



***UNAUDITED FINANCIAL
INFORMATION***

September 30, 2025

I, Michell Bosch, 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.

Michell Bosch

Signature

December 29, 2025

Date

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

(Unaudited)

September 30, 2025

	Operating Group	Mortgage Finance Program	Housing Program Bonds	Residential Finance Program Bonds	Total	9/30/2025
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 114,778	\$ 24,281	\$ 2,995	\$ 591,969	\$ 734,023	
Investments	-	-	-	994	994	
Investment in Real Estate Owned (REO) properties	-	-	-	5,558	5,558	
Receivables:						
Accounts	8,139	68	25	-	8,232	
Interest	23	6	187	19,543	19,759	
Loans held for resale	4,311	-	-	-	4,311	
First and second mortgage loans	-	2,638	1,670	79,615	83,923	
Due from federal government	34,308	-	-	-	34,308	
Due from other state funds	5,252	-	-	-	5,252	
Due from other funds	-	-	-	30,387	30,387	
Total current assets	<u>166,811</u>	<u>26,993</u>	<u>4,877</u>	<u>728,066</u>	<u>926,747</u>	
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	36,991	-	5,010	15,526	57,527	
Investments	-	-	910	95,481	96,391	
Investment interest receivable	-	-	-	541	541	
Investments	-	-	-	416,328	416,328	
First mortgage loans receivable	8	49,085	35,130	3,008,958	3,093,181	
Allowance for non-performing first mortgage loans	-	-	(12)	(355)	(367)	
Second mortgage loans receivable	-	-	-	136,236	136,236	
Allowance for uncollectable second mortgages	-	-	-	(5,214)	(5,214)	
Unamortized service release premium of in-house mortgages	1,792	-	-	25,313	27,105	
Unearned service release premium	3,631	-	-	-	3,631	
Advance to local government	3,146	-	-	-	3,146	
Allowance for doubtful accounts	(3,146)	-	-	-	(3,146)	
Net OPEB asset	128	-	-	-	128	
Capital assets:						
Furniture and equipment	16,058	-	-	-	16,058	
Less accumulated depreciation	(12,864)	-	-	-	(12,864)	
Total noncurrent assets	<u>45,744</u>	<u>49,085</u>	<u>41,038</u>	<u>3,692,814</u>	<u>3,828,681</u>	
Total assets	<u>212,555</u>	<u>76,078</u>	<u>45,915</u>	<u>4,420,880</u>	<u>4,755,428</u>	
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on refundings	-	-	-	21	21	
Deferred outflows related to pensions	3,902	-	-	-	3,902	
Deferred outflows related to OPEB	228	-	-	-	228	
Deferred outflows related to defeased bonds	-	-	-	816	816	
Total deferred outflows of resources	<u>4,130</u>	<u>-</u>	<u>-</u>	<u>837</u>	<u>4,967</u>	
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 3,105	\$ 12	\$ -	\$ 2,759	\$ 5,876	
Accrued payroll and related liabilities	1,127	-	-	-	1,127	
Compensated absences	1,583	-	-	-	1,583	
Interest payable	14	-	247	38,886	39,147	
Escrow deposits	21,439	-	-	-	21,439	
Prepayments on mortgage loans	5	-	24	1,991	2,020	
Line of credit payable	4,061	-	-	-	4,061	
Due to other funds	30,387	-	-	-	30,387	
Bonds payable	-	-	2,430	142,080	144,510	
Total current liabilities	<u>61,721</u>	<u>12</u>	<u>2,701</u>	<u>185,716</u>	<u>250,150</u>	
Noncurrent liabilities:						
Bonds payable	-	-	26,289	3,644,172	3,670,461	
Compensated absences	4,016	-	-	-	4,016	
Net pension liability	2,107	-	-	-	2,107	
Escrow deposits	21,979	72	-	5	22,056	
Arbitrage rebate payable	-	-	-	1,944	1,944	
Unearned revenue	112,053	883	-	15,470	128,406	
Total noncurrent liabilities	<u>140,155</u>	<u>955</u>	<u>26,289</u>	<u>3,661,591</u>	<u>3,828,990</u>	
Total liabilities	<u>201,876</u>	<u>967</u>	<u>28,990</u>	<u>3,847,307</u>	<u>4,079,140</u>	
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	1,100	-	-	-	1,100	
Deferred inflows related to OPEB	1,461	-	-	-	1,461	
Total deferred inflows of resources	<u>2,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,561</u>	
NET POSITION						
Investment in capital assets	3,193	-	-	-	3,193	
Restricted for single family bond programs	-	12,464	16,925	574,410	603,799	
Restricted for grant programs	-	26,307	-	-	26,307	
Restricted for Homebuyers Revolving Loan Program	3,154	-	-	-	3,154	
Unrestricted	5,901	36,340	-	-	42,241	
Total net position	<u>\$ 12,248</u>	<u>\$ 75,111</u>	<u>\$ 16,925</u>	<u>\$ 574,410</u>	<u>\$ 678,694</u>	

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

(Unaudited)

For the Three Months Ended September 30, 2025

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 9/30/2025
OPERATING REVENUES					
Mortgage interest income	\$ 71	\$ 18	\$ 438	\$ 37,908	\$ 38,435
Investment income:					
Interest	33	77	55	9,964	10,129
Net increase in the fair value of investments	-	93	29	5,644	5,766
Federal grant administration fees	5,818	-	-	-	5,818
Fees and other income	7,376	83	-	-	7,459
Total operating revenues	13,298	271	522	53,516	67,607
OPERATING EXPENSES					
Salaries and benefits	9,256	-	-	-	9,256
Contractual services	4,537	-	-	-	4,537
Materials and supplies	1,092	-	-	-	1,092
Rentals and insurance	9	-	-	-	9
Other administrative expenses	109	-	-	-	109
Other program expenses	1,876	-	-	932	2,808
Interest expense	31	-	185	32,390	32,606
Issuance costs	-	-	-	1,218	1,218
Amortization: service release premium	23	-	-	-	23
Total operating expenses	16,933	-	185	34,540	51,658
Operating income (loss)	(3,635)	271	337	18,976	15,949
NONOPERATING REVENUES (EXPENSES)					
Federal grants revenue	117,650	-	-	-	117,650
Federal grants expenses	(117,861)	-	-	-	(117,861)
Local grants expenses	(2,004)	-	-	-	(2,004)
Total nonoperating revenues (expenses)	(2,215)	-	-	-	(2,215)
Income (loss) before transfers	(5,850)	271	337	18,976	13,734
Transfers to other funds	-	(4,214)	(138)	-	(4,352)
Transfers from other funds	2,172	-	-	2,180	4,352
Change in net position	(3,678)	(3,943)	199	21,156	13,734
Total net position, July 1	15,926	79,054	16,726	553,254	664,960
Total net position, End of Period	\$ 12,248	\$ 75,111	\$ 16,925	\$ 574,410	\$ 678,694

TENNESSEE HOUSING DEVELOPMENT AGENCY

SCHEDULES OF CASH FLOWS

(Expressed in Thousands)

(Unaudited)

For the Three Months Ended September 30, 2025

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 9/30/2025
Cash flows from operating activities:					
Receipts from customers	\$ 6,276	\$ 1,233	\$ 1,606	\$ 116,362	\$ 125,477
Receipts from federal government	4,870	-	-	-	4,870
Receipts from other funds	-	-	-	74	74
Other miscellaneous receipts	7,376	83	-	-	7,459
Acquisition of mortgage loans	-	-	-	(103,557)	(103,557)
Payments to suppliers	(35,455)	-	-	-	(35,455)
Payments to primary government	(100)	-	-	-	(100)
Payments to other funds	(74)	-	-	-	(74)
Payments to or for employees	(9,378)	-	-	-	(9,378)
Net cash provided (used) by operating activities	(26,485)	1,316	1,606	12,879	(10,684)
Cash flows from non-capital financing activities:					
Operating grants received	135,084	-	-	-	135,084
Transfers in (out)	2,172	(4,214)	(138)	2,180	-
Proceeds from sale of bonds	-	-	-	164,820	164,820
Operating grants paid	(135,380)	-	-	-	(135,380)
Cost of issuance paid	-	-	-	(1,218)	(1,218)
Principal payments	-	-	(2,505)	(260,285)	(262,790)
Interest paid	(36)	-	(536)	(73,892)	(74,464)
Net cash provided (used) by non-capital financing activities	1,840	(4,214)	(3,179)	(168,395)	(173,948)
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-	1,225	6,683	310,266	318,174
Purchases of investments	-	-	(910)	(39,708)	(40,618)
Investment interest received	33	77	79	10,847	11,036
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	90	7	2,629	2,726
Net cash provided by investing activities	33	1,392	5,859	284,034	291,318
Net increase (decrease) in cash and cash equivalents	(24,612)	(1,506)	4,286	128,518	106,686
Cash and cash equivalents, July 1	176,381	25,787	3,719	478,977	684,864
Cash and cash equivalents, June 30	\$ 151,769	\$ 24,281	\$ 8,005	\$ 607,495	\$ 791,550

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

For the Three Months Ended September 30, 2025

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 9/30/2025
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (3,635)	\$ 271	\$ 337	\$ 18,976	\$ 15,949
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	1,454	620	92	3,503	5,669
Mortgage interest receivable	3	22	14	(643)	(604)
Unamortized service release premium of in-house mortgages	241	-	-	(633)	(392)
Unearned service release premium	(212)	-	-	-	(212)
Loans held for resale	171	-	-	-	171
Mortgage loans receivable	-	688	1,059	(29,719)	(27,972)
Due from federal government	(948)	-	-	-	(948)
Interfund receivables	-	-	-	74	74
Interfund payables	(74)	-	-	-	(74)
Accounts payable	(22,367)	3	3	2,658	(19,703)
Accrued payroll / compensated absences	(36)	-	-	-	(36)
Due to primary government	(100)	-	-	-	(100)
Unearned revenue	(808)	(118)	-	662	(264)
Line of credit payable	(172)	-	-	-	(172)
Arbitrage rebate liability	-	-	-	1	1
Investment income included as operating revenue	(33)	(170)	(84)	(15,608)	(15,895)
Interest expense included as operating expense	31	-	185	32,390	32,606
Issuance cost included as operating expense	-	-	-	1,218	1,218
Total adjustments	<u>(22,850)</u>	<u>1,045</u>	<u>1,269</u>	<u>(6,097)</u>	<u>(26,633)</u>
Net cash provided (used) by operating activities	<u>\$ (26,485)</u>	<u>\$ 1,316</u>	<u>\$ 1,606</u>	<u>\$ 12,879</u>	<u>\$ (10,684)</u>
Noncash investing, capital, and financing activities:					
Increase in fair value of investments	\$ -	\$ -	\$ 7	\$ 3,688	\$ 3,695
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 3,688</u>	<u>\$ 3,695</u>