



VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Basic Financial Statements and
Supplementary Information

September 30, 2024 and 2023

(Unaudited)

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

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VIRGINIA HOUSING AND DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Summary of the Quarterly Report

September 30, 2024 and 2023

(Unaudited)

This condensed report provides highlights of the financial performance of the Virginia Housing Development Authority (the Authority) for the first quarter of fiscal year 2025. The information provided is an abbreviated version of the full financial report published annually. Sections and notes included are based on an analysis of significant interim information necessary to provide an accurate representation of the Authority's year-to-date activity.

The basic financial statements consist of the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows, the Statements of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position and the accompanying abbreviated notes to the basic financial statements constitute the condensed financial statements.

The *Statement of Net Position* reports all of the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, presented in order of liquidity and using the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is presented as net position and is displayed in three components: net investment in capital assets; restricted portion of net position; and unrestricted portion of net position. Net position is restricted when external constraints are placed upon their use, such as bond indentures, legal agreements, or statutes. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* identifies all the Authority's revenues and expenses for the reporting period, distinguishing between operating and nonoperating activities. This statement measures the success of the Authority's operations for the first quarter and can be used to determine whether the Authority has successfully recovered all of its costs through mortgage loan income, investment income, externally funded programs and other revenue sources.

The *Statement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. This statement reports cash transactions, including receipts, payments, and net changes resulting from operations, noncapital financing, capital financing, and investing activities. This statement provides information regarding the sources and use of cash and the change in cash during the reporting period.

The *Statement of Fiduciary Net Position* reports the assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position of pension (and other employee benefit) trust funds and custodial funds. The purpose of this statement is to report the financial position of activities the Authority has stewardship of that are not assets or liabilities of the Authority.

The *Statement of Changes in Fiduciary Net Position* reports the additions and deductions from pension (and other employee benefit) trust funds and custodial funds. The purpose of this statement is to report the financial activities which includes the receipts and disbursements of funds the Authority has stewardship of but are not included in the Authority's financial activities.

The *Notes to Basic Financial Statements* provide additional information that is essential for understanding financial data that may not be displayed on the face of the basic financial statements and as such, are an integral part of the Authority's financial statements. The report includes abbreviated notes which are necessary to provide context to the interim financial activity.

The most recent audited financial report as of June 30, 2024 is available on the Authority's website at www.virginiahousing.com/partners/investors/financial-statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Net Position
September 30, 2024 and 2023
(Unaudited)

	<u>2024</u>	<u>2023</u>
Assets		
Current assets:		
Cash and cash equivalents (note 3)	\$ 1,536,726,064	1,207,610,114
Investments (note 3)	370,096,249	294,978,749
Interest receivable – investments	21,688,267	7,404,810
Derivative instruments (note 1)	10,945	1,142,500
Mortgage loans held for sale (note 1)	67,492,155	57,829,536
Mortgage and other loans receivable, net	185,245,801	184,877,803
Interest receivable – mortgage and other loans	30,291,687	25,625,894
Other real estate owned	4,212,626	4,462,505
Other assets	15,189,436	34,173,114
Total current assets	<u>2,230,953,230</u>	<u>1,818,105,025</u>
Noncurrent assets:		
Investments (note 3)	719,361,614	745,723,125
Mortgage and other loans receivable	8,281,324,011	6,903,474,801
Less allowance for loan loss (note 1)	<u>138,626,529</u>	<u>114,923,208</u>
Mortgage and other loans receivable, net	<u>8,142,697,482</u>	<u>6,788,551,593</u>
Capital Assets, net of accumulated depreciation and amortization of \$68,694,031 and \$71,600,352 respectively	30,747,537	33,006,700
Mortgage servicing rights, net (note 1)	23,631,137	36,377,866
Other assets	<u>29,952,482</u>	<u>12,252,538</u>
Total noncurrent assets	<u>8,946,390,252</u>	<u>7,615,911,822</u>
Total assets	<u>11,177,343,482</u>	<u>9,434,016,847</u>
Deferred outflows of resources		
Other postemployment benefits - change in assumptions (note 1)	1,627,852	1,914,127
Other postemployment benefits - difference between expected and actual experience (note 1)	5,393,161	6,130,868
Other postemployment benefits - difference between projected and actual earning (note 1)	<u>585,200</u>	<u>3,213,143</u>
Total deferred outflows of resources	<u>7,606,213</u>	<u>11,258,138</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Net Position
September 30, 2024 and 2023
(Unaudited)

	<u>2024</u>	<u>2023</u>
Liabilities		
Current liabilities:		
Notes and bonds payable (note 4)	\$ 667,122,426	550,759,363
Accrued interest payable on notes and bonds	71,836,499	46,329,106
Escrows	59,050,451	47,717,475
Federal grant awards held	2,784,358	46,712,629
Accounts payable and other liabilities	40,258,266	37,018,436
Total current liabilities	<u>841,052,000</u>	<u>728,537,009</u>
Noncurrent liabilities:		
Bonds payable, net (note 4)	6,172,861,668	4,700,205,275
Project reserves	124,584,862	115,026,964
Loan participation payable to Federal Financing Bank (note 5)	32,972,489	33,816,365
Other liabilities	20,857,876	18,419,464
Total noncurrent liabilities	<u>6,351,276,895</u>	<u>4,867,468,068</u>
Total liabilities	<u>7,192,328,895</u>	<u>5,596,005,077</u>
Deferred inflows of resources		
Deferred fees and points on multifamily loans	65,376,974	65,061,753
Other postemployment benefits - change in assumptions (note 1)	508,695	586,871
Other postemployment benefits - difference between expected and actual experience (note 1)	7,961,316	941,509
Total deferred inflows of resources	<u>73,846,985</u>	<u>66,590,133</u>
Net position (note 1):		
Net investment in capital assets	7,435,014	8,307,556
Restricted OPEB asset	12,601,297	503,303
Restricted by bond indentures	3,365,420,753	3,327,856,942
Unrestricted	533,316,751	446,011,974
Total net position	<u>\$ 3,918,773,815</u>	<u>3,782,679,775</u>

See accompanying notes to basic financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Revenues, Expenses, and Changes in Net Position
Three months ended September 30, 2024 and 2023
(Unaudited)

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Interest on mortgage and other loans receivable	\$ 101,129,446	83,176,787
Investment earnings:		
Investment income	30,215,857	24,029,097
Realized loss on investments	(849)	(1,029)
Unrealized gain (loss) on investments	33,404,767	(34,326,720)
Housing Choice Voucher program administrative income	2,717,442	2,894,911
Gains and recoveries on sale of other real estate owned	141,189	158,639
Gains on sale of single family mortgage loans	2,995,510	4,862,790
Mortgage servicing fees net of guaranty fees	10,524,600	10,487,126
Other	6,909,816	8,116,993
Total operating revenues	<u>188,037,778</u>	<u>99,398,594</u>
Operating expenses:		
Interest on notes and bonds payable	63,233,445	44,284,383
Salaries and related employee benefits	20,914,027	19,189,314
General operating expenses	9,541,042	12,137,990
Note and bond expenses	227,732	302,877
Bond issuance expenses	1,902,464	692,291
Grant expenses	25,369,573	14,810,387
Housing Choice Voucher program expenses	1,912,509	3,140,038
Mortgage servicing rights amortization and other servicing costs	9,627,901	5,571,295
Losses on other real estate owned	369,722	269,246
Provision for loan losses (note 1)	(4,362,734)	1,468,294
Total operating expenses	<u>128,735,681</u>	<u>101,866,115</u>
Operating income/(loss)	<u>59,302,097</u>	<u>(2,467,521)</u>
Nonoperating revenues (expenses):		
Pass-through grant awards	27,921,780	62,306,308
Pass-through grants expenses	(27,921,780)	(62,306,308)
Total nonoperating revenues, net	<u>-</u>	<u>-</u>
Change in net position	<u>59,302,097</u>	<u>(2,467,521)</u>
Total net position, beginning of year	3,859,471,718	3,785,147,296
Total net position, end of three months	<u>\$ 3,918,773,815</u>	<u>3,782,679,775</u>

See accompanying notes to basic financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Statements of Cash Flows

Three months ended September 30, 2024 and 2023

(Unaudited)

	2024	2023
Cash flows from operating activities:		
Cash payments for mortgage and other loans	\$ (600,668,955)	(418,857,850)
Principal repayments on mortgage and other loans	118,023,480	81,987,213
Sale of mortgage loans	78,675,825	269,278,612
Interest received on mortgage and other loans	95,574,311	82,263,700
Pass-through grant awards received	26,035,192	24,312,422
Pass-through grant awards disbursed	(26,786,399)	(74,119,110)
Grant administrative fees received	136,800	4,551,188
Housing Choice Voucher payments received	1,614,376	2,613,492
Housing Choice Voucher payments disbursed	(2,844,893)	(1,916,686)
Escrow and project reserve payments received	73,789,641	68,569,559
Escrow and project reserve payments disbursed	(59,021,482)	(50,241,932)
Other operating revenues	25,003,223	19,718,345
Cash received for loan origination fees and loan discounts	2,999,185	1,257,130
Cash paid for loan origination fees and loan premiums	(1,757,166)	(1,219,745)
Cash payments for salaries and related benefits	(22,027,527)	(21,377,395)
Cash payments on grants	(21,788,278)	(14,810,386)
Cash payments for general operating expenses	(5,100,406)	(5,070,714)
Cash payments for servicing release premiums and guaranty fees	(9,194,126)	(7,353,871)
Proceeds from sale of other real estate owned	2,830,852	3,111,455
Net cash used in operating activities	<u>(324,506,347)</u>	<u>(37,304,573)</u>
Cash flows from noncapital financing activities:		
Proceeds from issuance of notes and bonds	291,900,000	143,895,000
Principal payments on notes and bonds	(118,091,472)	(56,662,727)
Principal payments on loan participation - FFB	(214,166)	(205,713)
Interest payments on notes and bonds	(47,051,361)	(33,329,351)
Cash payments for bond issuance expenses	(1,902,465)	(692,291)
Net cash provided by noncapital financing activities	<u>124,640,536</u>	<u>53,004,918</u>
Cash flows from capital and related financing activities:		
Purchases of property, furniture, and equipment	(401,672)	(211,470)
Lease payments	(199,548)	(187,667)
Subscription-based information technology payments	(1,549,895)	(1,914,486)
Net cash used in capital and related financing activities	<u>(2,151,115)</u>	<u>(2,313,623)</u>
Cash flows from investing activities:		
Purchases of investments	(364,609,688)	(304,966,680)
Proceeds from sales or maturities of investments	502,585,679	48,420,903
Interest received on investments	36,654,926	27,775,292
Net cash provided by/(used in) investing activities	<u>174,630,917</u>	<u>(228,770,485)</u>
Net decrease in cash and cash equivalents	<u>(27,386,009)</u>	<u>(215,383,763)</u>
Cash and cash equivalents, at beginning of year	1,564,112,073	1,422,993,877
Cash and cash equivalents, at end of three months	\$ <u>1,536,726,064</u>	<u>1,207,610,114</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Cash Flows
Three months ended September 30, 2024 and 2023
(Unaudited)

	<u>2024</u>	<u>2023</u>
Reconciliation of operating income to net cash used in operating activities:		
Operating income/(loss)	\$ 59,302,097	(2,467,521)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation of property, furniture, and equipment	543,107	834,063
Amortization of right to use asset	1,226,551	1,837,874
Bond issuance costs	1,902,464	692,261
Interest on investments	(63,619,775)	10,298,652
Interest on notes and bonds payable	63,233,445	44,284,383
(Increase)/decrease in mortgage loans held for sale	(15,144,907)	120,531,575
Increase in mortgage and other loans receivable	(386,103,780)	(185,074,758)
(Decrease)/increase in allowance for loan loss	(4,496,849)	1,365,640
Increase in interest receivable – mortgage and other loans	(1,475,386)	(1,081,631)
(Increase)/decrease in other real estate owned	(190,602)	596,603
Decrease in mortgage servicing rights	2,970,063	457,130
Decrease/(increase) in other assets	1,150,117	(15,777,952)
Decrease in deferred inflows of resources	1,035,296	162,208
Decrease in Federal funds held	(1,886,588)	(37,993,888)
Increase in accounts payable and other liabilities	2,528,360	5,374,721
Increase in escrows and project reserves	14,520,040	18,656,067
Net cash used in operating activities	\$ <u>(324,506,347)</u>	<u>(37,304,573)</u>
Supplemental disclosure of noncash activity:		
Increase in other real estate owned as a result of loan foreclosures	\$ 2,890,568	2,370,146

See accompanying notes to basic financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2024 and 2023
(Unaudited)

	2024		2023	
	Retiree Health Care Plan*	Custodial Funds	Retiree Health Care Plan*	Custodial Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,635	112,008,686	1,922	87,386,342
Interest receivable - investments	-	197,936	-	25,837
Interest receivable - mortgage and other loans	-	171,515	-	141,552
Other assets	-	212	-	1,046
Total current assets	<u>3,635</u>	<u>112,378,349</u>	<u>1,922</u>	<u>87,554,777</u>
Noncurrent assets:				
Mortgage and other loans receivable	-	2,177,870	-	2,202,870
Investments	<u>60,207,090</u>	<u>-</u>	<u>50,592,019</u>	<u>-</u>
Total noncurrent assets	<u>60,207,090</u>	<u>2,177,870</u>	<u>50,592,019</u>	<u>2,202,870</u>
Total assets	<u>60,210,725</u>	<u>114,556,219</u>	<u>50,593,941</u>	<u>89,757,647</u>
LIABILITIES				
Other liabilities	-	22,864,728	-	5,279,914
Total liabilities	<u>-</u>	<u>22,864,728</u>	<u>-</u>	<u>5,279,914</u>
NET POSITION				
Restricted for:				
Other postemployment benefit plan other than pension	60,210,725	-	50,593,941	-
Funds held in escrow	-	85,654,301	-	79,145,387
Other governmental agency	-	6,037,190	-	5,832,346
Total Net Position	<u>\$ 60,210,725</u>	<u>91,691,491</u>	<u>50,593,941</u>	<u>84,977,733</u>

*March 31, 2024 and 2023 year-end.
See accompanying notes to the basic financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Three months ended September 30, 2024 and 2023
(Unaudited)

	2024		2023	
	Retiree Health Care Plan*	Custodial Funds	Retiree Health Care Plan*	Custodial Funds
ADDITIONS				
Contribution:				
Borrower payments	\$ -	427,736,338	-	389,210,511
Employers	24,084	-	20,029	142,135
Total Contributions	<u>24,084</u>	<u>427,736,338</u>	<u>20,029</u>	<u>389,352,646</u>
Investment earnings:				
Net increase/(decrease) in fair value of investments	2,176,990	-	999,337	-
Interest, dividends, and other	396,376	664,632	322,258	410,585
Securities lending income gain on sales	183,482	-	100,453	-
Total investment earnings (losses)	<u>2,756,848</u>	<u>664,632</u>	<u>1,422,048</u>	<u>410,585</u>
Total additions	<u>2,780,932</u>	<u>428,400,970</u>	<u>1,442,077</u>	<u>389,763,231</u>
DEDUCTIONS				
Other governmental agency	-	378,164	-	312,806
Disbursement of escrow funds	-	400,273,724	-	385,400,605
Administrative expense	24,084	-	20,029	-
Total deductions	<u>24,084</u>	<u>400,651,888</u>	<u>20,029</u>	<u>385,713,411</u>
Net increase/(decrease) in fiduciary net position	2,756,848	27,749,082	1,422,048	4,049,820
Net position - beginning of year	57,453,877	63,942,409	49,171,893	80,927,913
Net position - end of three months	<u>\$ 60,210,725</u>	<u>91,691,491</u>	<u>50,593,941</u>	<u>84,977,733</u>

*March 31, 2024 and 2023 year-end.
See accompanying notes to the basic financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Notes to Basic Financial Statements

September 30, 2024 and 2023

(Unaudited)

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

The Virginia Housing Development Authority (Authority) was created under the Virginia Housing Development Authority Act, as amended (Act) enacted by the 1972 Session of the Virginia General Assembly. The Act empowers the Authority, among other authorized activities, to finance the acquisition, construction, rehabilitation and ownership of housing intended for occupancy or ownership, or both, by families of low or moderate income. Mortgage loans are generally financed by the proceeds of notes, bonds, or other debt obligations of the Authority or by Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) guaranteed mortgage-backed securities (see note 1 (f)). The notes, bonds and other debt obligations do not constitute a debt or grant or loan of credit of the Commonwealth of Virginia (Commonwealth), and the Commonwealth is not liable for the repayment of such obligations.

For financial reporting purposes, the Authority is a component unit of the Commonwealth. The accounts of the Authority, along with other component units, are combined to form the component units of the Commonwealth. The Authority reports all of its activities as one proprietary fund, in accordance with U.S. generally accepted accounting principles (GAAP). See note 2 for further discussion.

(b) Measurement Focus and Basis of Accounting

The Authority utilizes the economic resources measurement focus and accrual basis of accounting in preparing its basic financial statements where revenues are recognized when earned and expenses when incurred. The accounts are organized on the basis of funds and groups of funds, which are set up in accordance with the Act and the various note and bond resolutions.

(c) Use of Estimates

The preparation of basic financial statements, in conformity with GAAP, requires management to make estimates and judgments that affect reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosures of contingencies at the date of the basic financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

(d) Investments

Investments include various debt and asset backed securities which are reported at fair value in the Statements of Net Position, with changes in fair value recognized in investment income in the Statements of Revenues, Expenses, and Changes in Net Position. The fair value of the debt securities and asset backed securities is derived from management's review of third-party pricing services that use various models that are based on quoted market prices when available or on adjusted values in relation to observable prices on similar investments.

(e) Derivative Instruments

Forward sales securities commitments are utilized to hedge changes in fair value of mortgage loan inventory and commitments to originate mortgage loans. At September 30, 2024, the Authority had outstanding 23 forward sales transactions with a \$90.5 million notional amount with five counterparties. At September 30, 2023, the Authority had outstanding 12 forward sales transactions with a \$77.2 million notional amount with five counterparties.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
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Notes to Basic Financial Statements

September 30, 2024 and 2023

(Unaudited)

(f) Mortgage Loans Held for Sale

The Authority is an authorized issuer of GNMA, FNMA and FHLMC Mortgage-Backed Securities (MBS). Through the MBS programs, GNMA, FNMA and FHLMC guarantee securities that are backed by pools of mortgage loans originated or purchased by the Authority. These mortgage loan securitizations are treated as sales for accounting and reporting purposes. Upon the sale, the Authority no longer recognizes the mortgage loans receivable in the Statements of Net Position.

Mortgage loans originated or acquired with the intent to sell through the MBS programs are carried at the lower of cost or fair value. The fair values of the loans are based on observable market prices for similar instruments traded on the secondary mortgage loan markets. Any gains or losses on loan sales are reported in the Statements of Revenues, Expenses, and Changes in Net Position.

(g) Mortgage and Other Loans Receivable

Mortgage and other loans receivable are stated at their unpaid principal balance, net of premiums and discounts and an allowance for loan losses. Pricing premiums and discounts are deferred and amortized, using the interest method, over the contractual life of the loans as an adjustment to yield. The interest method is computed on a loan-by-loan basis and any unamortized premiums and discounts on loans fully repaid are recognized as income in the year in which such loans are repaid.

(h) Allowance for Loan Losses

The Authority provides for expected losses when a specific need for an allowance is identified. The provision for loan losses charged or credited to operating expense is the amount necessary, in management's judgment, to maintain the allowance at a level it believes sufficient to cover losses in collection of its mortgage loans. Estimates of future losses involve the exercise of management's judgment and assumptions with respect to future conditions. The principal factors considered by management in determining the adequacy of the allowance are the composition of the loan portfolio, historical loss experience and delinquency statistics, the value and adequacy of collateral, and economic conditions.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Notes to Basic Financial Statements

September 30, 2024 and 2023

(Unaudited)

The allowance for loan losses decreased by \$4,496,849 for the three months ended September 30, 2024, and increased by \$1,365,640 for the three months ended September 30, 2023.

	Three months ended September 30	
	2024	2023
Beginning Balance, July 1	\$ 143,123,378	113,557,568
Provision:		
Homeownership	780,079	227,367
Rental Housing	(5,142,813)	1,240,927
Provision	(4,362,734)	1,468,294
Net (charge-offs)/recoveries:		
Homeownership	(134,115)	(102,654)
Rental Housing	-	-
Net charge-offs	(134,115)	(102,654)
Net change	(4,496,849)	1,365,640
Ending Balance, September 30	\$ 138,626,529	114,923,208

(i) Mortgage Servicing Rights

The Authority pays mortgage servicing release premiums when purchasing homeownership mortgage loans from participating lenders. These premiums are capitalized at cost and amortized on a loan-by-loan basis over the estimated life of the related mortgage loans using the sum-of-years-digits method. Mortgage servicing rights are recorded when those mortgage loans are securitized through either GNMA, FNMA, or FHLMC and the Authority remains the servicer of the loans. The estimated life is determined to be 7 years.

(j) Notes and Bonds Payable

Notes and bonds payable are stated at their unpaid balance less any unamortized premiums or discounts. Bond premiums and discounts are amortized over the lives of the issues using the interest method. The Authority generally has the right to specially redeem bonds, without premium, upon the occurrence of certain specified events, such as the prepayment of a mortgage loan. The Authority also has the right to optionally redeem the various bonds. The optional redemptions generally cannot be exercised until the bonds have been outstanding for approximately ten years. All issues generally have term bonds, which are subject to partial redemption, without premium, from mandatory sinking fund installments.

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(k) Retirement Plans and Other Postemployment Benefit Plans

The Authority has three defined contribution retirement savings plans covering substantially all employees. Retirement expense is fully funded as incurred. To the extent terminating employees are less than 100% vested in the Authority's contributions, the unvested portion is forfeited and redistributed to the remaining participating employees.

The Authority also provides postretirement healthcare benefits administered through a trust under a defined benefit plan to all employees who have met the years of service requirement and who retire from the Authority on or after attaining age 55 or become permanently disabled. Effective for the plan year ended December 31, 2017, the Authority adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and the Authority adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended June 30, 2018.

For purposes of measuring the net OPEB liability, deferred outflows or inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Virginia Housing Development Authority Retiree Health Care Plan (the Plan) and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit terms of the Plan. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost, which approximates fair value.

(l) Cash Equivalents

Cash equivalents consist of highly liquid short-term instruments with original maturities of three months or less from the date of purchase and are recorded at amortized cost. Cash equivalents include commercial paper, repurchase agreements, money-market securities, and other short-term instruments.

(m) Statements of Net Position

The assets presented in the Statements of Net Position represent the total of similar accounts of the Authority's various groups (see note 2). Since the assets of certain of the groups are restricted by the related debt resolutions, the total does not indicate that the combined assets are available in any manner other than that provided for in the resolutions for the separate groups. When both restricted and unrestricted resources are available for use, the Authority's policy is to use restricted resources first and thereafter, unrestricted resources as needed.

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(n) Operating and Nonoperating Revenues and Expenses

The Authority's Statements of Revenues, Expenses, and Changes in Net Position distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally arise from financing the acquisition, construction, rehabilitation, and ownership of housing intended for occupancy and ownership, by families of low or moderate income. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(o) Deferred Outflows of Resources and Deferred Inflows of Resources.

The Authority reports deferred outflows of resources and deferred inflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until a future period.

(p) Reclassifications

Certain reclassifications have been made to the investments portion of the nonoperating revenues (losses) section of the Statements of Revenues, Expenses, and Changes in Net Position September 30, 2023, financial statements to conform to the September 30, 2024, presentation. Investment income realized loss on investments and unrealized loss on investments have been moved to the investment's earnings section under the operating revenues on the Statements of Revenues, Expenses, and Changes in Net Position.

Other reclassifications have been made to the net position section of the Statements of Net Position for September 30, 2023, financial statements to conform to the September 30, 2024, presentation. Restricted OPEB assets have been moved to an individual line item under the net position section of the Statements of Net Position.

Additionally, reclassifications have been made to the Statements of Cash Flows for September 30, 2023, financial statements to conform to the September 30, 2024, presentation. The Lease payments and Subscription-based information technology lines have been added under the cash flows from capital and related financing activities section for September 30, 2023.

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(2) Basis of Presentation

The accounts of the Authority are presented in a single proprietary fund set of basic financial statements consisting of various programs. The Authority's activities include the following programs:

(a) General Operating Accounts

The General Operating Accounts consist of a group of accounts used to record the receipt of income not directly pledged to the repayment of specific notes and bonds and the payment of expenses related to the Authority's administrative functions.

(b) Rental Housing Bond Group

The proceeds of the Rental Housing Bonds are used to finance construction and permanent mortgage loans on rental housing developments, as well as temporary financing for other rental housing real estate owned and the financing of the Authority's office facilities.

(c) Commonwealth Mortgage Bond Group

The proceeds of Commonwealth Mortgage Bonds are used to purchase or make long-term mortgage loans to owner occupants of homeownership dwellings, as well as temporary financing for other homeownership real estate owned.

(d) Homeownership Mortgage Bond Group

The Homeownership Mortgage Bond group was established to encompass the Authority's participation in the U.S. Department of the Treasury's New Issue Bond Program, which was created to assist state and local housing finance agencies in acquiring cost-effective mortgage loan capital. The proceeds of Homeownership Mortgage Bonds are used to purchase or make long-term mortgage loans to owner occupants of homeownership dwellings.

(3) Cash, Cash Equivalents, and Investments

Cash includes cash on hand and amounts in checking accounts, which are insured by the Federal Depository Insurance Corporation or are collateralized under provisions of the Virginia Security for Public Deposits Act. At September 30, 2024 and 2023, the carrying amount of the Authority's deposits was \$86,713,264 and \$78,974,944, respectively. The associated bank balance of the Authority's deposits was \$81,511,775 and \$73,231,898 at September 30, 2024 and 2023, respectively. The difference between the carrying amount and the bank balance is due to outstanding checks, deposits in transit, and other reconciling items.

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Cash equivalents include investments with original maturities of three months or less from date of purchase. Investments consist of U.S. government and agency securities, repurchase agreements, asset-backed securities, agency mortgage-backed securities, money market securities and other interest-bearing securities held at the FHLB Atlanta. Investments in the bond funds consist of those permitted by the various resolutions adopted by the Authority. At September 30, 2024 and 2023, total cash equivalents were \$1,450,012,800 and \$1,128,635,170, respectively.

Investments made by the Authority are governed by the Virginia Housing Development Authority Act and the Investment of Public Funds Act of the Code of Virginia. Additionally, for assets or monies pledged to the bond resolutions, there are various investment provisions contained in the bond resolutions that affect invested bond proceeds. Within this permitted statutory and bond resolution framework, the Authority's investment policy is to fully invest all monies in a prudent manner that will maintain the Authority's liquidity and maximize return while preserving the capital to enable the Authority to fulfill its financial commitments. The types of investments approved within the statutes and resolutions include but are not limited to direct obligations of the U.S. government, direct obligations of any state or political subdivision of the U.S. government, obligations unconditionally guaranteed by the U.S. government or other political subdivisions, bonds, debentures, certificates of deposit, repurchase agreements, swap contracts, futures contracts, and forward contracts. No more than 3.0% of the Authority's total assets may be invested in any one entity, excluding obligations issued or guaranteed by the U.S. government and repurchase agreement transactions. However, repurchase agreements cannot be more than 10% of the Authority's total assets and must mature in less than one month. Such agreements must be collateralized with U.S. Treasury or Agency securities with a fair value at least equal to 102% of the principal amount of the agreement.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy is to generally hold all investments to maturity and to limit the length of an investment at purchase, to coincide with the expected timing of its use.

(a) Interest Rate Risk

Interest rate risk is the risk that changes in market rates of interest will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates. As a means of communicating interest rate risk, the Authority has elected the segmented time distribution method of disclosure, which requires the grouping of investment cash flows into sequential time periods in tabular form.

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As of September 30, 2024, the Authority had the following investments (including cash equivalents) and maturities:

<u>Investment type</u>		<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>Over 10 years</u>	<u>Total</u>
U.S. government and agency	\$	1,356,146,280	-	-	-	1,356,146,280
Repurchase agreements		300,000,000	-	-	-	300,000,000
Asset-backed securities		-	-	97,094	1,069,232	1,166,326
Collateralized mortgage obligations		-	-	-	23,527,026	23,527,026
Agency-mortgage backed securities		-	-	1,658,925	693,009,337	694,668,262
Money market securities		163,962,769	-	-	-	163,962,769
Total investments	\$	<u>1,820,109,049</u>	<u>-</u>	<u>1,756,019</u>	<u>717,605,595</u>	<u>2,539,470,663</u>

As of September 30, 2023, the Authority had the following investments (including cash equivalents) and maturities:

<u>Investment type</u>		<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>Over 10 years</u>	<u>Total</u>
U.S. government and agency	\$	618,269,194	-	-	-	618,269,194
Repurchase agreements		525,000,000	-	-	-	525,000,000
Asset-backed securities		-	-	208,888	1,090,307	1,299,195
Collateralized mortgage obligations		-	-	-	20,462,925	20,462,925
Agency-mortgage backed securities		-	12,989	282,545	723,665,471	723,961,005
Money market securities		280,344,725	-	-	-	280,344,725
Total investments	\$	<u>1,423,613,919</u>	<u>12,989</u>	<u>491,433</u>	<u>745,218,703</u>	<u>2,169,337,044</u>

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(4) Notes and Bonds Payable

Notes and bonds payable at June 30, 2024 and September 30, 2024 and changes for the three months ended September 30, 2024 were as follows:

Description	Balance at June 30, 2024	Issued	Retired	Balance at September 30, 2024
		(Amounts shown in thousands)		
General operating accounts:				
Revolving line of credit:				
Bank of America				
floating daily rate (rate of				
4.87% at September 30, 2024)				
termination date of December 1, 2026	\$ —	1,000	1,000	—
Federal Home Loan Bank				
varying fixed rate notes with 90 to 180-day maturities				
(average of 5.33% as of September 30, 2024 and				
5.47% at September 30, 2023), maturities range				
from October 29, 2024 to January 24, 2025	400,000	—	—	400,000
Total general operating				
accounts	\$ 400,000	1,000	1,000	400,000

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Description	Balance at June 30, 2024	Issued	Retired	Balance at September 30, 2024
		(Amounts shown in thousands)		
Rental housing bond group:				
2012 Series D dated October 30, 2012, 4.15% effective interest rate, final due date October 1, 2042	\$ 110,130	—	—	110,130
2012 Series E dated November 2, 2013, 3.16% effective interest rate, final due date November 1, 2042	8,000	—	—	8,000
2013 Series A/B dated April 11, 2013, 3.95% effective interest rate, final due date April 1, 2043	25,675	—	—	25,675
2013 Series C dated May 2, 2013, 3.82% effective interest rate, final due date February 1, 2043	122,250	—	2,385	119,865
2013 Series D dated May 30, 2013, 4.06% effective interest rate, final due date June 1, 2043	85,915	—	—	85,915
2013 Series E dated July 11, 2013, 4.15% effective interest rate, final due date July 1, 2043	16,290	—	580	15,710
2013 Series F dated October 10, 2013, 4.98% effective interest rate, final due date October 1, 2043	47,720	—	—	47,720
2013 Series G dated December 3, 2013, 4.39% effective interest rate, final due date December 1, 2043	8,410	—	—	8,410
2014 Series A dated August 19, 2014, 3.75% effective interest rate, final due date August 1, 2049	10,905	—	250	10,655
2014 Series B dated October 28, 2014, 3.30% effective interest rate, final due date October 1, 2044	7,230	—	—	7,230
2014 Series C dated November 20, 2014, 4.29% effective interest rate, final due date November 1, 2044	107,795	—	—	107,795
2015 Series A dated March 18, 2015, 3.50% effective interest rate, final due date March 1, 2045	31,820	—	—	31,820
2015 Series B dated May 12, 2015, 3.44% effective interest rate, final due date May 1, 2045	9,450	—	—	9,450
2015 Series C dated August 5, 2015, 3.68% effective interest rate, final due date August 1, 2045	18,880	—	610	18,270
2015 Series D dated November 10, 2015, 3.55% effective interest rate, final due date November 1, 2045	29,120	—	—	29,120
2015 Series E/F dated December 8, 2015, 3.94% effective interest rate, final due date December 1, 2045	69,555	—	—	69,555

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Description	Balance at June 30, 2024	Issued	Retired	Balance at September 30, 2024
		(Amounts shown in thousands)		
2016 Series A dated March 8, 2016, 2.99% effective interest rate, final due date March 1, 2046	\$ 3,995	—	—	3,995
2016 Series B dated May 17, 2016, 3.35% effective interest rate, final due date May 1, 2046	58,360	—	—	58,360
2016 Series C dated July 19, 2016, 2.72% effective interest rate, final due date July 1, 2046	3,975	—	125	3,850
2016 Series D dated October 18, 2016, 2.89% effective interest rate, final due date October 1, 2046	6,735	—	—	6,735
2017 Series A dated March 14, 2017, 3.66% effective interest rate, final due date March 1, 2049	24,925	—	—	24,925
2017 Series B dated June 13, 2017, 3.35% effective interest rate, final due date June 1, 2047	6,020	—	—	6,020
2017 Series C dated September 13, 2017, 3.24% effective interest rate, final due date September 1, 2047	2,535	—	75	2,460
2017 Series D dated October 19, 2017, 3.21% effective interest rate, final due date October 1, 2047	4,960	—	—	4,960
2017 Series E dated December 5, 2017, 3.28% effective interest rate, final due date December 1, 2050	43,720	—	—	43,720
2018 Series A dated March 27, 2018, 3.62% effective interest rate, final due date March 1, 2053	30,945	—	—	30,945
2018 Series B dated June 5, 2018, 3.76% effective interest rate, final due date June 1, 2053	25,210	—	—	25,210
2018 Series C dated August 28, 2018, 3.63% effective interest rate, final due date August 1, 2053	17,710	—	360	17,350
2018 Series D dated October 2, 2018, 3.79% effective interest rate, final due date October 1, 2053	68,430	—	—	68,430
2018 Series E dated December 4, 2018, 3.90% effective interest rate, final due date December 1, 2049	33,695	—	—	33,695
2019 Series A dated March 26, 2019, 3.70% effective interest rate, final due date March 1, 2054	59,015	—	635	58,380
2019 Series B dated May 22, 2019, 3.10% effective interest rate, final due date May 1, 2054	15,955	—	—	15,955

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Description	Balance at June 30, 2024	Issued	Retired	Balance at September 30, 2024
		(Amounts shown in thousands)		
2019 Series C dated August 21, 2019 3.13% effective interest rate, final due date August 1, 2054	\$ 47,805	—	915	46,890
2019 Series D dated October 16, 2019 3.12% effective interest rate, final due date October 1, 2054	47,770	—	—	47,770
2019 Series E dated December 12, 2019 3.00% effective interest rate, final due date December 1, 2054	49,530	—	—	49,530
2020 Series A dated March 25, 2020 2.74% effective interest rate, final due date March 1, 2055	71,420	—	—	71,420
2020 Series B dated March 25, 2020 2.39% effective interest rate, final due date March 1, 2055	64,185	—	—	64,185
2020 Series C dated April 28, 2020 3.57% effective interest rate, final due date April 1, 2055	183,150	—	—	183,150
2020 Series D dated May 27, 2020 3.58% effective interest rate, final due date June 1, 2055	420,730	—	—	420,730
2020 Series E dated July 28, 2020 2.53% effective interest rate, final due date July 1, 2055	35,855	—	795	35,060
2020 Series F dated July 21, 2020 3.09% effective interest rate, final due date July 1, 2055	195,935	—	4,100	191,835
2020 Series G dated October 14, 2020 2.29% effective interest rate, final due date September 1, 2055	21,160	—	2,370	18,790
2020 Series H dated October 7, 2020 2.94% effective interest rate, final due date September 1, 2055	171,450	—	3,580	167,870
2020 Series I dated December 9, 2020 2.33% effective interest rate, final due date November 1, 2053	43,865	—	—	43,865
2020 Series J dated December 2, 2020 3.04% effective interest rate, final due date November 1, 2055	48,935	—	—	48,935
2021 Series A dated March 2, 2021 2.68% effective interest rate, final due date February 1, 2056	79,630	—	—	79,630
2021 Series B dated March 30, 2021 2.23% effective interest rate, final due date March 1, 2056	45,680	—	—	45,680
2021 Series C dated April 22, 2021 2.85% effective interest rate, final due date April 1, 2056	97,840	—	—	97,840

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Description	Balance at June 30, 2024	Issued	Retired	Balance at September 30, 2024
		(Amounts shown in thousands)		
2021 Series D dated June 3, 2021 2.17% effective interest rate, final due date May 1, 2056	\$ 31,575	—	—	31,575
2021 Series E dated June 24, 2021 2.71% effective interest rate, final due date June 1, 2056	76,190	—	—	76,190
2021 Series F dated July 27, 2021 2.17% effective interest rate, final due date July 1, 2056	50,000	—	655	49,345
2021 Series G dated July 27, 2021 2.56% effective interest rate, final due date August 1, 2056	30,000	—	645	29,355
2021 Series H dated September 2, 2021 2.58% effective interest rate, final due date September 1, 2056	30,000	—	335	29,665
2021 Series I dated October 12, 2021 2.23% effective interest rate, final due date October 1, 2056	5,925	—	—	5,925
2021 Series J dated November 9, 2021 2.98% effective interest rate, final due date November 1, 2056	226,630	—	—	226,630
2021 Series K dated December 7, 2021 2.39% effective interest rate, final due date December 1, 2056	142,565	—	—	142,565
2022 Series A dated February 2, 2022 2.95% effective interest rate, final due date February 1, 2057	40,000	—	—	40,000
2022 Series B dated March 8, 2022 3.12% effective interest rate, final due date March 1, 2057	57,755	—	—	57,755
2022 Series C dated March 29, 2022 3.91% effective interest rate, final due date April 1, 2057	49,165	—	—	49,165
2022 Series D dated May 3, 2022 3.95% effective interest rate, final due date May 1, 2057	22,085	—	—	22,085
2022 Series E dated June 30, 2022 4.16% effective interest rate, final due date June 1, 2057	40,635	—	—	40,635
2022 Series F dated October 5, 2022 4.81% effective interest rate, final due date October 1, 2057	59,210	—	—	59,210
2022 Series G dated November 30, 2022 5.03% effective interest rate, final due date November 1, 2064	95,100	—	—	95,100
2023 Series A dated February 9, 2023 5.28% effective interest rate, final due date February 1, 2066	60,000	—	—	60,000

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Description	Balance at June 30, 2024	Issued	Retired	Balance at September 30, 2024
		(Amounts shown in thousands)		
2023 Series B dated March 8, 2023 4.65% effective interest rate, final due date March 1, 2065	\$ 40,250	—	—	40,250
2023 Series C dated June 1, 2023 4.24% effective interest rate, final due date May 1, 2060	7,850	—	—	7,850
2023 Series D dated August 3, 2023 4.58% effective interest rate, final due date August 1, 2065	110,895	—	—	110,895
2023 Series E dated October 12, 2023 5.03% effective interest rate, final due date October 1, 2065	56,630	—	—	56,630
2023 Series F dated November 30, 2023 5.16% effective interest rate, final due date May 1, 2067	167,855	—	—	167,855
2024 Series A dated March 7, 2024 4.53% effective interest rate, final due date September 1, 2065	177,070	—	—	177,070
2024 Series B dated May 2, 2024 5.84% effective interest rate, final due date May 1, 2066	25,000	—	—	25,000
2024 Series C dated June 18, 2024 4.69% effective interest rate, final due date June 1, 2066	80,270	—	—	80,270
2024 Series D dated August 1, 2024 4.41% effective interest rate, final due date August 1, 2060	—	50,900	—	50,900
	4,422,925	50,900	18,415	4,455,410
Unamortized premium	(741)	—	9	(732)
Total rental housing bonds	\$ 4,422,184			4,454,678

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Description	Balance at June 30, 2024	Issued	Retired	Balance at September 30, 2024
		(Amounts shown in thousands)		
Commonwealth mortgage bonds group:				
2006 Series C, dated June 8, 2006, 6.45% effective interest rate, final due date June 25, 2034	\$ 3,890	—	146	3,744
2008 Series C, dated November 18, 2008, 6.61% effective interest rate, final due date June 25, 2038	3,098	—	81	3,017
2012 Series A, dated December 20, 2012, 2.10% effective interest rate, final due date July 1, 2026	20,400	—	4,000	16,400
2012 Series B/C, dated December 20, 2012, 3.09% effective interest rate, final due date July 1, 2039	186,870	—	—	186,870
2013 Series B, dated May 21, 2013, 2.75% effective interest rate, final due date April 25, 2042	14,563	—	519	14,044
2013 Series C, dated October 24, 2013, 4.25% effective interest rate, final due date October 25, 2043	16,838	—	444	16,394
2013 Series D, dated December 19, 2013, 4.30% effective interest rate, final due date December 25, 2043	15,706	—	275	15,431
2014 Series A, dated December 11, 2014, 3.50% effective interest rate, final due date October 25, 2037	24,198	—	909	23,289
2015 Series A, dated November 10, 2015, 3.25% effective interest rate, final due date June 25, 2042	39,291	—	1,413	37,878
2016 Series A, dated June 9, 2016, 3.10% effective interest rate, final due date June 25, 2041	38,511	—	1,195	37,316
2017 Series A, dated June 13, 2017, 3.13% effective interest rate, final due date November 25, 2039	45,178	—	1,838	43,340
2019 Series A, dated November 5, 2019, 2.95% effective interest rate, final due date October 25, 2049	42,338	—	1,523	40,815
2020 Series A, dated February 12, 2020, 2.85% effective interest rate, final due date December 25, 2049	55,479	—	855	54,624
2020 Series B, dated April 21, 2020, 2.75% effective interest rate, final due date October 25, 2046	67,596	—	2,202	65,394

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Description	Balance at June 30, 2024	Issued	Retired	Balance at September 30, 2024
		(Amounts shown in thousands)		
2021 Series A, dated August 17, 2021, 2.13% effective interest rate, final due date July 25, 2051	\$ 124,371	—	2,129	122,242
2022 Series A, dated February 1, 2022, 2.88% effective interest rate, final due date February 25, 2052	36,356	—	423	35,933
2023 Series A, dated October 24, 2023, 5.07% effective interest rate, final due date November 1, 2053	100,000	—	—	100,000
2023 Series B, dated October 24, 2023, 6.39% effective interest rate, final due date November 1, 2053	150,000	—	—	150,000
2023 Series C, dated December 14, 2023, 4.67% effective interest rate, final due date January 1, 2054	50,000	—	—	50,000
2023 Series D, dated December 14, 2023, 6.03% effective interest rate, final due date January 1, 2054	100,000	—	—	100,000
2023 Series E-I, dated December 14, 2023, 3.85% effective interest rate, final due date January 1, 2025	40,000	—	40,000	—
2023 Series E-II, dated December 14, 2023, 3.90% effective interest rate, final due date July 1, 2025	155,000	—	40,000	115,000
2023 Series E1-E4 (COB), dated March 28, 2024, 4.36% effective interest rate, final due date October 1, 2054	160,000	79,995	—	239,995
2024 A Series, dated March 28, 2024, 5.46% effective interest rate, final due date April 1, 2054	160,000	—	—	160,000
2024 B Series, dated May 29, 2024, 5.79% effective interest rate, final due date October 1, 2054	160,000	—	—	160,000
2024 C Series, dated September 17, 2024, 5.59% effective interest rate, final due date October 1, 2054	—	160,005	—	160,005
	<u>1,809,683</u>	<u>240,000</u>	<u>97,952</u>	<u>1,951,731</u>
Unamortized premium	<u>(147)</u>	<u>—</u>	<u>5</u>	<u>(142)</u>
Total commonwealth mortgage bonds group	\$ <u>1,809,536</u>			<u>1,951,589</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Notes to Basic Financial Statements

September 30, 2024 and 2023

(Unaudited)

Description	Balance at June 30, 2024	Issued	Retired	Balance at September 30, 2024
		(Amounts shown in thousands)		
Homeownership mortgage bonds group:				
2013 Series A, dated March 27, 2013, 3.25% effective interest rate, final due date August 25, 2042	\$ 34,441	—	724	33,717
Total homeownership mortgage bonds group	34,441	—	—	33,717
Total	\$ 6,666,161			6,839,984

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Notes to Basic Financial Statements

September 30, 2024 and 2023

(Unaudited)

Notes and bonds payable at June 30, 2023 and September 30, 2023 and changes for the three months ended September 30, 2023 were summarized as follows (amounts in thousands):

Description	Balance at June 30, 2023	Issued	Retired	Increase/ (decrease) in unamortized premium/ discount	Balance at September 30, 2023
General operating accounts	\$ 400,000	33,000	23,000	-	410,000
Rental housing bonds group	3,901,120	110,895	14,090	9	3,997,934
Commonwealth mortgage bonds group	825,012	-	18,978	8	806,042
Homeownership mortgage bonds group	37,583	-	594	-	36,989
Total	<u>\$ 5,163,715</u>	<u>143,895</u>	<u>56,662</u>	<u>17</u>	<u>5,250,965</u>

The principal payment obligations and associated interest related to all note and bond indebtedness (excluding the effect of unamortized discounts and premium) commencing October 1, 2024, and thereafter are as follows:

Year Ending September 30	Outstanding principal	Current interest	Total debt service
2025	\$ 667,122,426	256,140,540	923,262,966
2026	144,125,000	229,729,653	373,854,653
2027	164,205,000	225,318,371	389,523,371
2028	214,240,000	220,204,806	434,444,806
2029	202,515,000	212,751,779	415,266,779
2030-2034	839,281,846	976,287,202	1,815,569,048
2035-2039	900,635,147	820,837,895	1,721,473,042
2040-2044	1,118,118,724	628,851,118	1,746,969,842
2045-2049	945,711,730	425,247,575	1,370,959,305
2050-2054	1,169,847,894	214,233,954	1,384,081,848
2055-2059	308,745,000	63,766,857	372,511,857
2060-2064	121,770,000	25,256,363	147,026,363
2065-2069	44,540,000	2,938,893	47,478,893
Total	<u>\$ 6,840,857,767</u>	<u>4,301,565,006</u>	<u>11,142,422,773</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Notes to Basic Financial Statements

September 30, 2024 and 2023

(Unaudited)

(5) Loan Participation Payable to Federal Financing Bank

On March 23, 2015, the Authority was designated as a “qualified Housing Finance Agency” under the Risk-Sharing Act and entered into a Risk-Sharing Agreement with HUD. In conjunction with the Risk-Sharing Agreement, the Authority elected to participate in a program offered by the Federal Financing Bank (FFB) for the financing of rental housing mortgage loans. The FFB is a government corporation, under the general supervision and direction of the Secretary of the Treasury, created by Congress with statutory authority to purchase any obligation that is fully guaranteed by another federal agency. To the extent that FFB proceeds are utilized to finance certain mortgage loans, such mortgage loans would not be available to be financed under the Rental Housing Bond Group other than on a temporary basis prior to such FFB financing. In February 2016, the Authority executed the necessary agreements to allow the Authority to participate in such FFB financing.

Under the program established by the Risk-Sharing Act (the “Risk-Sharing Program”), the Authority retains underwriting, mortgage loan management and property disposition functions and responsibility for defaulted loans. Following default under a mortgage loan subject to a HUD contract of mortgage insurance under the Risk-Sharing Program, HUD agrees to make an initial claim payment of 100% of the loan’s unpaid principal balance and accrued interest, subject to certain adjustments that passes through the Authority to FFB. After a period during which the Authority may work toward curing the default, foreclosing the mortgage, or reselling the related project, any losses are calculated and apportioned between the Authority and HUD according to a specified risk-sharing percentage determined at the time of its endorsement for insurance. At its election, the Authority may choose a risk percentage ranging from 50% to 90%, which in turn determines its reimbursement obligation to HUD. During the intervening period prior to the final loss settlement, the Authority is obligated to pay interest on the amount of the initial claim payment under a debenture required to be issued to HUD at the time of the initial claim payment.

For each rental housing mortgage loan to be financed by the FFB, the Authority will sell to the FFB a certificate representing a participation interest in the rental housing mortgage loan consisting of all principal payments due thereon and all interest payments due thereon, whereby the rate to FFB will be less than the mortgage loan interest rate. The participation proceeds from the FFB are recorded as a debt obligation payable to the FFB.

Under these agreements, the Authority will retain responsibility for originating, closing and servicing the rental housing mortgage loans underlying the certificates sold to the FFB. As servicer, the Authority will remit the balance of each mortgage payment to U.S. Bank, N.A. (“Custodian”). The Custodian will fund any required account and pay the amounts due to the FFB, deduct their fees, then remit any amount remaining to the Authority as servicing fees.

Under the terms of the agreements in the Risk-Sharing Program, the Authority has sold certificates representing the beneficial interest in the following mortgage loans to FFB:

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
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Notes to Basic Financial Statements

September 30, 2024 and 2023

(Unaudited)

Description	Balance at June 30, 2024	Issued	Retired	Balance at September 30, 2024
Participation Certificates Outstanding:				
Colonnade at Rocktown - Note rate of 4.68%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.45%				
Maturity date of May 1, 2047	\$ 2,622,550	—	16,072	2,606,478
Wilsondale II - Note rate of 4.47%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.12%				
Maturity date of July 1, 2047	6,797,692	—	42,340	6,755,352
Baker Woods - Note rate of 3.91%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.89%				
Maturity date of December 1, 2052	5,046,112	—	24,238	5,021,874
Twin Canal Village - Note rate of 3.82%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.18%				
Maturity date of April 1, 2043	6,065,404	—	55,294	6,010,110
Treesdale - Note rate of 4.22%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.30%				
Maturity date of November 1, 2048	3,354,920	—	19,757	3,335,163
Landing at Weyers Cove - Note rate of 4.22%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.30%				
Maturity date of November 1, 2048	2,206,367	—	12,993	2,193,374
Belle Hall - Note rate of 3.57%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.72%				
Maturity date of September 1, 2049	4,021,219	—	24,644	3,996,575
Campostella Commons - Note rate of 3.57%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.72%				
Maturity date of September 1, 2049	3,072,391	—	18,828	3,053,563
Total participation certificates payable	\$ 33,186,655	—	214,166	32,972,489

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
September 30, 2024
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 190,097,046	700,291,773	609,279,370	37,057,875	1,536,726,064
Investments	37,676,293	175,970,647	147,153,593	9,295,716	370,096,249
Interest receivable – investments	3,265,845	9,462,289	8,505,498	454,635	21,688,267
Derivative instruments	-	-	10,945	-	10,945
Mortgage loans held for sale	-	-	67,492,155	-	67,492,155
Mortgage and other loans receivable, net	10,637,127	99,004,768	71,659,782	3,944,124	185,245,801
Interest receivable – mortgage and other loans	1,011,880	20,555,160	8,472,341	252,306	30,291,687
Other real estate owned	3,403,155	-	809,471	-	4,212,626
Other assets	15,189,436	-	-	-	15,189,436
Total current assets	261,280,782	1,005,284,637	913,383,155	51,004,656	2,230,953,230
Noncurrent assets:					
Investments	505,073,698	-	214,287,916	-	719,361,614
Mortgage and other loans receivable	423,434,650	5,315,414,953	2,452,298,538	90,175,870	8,281,324,011
Less allowance for loan loss	34,051,109	66,550,679	37,199,421	825,320	138,626,529
Mortgage and other loans receivable, net	389,383,541	5,248,864,274	2,415,099,117	89,350,550	8,142,697,482
Capital Assets, net of accumulated depreciation and amortization of \$68,694,031	24,695,491	6,052,046	-	-	30,747,537
Mortgage servicing rights, net	23,631,137	-	-	-	23,631,137
Other Assets	29,952,482	-	-	-	29,952,482
Total noncurrent assets	972,736,349	5,254,916,320	2,629,387,033	89,350,550	8,946,390,252
Total assets	1,234,017,131	6,260,200,957	3,542,770,188	140,355,206	11,177,343,482
Deferred outflows of resources					
Other postemployment benefits - change in assumptions	1,627,852	-	-	-	1,627,852
Other postemployment benefits - difference between expected and actual experience	5,393,161	-	-	-	5,393,161
Other postemployment benefits - difference between projected and actual earning	585,200	-	-	-	585,200
Total Deferred outflows of resources	7,606,213	-	-	-	7,606,213

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
September 30, 2024
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Liabilities					
Current liabilities:					
Notes and bonds payable	400,000,000	102,540,000	163,077,953	1,504,473	667,122,426
Accrued interest payable on notes and bonds	663,861	48,259,193	22,822,128	91,317	71,836,499
Escrows	59,050,451	-	-	-	59,050,451
Federal grand awards held	2,784,358	-	-	-	2,784,358
Accounts payable and other liabilities	40,258,266	-	-	-	40,258,266
Total current liabilities	502,756,936	150,799,193	185,900,081	1,595,790	841,052,000
Noncurrent liabilities:					
Bonds payable, net	-	4,352,138,559	1,788,510,722	32,212,387	6,172,861,668
Project reserves	124,584,862	-	-	-	124,584,862
Loan participation payable to Federal Financing Bank	32,972,489	-	-	-	32,972,489
Other (assets) liabilities	18,520,646	2,337,230	-	-	20,857,876
Total noncurrent liabilities	176,077,997	4,354,475,789	1,788,510,722	32,212,387	6,351,276,895
Total liabilities	678,834,933	4,505,274,982	1,974,410,803	33,808,177	7,192,328,895
Deferred inflows of resources					
Deferred fees and points on multifamily loans	453,757	64,923,217	-	-	65,376,974
Other postemployment benefits - change in assumptions	508,695	-	-	-	508,695
Other postemployment benefits - difference between expected and actual experience	7,961,316	-	-	-	7,961,316
Total deferred inflows of resources	8,923,768	64,923,217	-	-	73,846,985
Net position:					
Net investment in capital assets	7,946,595	(511,581)	-	-	7,435,014
Restricted OPEB asset	12,601,297	-	-	-	12,601,297
Restricted by bond indentures	-	1,690,514,339	1,568,359,385	106,547,029	3,365,420,753
Unrestricted	533,316,751	-	-	-	533,316,751
Total net position	\$ 553,864,643	1,690,002,758	1,568,359,385	106,547,029	3,918,773,815

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Three months ended September 30, 2024
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Operating revenues:					
Interest on mortgage and other loans receivable	\$ 7,733,165	59,118,304	33,294,873	983,104	101,129,446
Investment earnings:					
Investment income	5,547,761	12,104,982	11,971,781	591,333	30,215,857
Realized loss on investments	(849)	-	-	-	(849)
Unrealized gain on investments	21,923,933	1,384,992	10,014,968	80,874	33,404,767
Housing Choice Voucher program administrative income	2,717,442	-	-	-	2,717,442
Gains and recoveries on sale of other real estate owned	74,225	-	66,964	-	141,189
Gains on sale of single family mortgage loans	-	-	2,995,510	-	2,995,510
Mortgage servicing fees net of guaranty fees	10,524,600	-	-	-	10,524,600
Other	3,777,290	3,127,406	5,120	-	6,909,816
Total operating revenues	<u>52,297,567</u>	<u>75,735,684</u>	<u>58,349,216</u>	<u>1,655,311</u>	<u>188,037,778</u>
Operating expenses:					
Interest on notes and bonds payable	5,461,583	38,647,932	18,848,325	275,605	63,233,445
Salaries and related employee benefits	20,914,027	-	-	-	20,914,027
General operating expenses	9,538,850	-	2,192	-	9,541,042
Note and bond expenses	227,732	-	-	-	227,732
Bond issuance expenses	19,160	506,162	1,377,142	-	1,902,464
Grant expenses	25,369,573	-	-	-	25,369,573
Housing Choice Voucher program expenses	1,912,509	-	-	-	1,912,509
Mortgage servicing rights amortization and other servicing costs	4,153,983	-	5,473,918	-	9,627,901
Losses on other real estate owned	282,609	-	85,503	1,610	369,722
Provision for loan losses	(112,278)	(5,048,814)	806,353	(7,995)	(4,362,734)
Total operating expenses	<u>67,767,748</u>	<u>34,105,280</u>	<u>26,593,433</u>	<u>269,220</u>	<u>128,735,681</u>
Operating income/(loss)	<u>(15,470,181)</u>	<u>41,630,404</u>	<u>31,755,783</u>	<u>1,386,091</u>	<u>59,302,097</u>
Nonoperating revenues (expenses):					
Pass-through grant awards	27,921,780	-	-	-	27,921,780
Pass-through grants expenses	(27,921,780)	-	-	-	(27,921,780)
Total nonoperating revenues, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>(15,470,181)</u>	<u>41,630,404</u>	<u>31,755,783</u>	<u>1,386,091</u>	<u>59,302,097</u>
Transfers between funds	36,944,821	(22,877,953)	(14,071,848)	4,980	-
Change in net position	<u>21,474,640</u>	<u>18,752,451</u>	<u>17,683,935</u>	<u>1,391,071</u>	<u>59,302,097</u>
Total net position, beginning of year	532,390,003	1,671,250,307	1,550,675,450	105,155,958	3,859,471,718
Total net position, end of three months	<u>\$ 553,864,643</u>	<u>1,690,002,758</u>	<u>1,568,359,385</u>	<u>106,547,029</u>	<u>3,918,773,815</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
September 30, 2024
(Unaudited)

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 85,654,301	8,204,393	15,049,053	3,100,939	112,008,686
Interest receivable - investments	-	73,543	94,406	29,987	197,936
Interest receivable - mortgage and other loans	-	65,712	91,651	14,152	171,515
Other assets	-	212	-	-	212
Total current assets	<u>85,654,301</u>	<u>8,343,860</u>	<u>15,235,110</u>	<u>3,145,078</u>	<u>112,378,349</u>
Noncurrent assets:					
Mortgage and other loans receivable	-	2,177,870	-	-	2,177,870
Total noncurrent assets	<u>-</u>	<u>2,177,870</u>	<u>-</u>	<u>-</u>	<u>2,177,870</u>
Total assets	<u>85,654,301</u>	<u>10,521,730</u>	<u>15,235,110</u>	<u>3,145,078</u>	<u>114,556,219</u>
Liabilities					
Other liabilities	-	5,150,369	14,787,041	2,927,318	22,864,728
Total liabilities	<u>-</u>	<u>5,150,369</u>	<u>14,787,041</u>	<u>2,927,318</u>	<u>22,864,728</u>
Net position					
Restricted for:					
Funds held in escrow	85,654,301	-	-	-	85,654,301
Other governmental agency	-	5,371,361	448,069	217,760	6,037,190
Total Net Position	<u>\$ 85,654,301</u>	<u>5,371,361</u>	<u>448,069</u>	<u>217,760</u>	<u>91,691,491</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
Three months ended September 30, 2024
(Unaudited)

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
Additions					
Contribution:					
Borrower payments	\$ 427,736,338	-	-	-	427,736,338
Total Contributions	427,736,338	-	-	-	427,736,338
Investment earnings:					
Interest, dividends, and other	-	297,341	285,227	82,064	664,632
Total investment earnings	-	297,341	285,227	82,064	664,632
Total additions	427,736,338	297,341	285,227	82,064	428,400,970
Deductions					
Other governmental agency	-	197,885	139,792	40,487	378,164
Disbursement of escrow funds	400,273,724	-	-	-	400,273,724
Total deductions	400,273,724	197,885	139,792	40,487	400,651,888
Net increase in fiduciary net position	27,462,614	99,456	145,435	41,577	27,749,082
Net position - beginning of year	58,191,687	5,271,905	302,634	176,183	63,942,409
Net position - end of three months	\$ 85,654,301	5,371,361	448,069	217,760	91,691,491

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
September 30, 2023
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 203,372,720	702,928,055	272,436,186	28,873,153	1,207,610,114
Investments	32,278,947	186,517,727	68,566,160	7,615,915	294,978,749
Interest receivable – investments	2,096,774	3,139,201	2,048,113	120,722	7,404,810
Derivative instruments	-	-	1,142,500	-	1,142,500
Mortgage loans held for sale	-	-	57,829,536	-	57,829,536
Mortgage and other loans receivable, net	9,806,768	108,272,760	62,706,000	4,092,275	184,877,803
Interest receivable – mortgage and other loans	1,011,133	19,153,596	5,182,722	278,443	25,625,894
Other real estate owned	2,560,536	427,000	1,391,968	83,001	4,462,505
Other assets	34,169,090	-	4,024	-	34,173,114
Total current assets	285,295,968	1,020,438,339	471,307,209	41,063,509	1,818,105,025
Noncurrent assets:					
Investments	457,377,912	-	288,345,213	-	745,723,125
Mortgage and other loans receivable	376,969,372	4,794,420,270	1,634,294,931	97,790,228	6,903,474,801
Less allowance for loan loss	39,047,353	45,437,472	29,613,745	824,638	114,923,208
Mortgage and other loans receivable, net	337,922,019	4,748,982,798	1,604,681,186	96,965,590	6,788,551,593
Capital Assets, net of accumulated depreciation and amortization of \$71,600,352	26,257,742	6,748,958	-	-	33,006,700
Mortgage servicing rights, net	36,377,866	-	-	-	36,377,866
Other Assets	12,252,538	-	-	-	12,252,538
Total noncurrent assets	870,188,077	4,755,731,756	1,893,026,399	96,965,590	7,615,911,822
Total assets	1,155,484,045	5,776,170,095	2,364,333,608	138,029,099	9,434,016,847
Deferred outflows of resources					
Other postemployment benefits - change in assumptions	1,914,127	-	-	-	1,914,127
Other postemployment benefits - difference between expected and actual experience	6,130,868	-	-	-	6,130,868
Other postemployment benefits - difference between projected and actual earning	3,213,143	-	-	-	3,213,143
Total Deferred outflows of resources	11,258,138	-	-	-	11,258,138

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
September 30, 2023
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Liabilities					
Current liabilities:					
Notes and bonds payable	410,000,000	98,565,000	40,690,685	1,503,678	550,759,363
Accrued interest payable on notes and bonds	1,107,722	41,312,757	3,808,450	100,177	46,329,106
Escrows	47,717,475	-	-	-	47,717,475
Federal grand awards held	46,712,629	-	-	-	46,712,629
Accounts payable and other liabilities	37,017,636	-	800	-	37,018,436
Total current liabilities	542,555,462	139,877,757	44,499,935	1,603,855	728,537,009
Noncurrent liabilities:					
Bonds payable, net	-	3,899,369,400	765,351,021	35,484,854	4,700,205,275
Project reserves	115,026,964	-	-	-	115,026,964
Loan participation payable to Federal Financing Bank	33,816,365	-	-	-	33,816,365
Other (assets) liabilities	18,419,464	-	-	-	18,419,464
Total noncurrent liabilities	167,262,793	3,899,369,400	765,351,021	35,484,854	4,867,468,068
Total liabilities	709,818,255	4,039,247,157	809,850,956	37,088,709	5,596,005,077
Deferred inflows of resources					
Deferred fees and points on multifamily loans (note 1)	453,170	64,608,583	-	-	65,061,753
Other postemployment benefits - change in assumptions (note 1)	586,871	-	-	-	586,871
Other postemployment benefits - difference between expected and actual experience (note 1)	941,509	-	-	-	941,509
Total deferred inflows of resources	1,981,550	64,608,583	-	-	66,590,133
Net position:					
Net investment in capital assets	8,427,101	(119,545)	-	-	8,307,556
Restricted OPEB asset	503,303	-	-	-	503,303
Restricted by bond indentures	-	1,672,433,900	1,554,482,652	100,940,390	3,327,856,942
Unrestricted	446,011,974	-	-	-	446,011,974
Total net position	\$ 454,942,378	1,672,314,355	1,554,482,652	100,940,390	3,782,679,775

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Three months ended September 30, 2023
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Operating revenues:					
Interest on mortgage and other loans receivable	\$ 7,223,814	53,408,041	21,465,990	1,078,942	83,176,787
Investment earnings:					
Investment income	5,321,734	11,681,321	6,578,998	447,044	24,029,097
Realized loss on investments	(1,029)	-	-	-	(1,029)
Unrealized (loss) gain on investments	(23,236,175)	150,863.00	(11,247,569)	6,161	(34,326,720)
Housing Choice Voucher program administrative income	2,894,911	-	-	-	2,894,911
Gains and recoveries on sale of other real estate owned	73,805	-	84,834	-	158,639
Gains on sale of single family mortgage loans	-	-	4,862,790	-	4,862,790
Mortgage servicing fees net of guaranty fees	10,487,126	-	-	-	10,487,126
Other	6,665,383	1,449,823	1,787	-	8,116,993
Total operating revenues	<u>9,429,569</u>	<u>66,690,048</u>	<u>21,746,830</u>	<u>1,532,147</u>	<u>99,398,594</u>
Operating expenses:					
Interest on notes and bonds payable	5,627,271	32,350,621	6,004,244	302,247	44,284,383
Salaries and related employee benefits	19,189,314	-	-	-	19,189,314
General operating expenses	12,137,990	-	-	-	12,137,990
Note and bond expenses	302,877	-	-	-	302,877
Bond issuance expenses	34,909	657,382	-	-	692,291
Grant expenses	14,810,387	-	-	-	14,810,387
Housing Choice Voucher program expenses	3,140,038	-	-	-	3,140,038
Mortgage servicing rights amortization and other servicing costs	5,703,054	-	(131,759)	-	5,571,295
Losses on other real estate owned	230,871	-	34,171	4,204	269,246
Provision for loan losses	126,372	1,179,741	160,521	1,660	1,468,294
Total operating expenses	<u>61,303,083</u>	<u>34,187,744</u>	<u>6,067,177</u>	<u>308,111</u>	<u>101,866,115</u>
Operating income/(loss)	<u>(51,873,514)</u>	<u>32,502,304</u>	<u>15,679,653</u>	<u>1,224,036</u>	<u>(2,467,521)</u>
Nonoperating revenues (expenses):					
Pass-through grant awards	62,306,308	-	-	-	62,306,308
Pass-through grants expenses	(62,306,308)	-	-	-	(62,306,308)
Total nonoperating revenues, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>(51,873,514)</u>	<u>32,502,304</u>	<u>15,679,653</u>	<u>1,224,036</u>	<u>(2,467,521)</u>
Transfers between funds	<u>48,665,663</u>	<u>(25,438,878)</u>	<u>(23,230,989)</u>	<u>4,204</u>	<u>-</u>
Change in net position	<u>(3,207,851)</u>	<u>7,063,426</u>	<u>(7,551,336)</u>	<u>1,228,240</u>	<u>(2,467,521)</u>
Total net position, beginning of year	<u>458,150,229</u>	<u>1,665,250,929</u>	<u>1,562,033,988</u>	<u>99,712,150</u>	<u>3,785,147,296</u>
Total net position, end of three months	<u>\$ 454,942,378</u>	<u>1,672,314,355</u>	<u>1,554,482,652</u>	<u>100,940,390</u>	<u>3,782,679,775</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
September 30, 2023
(Unaudited)

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 79,145,387	5,034,822	1,707,819	1,498,314	87,386,342
Interest receivable - investments	-	16,199	3,630	6,008	25,837
Interest receivable - mortgage and other loans	-	62,300	69,783	9,469	141,552
Other assets	-	1,046	-	-	1,046
Total current assets	<u>79,145,387</u>	<u>5,114,367</u>	<u>1,781,232</u>	<u>1,513,791</u>	<u>87,554,777</u>
Noncurrent assets:					
Mortgage and other loans receivable	-	2,202,870	-	-	2,202,870
Total noncurrent assets	<u>-</u>	<u>2,202,870</u>	<u>-</u>	<u>-</u>	<u>2,202,870</u>
Total assets	<u>79,145,387</u>	<u>7,317,237</u>	<u>1,781,232</u>	<u>1,513,791</u>	<u>89,757,647</u>
Liabilities					
Other liabilities	-	2,248,671	1,613,150	1,418,093	5,279,914
Total liabilities	<u>-</u>	<u>2,248,671</u>	<u>1,613,150</u>	<u>1,418,093</u>	<u>5,279,914</u>
Net position					
Restricted for:					
Funds held in escrow	79,145,387	-	-	-	79,145,387
Other governmental agency	-	5,568,566	168,082	95,698	5,832,346
Total Net Position	<u>\$ 79,145,387</u>	<u>5,568,566</u>	<u>168,082</u>	<u>95,698</u>	<u>84,977,733</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
Three months ended September 30, 2023
(Unaudited)

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
Additions					
Contribution:					
Borrower payments	\$ 389,210,511	-	-	-	389,210,511
Employers	-	26,268	81,427	34,440	142,135
Total Contributions	<u>389,210,511</u>	<u>26,268</u>	<u>81,427</u>	<u>34,440</u>	<u>389,352,646</u>
Investment earnings:					
Interest, dividends, and other	-	251,670	107,530	51,385	410,585
Total investment earnings	<u>-</u>	<u>251,670</u>	<u>107,530</u>	<u>51,385</u>	<u>410,585</u>
Total additions	<u>389,210,511</u>	<u>277,938</u>	<u>188,957</u>	<u>85,825</u>	<u>389,763,231</u>
Deductions					
Other governmental agency	-	191,948	94,139	26,719	312,806
Disbursement of escrow funds	<u>385,400,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,400,605</u>
Total deductions	<u>385,400,605</u>	<u>191,948</u>	<u>94,139</u>	<u>26,719</u>	<u>385,713,411</u>
Net increase in fiduciary net position	3,809,906	85,990	94,818	59,106	4,049,820
Net position - beginning of year	<u>75,335,481</u>	<u>5,482,576</u>	<u>73,264</u>	<u>36,592</u>	<u>80,927,913</u>
Net position - end of three months	<u>\$ 79,145,387</u>	<u>5,568,566</u>	<u>168,082</u>	<u>95,698</u>	<u>84,977,733</u>