

***UNAUDITED FINANCIAL
INFORMATION***

March 31, 2023

I Trent Ridley hereby certify that the information contained herein is true and accurate to the best of my knowledge and belief. The enclosed unaudited financial statements were prepared in accordance with GAAP.

Signature

Date

TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULES OF NET POSITION
(Expressed in Thousands)
(Unaudited)

March 31, 2023

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 3/31/2023
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 156,386	\$ 22,519	\$ 1,005	\$ 110,639	\$ 290,549
Investments	-	10,472	891	142,968	154,331
Receivables:					
Accounts	9,119	75	35	3,591	12,820
Interest	-	4	285	10,654	10,943
Loans held for resale	2,946	-	-	-	2,946
First mortgage loans	-	2,424	1,860	73,583	77,867
Due from federal government	32,626	-	-	-	32,626
Due from other state funds	15,974	-	-	-	15,974
Due from other funds	-	-	-	35,455	35,455
Total current assets	217,051	35,494	4,076	376,890	633,511
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	22,707	-	16	135	22,858
Investments	-	-	6,199	111,676	117,875
Investment interest receivable	-	-	2	383	385
Investments	-	2,141	-	19,162	21,303
First mortgage loans receivable	8	47,452	43,933	2,563,461	2,654,854
Second mortgage loans receivable	-	-	-	90,682	90,682
Allowance for uncollectable second mortgages	-	-	-	(41,155)	(41,155)
Other receivables	6,779	-	-	17,669	24,448
Unearned service release premium	544	-	-	-	544
Advance to local government	3,146	-	-	-	3,146
Net pension asset	3,135	-	-	-	3,135
Capital assets:					
Furniture and equipment	12,701	-	-	-	12,701
Less accumulated depreciation	(7,330)	-	-	-	(7,330)
Total noncurrent assets	41,690	49,593	50,150	2,762,013	2,903,446
Total assets	258,741	85,087	54,226	3,138,903	3,536,957
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refundings	-	-	-	27	27
Deferred outflows related to pensions	6,044	-	-	-	6,044
Deferred outflows related to OPEB	208	-	-	-	208
Deferred outflows related to defeased bonds	-	-	-	949	949
Total deferred outflows of resources	6,252	-	-	976	7,228
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 8,868	\$ 12	\$ -	\$ -	\$ 8,880
Compensated absences	906	-	-	-	906
Interest payable	7	-	345	21,416	21,768
Escrow deposits	11,974	-	-	-	11,974
Prepayments on mortgage loans	-	-	27	1,171	1,198
Line of credit payable	2,834	-	-	-	2,834
Due to other funds	35,455	-	-	-	35,455
Bonds payable	-	-	1,890	81,735	83,625
Total current liabilities	60,044	12	2,262	104,322	166,640
Noncurrent liabilities:					
Bonds payable	-	-	39,329	2,595,516	2,634,845
Compensated absences	1,010	-	-	-	1,010
Total OPEB liability	1,185	-	-	-	1,185
Escrow deposits	13,264	48	-	4	13,316
Unearned revenue	139,205	3,083	-	7,706	149,994
Total noncurrent liabilities	154,664	3,131	39,329	2,603,226	2,800,350
Total liabilities	214,708	3,143	41,591	2,707,548	2,966,990
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	10,256	-	-	-	10,256
Deferred inflows related to OPEB	1,611	-	-	-	1,611
Total deferred inflows of resources	11,867	-	-	-	11,867
NET POSITION					
Net investment in capital assets	5,371	-	-	-	5,371
Restricted for single family bond programs	-	9,808	12,635	432,331	454,774
Restricted for grant programs	-	21,753	-	-	21,753
Restricted for Homebuyers Revolving Loan Program	3,154	-	-	-	3,154
Restricted for pension asset	3,135	-	-	-	3,135
Unrestricted	26,758	50,383	-	-	77,141
Total net position	\$ 38,418	\$ 81,944	\$ 12,635	\$ 432,331	\$ 565,328

TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(Expressed in Thousands)
(Unaudited)

For the Nine Months Ended March 31, 2023

	<u>Operating Group</u>	<u>Mortgage Finance Program</u>	<u>Housing Finance Program Bonds</u>	<u>Residential Finance Program Bonds</u>	<u>Total 3/31/2023</u>
OPERATING REVENUES					
Mortgage interest income	\$ 42	\$ 129	\$ 1,740	\$ 80,258	\$ 82,169
Investment income:					
Interest	797	292	57	3,360	4,506
Net increase (decrease) in the fair value of investments	-	514	(29)	2,818	3,303
Federal grant administration fees	27,285	-	-	-	27,285
Fees and other income	10,253	154	-	6	10,413
Total operating revenues	<u>38,377</u>	<u>1,089</u>	<u>1,768</u>	<u>86,442</u>	<u>127,676</u>
OPERATING EXPENSES					
Salaries and benefits	20,702	-	-	-	20,702
Contractual services	23,981	-	-	17	23,998
Materials and supplies	1,541	-	-	-	1,541
Rentals and insurance	26	-	-	-	26
Other administrative expenses	449	-	-	-	449
Other program expenses	6,696	20	4	4,243	10,963
Interest expense	31	-	897	53,978	54,906
Issuance costs	-	-	-	1,243	1,243
Amortization on service release premium	19	-	-	-	19
Total operating expenses	<u>53,445</u>	<u>20</u>	<u>901</u>	<u>59,481</u>	<u>113,847</u>
Operating income (loss)	<u>(15,068)</u>	<u>1,069</u>	<u>867</u>	<u>26,961</u>	<u>13,829</u>
NONOPERATING REVENUES (EXPENSES)					
Federal grants revenue	385,645	-	-	-	385,645
Federal grants expenses	(386,062)	-	-	-	(386,062)
Local grants expenses	(7,027)	-	-	-	(7,027)
Total nonoperating revenues (expenses)	<u>(7,444)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,444)</u>
Income (loss) before transfers	<u>(22,512)</u>	<u>1,069</u>	<u>867</u>	<u>26,961</u>	<u>6,385</u>
Transfers (to) other funds	-	(6,612)	(1,654)	(7,816)	(16,082)
Transfers from other funds	16,082	-	-	-	16,082
Change in net position	<u>(6,430)</u>	<u>(5,543)</u>	<u>(787)</u>	<u>19,145</u>	<u>6,385</u>
Total net position, July 1	44,848	87,487	13,422	413,186	558,943
Total net position, End of period	<u>\$ 38,418</u>	<u>\$ 81,944</u>	<u>\$ 12,635</u>	<u>\$ 432,331</u>	<u>\$ 565,328</u>

TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULES OF CASH FLOWS
(Expressed in Thousands)
(Unaudited)

For the Nine Months Ended March 31, 2023

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 3/31/2023
Cash flows from operating activities:					
Receipts from customers	\$ -	\$ 2,334	\$ 6,997	\$ 306,465	\$ 315,796
Receipts from federal government	27,307	-	-	-	27,307
Receipts from other funds	776	-	-	-	776
Other miscellaneous receipts	10,253	154	-	6	10,413
Acquisition of mortgage loans	-	(4,154)	-	(285,120)	(289,274)
Payments to suppliers	(70,842)	(19)	(4)	(4,260)	(75,125)
Payments to other funds	-	-	-	(776)	(776)
Payments to or for employees	(21,843)	-	-	-	(21,843)
Net cash provided (used) by operating activities	<u>(54,349)</u>	<u>(1,685)</u>	<u>6,993</u>	<u>16,315</u>	<u>(32,726)</u>
Cash flows from non-capital financing activities:					
Operating grants received	391,128	-	-	-	391,128
Transfers in (out)	16,082	(6,612)	(1,654)	(7,816)	-
Proceeds from sale of bonds	-	-	-	161,928	161,928
Operating grants paid	(417,201)	-	-	-	(417,201)
Cost of issuance paid	-	-	-	(1,243)	(1,243)
Principal payments	-	-	(5,895)	(259,275)	(265,170)
Interest paid	(25)	-	(1,531)	(80,500)	(82,056)
Net cash used by non-capital financing activities	<u>(10,016)</u>	<u>(6,612)</u>	<u>(9,080)</u>	<u>(186,906)</u>	<u>(212,614)</u>
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-	28,056	2,085	185,166	215,307
Purchases of investments	-	(33,451)	(2,967)	(242,563)	(278,981)
Investment interest received	797	288	67	3,318	4,470
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	88	13	1,671	1,772
Net cash provided (used) by investing activities	<u>797</u>	<u>(5,019)</u>	<u>(802)</u>	<u>(52,408)</u>	<u>(57,432)</u>
Net decrease in cash and cash equivalents	(63,568)	(13,316)	(2,889)	(222,999)	(302,772)
Cash and cash equivalents, July 1	<u>242,661</u>	<u>35,835</u>	<u>3,910</u>	<u>333,773</u>	<u>616,179</u>
Cash and cash equivalents, End of period	<u>\$ 179,093</u>	<u>\$ 22,519</u>	<u>\$ 1,021</u>	<u>\$ 110,774</u>	<u>\$ 313,407</u>

TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULES OF CASH FLOWS (cont.)
(Expressed in Thousands)
(Unaudited)

For the Nine Months Ended March 31, 2023

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 3/31/2023
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (15,068)	\$ 1,069	\$ 867	\$ 26,961	\$ 13,829
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	3,364	(63)	15	2,263	5,579
Mortgage interest receivable	4	-	43	6,054	6,101
Loans held for resale	(1,507)	-	-	-	(1,507)
Mortgage loans receivable	-	(1,907)	5,199	(68,991)	(65,699)
Due from federal government	22	-	-	-	22
Other receivables	486	-	-	(2,274)	(1,788)
Unearned service release premium	428	-	-	-	428
Interfund receivables	776	-	-	-	776
Interfund payables	-	-	-	(776)	(776)
Accounts payable	(26,814)	1	-	(78)	(26,891)
Accrued payroll / compensated absences	(855)	-	-	-	(855)
Due to primary government	(105)	-	-	-	(105)
Line of credit payable	1,439	-	-	-	1,439
Unearned revenue	(15,753)	21	-	4,113	(11,619)
Investment income / expense included as operating revenue	(797)	(806)	(28)	(6,178)	(7,809)
Interest expense included as operating expense	31	-	897	53,978	54,906
Issuance cost included as operating expense	-	-	-	1,243	1,243
Total adjustments	<u>(39,281)</u>	<u>(2,754)</u>	<u>6,126</u>	<u>(10,646)</u>	<u>(46,555)</u>
Net cash provided (used) by operating activities	<u>\$ (54,349)</u>	<u>\$ (1,685)</u>	<u>\$ 6,993</u>	<u>\$ 16,315</u>	<u>\$ (32,726)</u>
Noncash investing, capital, and financing activities:					
Decrease in fair value of investments	-	355	(51)	(1,584)	(1,280)
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ 355</u>	<u>\$ (51)</u>	<u>\$ (1,584)</u>	<u>\$ (1,280)</u>