuals qualified for government housing assistance. The current amounts due from the tenants and the government assistance is \$3,900 per month. Lakewood Hills, Inc. recognized \$26,086 in lease revenue and during the current fiscal year related to this lease. As of December 31, 2023, Lakewood Hills Inc.'s receivable for lease payments was \$231,178. Also, Lakewood Hills, Inc. has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2023, the balance of the deferred inflow of resources was \$280,318.

(10) Inter-fund Balances

All inter-fund balances were for payments made or received on behalf of each respective fund or component unit which had not been reimbursed at fiscal year-end. At June 30, 2024, the Administrative Fund owed \$135,356 to the Invest Atlanta Administrative Fund for payments made on behalf of the Administrative Fund which had not been reimbursed to the Invest Atlanta Administrative fund at year-end. Additionally at June 30, 2024, the Grants and Restricted Program Fund owed \$306,601 to the Administrative Fund for payments made on behalf of the Grants and Restricted Program Fund which had not been reimbursed at fiscal year-end. All amounts are expected to be repaid within one fiscal year.

(11) Due to Others and Due to Primary Government (URFA)

Sylvan Hills Development, LLC

Pursuant to a development agreement between Columbia at Sylvan Hills, LP ("CSH") and Sylvan Hills Development, LLC ("SHD") (a discretely presented component unit of URFA), CSH agreed to provide a development and overhead fee in the amount of \$2,715,820 to SHD for services provided by SHD during development and construction of the project. As of June, 30, 2024, the balance remaining on this agreement is \$515,102.

URBAN RESIDENTIAL FINANCE AUTHORITY
(A Component Unit of The Atlanta Development Authority,
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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

(11) Due to Others and Due to Primary Government (URFA) (Continued)

Sylvan Hills Development, LLC

In turn, this amount payable is to other entities pursuant to a joint venture agreement, which defines the applicable percentages, between SHD and the other entities. The Authority is one of the parties to this agreement and at the year-end of SHD, December 31, 2023, SHD owed the Authority \$159,681. At June, 30, 2024, the fiscal year-end of the Authority, SHD owed the Authority \$159,681 under this agreement.

Lakewood Hills, Inc.

As of fiscal year-end, Lakewood Hills, Inc., a component unit of URFA, has a deficit of \$4,990,716 including \$4,528,265 owed to URFA, for which URFA has agreed, if deemed necessary, to cover any major operating shortfalls Lakewood Hills, Inc. may have. Due to the uncertainty of collectability of the amount due from Lakewood Hills, Inc., URFA has a full allowance recorded for the amount due from Lakewood Hills, Inc. At the year-end of LHI, December 31, 2023, LHI owed the Authority \$4,528,265.

(12) Contingencies

The Authority participates in a number of federal financial assistance programs in the current and prior fiscal years. These programs are subject to independent financial and compliance audits by grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

The Authority is subject to various legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, based on the advice of legal counsel, the amount of ultimate liability, with respect to these actions, will not materially affect the financial position or results of operations of the Authority.

(13) Subsequent Events

The Authority has evaluated subsequent events that have occurred up through December 6, 2024, the date of issuance of these financial statements and no material subsequent events have occurred since June 30, 2024 that required recognition.