

***UNAUDITED FINANCIAL
INFORMATION***

December 31, 2022

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

2/27/2023

Date

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

December 31, 2022

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2022
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 169,275	\$ 21,547	\$ 1,925	\$ 153,371	\$ 346,118
Investments	-	6,092	458	178,885	185,435
Receivables:					
Accounts	10,610	8	72	3,396	14,086
Interest	5	2	302	13,784	14,093
Loans held for resale	1,438	-	-	-	1,438
First mortgage loans	-	2,447	1,860	74,510	78,817
Due from federal government	36,158	-	-	-	36,158
Due from other state funds	11,321	-	-	-	11,321
Due from other funds	-	-	-	35,452	35,452
Total current assets	228,807	30,096	4,617	459,398	722,918
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	15,167	-	17	5,062	20,246
Investments	-	-	6,098	105,275	111,373
Investment interest receivable	-	-	15	381	396
Investments	-	11,870	-	20,565	32,435
First mortgage loans receivable	8	47,321	46,299	2,557,403	2,651,031
Second mortgage loans receivable	-	-	-	89,195	89,195
Allowance for uncollectable second mortgages	-	-	-	(40,232)	(40,232)
Other receivables	7,303	-	-	16,983	24,286
Unearned service release premium	490	-	-	-	490
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	34,620	59,191	52,429	2,754,632	2,900,872
Total assets	263,427	89,287	57,046	3,214,030	3,623,790
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	-	-	-	963	963
Total deferred outflows of resources	6,252	-	-	990	7,242
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 9,989	\$ 12	\$ 2	\$ 118	\$ 10,121
Accrued payroll and related liabilities	835	-	-	-	835
Compensated absences	906	-	-	-	906
Interest payable	4	-	711	41,474	42,189
Escrow deposits	6,149	-	-	-	6,149
Prepayments on mortgage loans	2	-	25	1,435	1,462
Line of credit payable	1,325	-	-	-	1,325
Due to other funds	35,452	-	-	-	35,452
Bonds payable	-	-	1,090	53,535	54,625
Total current liabilities	54,662	12	1,828	96,562	153,064
Noncurrent liabilities:					
Bonds payable	-	-	41,390	2,689,714	2,731,104
Compensated absences	1,010	-	-	-	1,010
Total OPEB liability	1,185	-	-	-	1,185
Escrow deposits	15,739	48	-	4	15,791
Unearned revenue	144,503	3,075	-	6,779	154,357
Total noncurrent liabilities	162,437	3,123	41,390	2,696,497	2,903,447
Total liabilities	217,099	3,135	43,218	2,793,059	3,056,511
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	-	11,534	13,828	421,961	447,323
Restricted for grant programs	-	24,289	-	-	24,289
Restricted for Homebuyers Revolving Loan Program	3,153	-	-	-	3,153
Restricted for pension asset	3,135	-	-	-	3,135
Unrestricted	29,054	50,329	-	-	79,383
Total net position	\$ 40,713	\$ 86,152	\$ 13,828	\$ 421,961	\$ 562,654

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

For the Six Months Ended December 31, 2022

	<u>Operating Group</u>	<u>Mortgage Finance Program</u>	<u>Housing Finance Program Bonds</u>	<u>Residential Finance Program Bonds</u>	<u>Total 12/31/2022</u>
OPERATING REVENUES					
Mortgage interest income	\$ 32	\$ 82	\$ 1,191	\$ 52,938	\$ 54,243
Investment income:					
Interest	1,915	163	35	1,950	4,063
Net increase (decrease) in the fair value of investments	-	238	(132)	(985)	(879)
Federal grant administration fees	17,299	-	-	-	17,299
Fees and other income	9,062	66	-	201	9,329
Total operating revenues	<u>28,308</u>	<u>549</u>	<u>1,094</u>	<u>54,104</u>	<u>84,055</u>
OPERATING EXPENSES					
Salaries and benefits	13,310	-	-	-	13,310
Contractual services	15,634	-	-	16	15,650
Materials and supplies	1,397	-	-	-	1,397
Rentals and insurance	16	-	-	-	16
Other administrative expenses	266	-	-	-	266
Other program expenses	4,968	-	2	3,160	8,130
Interest expense	18	-	599	35,488	36,105
Issuance costs	-	-	-	1,243	1,243
Amortization on service release premium	20	-	-	-	20
Total operating expenses	<u>35,629</u>	<u>-</u>	<u>601</u>	<u>39,907</u>	<u>76,137</u>
Operating income (loss)	<u>(7,321)</u>	<u>549</u>	<u>493</u>	<u>14,197</u>	<u>7,918</u>
NONOPERATING REVENUES (EXPENSES)					
Federal grants revenue	242,423	-	-	-	242,423
Federal grants expenses	(242,436)	-	-	-	(242,436)
Local grants expenses	(4,194)	-	-	-	(4,194)
Total nonoperating revenues (expenses)	<u>(4,207)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,207)</u>
Income (loss) before transfers	<u>(11,528)</u>	<u>549</u>	<u>493</u>	<u>14,197</u>	<u>3,711</u>
Transfers (to) other funds	-	(1,884)	(87)	(5,422)	(7,393)
Transfers from other funds	7,393	-	-	-	7,393
Change in net position	<u>(4,135)</u>	<u>(1,335)</u>	<u>406</u>	<u>8,775</u>	<u>3,711</u>
Total net position, July 1	44,848	87,487	13,422	413,186	558,943
Total net position, End of period	<u>\$ 40,713</u>	<u>\$ 86,152</u>	<u>\$ 13,828</u>	<u>\$ 421,961</u>	<u>\$ 562,654</u>

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

For the Six Months Ended December 31, 2022

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2022
Cash flows from operating activities:					
Receipts from customers	\$ -	\$ 1,558	\$ 4,027	\$ 214,660	\$ 220,245
Receipts from federal government	17,321	-	-	-	17,321
Receipts from other funds	773	-	-	-	773
Other miscellaneous receipts	9,062	66	-	201	9,329
Acquisition of mortgage loans	-	(3,258)	-	(216,924)	(220,182)
Payments to suppliers	(60,278)	-	(3)	(3,170)	(63,451)
Payments to other funds	-	-	-	(773)	(773)
Payments to or for employees	(13,490)	-	-	-	(13,490)
Net cash provided (used) by operating activities	<u>(46,612)</u>	<u>(1,634)</u>	<u>4,024</u>	<u>(6,006)</u>	<u>(50,228)</u>
Cash flows from non-capital financing activities:					
Operating grants received	249,026	-	-	-	249,026
Transfers in (out)	8,209	(1,884)	(86)	(6,239)	-
Proceeds from sale of bonds	-	-	-	161,928	161,928
Operating grants paid	(270,742)	-	-	-	(270,742)
Cost of issuance paid	-	-	-	(1,243)	(1,243)
Principal payments	-	-	(4,685)	(196,380)	(201,065)
Interest paid	(15)	-	(816)	(38,863)	(39,694)
Net cash (used) by non-capital financing activities	<u>(13,522)</u>	<u>(1,884)</u>	<u>(5,587)</u>	<u>(80,797)</u>	<u>(101,790)</u>
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-	13,550	1,315	80,110	94,975
Purchases of investments	-	(24,554)	(1,768)	(171,889)	(198,211)
Investment interest received	1,915	161	35	1,911	4,022
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	73	13	1,331	1,417
Net cash provided (used) by investing activities	<u>1,915</u>	<u>(10,770)</u>	<u>(405)</u>	<u>(88,537)</u>	<u>(97,797)</u>
Net decrease in cash and cash equivalents	(58,219)	(14,288)	(1,968)	(175,340)	(249,815)
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>\$ 184,442</u>	<u>\$ 21,547</u>	<u>\$ 1,942</u>	<u>\$ 158,433</u>	<u>\$ 366,364</u>

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

For the Six Months Ended December 31, 2022

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2022
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (7,321)	\$ 549	\$ 493	\$ 14,197	\$ 7,918
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	1,873	4	(22)	2,458	4,313
Mortgage interest receivable	(1)	-	26	2,923	2,948
Loans held for resale	2	-	-	-	2
Mortgage loans receivable	-	(1,799)	2,833	(63,296)	(62,262)
Due from federal government	22	-	-	-	22
Other receivables	(310)	-	-	(771)	(1,081)
Unearned service release premium	(62)	-	-	-	(62)
Interfund receivables	773	-	-	-	773
Interfund payables	-	-	-	(773)	(773)
Accounts payable	(29,042)	1	(2)	304	(28,739)
Accrued payroll / compensated absences	(20)	-	-	-	(20)
Due to primary government	(105)	-	-	-	(105)
Line of credit payable	(70)	-	-	-	(70)
Unearned revenue	(10,454)	12	-	3,186	(7,256)
Investment income / expense included as operating revenue	(1,915)	(401)	97	(965)	(3,184)
Interest expense included as operating expense	18	-	599	35,488	36,105
Issuance cost included as operating expense	-	-	-	1,243	1,243
Total adjustments	<u>(39,291)</u>	<u>(2,183)</u>	<u>3,531</u>	<u>(20,203)</u>	<u>(58,146)</u>
Net cash provided (used) by operating activities	<u>\$ (46,612)</u>	<u>\$ (1,634)</u>	<u>\$ 4,024</u>	<u>\$ (6,006)</u>	<u>\$ (50,228)</u>
Noncash investing, capital, and financing activities:					
Increase (decrease) in fair value of investments	-	139	(143)	(3,309)	(3,313)
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ 139</u>	<u>\$ (143)</u>	<u>\$ (3,309)</u>	<u>\$ (3,313)</u>