

***UNAUDITED FINANCIAL
INFORMATION***

December 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

2/28/2022

Date

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

	December 31, 2021					
	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2021
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 38,691	\$ 33,872	\$ 59,385	\$ 4,096	\$ 354,635	\$ 490,679
Investments	-	999	-	-	50,763	51,762
Receivables:						
Accounts	13,764	15	218	233	7,191	21,421
Interest	4	1	37	477	18,125	18,644
Loans held for resale	2,351	-	-	-	-	2,351
First mortgage loans	-	2,406	1,188	2,065	74,123	79,782
Due from federal government	30,612	-	-	-	-	30,612
Due from other state funds	10,749	-	-	-	-	10,749
Due from other funds	-	-	68	-	53,095	53,163
Total current assets	96,171	37,293	60,896	6,871	557,932	759,163
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	12,839	-	13,572	524	5,295	32,230
Investments	-	-	-	6,010	113,888	119,898
Investment interest receivable	-	-	-	8	315	323
Investments	-	2,149	-	-	33,034	35,183
First mortgage loans receivable	678	45,345	-	54,755	2,486,772	2,587,550
Second mortgage loans receivable	-	-	79,934	-	-	79,934
Allowance for uncollectable second mortgages	-	-	(34,462)	-	-	(34,462)
Other receivables	8,620	-	-	-	14,495	23,115
Unearned service release premium	352	-	-	-	-	352
Advance to local government	3,146	-	-	-	-	3,146
Net pension asset	230	-	-	-	-	230
Capital assets:						
Furniture and equipment	10,706	-	-	-	-	10,706
Less accumulated depreciation	(5,535)	-	-	-	-	(5,535)
Total noncurrent assets	31,036	47,494	59,044	61,297	2,653,799	2,852,670
Total assets	127,207	84,787	119,940	68,168	3,211,731	3,611,833
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on refundings	-	-	-	-	29	29
Deferred outflows related to pensions	2,749	-	-	-	-	2,749
Deferred outflows related to OPEB	237	-	-	-	-	237
Deferred outflows related to defeased bonds	-	-	-	-	1,018	1,018
Total deferred outflows of resources	2,986	-	-	-	1,047	4,033
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 15,249	\$ 11	\$ -	\$ 2	\$ 120	\$ 15,382
Accrued payroll and related liabilities	836	-	-	-	-	836
Compensated absences	861	-	-	-	-	861
Interest payable	2	-	914	912	39,031	40,859
Escrow deposits	7,977	-	-	-	-	7,977
Prepayments on mortgage loans	1	-	10	35	1,300	1,346
Line of credit payable	2,347	-	-	-	-	2,347
Due to federal government	737	-	-	-	-	737
Due to other funds	50,100	3,063	-	-	-	53,163
Bonds payable	-	-	51,455	3,080	170,195	224,730
Total current liabilities	78,110	3,074	52,379	4,029	210,646	348,238
Noncurrent liabilities:						
Bonds payable	-	-	32	51,696	2,620,780	2,672,508
Compensated absences	1,006	-	-	-	-	1,006
Net pension liability	7,122	-	-	-	-	7,122
Total OPEB liability	1,389	-	-	-	-	1,389
Escrow deposits	17,484	234	-	-	257	17,975
Unearned revenue	14,421	-	-	-	-	14,421
Total noncurrent liabilities	41,422	234	32	51,696	2,621,037	2,714,421
Total liabilities	119,532	3,308	52,411	55,725	2,831,683	3,062,659
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	315	-	-	-	-	315
Deferred inflows related to OPEB	1,792	-	-	-	-	1,792
Total deferred inflows of resources	2,107	-	-	-	-	2,107
NET POSITION						
Net investment in capital assets	5,171	-	-	-	-	5,171
Restricted for single family bond programs	-	12,303	67,529	12,443	381,095	473,370
Restricted for grant programs	-	20,496	-	-	-	20,496
Restricted for Homebuyers Revolving Loan Program	3,153	-	-	-	-	3,153
Restricted for pension asset	230	-	-	-	-	230
Unrestricted	-	48,680	-	-	-	48,680
Total net position	\$ 8,554	\$ 81,479	\$ 67,529	\$ 12,443	\$ 381,095	\$ 551,100

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

For the Six Months Ended December 31, 2021

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2021
OPERATING REVENUES						
Mortgage interest income	\$ 25	\$ 45	\$ 1,411	\$ 1,465	\$ 51,641	\$ 54,587
Investment income:						
Interest	60	14	141	17	550	782
Net (decrease) in the fair value of investments	-	(25)	(716)	(72)	(537)	(1,350)
Federal grant administration fees	17,539	-	-	-	-	17,539
Fees and other income	5,633	-	884	-	-	6,517
Total operating revenues	<u>23,257</u>	<u>34</u>	<u>1,720</u>	<u>1,410</u>	<u>51,654</u>	<u>78,075</u>
OPERATING EXPENSES						
Salaries and benefits	12,683	-	-	-	-	12,683
Contractual services	13,089	-	-	-	15	13,104
Materials and supplies	679	-	-	-	-	679
Rentals and insurance	16	-	-	-	-	16
Other administrative expenses	136	-	-	-	-	136
Other program expenses	4,890	-	1,889	58	737	7,574
Interest expense	9	-	803	801	34,938	36,551
Issuance costs	-	-	-	-	1,663	1,663
Amortization on service release premium	6	-	-	-	-	6
Total operating expenses	<u>31,508</u>	<u>-</u>	<u>2,692</u>	<u>859</u>	<u>37,353</u>	<u>72,412</u>
Operating income (loss)	<u>(8,251)</u>	<u>34</u>	<u>(972)</u>	<u>551</u>	<u>14,301</u>	<u>5,663</u>
NONOPERATING REVENUES (EXPENSES)						
Federal grants revenue	197,113	-	-	-	-	197,113
Federal grants expenses	(197,095)	-	-	-	-	(197,095)
Local grants expenses	(3,252)	-	-	-	-	(3,252)
Total nonoperating revenues (expenses)	<u>(3,234)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,234)</u>
Income (loss) before transfers	<u>(11,485)</u>	<u>34</u>	<u>(972)</u>	<u>551</u>	<u>14,301</u>	<u>2,429</u>
Transfers (to) other funds	-	-	(23,125)	(51)	-	(23,176)
Transfers from other funds	11,485	2,730	-	-	8,961	23,176
Change in net position	<u>-</u>	<u>2,764</u>	<u>(24,097)</u>	<u>500</u>	<u>23,262</u>	<u>2,429</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>\$ 81,479</u>	<u>\$ 67,529</u>	<u>\$ 12,443</u>	<u>\$ 381,095</u>	<u>\$ 551,100</u>

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

For the Six Months Ended December 31, 2021

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2021
Cash flows from operating activities:						
Receipts from customers	\$ -	\$ 2,729	\$ 19,591	\$ 9,749	\$ 333,715	\$ 365,784
Receipts from federal government	17,198	-	-	-	-	17,198
Receipts from other funds	2,806	-	-	-	-	2,806
Other miscellaneous receipts	5,633	-	884	-	-	6,517
Acquisition of mortgage loans	-	(788)	(6,666)	-	(153,551)	(161,005)
Payments to suppliers	(34,896)	-	(24)	(59)	(491)	(35,470)
Payments to other funds	-	(2,511)	-	-	(295)	(2,806)
Payments to or for employees	(12,773)	-	-	-	-	(12,773)
Net cash provided (used) by operating activities	<u>(22,032)</u>	<u>(570)</u>	<u>13,785</u>	<u>9,690</u>	<u>179,378</u>	<u>180,251</u>
Cash flows from non-capital financing activities:						
Operating grants received	183,798	-	-	-	-	183,798
Transfers in (out)	11,485	2,730	47,793	(51)	(61,957)	-
Proceeds from sale of bonds	-	-	-	-	276,535	276,535
Operating grants paid	(217,239)	-	-	-	-	(217,239)
Cost of issuance paid	-	-	-	-	(1,663)	(1,663)
Principal payments	-	-	(8,345)	(8,190)	(265,680)	(282,215)
Interest paid	(8)	-	(1,134)	(1,115)	(43,709)	(45,966)
Net cash provided (used) by non-capital financing activities	<u>(21,964)</u>	<u>2,730</u>	<u>38,314</u>	<u>(9,356)</u>	<u>(96,474)</u>	<u>(86,750)</u>
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	-	8,180	13,346	2,455	103,295	127,276
Purchases of investments	-	(1,225)	-	(3,434)	(113,405)	(118,064)
Investment interest received	60	13	271	15	412	771
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	1	1	-	23	25
Net cash provided (used) by investing activities	<u>60</u>	<u>6,969</u>	<u>13,618</u>	<u>(964)</u>	<u>(9,675)</u>	<u>10,008</u>
Net increase (decrease) in cash and cash equivalents	(43,936)	9,129	65,717	(630)	73,229	103,509
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>\$ 51,530</u>	<u>\$ 33,872</u>	<u>\$ 72,957</u>	<u>\$ 4,620</u>	<u>\$ 359,930</u>	<u>\$ 522,909</u>

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

For the Six Months Ended December 31, 2021

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2021
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (8,251)	\$ 34	\$ (972)	\$ 551	\$ 14,301	\$ 5,663
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Changes in assets and liabilities:						
Accounts receivable	(2,204)	484	398	(120)	(403)	(1,845)
Mortgage interest receivable	(1)	-	620	179	362	1,160
Loans held for resale	(571)	-	-	-	-	(571)
Mortgage loans receivable	(1)	1,411	12,406	8,227	128,566	150,609
Due from federal government	(341)	-	-	-	-	(341)
Other receivables	1,214	-	-	-	264	1,478
Unearned service release premium	(89)	-	-	-	-	(89)
Interfund receivables	2,806	-	-	-	-	2,806
Interfund payables	-	(2,511)	-	-	(295)	(2,806)
Accounts payable	(12,260)	1	(45)	(3)	(5)	(12,312)
Accrued payroll / compensated absences	(19)	-	-	-	-	(19)
Due to primary government	(92)	-	-	-	-	(92)
Line of credit payable	569	-	-	-	-	569
Unearned revenue	(2,741)	-	-	-	-	(2,741)
Investment income / expense included as operating revenue	(60)	11	575	55	(13)	568
Interest expense included as operating expense	9	-	803	801	34,938	36,551
Issuance cost included as operating expense	-	-	-	-	1,663	1,663
Total adjustments	<u>(13,781)</u>	<u>(604)</u>	<u>14,757</u>	<u>9,139</u>	<u>165,077</u>	<u>174,588</u>
Net cash provided (used) by operating activities	<u>\$ (22,032)</u>	<u>\$ (570)</u>	<u>\$ 13,785</u>	<u>\$ 9,690</u>	<u>\$ 179,378</u>	<u>\$ 180,251</u>
Noncash investing, capital, and financing activities:						
Increase (decrease) in fair value of investments	-	(16)	1	(72)	(549)	(636)
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ (16)</u>	<u>\$ 1</u>	<u>\$ (72)</u>	<u>\$ (549)</u>	<u>\$ (636)</u>