

***UNAUDITED FINANCIAL  
INFORMATION***

**December 31, 2023**

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

2/26/2024  
\_\_\_\_\_  
Date

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

December 31, 2023

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2023
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 153,020	\$ 25,459	\$ 3,772	\$ 401,666	\$ 583,917
Investments	-	1,882	919	107,494	110,295
Receivables:					
Accounts	9,003	66	28	4,107	13,204
Interest	-	22	217	14,099	14,338
Loans held for resale	16,589	150	-	-	16,739
First and second mortgage loans	-	2,508	1,765	77,446	81,719
Due from federal government	38,848	-	-	-	38,848
Due from other funds	-	-	-	35,437	35,437
<b>Total current assets</b>	<b>217,460</b>	<b>30,087</b>	<b>6,701</b>	<b>640,249</b>	<b>894,497</b>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	15,615	-	16	20,081	35,712
Investments	-	2,211	5,966	97,656	105,833
Investment interest receivable	-	-	11	295	306
Investments	-	-	-	129,398	129,398
First mortgage loans receivable	8	48,313	41,930	2,916,347	3,006,598
Allowance for non-performing 1st mortgage loans	-	(61)	(2)	(360)	(423)
Second mortgage loans receivable	-	-	-	115,537	115,537
Allowance for uncollectable second mortgages	-	-	-	(49,301)	(49,301)
Other receivables	5,269	-	-	21,186	26,455
Unearned service release premium	1,160	-	-	-	1,160
Advance to local government	3,146	-	-	-	3,146
Net pension asset	167	-	-	-	167
Capital assets:					
Furniture and equipment	14,550	-	-	-	14,550
Less accumulated depreciation	(9,175)	-	-	-	(9,175)
<b>Total noncurrent assets</b>	<b>30,740</b>	<b>50,463</b>	<b>47,921</b>	<b>3,250,839</b>	<b>3,379,963</b>
<b>Total assets</b>	<b>248,200</b>	<b>80,550</b>	<b>54,622</b>	<b>3,891,088</b>	<b>4,274,460</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amount on refundings	-	-	-	25	25
Deferred outflows related to pensions	6,305	-	-	-	6,305
Deferred outflows related to OPEB	249	-	-	-	249
Deferred outflows related to defeased bonds	-	-	-	912	912
<b>Total deferred outflows of resources</b>	<b>6,554</b>	<b>-</b>	<b>-</b>	<b>937</b>	<b>7,491</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 19,889	\$ 12	\$ 1	\$ 127	\$ 20,029
Accrued payroll and related liabilities	922	-	-	-	922
Compensated absences	998	-	-	-	998
Interest payable	76	-	652	53,571	54,299
Escrow deposits	4,540	-	-	-	4,540
Prepayments on mortgage loans	-	-	22	1,881	1,903
Line of credit payable	16,734	-	-	-	16,734
Due to other state funds	741	-	-	-	741
Due to other funds	35,437	-	-	-	35,437
Bonds payable	-	-	1,130	110,310	111,440
<b>Total current liabilities</b>	<b>79,337</b>	<b>12</b>	<b>1,805</b>	<b>165,889</b>	<b>247,043</b>
Noncurrent liabilities:					
Bonds payable	-	-	37,759	3,256,813	3,294,572
Compensated absences	1,170	-	-	-	1,170
Net pension liability	5,041	-	-	-	5,041
Total OPEB liability	1,119	-	-	-	1,119
Escrow deposits	16,746	48	-	4	16,798
Unearned revenue	123,225	3,098	-	10,759	137,082
Arbitrage rebate payable	-	-	-	73	73
<b>Total noncurrent liabilities</b>	<b>147,301</b>	<b>3,146</b>	<b>37,759</b>	<b>3,267,649</b>	<b>3,455,855</b>
<b>Total liabilities</b>	<b>226,638</b>	<b>3,158</b>	<b>39,564</b>	<b>3,433,538</b>	<b>3,702,898</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	541	-	-	-	541
Deferred inflows related to OPEB	1,343	-	-	-	1,343
<b>Total deferred inflows of resources</b>	<b>1,884</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,884</b>
<b>NET POSITION</b>					
Net investment in capital assets	5,375	-	-	-	5,375
Restricted for single family bond programs	-	11,268	15,058	458,487	484,813
Restricted for grant programs	-	19,369	-	-	19,369
Restricted for Homebuyers Revolving Loan Program	3,154	-	-	-	3,154
Restricted for pension asset	167	-	-	-	167
Unrestricted	17,536	46,755	-	-	64,291
<b>Total net position</b>	<b>\$ 26,232</b>	<b>\$ 77,392</b>	<b>\$ 15,058</b>	<b>\$ 458,487</b>	<b>\$ 577,169</b>

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

For the Six Months Ended December 31, 2023

	<u>Operating Group</u>	<u>Mortgage Finance Program</u>	<u>Housing Finance Program Bonds</u>	<u>Residential Finance Program Bonds</u>	<u>Total 12/31/2023</u>
<b>OPERATING REVENUES</b>					
Mortgage interest income	\$ 213	\$ 54	\$ 1,031	\$ 62,122	\$ 63,420
Investment income:					
Interest	72	421	54	8,251	8,798
Net increase in the fair value of investments	-	91	223	9,362	9,676
Federal grant administration fees	9,315	-	-	-	9,315
Fees and other income	10,889	236	-	7	11,132
Total operating revenues	<u>20,489</u>	<u>802</u>	<u>1,308</u>	<u>79,742</u>	<u>102,341</u>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	15,980	-	-	-	15,980
Contractual services	6,081	-	-	-	6,081
Materials and supplies	1,144	-	-	-	1,144
Rentals and insurance	15	-	-	-	15
Other administrative expenses	373	-	-	-	373
Other program expenses	6,215	18	-	6,458	12,691
Interest expense	171	-	584	51,545	52,300
Issuance costs	-	-	-	3,930	3,930
Amortization on service release premium	24	-	-	-	24
Total operating expenses	<u>30,003</u>	<u>18</u>	<u>584</u>	<u>61,933</u>	<u>92,538</u>
Operating income (loss)	<u>(9,514)</u>	<u>784</u>	<u>724</u>	<u>17,809</u>	<u>9,803</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Federal grants revenue	210,865	-	-	-	210,865
Federal grants expenses	(211,301)	-	-	-	(211,301)
Local grants expenses	(3,628)	-	-	-	(3,628)
Total nonoperating revenues (expenses)	<u>(4,064)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,064)</u>
Income (loss) before transfers	<u>(13,578)</u>	<u>784</u>	<u>724</u>	<u>17,809</u>	<u>5,739</u>
Transfers (to) other funds	-	(5,680)	(784)	-	(6,464)
Transfers from other funds	2,725	-	-	3,739	6,464
Change in net position	<u>(10,853)</u>	<u>(4,896)</u>	<u>(60)</u>	<u>21,548</u>	<u>5,739</u>
Total net position, July 1	37,085	82,288	15,118	436,939	571,430
Total net position, End of period	<u>\$ 26,232</u>	<u>\$ 77,392</u>	<u>\$ 15,058</u>	<u>\$ 458,487</u>	<u>\$ 577,169</u>

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

For the Six Months Ended December 31, 2023

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2023
Cash flows from operating activities:					
Receipts from customers	\$ 7,669	\$ 6,118	\$ 4,389	\$ 146,832	\$ 165,008
Receipts from federal government	9,372	-	-	-	9,372
Receipts from other funds	2	-	-	-	2
Other miscellaneous receipts	10,889	236	-	7	11,132
Acquisition of mortgage loans	-	(3,224)	-	(388,355)	(391,579)
Payments to suppliers	(31,777)	(19)	(2)	(9,268)	(41,066)
Payments to federal government	-	-	-	(1)	(1)
Payments to other funds	-	-	-	(2)	(2)
Payments to or for employees	(16,287)	-	-	-	(16,287)
Net cash provided (used) by operating activities	<u>(20,132)</u>	<u>3,111</u>	<u>4,387</u>	<u>(250,787)</u>	<u>(263,421)</u>
Cash flows from non-capital financing activities:					
Operating grants received	230,639	-	-	-	230,639
Transfers in (out)	2,725	(5,680)	(784)	3,739	-
Proceeds from sale of bonds	-	-	-	605,470	605,470
Operating grants paid	(233,433)	-	-	-	(233,433)
Cost of issuance paid	-	-	-	(3,930)	(3,930)
Principal payments	-	-	(1,265)	(15,815)	(17,080)
Interest paid	(95)	-	(669)	(43,384)	(44,148)
Net cash provided (used) by non-capital financing activities	<u>(164)</u>	<u>(5,680)</u>	<u>(2,718)</u>	<u>546,080</u>	<u>537,518</u>
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-	160	2,160	126,056	128,376
Purchases of investments	-	(2,000)	(1,016)	(197,678)	(200,694)
Investment interest received	72	401	57	8,533	9,063
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	36	19	2,757	2,812
Net cash provided (used) by investing activities	<u>72</u>	<u>(1,403)</u>	<u>1,220</u>	<u>(60,332)</u>	<u>(60,443)</u>
Net increase (decrease) in cash and cash equivalents	(20,224)	(3,972)	2,889	234,961	213,654
Cash and cash equivalents, July 1	<u>188,859</u>	<u>29,431</u>	<u>899</u>	<u>186,786</u>	<u>405,975</u>
Cash and cash equivalents, End of period	<u>\$ 168,635</u>	<u>\$ 25,459</u>	<u>\$ 3,788</u>	<u>\$ 421,747</u>	<u>\$ 619,629</u>

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

For the Six Months Ended December 31, 2023

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2023
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (9,514)	\$ 784	\$ 724	\$ 17,809	\$ 9,803
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	2,767	62	55	5,749	8,633
Mortgage interest receivable	-	-	38	(2,241)	(2,203)
Loans held for resale	(16,589)	4,510	-	-	(12,079)
Mortgage loans receivable	(3)	(1,748)	3,267	(309,388)	(307,872)
Due from federal government	57	-	-	-	57
Other receivables	894	-	-	(2,816)	(1,922)
Unearned service release premium	(441)	-	-	-	(441)
Interfund receivables	2	-	-	-	2
Interfund payables	-	-	-	(2)	(2)
Accounts payable	(7,506)	(1)	(4)	424	(7,087)
Accrued payroll / compensated absences	(24)	-	-	-	(24)
Due to primary government	640	-	-	-	640
Line of credit payable	16,734	-	-	-	16,734
Unearned revenue	(7,248)	16	-	1,816	(5,416)
Investment income / expense included as operating revenue	(72)	(512)	(277)	(17,613)	(18,474)
Interest expense included as operating expense	171	-	584	51,545	52,300
Issuance cost included as operating expense	-	-	-	3,930	3,930
Total adjustments	<u>(10,618)</u>	<u>2,327</u>	<u>3,663</u>	<u>(268,596)</u>	<u>(273,224)</u>
Net cash provided (used) by operating activities	\$ <u>(20,132)</u>	\$ <u>3,111</u>	\$ <u>4,387</u>	\$ <u>(250,787)</u>	\$ <u>(263,421)</u>
Noncash investing, capital, and financing activities:					
Increase in fair value of investments	-	57	203	5,364	5,624
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ 57</u>	<u>\$ 203</u>	<u>\$ 5,364</u>	<u>\$ 5,624</u>