

***UNAUDITED FINANCIAL
INFORMATION***

March 31, 2021

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

June 3, 2021

Date

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

March 31, 2021

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 3/31/2021
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 22,305	\$ 11,910	\$ 6,610	\$ 3,176	\$ 205,484	\$ 249,485
Investments	-	5,014	-	-	58,433	63,447
Receivables:						
Accounts	11,324	258	578	144	8,332	20,636
Interest	2	5	679	678	16,641	18,005
Loans held for resale	3,057	-	-	-	-	3,057
First mortgage loans	-	2,378	5,356	2,411	70,954	81,099
Due from federal government	26,853	-	-	-	-	26,853
Due from other state funds	24	-	-	-	-	24
Due from other funds	-	-	68	-	52,148	52,216
Total current assets	63,565	19,565	13,291	6,409	411,992	514,822
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	39,636	-	3,456	1,523	7,487	52,102
Investments	-	-	14,162	5,086	107,742	126,990
Investment interest receivable	-	-	49	2	98	149
Investments	-	835	-	-	4,993	5,828
First mortgage loans receivable	679	46,796	78,396	66,164	2,588,540	2,780,575
Second mortgage loans receivable	-	-	83,262	-	-	83,262
Allowance for uncollectable second mortgages	-	-	(32,054)	-	-	(32,054)
Other receivables	10,414	-	-	-	14,584	24,998
Unearned service release premium	206	-	-	-	-	206
Advance to local government	3,144	-	-	-	-	3,144
Net pension asset	261	-	-	-	-	261
Capital assets:						
Furniture and equipment	9,180	-	-	-	-	9,180
Less accumulated depreciation	(3,999)	-	-	-	-	(3,999)
Total noncurrent assets	59,521	47,631	147,271	72,775	2,723,444	3,050,642
Total assets	123,086	67,196	160,562	79,184	3,135,436	3,565,464
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on refundings	-	-	-	-	103	103
Deferred outflows related to pensions	2,983	-	-	-	-	2,983
Deferred outflows related to OPEB	233	-	-	-	-	233
Deferred outflows related to defeased bonds	-	-	-	-	1,059	1,059
Total deferred outflows of resources	3,216	-	-	-	1,162	4,378
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 2,385	\$ 11	\$ -	\$ -	\$ 5	\$ 2,401
Accrued payroll and related liabilities	800	-	-	-	-	800
Compensated absences	827	-	-	-	-	827
Interest payable	1	-	567	551	21,416	22,535
Escrow deposits	18,215	-	-	-	-	18,215
Prepayments on mortgage loans	1	-	63	38	1,408	1,510
Line of credit payable	3,056	-	-	-	-	3,056
Due to federal government	18,766	-	-	-	-	18,766
Due to other funds	42,240	9,976	-	-	-	52,216
Bonds payable	-	-	3,875	2,305	81,715	87,895
Total current liabilities	86,291	9,987	4,505	2,894	104,544	208,221
Noncurrent liabilities:						
Bonds payable	-	-	60,150	64,349	2,659,991	2,784,490
Compensated absences	858	-	-	-	-	858
Net pension liability	6,288	-	-	-	-	6,288
Total OPEB liability	1,653	-	-	-	-	1,653
Escrow deposits	17,997	234	-	-	257	18,488
Arbitrage rebate payable	-	-	23	-	-	23
Total noncurrent liabilities	26,796	234	60,173	64,349	2,660,248	2,811,800
Total liabilities	113,087	10,221	64,678	67,243	2,764,792	3,020,021
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	1,097	-	-	-	-	1,097
Deferred inflows related to OPEB	1,842	-	-	-	-	1,842
Total deferred inflows of resources	2,939	-	-	-	-	2,939
NET POSITION						
Net investment in capital assets	5,181	-	-	-	-	5,181
Restricted for single family bond programs	-	-	95,884	11,941	371,806	479,631
Restricted for grant programs	-	23,476	-	-	-	23,476
Restricted for Homebuyers Revolving Loan Prog	3,153	-	-	-	-	3,153
Restricted for pension asset	261	-	-	-	-	261
Unrestricted	1,681	33,499	-	-	-	35,180
Total net position	\$ 10,276	\$ 56,975	\$ 95,884	\$ 11,941	\$ 371,806	\$ 546,882

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

For the Nine Months Ended March 31, 2021

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 3/31/2021
OPERATING REVENUES						
Mortgage interest income	\$ 36	\$ 63	\$ 3,354	\$ 2,588	\$ 85,436	\$ 91,477
Investment income:						
Interest	99	18	264	13	507	901
Net (decrease) in the fair value of investments	-	(8)	(253)	(3)	(760)	(1,024)
Federal grant administration fees	13,315	-	-	-	-	13,315
Fees and other income	12,393	-	-	-	-	12,393
Total operating revenues	<u>25,843</u>	<u>73</u>	<u>3,365</u>	<u>2,598</u>	<u>85,183</u>	<u>117,062</u>
OPERATING EXPENSES						
Salaries and benefits	17,670	-	-	-	-	17,670
Contractual services	5,773	-	-	-	1	5,774
Materials and supplies	980	-	-	-	-	980
Rentals and insurance	35	-	-	-	-	35
Other administrative expenses	145	-	-	-	-	145
Other program expenses	6,460	260	3,583	76	960	11,339
Interest expense	13	-	1,488	1,445	57,497	60,443
Issuance costs	-	-	-	-	2,205	2,205
Amortization on service release premium	10	-	-	-	-	10
Total operating expenses	<u>31,086</u>	<u>260</u>	<u>5,071</u>	<u>1,521</u>	<u>60,663</u>	<u>98,601</u>
Operating income (loss)	<u>(5,243)</u>	<u>(187)</u>	<u>(1,706)</u>	<u>1,077</u>	<u>24,520</u>	<u>18,461</u>
NONOPERATING REVENUES (EXPENSES)						
Federal grants revenue	261,435	-	-	-	-	261,435
Other grant revenue	3	-	-	-	-	3
Federal grants expenses	(261,399)	-	-	-	-	(261,399)
Local grants expenses	(6,985)	-	-	-	-	(6,985)
Total nonoperating revenues (expenses)	<u>(6,946)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,946)</u>
Income (loss) before transfers	<u>(12,189)</u>	<u>(187)</u>	<u>(1,706)</u>	<u>1,077</u>	<u>24,520</u>	<u>11,515</u>
Transfers (to) other funds	-	(4,076)	(1,176)	(56)	(8,226)	(13,534)
Transfers from other funds	13,534	-	-	-	-	13,534
Change in net position	<u>1,345</u>	<u>(4,263)</u>	<u>(2,882)</u>	<u>1,021</u>	<u>16,294</u>	<u>11,515</u>
Total net position, July 1	8,931	61,238	98,766	10,920	355,512	535,367
Total net position, End of period	<u>\$ 10,276</u>	<u>\$ 56,975</u>	<u>\$ 95,884</u>	<u>\$ 11,941</u>	<u>\$ 371,806</u>	<u>\$ 546,882</u>

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

For the Nine Months Ended March 31, 2021

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 3/31/2021
Cash flows from operating activities:						
Receipts from customers	\$ -	\$ 3,208	\$ 21,863	\$ 12,525	\$ 381,224	\$ 418,820
Receipts from federal government	13,132	-	-	-	-	13,132
Receipts from other funds	9,311	9,976	-	-	-	19,287
Other miscellaneous receipts	12,393	-	-	-	-	12,393
Acquisition of mortgage loans	-	(2,941)	(12,594)	-	(293,642)	(309,177)
Payments to suppliers	(22,286)	(281)	(40)	(82)	(3,193)	(25,882)
Payments to other funds	-	-	-	-	(19,287)	(19,287)
Payments to or for employees	(17,693)	-	-	-	-	(17,693)
Net cash provided (used) by operating activities	<u>(5,143)</u>	<u>9,962</u>	<u>9,229</u>	<u>12,443</u>	<u>65,102</u>	<u>91,593</u>
Cash flows from non-capital financing activities:						
Operating grants received	278,989	-	-	-	-	278,989
Transfers in (out)	13,534	(4,076)	(1,176)	(56)	(8,226)	-
Proceeds from sale of bonds	-	-	-	-	298,249	298,249
Operating grants paid	(279,611)	-	-	-	-	(279,611)
Cost of issuance paid	-	-	-	-	(2,205)	(2,205)
Principal payments	-	-	(11,260)	(16,260)	(269,645)	(297,165)
Interest paid	-	-	(2,620)	(2,616)	(86,294)	(91,530)
Net cash provided (used) by non-capital financing activities	<u>12,912</u>	<u>(4,076)</u>	<u>(15,056)</u>	<u>(18,932)</u>	<u>(68,121)</u>	<u>(93,273)</u>
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	-	13,813	13,514	10,891	317,802	356,020
Purchases of investments	-	(17,930)	(12,369)	(9,404)	(274,581)	(314,284)
Investment interest received	99	13	345	12	632	1,101
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	-	-	-	18	18
Net cash provided (used) by investing activities	<u>99</u>	<u>(4,104)</u>	<u>1,490</u>	<u>1,499</u>	<u>43,871</u>	<u>42,855</u>
Net increase (decrease) in cash and cash equivalents	7,868	1,782	(4,337)	(4,990)	40,852	41,175
Cash and cash equivalents, July 1	<u>54,073</u>	<u>10,128</u>	<u>14,403</u>	<u>9,689</u>	<u>172,119</u>	<u>260,412</u>
Cash and cash equivalents, End of period	<u>\$ 61,941</u>	<u>\$ 11,910</u>	<u>\$ 10,066</u>	<u>\$ 4,699</u>	<u>\$ 212,971</u>	<u>\$ 301,587</u>

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

For the Nine Months Ended March 31, 2021

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 3/31/2021
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (5,243)	\$ (187)	\$ (1,706)	\$ 1,077	\$ 24,520	\$ 18,461
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(3,034)	(258)	22	392	(258)	(3,136)
(Increase) decrease in mortgage interest receivable	(2)	-	4	98	(2,612)	(2,512)
(Increase) decrease in loans held for resale	(1,145)	-	-	-	2	(1,143)
Decrease in mortgage loans receivable	1	462	9,422	9,449	5,028	24,362
(Increase) in due from federal government	(183)	-	-	-	-	(183)
(Increase) decrease in other receivables	1,541	-	-	-	(2,118)	(577)
(Increase) in unearned service release premium	(193)	-	-	-	-	(193)
Decrease in interfund receivables	9,311	9,976	-	-	-	19,287
(Decrease) in interfund payables	-	-	-	-	(19,287)	(19,287)
Increase (decrease) in accounts payable	(7,144)	(21)	10	(8)	(128)	(7,291)
(Decrease) in accrued payroll / compensated absences	(15)	-	-	-	-	(15)
(Decrease) in due to primary government	(79)	-	-	-	-	(79)
Increase in line of credit payable	1,141	-	-	-	-	1,141
Investment income / expense included as operating revenue	(99)	(10)	(11)	(10)	253	123
Interest expense included as operating expense	-	-	1,488	1,445	57,497	60,430
Issuance cost included as operating expense	-	-	-	-	2,205	2,205
Total adjustments	<u>100</u>	<u>10,149</u>	<u>10,935</u>	<u>11,366</u>	<u>40,582</u>	<u>73,132</u>
Net cash provided (used) by operating activities	<u>\$ (5,143)</u>	<u>\$ 9,962</u>	<u>\$ 9,229</u>	<u>\$ 12,443</u>	<u>\$ 65,102</u>	<u>\$ 91,593</u>
Noncash investing, capital, and financing activities:						
(Decrease) in fair value of investments	-	(10)	(261)	(4)	(826)	(1,101)
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ (261)</u>	<u>\$ (4)</u>	<u>\$ (826)</u>	<u>\$ (1,101)</u>