

***UNAUDITED FINANCIAL
INFORMATION***

December 31, 2020

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

3/2/2021

Date

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

December 31, 2020

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2020
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 16,719	\$ 19,716	\$ 5,863	\$ 1,472	\$ 200,047	\$ 243,817
Investments	-	5,017	-	2,370	161,546	168,933
Receivables:						
Accounts	11,872	248	624	270	7,060	20,074
Interest	2	1	679	718	16,176	17,576
Loans held for resale	2,963	-	-	-	-	2,963
First mortgage loans	-	2,327	5,263	2,508	70,206	80,304
Due from federal government	29,050	-	-	-	-	29,050
Due from other funds	-	-	68	-	48,374	48,442
Total current assets	60,606	27,309	12,497	7,338	503,409	611,159
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	32,332	-	3,024	4,054	41,003	80,413
Investments	-	-	14,265	2,571	75,094	91,930
Investment interest receivable	-	-	131	-	102	233
Investments	-	835	-	-	-	835
First mortgage loans receivable	680	45,927	82,130	69,267	2,611,437	2,809,441
Second mortgage loans receivable	-	-	83,006	-	-	83,006
Allowance for uncollectable second mortgages	-	-	(31,145)	-	-	(31,145)
Other receivables	10,941	-	-	-	13,992	24,933
Unearned service release premium	134	-	-	-	-	134
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	52,673	46,762	151,411	75,892	2,741,628	3,068,366
Total assets	113,279	74,071	163,908	83,230	3,245,037	3,679,525
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on refundings	-	-	-	-	134	134
Deferred outflows related to pensions	2,982	-	-	-	-	2,982
Deferred outflows related to OPEB	233	-	-	-	-	233
Deferred outflows related to defeased bonds	-	-	-	-	1,073	1,073
Total deferred outflows of resources	3,215	-	-	-	1,207	4,422
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 4,201	\$ 11	\$ -	\$ -	\$ 130	\$ 4,342
Accrued payroll and related liabilities	800	-	-	-	-	800
Compensated absences	827	-	-	-	-	827
Interest payable	2	-	1,203	1,160	43,582	45,947
Escrow deposits	11,838	-	-	-	-	11,838
Prepayments on mortgage loans	-	-	62	34	1,392	1,488
Line of credit payable	2,965	-	-	-	-	2,965
Due to federal government	17,116	-	-	-	-	17,116
Due to other funds	48,442	-	-	-	-	48,442
Bonds payable	-	-	3,070	2,175	69,165	74,410
Total current liabilities	86,191	11	4,335	3,369	114,269	208,175
Noncurrent liabilities:						
Bonds payable	-	-	64,610	68,000	2,773,095	2,905,705
Compensated absences	858	-	-	-	-	858
Net pension liability	6,288	-	-	-	-	6,288
Total OPEB liability	1,653	-	-	-	-	1,653
Escrow deposits	9,914	234	-	-	8,892	19,040
Arbitrage rebate payable	-	-	23	-	-	23
Total noncurrent liabilities	18,713	234	64,633	68,000	2,781,987	2,933,567
Total liabilities	104,904	245	68,968	71,369	2,896,256	3,141,742
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	-	-	94,940	11,861	349,988	456,789
Restricted for grant programs	-	21,701	-	-	-	21,701
Restricted for Homebuyers Revolving Loan Prog	3,153	-	-	-	-	3,153
Restricted for pension asset	261	-	-	-	-	261
Unrestricted	56	52,125	-	-	-	52,181
Total net position	\$ 8,651	\$ 73,826	\$ 94,940	\$ 11,861	\$ 349,988	\$ 539,266

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

For the Six Months Ended December 31, 2020

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2020
OPERATING REVENUES						
Mortgage interest income	\$ 25	\$ 44	\$ 2,264	\$ 1,761	\$ 57,536	\$ 61,630
Investment income:						
Interest	50	12	174	11	350	597
Net increase (decrease) in the fair value of investments	-	(7)	(151)	2	(19)	(175)
Federal grant administration fees	7,637	-	-	-	-	7,637
Fees and other income	6,178	-	-	-	-	6,178
Total operating revenues	<u>13,890</u>	<u>49</u>	<u>2,287</u>	<u>1,774</u>	<u>57,867</u>	<u>75,867</u>
OPERATING EXPENSES						
Salaries and benefits	11,705	-	-	-	-	11,705
Contractual services	3,798	-	-	-	-	3,798
Materials and supplies	765	-	-	-	-	765
Rentals and insurance	15	-	-	-	-	15
Other administrative expenses	98	-	-	-	-	98
Other program expenses	4,106	260	2,671	67	764	7,868
Interest expense	9	-	1,010	978	38,642	40,639
Issuance costs	-	-	-	-	2,200	2,200
Amortization on service release premium	9	-	-	-	-	9
Total operating expenses	<u>20,505</u>	<u>260</u>	<u>3,681</u>	<u>1,045</u>	<u>41,606</u>	<u>67,097</u>
Operating income (loss)	<u>(6,615)</u>	<u>(211)</u>	<u>(1,394)</u>	<u>729</u>	<u>16,261</u>	<u>8,770</u>
NONOPERATING REVENUES (EXPENSES)						
Federal grants revenue	169,174	-	-	-	-	169,174
Federal grants expenses	(169,152)	-	-	-	-	(169,152)
Local grants expenses	(4,893)	-	-	-	-	(4,893)
Total nonoperating revenues (expenses)	<u>(4,871)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,871)</u>
Income (loss) before transfers	<u>(11,486)</u>	<u>(211)</u>	<u>(1,394)</u>	<u>729</u>	<u>16,261</u>	<u>3,899</u>
Transfers (to) other funds	-	-	(2,432)	-	(21,785)	(24,217)
Transfers from other funds	11,206	12,799	-	212	-	24,217
Change in net position	<u>(280)</u>	<u>12,588</u>	<u>(3,826)</u>	<u>941</u>	<u>(5,524)</u>	<u>3,899</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>\$ 8,651</u>	<u>\$ 73,826</u>	<u>\$ 94,940</u>	<u>\$ 11,861</u>	<u>\$ 349,988</u>	<u>\$ 539,266</u>

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

For the Six Months Ended December 31, 2020

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2020
Cash flows from operating activities:						
Receipts from customers	\$ -	\$ 2,360	\$ 14,110	\$ 8,328	\$ 163,683	\$ 188,481
Receipts from federal government	7,454	-	-	-	-	7,454
Receipts from other funds	15,513	-	-	-	-	15,513
Other miscellaneous receipts	6,178	-	-	-	-	6,178
Acquisition of mortgage loans	-	(1,182)	(9,363)	-	(115,807)	(126,352)
Payments to suppliers	(31,327)	(281)	(37)	(73)	(2,279)	(33,997)
Payments to other funds	-	-	-	-	(15,513)	(15,513)
Payments to or for employees	(11,727)	-	-	-	-	(11,727)
Net cash provided (used) by operating activities	<u>(13,909)</u>	<u>897</u>	<u>4,710</u>	<u>8,255</u>	<u>30,084</u>	<u>30,037</u>
Cash flows from non-capital financing activities:						
Operating grants received	182,902	-	-	-	-	182,902
Transfers in (out)	11,206	12,799	(2,432)	212	(21,785)	-
Proceeds from sale of bonds	-	-	-	-	298,249	298,249
Operating grants paid	(185,271)	-	-	-	-	(185,271)
Cost of issuance paid	-	-	-	-	(2,200)	(2,200)
Principal payments	-	-	(7,705)	(12,835)	(172,000)	(192,540)
Interest paid	-	-	(1,406)	(1,444)	(42,409)	(45,259)
Net cash provided (used) by non-capital financing activities	<u>8,837</u>	<u>12,799</u>	<u>(11,543)</u>	<u>(14,067)</u>	<u>59,855</u>	<u>55,881</u>
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	-	10,713	13,514	5,951	205,067	235,245
Purchases of investments	-	(14,832)	(12,370)	(4,314)	(226,573)	(258,089)
Investment interest received	50	11	173	12	484	730
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	-	-	-	14	14
Net cash provided (used) by investing activities	<u>50</u>	<u>(4,108)</u>	<u>1,317</u>	<u>1,649</u>	<u>(21,008)</u>	<u>(22,100)</u>
Net increase (decrease) in cash and cash equivalents	(5,022)	9,588	(5,516)	(4,163)	68,931	63,818
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>\$ 49,051</u>	<u>\$ 19,716</u>	<u>\$ 8,887</u>	<u>\$ 5,526</u>	<u>\$ 241,050</u>	<u>\$ 324,230</u>

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

For the Six Months Ended December 31, 2020

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2020
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (6,615)	\$ (211)	\$ (1,394)	\$ 729	\$ 16,261	\$ 8,770
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(3,582)	(248)	(24)	266	1,014	(2,574)
(Increase) decrease in mortgage interest receivable	(2)	-	4	58	(2,160)	(2,100)
(Increase) decrease in loans held for resale	(1,051)	-	-	-	2	(1,049)
(Increase) decrease in mortgage loans receivable	-	1,382	5,128	6,249	(17,121)	(4,362)
(Increase) in due from federal government	(183)	-	-	-	-	(183)
(Increase) decrease in other receivables	1,014	-	-	-	(1,526)	(512)
(Increase) in unearned service release premium	(121)	-	-	-	-	(121)
Decrease in interfund receivables	15,513	-	-	-	-	15,513
(Decrease) in interfund payables	-	-	-	-	(15,513)	(15,513)
Increase (decrease) in accounts payable	(19,788)	(21)	9	(12)	8,616	(11,196)
(Decrease) in accrued payroll / compensated absences	(15)	-	-	-	-	(15)
(Decrease) in due to primary government	(79)	-	-	-	-	(79)
Increase in line of credit payable	1,050	-	-	-	-	1,050
Investment income included as operating revenue	(50)	(5)	(23)	(13)	(331)	(422)
Interest expense included as operating expense	-	-	1,010	978	38,642	40,630
Issuance cost included as operating expense	-	-	-	-	2,200	2,200
Total adjustments	<u>(7,294)</u>	<u>1,108</u>	<u>6,104</u>	<u>7,526</u>	<u>13,823</u>	<u>21,267</u>
Net cash provided (used) by operating activities	<u>\$ (13,909)</u>	<u>\$ 897</u>	<u>\$ 4,710</u>	<u>\$ 8,255</u>	<u>\$ 30,084</u>	<u>\$ 30,037</u>
Noncash investing, capital, and financing activities:						
Increase (decrease) in fair value of investments	-	(8)	(159)	4	(40)	(203)
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ (159)</u>	<u>\$ 4</u>	<u>\$ (40)</u>	<u>\$ (203)</u>