

***UNAUDITED FINANCIAL
INFORMATION***

September 30, 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

1/8/2024

Date

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

September 30, 2023

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 9/30/2023
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 146,645	\$ 13,983	\$ 1,722	\$ 237,632	\$ 399,982
Investments	-	906	908	107,095	108,909
Receivables:					
Accounts	7,131	73	84	5,001	12,289
Interest	-	4	228	12,943	13,175
Loans held for resale	4,782	150	-	-	4,932
First and second mortgage loans	-	2,447	1,769	76,273	80,489
Due from federal government	33,548	-	-	-	33,548
Due from other state funds	217	-	-	-	217
Due from other funds	-	-	-	35,435	35,435
Total current assets	192,323	17,563	4,711	474,379	688,976
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	36,191	-	32	8,806	45,029
Investments	-	1,152	6,217	105,053	112,422
Investment interest receivable	-	-	2	465	467
Investments	-	-	-	69,205	69,205
First mortgage loans receivable	8	47,296	42,972	2,762,740	2,853,016
Allowance for non-performing 1st mortgage loans	-	(38)	(3)	(270)	(311)
Second mortgage loans receivable	-	-	-	105,201	105,201
Allowance for uncollectable second mortgages	-	-	-	(46,122)	(46,122)
Other receivables	5,650	-	-	-	5,650
Unearned service release premium	883	-	-	19,628	20,511
Advance to local government	3,146	-	-	-	3,146
Net pension asset	167	-	-	-	167
Capital assets:					
Furniture and equipment	14,550	-	-	-	14,550
Less accumulated depreciation	(9,175)	-	-	-	(9,175)
Total noncurrent assets	51,420	48,410	49,220	3,024,706	3,173,756
Total assets	243,743	65,973	53,931	3,499,085	3,862,732
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refundings	-	-	-	26	26
Deferred outflows related to pensions	6,305	-	-	-	6,305
Deferred outflows related to OPEB	249	-	-	-	249
Deferred outflows related to defeased bonds	-	-	-	926	926
Total deferred outflows of resources	6,554	-	-	952	7,506
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 3,017	\$ 12	\$ -	\$ -	\$ 3,029
Accrued payroll and related liabilities	922	-	-	-	922
Compensated absences	998	-	-	-	998
Interest payable	23	-	326	24,893	25,242
Escrow deposits	23,745	-	-	-	23,745
Prepayments on mortgage loans	-	-	22	1,698	1,720
Line of credit payable	4,974	-	-	-	4,974
Due to other funds	35,435	-	-	-	35,435
Bonds payable	-	-	2,210	106,665	108,875
Total current liabilities	69,114	12	2,558	133,256	204,940
Noncurrent liabilities:					
Bonds payable	-	-	36,685	2,895,097	2,931,782
Compensated absences	1,170	-	-	-	1,170
Net pension liability	5,041	-	-	-	5,041
Total OPEB liability	1,119	-	-	-	1,119
Escrow deposits	14,067	48	-	4	14,119
Unearned revenue	126,504	3,097	-	9,983	139,584
Arbitrage rebate payable	-	-	-	73	73
Total noncurrent liabilities	147,901	3,145	36,685	2,905,157	3,092,888
Total liabilities	217,015	3,157	39,243	3,038,413	3,297,828
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	541	-	-	-	541
Deferred inflows related to OPEB	1,343	-	-	-	1,343
Total deferred inflows of resources	1,884	-	-	-	1,884
NET POSITION					
Net investment in capital assets	5,375	-	-	-	5,375
Restricted for single family bond programs	-	2,607	14,688	461,624	478,919
Restricted for grant programs	-	20,002	-	-	20,002
Restricted for Homebuyers Revolving Loan Program	3,154	-	-	-	3,154
Restricted for pension asset	167	-	-	-	167
Unrestricted	22,702	40,207	-	-	62,909
Total net position	\$ 31,398	\$ 62,816	\$ 14,688	\$ 461,624	\$ 570,526

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

For the Three Months Ended September 30, 2023

	<u>Operating Group</u>	<u>Mortgage Finance Program</u>	<u>Housing Finance Program Bonds</u>	<u>Residential Finance Program Bonds</u>	<u>Total 9/30/2023</u>
OPERATING REVENUES					
Mortgage interest income	\$ 59	\$ 38	\$ 541	\$ 30,275	\$ 30,913
Investment income:					
Interest	48	220	24	3,429	3,721
Net increase (decrease) in the fair value of investments	-	55	59	(178)	(64)
Federal grant administration fees	3,903	-	-	-	3,903
Fees and other income	5,221	137	-	5	5,363
Total operating revenues	<u>9,231</u>	<u>450</u>	<u>624</u>	<u>33,531</u>	<u>43,836</u>
OPERATING EXPENSES					
Salaries and benefits	7,456	-	-	-	7,456
Contractual services	2,245	-	-	-	2,245
Materials and supplies	588	-	-	-	588
Rentals and insurance	6	-	-	-	6
Other administrative expenses	169	-	-	-	169
Other program expenses	3,130	-	-	2,915	6,045
Interest expense	57	-	263	23,660	23,980
Issuance costs	-	-	-	1,616	1,616
Amortization on service release premium	9	-	-	-	9
Total operating expenses	<u>13,660</u>	<u>-</u>	<u>263</u>	<u>28,191</u>	<u>42,114</u>
Operating income (loss)	<u>(4,429)</u>	<u>450</u>	<u>361</u>	<u>5,340</u>	<u>1,722</u>
NONOPERATING REVENUES (EXPENSES)					
Federal grants revenue	86,980	-	-	-	86,980
Federal grants expenses	(86,858)	-	-	-	(86,858)
Local grants expenses	(2,748)	-	-	-	(2,748)
Total nonoperating revenues (expenses)	<u>(2,626)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,626)</u>
Income (loss) before transfers	<u>(7,055)</u>	<u>450</u>	<u>361</u>	<u>5,340</u>	<u>(904)</u>
Transfers (to) other funds	-	(19,922)	(791)	-	(20,713)
Transfers from other funds	1,368	-	-	19,345	20,713
Change in net position	<u>(5,687)</u>	<u>(19,472)</u>	<u>(430)</u>	<u>24,685</u>	<u>(904)</u>
Total net position, July 1	37,085	82,288	15,118	436,939	571,430
Total net position, End of period	<u>\$ 31,398</u>	<u>\$ 62,816</u>	<u>\$ 14,688</u>	<u>\$ 461,624</u>	<u>\$ 570,526</u>

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

For the Three Months Ended September 30, 2023

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 9/30/2023
Cash flows from operating activities:					
Receipts from customers	\$ 1,554	\$ 5,354	\$ 2,788	\$ 52,299	\$ 61,995
Receipts from federal government	3,960	-	-	-	3,960
Other miscellaneous receipts	5,221	132	-	5	5,358
Acquisition of mortgage loans	-	(1,424)	-	(164,201)	(165,625)
Payments to suppliers	(14,255)	-	-	(4,296)	(18,551)
Payments to or for employees	(7,612)	-	-	-	(7,612)
Net cash provided (used) by operating activities	(11,132)	4,062	2,788	(116,193)	(120,475)
Cash flows from non-capital financing activities:					
Operating grants received	111,837	-	-	-	111,837
Transfers in (out)	1,368	(19,922)	(791)	19,345	-
Proceeds from sale of bonds	-	-	-	239,205	239,205
Operating grants paid	(108,110)	-	-	-	(108,110)
Cost of issuance paid	-	-	-	(1,616)	(1,616)
Principal payments	-	-	(1,265)	(15,720)	(16,985)
Interest paid	(34)	-	(673)	(43,383)	(44,090)
Net cash provided (used) by non-capital financing activities	5,061	(19,922)	(2,729)	197,831	180,241
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-	160	1,660	104,044	105,864
Purchases of investments	-	-	(901)	(130,290)	(131,191)
Investment interest received	48	218	23	3,223	3,512
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	34	14	1,037	1,085
Net cash provided (used) by investing activities	48	412	796	(21,986)	(20,730)
Net increase (decrease) in cash and cash equivalents	(6,023)	(15,448)	855	59,652	39,036
Cash and cash equivalents, July 1	188,859	29,431	899	186,786	405,975
Cash and cash equivalents, End of period	\$ 182,836	\$ 13,983	\$ 1,754	\$ 246,438	\$ 445,011

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

For the Three Months Ended September 30, 2023

	<u>Operating Group</u>	<u>Mortgage Finance Program</u>	<u>Housing Finance Program Bonds</u>	<u>Residential Finance Program Bonds</u>	<u>Total 9/30/2023</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (4,429)	\$ 450	\$ 361	\$ 5,340	\$ 1,722
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	4,639	55	(1)	4,855	9,548
Mortgage interest receivable	-	-	27	(766)	(739)
Loans held for resale	(4,782)	4,510	-	-	(272)
Mortgage loans receivable	(3)	(693)	2,222	(147,541)	(146,015)
Due from federal government	57	-	-	-	57
Other receivables	513	-	-	(1,258)	(745)
Unearned service release premium	(164)	-	-	-	(164)
Accounts payable	(7,853)	1	(6)	112	(7,746)
Accrued payroll / compensated absences	(24)	-	-	-	(24)
Due to primary government	(101)	-	-	-	(101)
Line of credit payable	4,974	-	-	-	4,974
Unearned revenue	(3,968)	14	-	1,040	(2,914)
Investment income / expense included as operating revenue	(48)	(275)	(83)	(3,251)	(3,657)
Interest expense included as operating expense	57	-	268	23,660	23,985
Issuance cost included as operating expense	-	-	-	1,616	1,616
Total adjustments	<u>(6,703)</u>	<u>3,612</u>	<u>2,427</u>	<u>(121,533)</u>	<u>(122,197)</u>
Net cash provided (used) by operating activities	<u>\$ (11,132)</u>	<u>\$ 4,062</u>	<u>\$ 2,788</u>	<u>\$ (116,193)</u>	<u>\$ (120,475)</u>
Noncash investing, capital, and financing activities:					
Increase (decrease) in fair value of investments	-	55	59	(178)	(64)
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 59</u>	<u>\$ (178)</u>	<u>\$ (64)</u>