

***UNAUDITED FINANCIAL  
INFORMATION***

**March 31, 2020**

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

March 31, 2020

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 3/31/2020
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 9,282	\$ 11,423	\$ 14,594	\$ 9,128	\$ 348,067	\$ 392,494
Investments	-	-	-	-	-	-
Receivables:						
Accounts	8,492	-	1,103	946	7,051	17,592
Interest	1	5	1,067	1,412	13,238	15,723
Loans held for resale	-	-	-	-	281	281
First mortgage loans	96	2,319	10,886	4,879	58,511	76,691
Due from federal government	25,358	-	-	-	-	25,358
Due from other funds	-	-	68	-	31,507	31,575
<b>Total current assets</b>	<b>43,229</b>	<b>13,747</b>	<b>27,718</b>	<b>16,365</b>	<b>458,655</b>	<b>559,714</b>
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	35,242	-	36,294	880	4,354	76,770
Investments	-	-	11,648	8,932	81,971	102,551
Investment interest receivable	-	-	68	33	330	431
Investments	-	1,029	-	-	32,496	33,525
First mortgage loans receivable	585	48,163	165,657	153,726	2,386,702	2,754,833
Second mortgage loans receivable	-	-	72,342	-	-	72,342
Allowance for uncollectable second mortgages	-	-	(26,446)	-	-	(26,446)
Other receivables	12,440	-	-	-	11,605	24,045
Advance to local government	3,143	-	-	-	-	3,143
Net pension asset	77	-	-	-	-	77
Capital assets:						
Furniture and equipment	6,916	-	-	-	-	6,916
Less accumulated depreciation	(3,026)	-	-	-	-	(3,026)
<b>Total noncurrent assets</b>	<b>55,377</b>	<b>49,192</b>	<b>259,563</b>	<b>163,571</b>	<b>2,517,458</b>	<b>3,045,161</b>
<b>Total assets</b>	<b>98,606</b>	<b>62,939</b>	<b>287,281</b>	<b>179,936</b>	<b>2,976,113</b>	<b>3,604,875</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred amount on refundings	-	-	-	-	229	229
Deferred outflows related to pensions	3,635	-	-	-	-	3,635
Deferred outflows related to OPEB	356	-	-	-	-	356
<b>Total deferred outflows of resources</b>	<b>3,991</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>229</b>	<b>4,220</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 4,375	\$ 198	\$ -	\$ -	\$ 5	\$ 4,578
Accrued payroll and related liabilities	753	-	-	-	-	753
Compensated absences	741	-	-	-	-	741
Interest payable	-	-	1,119	1,248	20,675	23,042
Escrow deposits	18,599	-	-	-	-	18,599
Prepayments on mortgage loans	-	-	98	82	1,533	1,713
Due to federal government	13,878	-	-	-	-	13,878
Due to other funds	31,575	-	-	-	-	31,575
Bonds payable	-	-	19,785	11,125	110,415	141,325
<b>Total current liabilities</b>	<b>69,921</b>	<b>198</b>	<b>21,002</b>	<b>12,455</b>	<b>132,628</b>	<b>236,204</b>
Noncurrent liabilities:						
Bonds payable	-	-	101,420	144,395	2,567,183	2,812,998
Compensated absences	759	-	-	-	-	759
Net pension liability	6,997	-	-	-	-	6,997
Total OPEB liability	3,351	-	-	-	-	3,351
Escrow deposits	11,429	234	-	-	4,042	15,705
Arbitrage rebate payable	-	-	379	-	-	379
<b>Total noncurrent liabilities</b>	<b>22,536</b>	<b>234</b>	<b>101,799</b>	<b>144,395</b>	<b>2,571,225</b>	<b>2,840,189</b>
<b>Total liabilities</b>	<b>92,457</b>	<b>432</b>	<b>122,801</b>	<b>156,850</b>	<b>2,703,853</b>	<b>3,076,393</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pensions	239	-	-	-	-	239
Deferred inflows related to OPEB	507	-	-	-	-	507
<b>Total deferred inflows of resources</b>	<b>746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>746</b>
<b>NET POSITION</b>						
Net investment in capital assets	3,890	-	-	-	-	3,890
Restricted for single family bond programs	-	-	164,480	23,086	272,489	460,055
Restricted for grant programs	-	16,504	-	-	-	16,504
Restricted for Homebuyers Revolving Loan Program	3,153	-	-	-	-	3,153
Restricted for pension asset	77	-	-	-	-	77
Unrestricted	2,274	46,003	-	-	-	48,277
<b>Total net position</b>	<b>\$ 9,394</b>	<b>\$ 62,507</b>	<b>\$ 164,480</b>	<b>\$ 23,086</b>	<b>\$ 272,489</b>	<b>\$ 531,956</b>

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

For the Nine Months Ended March 31, 2020

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 3/31/2020
<b>OPERATING REVENUES</b>						
Mortgage interest income	\$ 1	\$ 41	\$ 6,766	\$ 6,163	\$ 76,823	\$ 89,794
Investment income:						
Interest	260	146	917	236	3,524	5,083
Net increase in the fair value of investments	-	47	(48)	116	1,490	1,605
Federal grant administration fees	11,271	-	-	-	-	11,271
Fees and other income	7,526	1	-	-	105	7,632
Total operating revenues	<u>19,058</u>	<u>235</u>	<u>7,635</u>	<u>6,515</u>	<u>81,942</u>	<u>115,385</u>
<b>OPERATING EXPENSES</b>						
Salaries and benefits	17,786	-	-	-	-	17,786
Contractual services	6,344	-	-	-	2	6,346
Materials and supplies	1,720	-	-	-	-	1,720
Rentals and insurance	98	-	-	-	-	98
Other administrative expenses	589	-	-	-	-	589
Other program expenses	3,087	223	7,310	28	887	11,535
Interest expense	-	-	3,407	4,221	53,352	60,980
Issuance costs	-	-	-	-	4,064	4,064
Total operating expenses	<u>29,624</u>	<u>223</u>	<u>10,717</u>	<u>4,249</u>	<u>58,305</u>	<u>103,118</u>
Operating income (loss)	<u>(10,566)</u>	<u>12</u>	<u>(3,082)</u>	<u>2,266</u>	<u>23,637</u>	<u>12,267</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Federal grants revenue	241,436	-	-	-	-	241,436
Federal grants expenses	(241,337)	-	-	-	-	(241,337)
Local grants expenses	(6,490)	-	-	-	-	(6,490)
Total nonoperating revenues (expenses)	<u>(6,391)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,391)</u>
Income (loss) before transfers	<u>(16,957)</u>	<u>12</u>	<u>(3,082)</u>	<u>2,266</u>	<u>23,637</u>	<u>5,876</u>
Transfers (to) other funds	-	(5,443)	-	(9,369)	-	(14,812)
Transfers from other funds	3,102	-	11,421	-	289	14,812
Change in net position	<u>(13,855)</u>	<u>(5,431)</u>	<u>8,339</u>	<u>(7,103)</u>	<u>23,926</u>	<u>5,876</u>
Total net position, July 1	23,249	67,938	156,141	30,189	248,563	526,080
Total net position, End of period	<u>\$ 9,394</u>	<u>\$ 62,507</u>	<u>\$ 164,480</u>	<u>\$ 23,086</u>	<u>\$ 272,489</u>	<u>\$ 531,956</u>

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

For the Nine Months Ended March 31, 2020

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 3/31/2020
Cash flows from operating activities:						
Receipts from customers	\$ 584	\$ 3,154	\$ 33,820	\$ 26,799	\$ 221,262	\$ 285,619
Receipts from federal government	11,034	-	-	-	-	11,034
Receipts from other funds	2,545	-	-	-	-	2,545
Other miscellaneous receipts	7,526	1	-	-	105	7,632
Acquisition of mortgage loans	-	(3,489)	(22,949)	-	(507,166)	(533,604)
Payments to suppliers	(19,406)	(37)	(224)	(38)	(12,747)	(32,452)
Payments to other funds	-	-	(1,199)	-	(1,346)	(2,545)
Payments to or for employees	(18,138)	-	-	-	-	(18,138)
Net cash provided (used) by operating activities	<u>(15,855)</u>	<u>(371)</u>	<u>9,448</u>	<u>26,761</u>	<u>(299,892)</u>	<u>(279,909)</u>
Cash flows from non-capital financing activities:						
Operating grants received	248,728	-	-	-	-	248,728
Transfers in (out)	3,102	(5,443)	11,421	23,197	(32,277)	-
Proceeds from sale of bonds	-	-	-	-	569,692	569,692
Operating grants paid	(260,378)	-	-	-	-	(260,378)
Cost of issuance paid	-	-	-	-	(4,064)	(4,064)
Principal payments	-	-	(35,110)	(61,720)	(140,590)	(237,420)
Interest paid	-	-	(5,611)	(6,932)	(71,046)	(83,589)
Net cash provided (used) by non-capital financing activities	<u>(8,548)</u>	<u>(5,443)</u>	<u>(29,300)</u>	<u>(45,455)</u>	<u>321,715</u>	<u>232,969</u>
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	-	3,885	49,299	21,551	197,756	272,491
Purchases of investments	-	(3,100)	(12,973)	(14,300)	(175,042)	(205,415)
Investment interest received	260	142	1,339	236	3,307	5,284
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	21	109	71	647	848
Net cash provided by investing activities	<u>260</u>	<u>948</u>	<u>37,774</u>	<u>7,558</u>	<u>26,668</u>	<u>73,208</u>
Net increase (decrease) in cash and cash equivalents	(24,143)	(4,866)	17,922	(11,136)	48,491	26,268
Cash and cash equivalents, July 1	<u>68,667</u>	<u>16,289</u>	<u>32,966</u>	<u>21,144</u>	<u>303,930</u>	<u>442,996</u>
Cash and cash equivalents, End of period	<u>\$ 44,524</u>	<u>\$ 11,423</u>	<u>\$ 50,888</u>	<u>\$ 10,008</u>	<u>\$ 352,421</u>	<u>\$ 469,264</u>

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

For the Nine Months Ended March 31, 2020

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 3/31/2020
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (10,566)	\$ 12	\$ (3,082)	\$ 2,266	\$ 23,637	\$ 12,267
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(1,567)	78	(612)	(865)	(5,820)	(8,786)
(Increase) decrease in mortgage interest receivable	(1)	-	164	465	(1,525)	(897)
(Increase) decrease in loans held for resale	-	-	-	-	(281)	(281)
(Increase) decrease in mortgage loans receivable	-	(465)	11,636	21,041	(348,582)	(316,370)
(Increase) in due from federal government	(237)	-	-	-	-	(237)
(Increase) decrease in other receivables	8,470	-	-	-	(11,605)	(3,135)
Decrease in interfund receivables	2,545	-	-	-	-	2,545
(Decrease) in interfund payables	-	-	(1,199)	-	(1,346)	(2,545)
Increase (decrease) in accounts payable	(14,141)	197	3	(15)	(6,772)	(20,728)
(Decrease) in due to primary government	(98)	-	-	-	-	(98)
Investment income included as operating revenue	(260)	(193)	(869)	(352)	(5,014)	(6,688)
Interest expense included as operating expense	-	-	3,407	4,221	53,352	60,980
Issuance cost included as operating expense	-	-	-	-	4,064	4,064
Total adjustments	<u>(5,289)</u>	<u>(383)</u>	<u>12,530</u>	<u>24,495</u>	<u>(323,529)</u>	<u>(292,176)</u>
Net cash provided (used) by operating activities	<u>\$ (15,855)</u>	<u>\$ (371)</u>	<u>\$ 9,448</u>	<u>\$ 26,761</u>	<u>\$ (299,892)</u>	<u>\$ (279,909)</u>
Noncash investing, capital, and financing activities:						
Increase in fair value of investments	-	25	141	22	786	974
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 141</u>	<u>\$ 22</u>	<u>\$ 786</u>	<u>\$ 974</u>