UNAUDITED FINANCIAL INFORMATION

September 30, 2013

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

	September 30, 2013 (with restated comparative totals as of September 30, 2012)						
	Operating Group	Mortgage Finance Program	Home-ownership Program Bonds	Housing Finance Program Bonds	General Residential Finance Program Bonds	Total 9/30/2013	Total 9/30/2012
ASSETS							
Current assets:							
Cash and cash equivalents	$ 13,692	$ 12,693	$ 72,923	$ 32,940	$ 25,126	$ 157,374	$ 158,695
Investments	-	157	15,050	-	-	15,207	12,500
Receivables:							
Accounts	1	740	18,182	4,608	883	24,414	14,159
Interest	19	675	8,888	3,701	792	14,075	13,227
First mortgage loans	155	1,892	32,585	10,900	5,921	51,453	51,904
Due from federal government	15,114	-	-	-	-	15,114	12,697
Due from other funds	7,342	2,023	-	-	-	9,365	6,575
Total current assets	36,323	18,180	147,628	52,149	32,722	287,002	269,757
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	5,535	32	3,460	68	120	9,215	4,299
Investments	-	-	158,187	20,250	6,861	185,298	208,534
Investment interest receivable	-	-	2,210	133	79	2,422	2,683
Investments	-	32,830	15,447	13,332	301	61,910	91,555
First mortgage loans receivable	1,191	65,546	1,126,511	530,737	208,597	1,932,582	2,033,763
Advance to local government	3,040	-	-	-	-	3,040	3,013
Capital assets:							
Furniture and equipment	697	-	-	-	-	697	556
Less accumulated depreciation	(503)	-	-	-	-	(503)	(443)
Total noncurrent assets	9,960	98,408	1,305,815	564,520	215,958	2,194,661	2,343,960
Total assets	46,283	116,588	1,453,443	616,669	248,680	2,481,663	2,613,717
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amount on refundings	-	-	412	-	1,005	1,417	2,455
Total deferred outflows of resources	-	-	412	-	1,005	1,417	2,455
LIABILITIES							
Current liabilities:							
Accounts payable	226	1	-	-	-	227	165
Compensated absences	523	-	-	-	-	523	560
Due to federal government	5,052	-	-	-		5,052	2,545
Interest payable	-	-	12,309	4,964	1,692	18,965	21,034
Escrow deposits	-	202	-	-	-	202	487
Prepayments on mortgage loans	-	17	747	299	147	1,210	1,115
Due to other funds	-	-	9,365	-	-	9,365	6,575
Bonds payable	-	-	99,035	27,540	7,780	134,355	116,300
Total current liabilities	5,801	220	121,456	32,803	9,619	169,899	148,781
Noncurrent liabilities:							
Bonds payable	-	-	1,040,657	537,451	206,337	1,784,445	1,920,772
Compensated absences	561	-	-	-	-	561	590
Net OPEB obligation	1,303	-	-	-	-	1,303	1,157
Escrow deposits	269	2,930	-	-	-	3,199	3,083
Total noncurrent liabilities	2,133	2,930	1,040,657	537,451	206,337	1,789,508	1,925,602
Total liabilities	7,934	3,150	1,162,113	570,254	215,956	1,959,407	2,074,383
NET POSITION							
Net investment in capital assets	195	-	-	-	-	195	114
Restricted for single family bond programs	-	101,630	291,742	46,415	33,729	473,516	484,148
Restricted for grant programs	-	11,808	-	-	-	11,808	15,765
Restricted for Homebuyers Revolving Loan Program	3,153	-	-	-	-	3,153	3,153
Unrestricted	35,001	-	-	-	-	35,001	38,609
Total net position	$ 38,349	$ 113,438	$ 291,742	$ 46,415	$ 33,729	$ 523,673	$ 541,789

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

	For the Three Months Ended September 30, 2013 (with restated comparative totals for the three months ended September 30, 2012)						
	Operating Group	Mortgage Finance Program	Home-ownership Program Bonds	Housing Finance Program Bonds	General Residential Finance Program Bonds	Total 9/30/2013	Total 9/30/2012
OPERATING REVENUES							
Mortgage interest income	$ 12	$ 189	$ 16,598	$ 6,938	$ 2,403	$ 26,140	$ 27,725
Investment income:							
Interest	-	311	2,120	207	77	2,715	2,754
Net increase (decrease) in the fair value of investments	-	(529)	(2,270)	(246)	55	(2,990)	(1,117)
Federal grant administration fees	3,878	-	-	-	-	3,878	3,570
Fees and other income	382	-	-	-	-	382	437
Total operating revenues	4,272	(29)	16,448	6,899	2,535	30,125	33,369
OPERATING EXPENSES							
Salaries and benefits	3,988	-	-	-	-	3,988	3,917
Contractual services	906	-	-	-	-	906	524
Materials and supplies	592	-	-	-	-	592	40
Rentals and insurance	31	-	-	-	-	31	31
Other administrative expenses	98	-	-	-	-	98	94
Other program expenses	849	166	457	100	98	1,670	2,766
Interest expense	-	814	11,009	4,783	1,698	18,304	20,783
Mortgage service fees	-	42	1,077	492	143	1,754	1,836
Issuance costs	-	-	-	-	-	-	1,127
Total operating expenses	6,464	1,022	12,543	5,375	1,939	27,343	31,118
Operating income (loss)	(2,192)	(1,051)	3,905	1,524	596	2,782	2,251
NONOPERATING REVENUES (EXPENSES)							
Federal grants revenue	60,572	-	-	-	-	60,572	57,974
Federal grants expenses	(60,245)	-	-	-	-	(60,245)	(57,662)
Local grants expenses	(2,850)	-	(3,053)	-	-	(5,903)	(4,275)
Total nonoperating revenues (expenses)	(2,523)	-	(3,053)	-	-	(5,576)	(3,963)
Income (loss) before transfers	(4,715)	(1,051)	852	1,524	596	(2,794)	(1,712)
Transfers (to) other funds	-	(71,307)	(31,810)	(844)	-	(103,961)	(9,862)
Transfers from other funds	2,549	-	-	-	101,412	103,961	9,862
Change in net position	(2,166)	(72,358)	(30,958)	680	102,008	(2,794)	(1,712)
Total net position, July 1	40,515	185,796	322,700	45,735	(68,279)	526,467	543,501
Total net position, End of period	$ 38,349	$ 113,438	$ 291,742	$ 46,415	$ 33,729	$ 523,673	$ 541,789

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

	For the Three Months Ended September 30, 2013 (with restated comparative totals for the three months ended September 30, 2012)						
	Operating Group	Mortgage Finance Program	Home-ownership Program Bonds	Housing Finance Program Bonds	General Residential Finance Program Bonds	Total 9/30/2013	Total 9/30/2012
Cash flows from operating activities:							
Receipts from customers	$ 16	$ 65,105	$ 97,719	$ 20,172	$ -	$ 183,012	$ 104,408
Receipts from federal government	3,820	-	-	-	-	3,820	4,310
Receipts from other funds	1,993	-	-	-	-	1,993	11
Other miscellaneous receipts	382	-	-	-	-	382	437
Acquisition of mortgage loans	-	(433)	(1,165)	-	(73,551)	(75,149)	(61,468)
Payments to service mortgages	-	(42)	(1,077)	(492)	(143)	(1,754)	(1,836)
Payments to suppliers	(3,031)	(169)	(514)	(127)	(84,266)	(88,107)	(4,454)
Payments to other funds	-	(1,993)	-	-	-	(1,993)	(11)
Payments to employees	(4,740)	-	-	-	-	(4,740)	(3,988)
Net cash provided (used) by operating activities	(1,560)	62,468	94,963	19,553	(157,960)	17,464	37,409
Cash flows from non-capital financing activities:							
Operating grants received	47,798	-	-	-	-	47,798	47,594
Transfers in (out)	2,549	(70,270)	(31,810)	(845)	100,376	-	-
Proceeds from sale of bonds	-	-	-	-	-	-	136,672
Operating grants paid	(63,794)	-	(3,053)	-	-	(66,847)	(62,708)
Cost of issuance paid	-	-	-	-	-	-	(1,127)
Principal payments	-	(48,965)	(131,920)	(29,855)	(5,620)	(216,360)	(119,315)
Interest paid	-	(1,249)	(28,121)	(10,446)	(577)	(40,393)	(43,971)
Net cash provided (used) by non-capital financing activities	(13,447)	(120,484)	(194,904)	(41,146)	94,179	(275,802)	(42,855)
Cash flows from investing activities:							
Proceeds from sales and maturities of investments	-	2,548	17,037	2,700	19,600	41,885	44,164
Purchases of investments	-	(3,025)	(15,000)	(1,016)	(4,061)	(23,102)	(130,604)
Investment interest received	-	77	1,550	184	1	1,812	1,261
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	-	-	-	1	1	4
Net cash provided (used) by investing activities	-	(400)	3,587	1,868	15,541	20,596	(85,175)
Net decrease in cash and cash equivalents	(15,007)	(58,416)	(96,354)	(19,725)	(48,240)	(237,742)	(90,621)
Cash and cash equivalents, July 1	34,234	71,141	172,737	52,733	73,486	404,331	253,615
Cash and cash equivalents, End of period	$ 19,227	$ 12,725	$ 76,383	$ 33,008	$ 25,246	$ 166,589	$ 162,994

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

	For the Three Months Ended September 30, 2013 (with restated comparative totals for the three months ended September 30, 2012)						
	Operating Group	Mortgage Finance Program	Home-ownership Program Bonds	Housing Finance Program Bonds	General Residential Finance Program Bonds	Total 9/30/2013	Total 9/30/2012
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss)	$ (2,192)	$ (1,051)	$ 3,905	$ 1,524	$ 596	$ 2,782	$ 2,251
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	-	149	(4,229)	(1,311)	(868)	(6,259)	4,830
(Increase) decrease in mortgage interest receivable	(5)	379	163	(233)	(710)	(406)	(123)
(Increase) decrease in first mortgage loans receivable	22	63,210	83,936	14,724	(158,658)	3,234	10,933
(Increase) decrease in due from federal government	(58)	-	-	-	-	(58)	740
Decrease in interfund receivables	1,993	-	-	-	-	1,993	11
(Decrease) in interfund payables	-	(1,993)	-	-	-	(1,993)	(11)
Increase (decrease) in accounts payable	(640)	742	29	27	114	272	(974)
(Decrease) in accrued payroll / compensated absences	(680)	-	-	-	-	(680)	(521)
Investment income included as operating revenue	-	218	150	39	(132)	275	(1,637)
Interest expense included as operating expense	-	814	11,009	4,783	1,698	18,304	20,783
Issuance cost included as operating expense	-	-	-	-	-	-	1,127
Total adjustments	632	63,519	91,058	18,029	(158,556)	14,682	35,158
Net cash provided (used) by operating activities	$ (1,560)	$ 62,468	$ 94,963	$ 19,553	$ (157,960)	$ 17,464	$ 37,409
Noncash investing, capital, and financing activities:							
Increase (decrease) in fair value of investments	-	1,837	(2,273)	(238)	72	(602)	(1,061)
Total noncash investing, capital, and financing activities	$ -	$ 1,837	$ (2,273)	$ (238)	$ 72	$ (602)	$ (1,061)