

***UNAUDITED FINANCIAL
INFORMATION***

December 31, 2019

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

	December 31, 2019					
	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2019
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 3,273	\$ 14,792	\$ 12,611	\$ 43,075	\$ 298,019	\$ 371,770
Investments	-	100	5,000	-	23,115	28,215
Receivables:						
Accounts	9,259	382	1,084	1,015	8,421	20,161
Interest	-	1	1,148	1,471	12,880	15,500
First mortgage loans	96	2,289	11,205	4,916	55,845	74,351
Due from federal government	23,494	-	-	-	-	23,494
Due from other funds	-	-	68	-	31,505	31,573
Total current assets	36,122	17,564	31,116	50,477	429,785	565,064
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	27,495	-	27,965	2,479	9,369	67,308
Investments	-	-	19,641	7,335	69,118	96,094
Investment interest receivable	-	-	168	10	171	349
Investments	-	1,009	-	-	19,178	20,187
First mortgage loans receivable	585	47,165	173,049	192,014	2,263,899	2,676,712
Second mortgage loans receivable	-	-	66,201	-	-	66,201
Allowance for uncollectable second mortgages	-	-	(24,217)	-	-	(24,217)
Other receivables	22,912	-	-	-	-	22,912
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)
Total noncurrent assets	58,102	48,174	262,807	201,838	2,361,735	2,932,656
Total assets	94,224	65,738	293,923	252,315	2,791,520	3,497,720
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on refundings	-	-	-	-	260	260
Deferred outflows related to pensions	3,635	-	-	-	-	3,635
Deferred outflows related to OPEB	356	-	-	-	-	356
Total deferred outflows of resources	3,991	-	-	-	260	4,251
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 651	\$ 12	\$ 2	\$ 9	\$ 106	\$ 780
Accrued payroll and related liabilities	753	-	-	-	-	753
Compensated absences	741	-	-	-	-	741
Interest payable	-	-	2,338	3,135	37,532	43,005
Escrow deposits	12,224	-	-	-	-	12,224
Prepayments on mortgage loans	-	-	93	78	1,398	1,569
Due to federal government	14,310	-	-	-	-	14,310
Due to other funds	31,573	-	-	-	-	31,573
Bonds payable	-	-	11,375	39,825	76,875	128,075
Total current liabilities	60,252	12	13,808	43,047	115,911	233,030
Noncurrent liabilities:						
Bonds payable	-	-	115,415	152,424	2,442,303	2,710,142
Compensated absences	759	-	-	-	-	759
Net pension liability	6,997	-	-	-	-	6,997
Total OPEB liability	3,351	-	-	-	-	3,351
Escrow deposits	8,844	223	-	-	9,367	18,434
Arbitrage rebate payable	-	-	379	-	-	379
Total noncurrent liabilities	19,951	223	115,794	152,424	2,451,670	2,740,062
Total liabilities	80,203	235	129,602	195,471	2,567,581	2,973,092
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	239	-	-	-	-	239
Deferred inflows related to OPEB	507	-	-	-	-	507
Total deferred inflows of resources	746	-	-	-	-	746
NET POSITION						
Net investment in capital assets	3,890	-	-	-	-	3,890
Restricted for single family bond programs	-	-	164,321	56,844	224,199	445,364
Restricted for grant programs	-	19,067	-	-	-	19,067
Restricted for Homebuyers Revolving Loan Program	3,153	-	-	-	-	3,153
Restricted for pension asset	77	-	-	-	-	77
Unrestricted	10,146	46,436	-	-	-	56,582
Total net position	\$ 17,266	\$ 65,503	\$ 164,321	\$ 56,844	\$ 224,199	\$ 528,133

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

For the Six Months Ended December 31, 2019

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2019
OPERATING REVENUES						
Mortgage interest income	\$ -	\$ 20	\$ 4,494	\$ 4,162	\$ 50,001	\$ 58,677
Investment income:						
Interest	-	114	676	175	2,416	3,381
Net increase in the fair value of investments	-	17	(308)	87	852	648
Federal grant administration fees	7,601	-	-	-	-	7,601
Fees and other income	1,942	-	-	-	105	2,047
Total operating revenues	<u>9,543</u>	<u>151</u>	<u>4,862</u>	<u>4,424</u>	<u>53,374</u>	<u>72,354</u>
OPERATING EXPENSES						
Salaries and benefits	11,472	-	-	-	-	11,472
Contractual services	3,999	-	-	-	-	3,999
Materials and supplies	1,106	-	-	-	-	1,106
Rentals and insurance	83	-	-	-	-	83
Other administrative expenses	421	-	-	-	-	421
Other program expenses	2,040	-	4,881	15	584	7,520
Interest expense	-	-	2,383	3,004	34,493	39,880
Issuance costs	-	-	-	-	2,644	2,644
Total operating expenses	<u>19,121</u>	<u>-</u>	<u>7,264</u>	<u>3,019</u>	<u>37,721</u>	<u>67,125</u>
Operating income (loss)	<u>(9,578)</u>	<u>151</u>	<u>(2,402)</u>	<u>1,405</u>	<u>15,653</u>	<u>5,229</u>
NONOPERATING REVENUES (EXPENSES)						
Federal grants revenue	150,318	-	-	-	-	150,318
Federal grants expenses	(150,173)	-	-	-	-	(150,173)
Local grants expenses	(3,321)	-	-	-	-	(3,321)
Total nonoperating revenues (expenses)	<u>(3,176)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,176)</u>
Income (loss) before transfers	<u>(12,754)</u>	<u>151</u>	<u>(2,402)</u>	<u>1,405</u>	<u>15,653</u>	<u>2,053</u>
Transfers (to) other funds	-	(2,586)	-	-	(40,017)	(42,603)
Transfers from other funds	6,771	-	10,582	25,250	-	42,603
Change in net position	<u>(5,983)</u>	<u>(2,435)</u>	<u>8,180</u>	<u>26,655</u>	<u>(24,364)</u>	<u>2,053</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>\$ 17,266</u>	<u>\$ 65,503</u>	<u>\$ 164,321</u>	<u>\$ 56,844</u>	<u>\$ 224,199</u>	<u>\$ 528,133</u>

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

For the Six Months Ended December 31, 2019

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2019
Cash flows from operating activities:						
Receipts from customers	\$ -	\$ 1,788	\$ 23,031	\$ 18,905	\$ 145,974	\$ 189,698
Receipts from federal government	7,364	-	-	-	-	7,364
Receipts from other funds	2,543	-	-	-	-	2,543
Other miscellaneous receipts	1,942	-	-	-	105	2,047
Acquisition of mortgage loans	-	(1,509)	(16,070)	-	(361,573)	(379,152)
Payments to suppliers	(38,638)	-	(22)	(16)	(736)	(39,412)
Payments to other funds	-	-	(1,199)	-	(1,344)	(2,543)
Payments to or for employees	(11,742)	-	-	-	-	(11,742)
Net cash provided (used) by operating activities	<u>(38,531)</u>	<u>279</u>	<u>5,740</u>	<u>18,889</u>	<u>(217,574)</u>	<u>(231,197)</u>
Cash flows from non-capital financing activities:						
Operating grants received	159,906	-	-	-	-	159,906
Transfers in (out)	6,771	(2,586)	10,582	25,252	(40,019)	-
Proceeds from sale of bonds	-	-	-	-	363,666	363,666
Operating grants paid	(166,045)	-	-	-	-	(166,045)
Cost of issuance paid	-	-	-	-	(2,644)	(2,644)
Principal payments	-	-	(29,630)	(25,065)	(94,565)	(149,260)
Interest paid	-	-	(3,262)	(3,754)	(33,780)	(40,796)
Net cash provided (used) by non-capital financing activities	<u>632</u>	<u>(2,586)</u>	<u>(22,310)</u>	<u>(3,567)</u>	<u>192,658</u>	<u>164,827</u>
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	-	3,785	36,074	18,376	137,995	196,230
Purchases of investments	-	(3,100)	(12,974)	(9,554)	(112,739)	(138,367)
Investment interest received	-	114	998	198	2,595	3,905
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	11	82	68	523	684
Net cash provided by investing activities	<u>-</u>	<u>810</u>	<u>24,180</u>	<u>9,088</u>	<u>28,374</u>	<u>62,452</u>
Net increase (decrease) in cash and cash equivalents	(37,899)	(1,497)	7,610	24,410	3,458	(3,918)
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>\$ 30,768</u>	<u>\$ 14,792</u>	<u>\$ 40,576</u>	<u>\$ 45,554</u>	<u>\$ 307,388</u>	<u>\$ 439,078</u>

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

For the Six Months Ended December 31, 2019

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2019
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (9,578)	\$ 151	\$ (2,402)	\$ 1,405	\$ 15,653	\$ 5,229
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Changes in assets and liabilities:						
(Increase) in accounts receivable	(2,334)	(304)	(593)	(934)	(7,190)	(11,355)
(Increase) decrease in mortgage interest receivable	-	-	82	406	(1,404)	(916)
(Increase) decrease in mortgage loans receivable	-	563	7,837	15,280	(255,677)	(231,997)
(Increase) in due from federal government	(237)	-	-	-	-	(237)
(Increase) in other receivables	(2,002)	-	-	-	-	(2,002)
Decrease in interfund receivables	2,543	-	-	-	-	2,543
(Decrease) in interfund payables	-	-	(1,199)	-	(1,344)	(2,543)
(Decrease) in accounts payable	(26,825)	-	-	(10)	(1,481)	(28,316)
(Decrease) in due to primary government	(98)	-	-	-	-	(98)
Investment income included as operating revenue	-	(131)	(368)	(262)	(3,268)	(4,029)
Interest expense included as operating expense	-	-	2,383	3,004	34,493	39,880
Issuance cost included as operating expense	-	-	-	-	2,644	2,644
Total adjustments	<u>(28,953)</u>	<u>128</u>	<u>8,142</u>	<u>17,484</u>	<u>(233,227)</u>	<u>(236,426)</u>
Net cash provided (used) by operating activities	<u>\$ (38,531)</u>	<u>\$ 279</u>	<u>\$ 5,740</u>	<u>\$ 18,889</u>	<u>\$ (217,574)</u>	<u>\$ (231,197)</u>
Noncash investing, capital, and financing activities:						
Increase (decrease) in fair value of investments	-	4	(60)	35	391	370
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ (60)</u>	<u>\$ 35</u>	<u>\$ 391</u>	<u>\$ 370</u>