

***UNAUDITED FINANCIAL  
INFORMATION***

**September 30, 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

12/23/2021  
\_\_\_\_\_  
Date

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

September 30, 2021

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 9/30/2021
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 32,194	\$ 30,850	\$ 10,561	\$ 4,425	\$ 348,259	\$ 426,289
Investments	-	1,005	-	435	36,976	38,416
Receivables:						
Accounts	11,355	138	367	102	5,697	17,659
Interest	3	7	674	606	18,677	19,967
Loans held for resale	3,101	-	-	-	-	3,101
First mortgage loans	-	2,413	5,397	2,218	70,422	80,450
Due from federal government	27,509	-	-	-	-	27,509
Due from other state funds	6	-	-	-	-	6
Due from other funds	-	-	68	-	53,090	53,158
<b>Total current assets</b>	<b>74,168</b>	<b>34,413</b>	<b>17,067</b>	<b>7,786</b>	<b>533,121</b>	<b>666,555</b>
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	51,570	-	1,007	528	18,665	71,770
Investments	-	-	13,994	6,074	99,492	119,560
Investment interest receivable	-	-	50	1	160	211
Investments	-	2,161	-	-	18,188	20,349
First mortgage loans receivable	678	46,183	70,419	58,440	2,464,374	2,640,094
Second mortgage loans receivable	-	-	80,180	-	-	80,180
Allowance for uncollectable second mortgages	-	-	(33,538)	-	-	(33,538)
Other receivables	9,151	-	-	-	14,743	23,894
Unearned service release premium	315	-	-	-	-	315
Advance to local government	3,144	-	-	-	-	3,144
Net pension asset	230	-	-	-	-	230
Capital assets:						
Furniture and equipment	10,706	-	-	-	-	10,706
Less accumulated depreciation	(5,535)	-	-	-	-	(5,535)
<b>Total noncurrent assets</b>	<b>70,259</b>	<b>48,344</b>	<b>132,112</b>	<b>65,043</b>	<b>2,615,622</b>	<b>2,931,380</b>
<b>Total assets</b>	<b>144,427</b>	<b>82,757</b>	<b>149,179</b>	<b>72,829</b>	<b>3,148,743</b>	<b>3,597,935</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred amount on refundings	-	-	-	-	40	40
Deferred outflows related to pensions	2,749	-	-	-	-	2,749
Deferred outflows related to OPEB	237	-	-	-	-	237
Deferred outflows related to defeased bonds	-	-	-	-	1,032	1,032
<b>Total deferred outflows of resources</b>	<b>2,986</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,072</b>	<b>4,058</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 2,909	\$ 11	\$ -	\$ -	\$ 4	\$ 2,924
Accrued payroll and related liabilities	836	-	-	-	-	836
Compensated absences	861	-	-	-	-	861
Interest payable	2	-	499	495	20,444	21,440
Escrow deposits	26,932	-	-	-	-	26,932
Prepayments on mortgage loans	1	-	59	32	1,258	1,350
Line of credit payable	3,097	-	-	-	-	3,097
Due to federal government	22,158	-	-	-	-	22,158
Due to other funds	36,063	17,095	-	-	-	53,158
Bonds payable	-	-	3,250	2,925	113,295	119,470
<b>Total current liabilities</b>	<b>92,859</b>	<b>17,106</b>	<b>3,808</b>	<b>3,452</b>	<b>135,001</b>	<b>252,226</b>
Noncurrent liabilities:						
Bonds payable	-	-	53,006	56,515	2,655,140	2,764,661
Compensated absences	1,006	-	-	-	-	1,006
Net pension liability	7,122	-	-	-	-	7,122
Total OPEB liability	1,389	-	-	-	-	1,389
Escrow deposits	17,415	234	-	-	257	17,906
Unearned revenue	16,961	-	-	-	-	16,961
<b>Total noncurrent liabilities</b>	<b>43,893</b>	<b>234</b>	<b>53,006</b>	<b>56,515</b>	<b>2,655,397</b>	<b>2,809,045</b>
<b>Total liabilities</b>	<b>136,752</b>	<b>17,340</b>	<b>56,814</b>	<b>59,967</b>	<b>2,790,398</b>	<b>3,061,271</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pensions	315	-	-	-	-	315
Deferred inflows related to OPEB	1,792	-	-	-	-	1,792
<b>Total deferred inflows of resources</b>	<b>2,107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,107</b>
<b>NET POSITION</b>						
Net investment in capital assets	5,171	-	-	-	-	5,171
Restricted for single family bond programs	-	9,177	92,365	12,862	359,417	473,821
Restricted for grant programs	-	18,585	-	-	-	18,585
Restricted for Homebuyers Revolving Loan Program	3,153	-	-	-	-	3,153
Restricted for pension asset	230	-	-	-	-	230
Unrestricted	-	37,655	-	-	-	37,655
<b>Total net position</b>	<b>\$ 8,554</b>	<b>\$ 65,417</b>	<b>\$ 92,365</b>	<b>\$ 12,862</b>	<b>\$ 359,417</b>	<b>\$ 538,615</b>

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

For the Three Months Ended September 30, 2021

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 9/30/2021
<b>OPERATING REVENUES</b>						
Mortgage interest income	\$ 12	\$ 25	\$ 1,028	\$ 761	\$ 26,377	\$ 28,203
Investment income:						
Interest	33	7	92	8	237	377
Net (decrease) in the fair value of investments	-	(7)	(69)	(9)	(6)	(91)
Federal grant administration fees	5,034	-	-	-	-	5,034
Fees and other income	2,281	-	-	-	-	2,281
Total operating revenues	<u>7,360</u>	<u>25</u>	<u>1,051</u>	<u>760</u>	<u>26,608</u>	<u>35,804</u>
<b>OPERATING EXPENSES</b>						
Salaries and benefits	6,316	-	-	-	-	6,316
Contractual services	4,628	-	-	-	-	4,628
Materials and supplies	568	-	-	-	-	568
Rentals and insurance	6	-	-	-	-	6
Other administrative expenses	73	-	-	-	-	73
Other program expenses	2,282	-	708	54	326	3,370
Interest expense	6	-	421	419	17,699	18,545
Issuance costs	-	-	-	-	622	622
Amortization on service release premium	4	-	-	-	-	4
Total operating expenses	<u>13,883</u>	<u>-</u>	<u>1,129</u>	<u>473</u>	<u>18,647</u>	<u>34,132</u>
Operating income (loss)	<u>(6,523)</u>	<u>25</u>	<u>(78)</u>	<u>287</u>	<u>7,961</u>	<u>1,672</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Federal grants revenue	71,304	-	-	-	-	71,304
Federal grants expenses	(81,102)	-	-	-	-	(81,102)
Local grants expenses	(1,930)	-	-	-	-	(1,930)
Total nonoperating revenues (expenses)	<u>(11,728)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,728)</u>
Income (loss) before transfers	<u>(18,251)</u>	<u>25</u>	<u>(78)</u>	<u>287</u>	<u>7,961</u>	<u>(10,056)</u>
Transfers (to) other funds	-	(13,323)	-	-	(6,377)	(19,700)
Transfers from other funds	18,251	-	817	632	-	19,700
Change in net position	<u>-</u>	<u>(13,298)</u>	<u>739</u>	<u>919</u>	<u>1,584</u>	<u>(10,056)</u>
Total net position, July 1	8,554	78,715	91,626	11,943	357,833	548,671
Total net position, End of period	<u>\$ 8,554</u>	<u>\$ 65,417</u>	<u>\$ 92,365</u>	<u>\$ 12,862</u>	<u>\$ 359,417</u>	<u>\$ 538,615</u>

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

For the Three Months Ended September 30, 2021

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 9/30/2021
Cash flows from operating activities:						
Receipts from customers	\$ 2,747	\$ 1,561	\$ 10,508	\$ 5,206	\$ 174,817	\$ 194,839
Receipts from federal government	4,693	-	-	-	-	4,693
Receipts from other funds	-	11,521	-	-	-	11,521
Other miscellaneous receipts	2,281	-	-	-	-	2,281
Acquisition of mortgage loans	-	(608)	(2,406)	-	(63,829)	(66,843)
Payments to suppliers	(15,428)	-	(20)	(57)	(429)	(15,934)
Payments to other funds	(11,231)	-	-	-	(290)	(11,521)
Payments to or for employees	(6,375)	-	-	-	-	(6,375)
Net cash provided (used) by operating activities	<u>(23,313)</u>	<u>12,474</u>	<u>8,082</u>	<u>5,149</u>	<u>110,269</u>	<u>112,661</u>
Cash flows from non-capital financing activities:						
Operating grants received	93,256	-	-	-	-	93,256
Transfers in (out)	18,251	(13,323)	817	632	(6,377)	-
Proceeds from sale of bonds	-	-	-	-	103,329	103,329
Operating grants paid	(99,924)	-	-	-	-	(99,924)
Cost of issuance paid	-	-	-	-	(622)	(622)
Principal payments	-	-	(3,665)	(3,615)	(118,055)	(125,335)
Interest paid	(5)	-	(1,078)	(1,062)	(42,040)	(44,185)
Net cash provided (used) by non-capital financing activities	<u>11,578</u>	<u>(13,323)</u>	<u>(3,926)</u>	<u>(4,045)</u>	<u>(63,765)</u>	<u>(73,481)</u>
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	-	7,180	-	2,020	62,580	71,780
Purchases of investments	-	(225)	-	(3,435)	(29,114)	(32,774)
Investment interest received	33	1	172	14	246	466
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	-	-	-	7	7
Net cash provided (used) by investing activities	<u>33</u>	<u>6,956</u>	<u>172</u>	<u>(1,401)</u>	<u>33,719</u>	<u>39,479</u>
Net increase (decrease) in cash and cash equivalents	(11,702)	6,107	4,328	(297)	80,223	78,659
Cash and cash equivalents, July 1	<u>95,466</u>	<u>24,743</u>	<u>7,240</u>	<u>5,250</u>	<u>286,701</u>	<u>419,400</u>
Cash and cash equivalents, End of period	<u>\$ 83,764</u>	<u>\$ 30,850</u>	<u>\$ 11,568</u>	<u>\$ 4,953</u>	<u>\$ 366,924</u>	<u>\$ 498,059</u>

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

For the Three Months Ended September 30, 2021

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 9/30/2021
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (6,523)	\$ 25	\$ (78)	\$ 287	\$ 7,961	\$ 1,672
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Changes in assets and liabilities:						
Accounts receivable	205	361	249	11	1,091	1,917
Mortgage interest receivable	-	-	(17)	50	(183)	(150)
Loans held for resale	(1,321)	-	-	-	-	(1,321)
Mortgage loans receivable	1	566	7,526	4,389	83,747	96,229
Due from federal government	(341)	-	-	-	-	(341)
Other receivables	683	-	-	-	16	699
Unearned service release premium	(52)	-	-	-	-	(52)
Interfund receivables	-	11,521	-	-	-	11,521
Interfund payables	(11,231)	-	-	-	(290)	(11,521)
Accounts payable	(5,714)	1	4	(8)	(163)	(5,880)
Accrued payroll / compensated absences	(19)	-	-	-	-	(19)
Due to primary government	(92)	-	-	-	-	(92)
Line of credit payable	1,319	-	-	-	-	1,319
Unearned revenue	(201)	-	-	-	-	(201)
Investment income / expense included as operating revenue	(33)	-	(23)	1	(231)	(286)
Interest expense included as operating expense	6	-	421	419	17,699	18,545
Issuance cost included as operating expense	-	-	-	-	622	622
Total adjustments	<u>(16,790)</u>	<u>12,449</u>	<u>8,160</u>	<u>4,862</u>	<u>102,308</u>	<u>110,989</u>
Net cash provided (used) by operating activities	<u>\$ (23,313)</u>	<u>\$ 12,474</u>	<u>\$ 8,082</u>	<u>\$ 5,149</u>	<u>\$ 110,269</u>	<u>\$ 112,661</u>
Noncash investing, capital, and financing activities:						
(Decrease) in fair value of investments	-	(8)	(69)	(9)	(29)	(115)
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ (69)</u>	<u>\$ (9)</u>	<u>\$ (29)</u>	<u>\$ (115)</u>