



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

Basic Financial Statements and
Supplementary Information

September 30, 2023 and 2022

(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, 2023 and 2022

(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 2024. 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, 2023 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, 2023 and 2022
(Unaudited)

	2023	2022 (as restated)
Assets		
Current assets:		
Cash and cash equivalents (note 3)	\$ 1,207,610,114	1,918,793,074
Investments (note 3)	294,978,749	-
Interest receivable – investments	7,404,810	6,038,069
Derivative instruments (note 1)	1,142,500	5,047,672
Mortgage loans held for sale (note 1)	57,829,536	184,762,408
Mortgage and other loans receivable, net	184,877,803	185,491,735
Interest receivable – mortgage and other loans	25,625,894	23,290,877
Other real estate owned	4,462,505	6,573,016
Other assets	34,173,114	40,028,121
Total current assets	1,818,105,025	2,370,024,972
Noncurrent assets:		
Investments (note 3)	745,723,125	838,550,697
Mortgage and other loans receivable	6,903,474,801	6,323,761,564
Less allowance for loan loss (note 1)	114,923,208	139,389,953
Mortgage and other loans receivable, net	6,788,551,593	6,184,371,611
Capital Assets, net of accumulated depreciation and amortization of \$71,600,352 and \$67,372,701 respectively	33,006,700	41,185,374
Mortgage servicing rights, net (note 1)	36,377,866	43,182,426
Other assets	12,252,538	19,148,416
Total noncurrent assets	7,615,911,822	7,126,438,524
Total assets	9,434,016,847	9,496,463,496
Deferred outflows of resources		
Other postemployment benefits - change in assumptions (note 1)	1,914,127	1,911,020
Other postemployment benefits - difference between expected and actual experience (note 1)	6,130,868	6,868,575
Other postemployment benefits - difference between projected and actual earning (note 1)	3,213,143	-
Total deferred outflows of resources	11,258,138	8,779,595

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Net Position
September 30, 2023 and 2022
(Unaudited)

	2023	2022 (as restated)
Liabilities		
Current liabilities:		
Notes and bonds payable (note 4)	\$ 550,759,363	724,831,292
Accrued interest payable on notes and bonds	46,329,106	42,018,720
Escrows	47,717,475	42,617,075
Federal grant awards held	46,712,629	203,718,657
Accounts payable and other liabilities	37,018,436	29,518,448
Total current liabilities	728,537,009	1,042,704,192
Noncurrent liabilities:		
Bonds payable, net (note 4)	4,700,205,275	4,525,428,638
Project reserves	115,026,964	108,177,161
Loan participation payable to Federal Financing Bank (note 5)	33,816,365	34,626,936
Other liabilities	18,419,464	23,251,988
Total noncurrent liabilities	4,867,468,068	4,691,484,723
Total liabilities	5,596,005,077	5,734,188,915
Deferred inflows of resources		
Deferred fees and points on multifamily loans	65,061,753	63,951,263
Other postemployment benefits - change in assumptions (note 1)	586,871	665,047
Other postemployment benefits - difference between expected and actual experience (note 1)	941,509	124,609
Other postemployment benefits - difference between projected and actual earning (note 1)	-	5,757,970
Total deferred inflows of resources	66,590,133	70,498,889
Net position (note 1):		
Net investment in capital assets	8,307,556	11,913,770
Restricted by bond indentures	3,327,856,942	3,186,714,904
Unrestricted	446,515,277	501,926,613
Total net position	\$ 3,782,679,775	3,700,555,287

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, 2023 and 2022
(Unaudited)

	2023	2022 (as restated)
Operating revenues:		
Interest on mortgage and other loans receivable	\$ 83,176,787	76,101,647
Housing Choice Voucher program administrative income	2,894,911	2,677,107
Gains and recoveries on sale of other real estate owned	158,639	77,344
Gains on sale of single family mortgage loans	4,862,790	(1,046,347)
Mortgage servicing fees net of guaranty fees	10,487,126	10,592,094
Other	8,116,993	4,074,904
Total operating revenues	109,697,246	92,476,749
Operating expenses:		
Interest on notes and bonds payable	44,284,383	39,616,465
Salaries and related employee benefits	19,189,314	17,398,158
General operating expenses	12,137,990	7,918,085
Note and bond expenses	302,877	313,834
Bond issuance expenses	692,291	-
Grant expenses	14,810,387	15,306,004
Housing Choice Voucher program expenses	3,140,038	1,859,074
Mortgage servicing rights amortization and other servicing costs	5,571,295	7,282,061
Losses on other real estate owned	269,246	896,430
Provision for loan losses (note 1)	1,468,294	(3,746,797)
Total operating expenses	101,866,115	86,843,314
Operating income	7,831,131	5,633,435
Nonoperating revenues (losses):		
Pass-through grant awards	62,306,308	43,953,769
Pass-through grants expenses	(62,306,308)	(43,953,769)
Investment income	24,029,097	17,420,233
Realized loss on investments	(1,029)	(41,935,332)
Unrealized loss on investments	(34,326,720)	(28,047,710)
Total nonoperating expenses, net	(10,298,652)	(52,562,809)
Change in net position	(2,467,521)	(46,929,374)
Total net position, beginning of year	3,785,147,296	3,747,484,661
Total net position, end of three months	\$ 3,782,679,775	3,700,555,287

See accompanying notes to basic financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
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Statements of Cash Flows
Three months ended September 30, 2023 and 2022
(Unaudited)

	2023	2022
Cash flows from operating activities:		
Cash payments for mortgage and other loans	\$ (418,857,850)	(389,531,961)
Principal repayments on mortgage and other loans	81,987,213	105,980,613
Sale of mortgage loans	269,278,612	297,225,076
Interest received on mortgage and other loans	82,263,700	77,812,662
Pass-through grant awards received	24,312,422	20,862,362
Pass-through grant awards disbursed	(74,119,110)	(60,861,944)
Grant administrative fees received	4,551,188	-
Housing Choice Voucher payments received	2,613,492	2,236,788
Housing Choice Voucher payments disbursed	(1,916,686)	(2,557,139)
Escrow and project reserve payments received	68,569,559	69,994,723
Escrow and project reserve payments disbursed	(50,241,932)	(53,832,884)
Other operating revenues	19,718,345	14,610,179
Cash received/payments for loan origination fees and loan discounts	1,257,130	(14,057)
Cash paid for loan origination fees and loan premiums	(1,219,745)	(981,559)
Cash payments for salaries and related benefits	(21,377,395)	(19,199,100)
Cash payments on grants	(14,810,386)	(15,306,004)
Cash payments for general operating expenses	(7,172,867)	(11,163,751)
Cash payments for servicing release premiums and guaranty fees	(7,353,871)	(8,714,606)
Proceeds from sale of other real estate owned	3,111,455	2,992,160
Net cash (used in)/provided by operating activities	<u>(39,406,726)</u>	<u>29,551,558</u>
Cash flows from noncapital financing activities:		
Proceeds from issuance of notes and bonds	143,895,000	40,000,000
Principal payments on notes and bonds	(56,662,727)	(179,860,749)
Principal payments on loan participation - FFB	(205,713)	(197,597)
Interest payments on notes and bonds	(33,329,351)	(29,639,212)
Cash payments for bond issuance expenses	(692,291)	-
Net cash provided by/(used in) noncapital financing activities	<u>53,004,918</u>	<u>(169,697,558)</u>
Cash flows from capital and related financing activities:		
Purchases of property, furniture, and equipment	(211,470)	(163,278)
Net cash used in capital and related financing activities	<u>(211,470)</u>	<u>(163,278)</u>
Cash flows from investing activities:		
Purchases of investments	(304,966,680)	-
Proceeds from sales or maturities of investments	48,420,903	217,049,603
Interest received on investments	27,775,292	15,989,506
Net cash (used in)/provided by investing activities	<u>(228,770,485)</u>	<u>233,039,109</u>
Net (decrease)/increase in cash and cash equivalents	<u>(215,383,763)</u>	<u>92,729,831</u>
Cash and cash equivalents, at beginning of year	1,422,993,877	1,826,063,243
Cash and cash equivalents, at end of three months	<u>\$ 1,207,610,114</u>	<u>1,918,793,074</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Cash Flows
Three months ended September 30, 2023 and 2022
(Unaudited)

	2023	2022 (as restated)
Reconciliation of operating income to net cash used in operating activities:		
Operating income	\$ 7,831,131	5,633,435
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation of property, furniture, and equipment	834,063	912,244
Amortization of right to use asset	1,837,874	1,528,139
Bond issuance costs	692,261	-
Interest on notes and bonds payable	44,284,383	39,616,465
Decrease in mortgage loans held for sale	120,531,575	131,343,601
Increase in mortgage and other loans receivable	(185,074,758)	(118,261,442)
Increase/(decrease) in allowance for loan loss	1,365,640	(4,065,149)
(Increase)/decrease in interest receivable – mortgage and other loans	(1,081,631)	601,909
Decrease/(increase) in other real estate owned	596,603	(1,954,875)
Decrease in mortgage servicing rights	457,130	892,131
Increase in other assets	(15,777,952)	(13,858,300)
Increase in deferred inflows of resources	162,208	17,073
Decrease in Federal funds held	(37,993,888)	(23,091,405)
Increase/(decrease) in accounts payable and other liabilities	3,272,568	(5,857,178)
Increase in escrows and project reserves	18,656,067	16,094,910
Net cash (used in)/provided by operating activities	\$ (39,406,726)	29,551,558
Supplemental disclosure of noncash activity:		
Increase in other real estate owned as a result of loan foreclosures	\$ 2,370,146	4,993,883
Decrease in mortgage and other loans receivable from transferring loans to MBS securities retained as investments	\$ -	70,188,682

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, 2023 and 2022
(Unaudited)

	<u>2023</u>		<u>2022</u>	
	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,922	87,386,342	1,666	93,574,286
Interest receivable - investments	-	25,837	-	9,524
Interest receivable - mortgage and other loans	-	141,552	-	65,847
Other assets	-	1,046	-	64,984
Total current assets	<u>1,922</u>	<u>87,554,777</u>	<u>1,666</u>	<u>93,714,641</u>
Noncurrent assets:				
Mortgage and other loans receivable	-	2,202,870	-	37,402,687
Investments	50,592,019	-	50,660,106	-
Total noncurrent assets	<u>50,592,019</u>	<u>2,202,870</u>	<u>50,660,106</u>	<u>37,402,687</u>
Total assets	<u>50,593,941</u>	<u>89,757,647</u>	<u>50,661,772</u>	<u>131,117,328</u>
LIABILITIES				
Other liabilities	-	5,279,914	-	5,297,019
Total liabilities	<u>-</u>	<u>5,279,914</u>	<u>-</u>	<u>5,297,019</u>
NET POSITION				
Restricted for:				
Other postemployment benefit plan other than pension	50,593,941	-	50,661,772	-
Funds held in escrow	-	79,145,387	-	85,760,686
Other governmental agency	-	5,832,346	-	40,059,623
Total Net Position	<u>\$ 50,593,941</u>	<u>84,977,733</u>	<u>50,661,772</u>	<u>125,820,309</u>

*March 31, 2023 and 2022 year-end.
See accompanying notes to 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, 2023 and 2022
(Unaudited)

	<u>2023</u>		<u>2022</u>	
	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>
ADDITIONS				
Contribution:				
Borrower payments	\$ -	389,210,511	-	508,576,880
Employers	20,029	142,135	23,510	106,895
Other governmental agency	-	-	-	1,313,105
Total Contributions	<u>20,029</u>	<u>389,352,646</u>	<u>23,510</u>	<u>509,996,880</u>
Investment earnings:				
Net increase/(decrease) in fair value of investments	999,337	-	(3,218,088)	-
Interest, dividends, and other	322,258	410,585	178,797	24,521
Securities lending income (gain on sales)	100,453	-	200,911	-
Total investment earnings	<u>1,422,048</u>	<u>410,585</u>	<u>(2,838,380)</u>	<u>24,521</u>
Total additions	<u>1,442,077</u>	<u>389,763,231</u>	<u>(2,814,870)</u>	<u>510,021,401</u>
DEDUCTIONS				
Other governmental agency	-	312,806	-	14,164
Disbursement of escrow funds	-	385,400,605	-	516,552,357
Administrative expense	20,029	-	23,510	-
Total deductions	<u>20,029</u>	<u>385,713,411</u>	<u>23,510</u>	<u>516,566,521</u>
Net increase in fiduciary net position	1,422,048	4,049,820	(2,838,380)	(6,545,120)
Net position - beginning of year	49,171,893	80,927,913	53,500,152	132,365,429
Net position - end of three months	<u>\$ 50,593,941</u>	<u>84,977,733</u>	<u>50,661,772</u>	<u>125,820,309</u>

*March 31, 2023 and 2022 year-end.

See accompanying notes to basic financial statements.

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

Notes to Basic Financial Statements

September 30, 2023 and 2022

(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 enterprise 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, 2023, the Authority had outstanding 12 forward sales transactions with a \$77.2 million notional amount with five counterparties. At September 30, 2022, the Authority had outstanding 49 forward sales transactions with a \$262.9 million notional amount with six counterparties.

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Notes to Basic Financial Statements

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(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.

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September 30, 2023 and 2022

(Unaudited)

The allowance for loan losses increased by \$1,365,640 for the three months ended September 30, 2023, and decreased by \$4,065,150 for the three months ended September 30, 2022.

	Three months ended September 30	
	2023	2022
Beginning Balance, July 1	\$ 113,557,568	143,455,103
Provision:		
Homeownership	227,367	(841,873)
Rental Housing	1,240,927	(2,904,924)
Provision	1,468,294	(3,746,797)
Net (charge-offs)/recoveries:		
Homeownership	(102,654)	(318,353)
Rental Housing	-	-
Net charge-offs	(102,654)	(318,353)
Net change	1,365,640	(4,065,150)
Ending Balance, September 30	\$ 114,923,208	139,389,953

(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. 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.

(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

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Notes to Basic Financial Statements

September 30, 2023 and 2022

(Unaudited)

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.

(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.

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(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) *New Accounting Standards and Restatement of Net Position*

The authority adopted GASB Statement No. 96, Subscription Based Information Technology Arrangements, effective July 1, 2022. The cumulative effect of the implementation of GASB 96 related to subscription based information technology arrangement assets and their corresponding liability and their effect on select financial statement line items after the application at June 30, 2022 has been retrospectively applied to September 30, 2022.

(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.

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(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, 2023 and 2022, the carrying amount of the Authority's deposits was \$78,974,944 and \$365,478,187, respectively. The associated bank balance of the Authority's deposits was \$73,231,898 and \$346,100,142 at September 30, 2023 and 2022, respectively. The difference between the carrying amount and the bank balance is due to outstanding checks, deposits in transit, and other reconciling items.

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, 2023 and 2022, total cash equivalents were \$1,128,635,170 and \$1,553,314,887, respectively.

The Investment of Public Funds Act of the Code of Virginia as well as the various bond resolutions establishes permitted investments for the Authority. Within the permitted statutory framework, the Authority's investment policy is to fully invest all monies and maximize the return thereon, by investing and managing investments in a prudent manner that will enable the Authority to fulfill its financial commitments. Approved investments 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 no more than 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 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, 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>

As of September 30, 2022, 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	\$ 640,293,238	-	-	-	640,293,238
Repurchase agreements	625,000,000	-	-	-	625,000,000
Asset-backed securities	-	-	248,383	1,424,767	1,673,150
Collateralized mortgage obligations	-	-	-	24,834,271	24,834,271
Agency-mortgage backed securities	-	-	465,861	810,453,078	810,918,939
Money market securities	288,021,649	-	-	-	288,021,649
Total investments	<u>\$ 1,553,314,887</u>	<u>-</u>	<u>714,244</u>	<u>836,712,116</u>	<u>2,390,741,247</u>

(b) Equity Investment

On January 31, 2021, the Authority made an equity investment in IndieDwell Virginia Inc. for \$1.5 million, which equated to a 37.5 percent interest in the company. As of September 30, 2022, the equity investment had a fair market value of \$1.1 million. As of September 30, 2023, the equity investment has been fully dissolved.

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(4) Notes and Bonds Payable

Notes and bonds payable at June 30, 2023 and September 30, 2023 and changes for the three months ended September 30, 2023 were as follows:

Description	Balance at June 30, 2023	Issued	Retired	Balance at September 30, 2023
		(Amounts shown in thousands)		
General operating accounts:				
Revolving line of credit:				
Bank of America				
floating daily rate (rate of				
5.39% at September 30, 2023)				
termination date of December 1, 2026	\$ —	33,000	23,000	10,000
Federal Home Loan Bank				
varying fixed rate notes with 30-day maturities				
(average of 5.47% as of September 30, 2023 and				
2.81% at September 30, 2022), maturities range				
from October 2, 2023 to October 27, 2023	400,000	—	—	400,000
Total general operating				
accounts	\$ 400,000	33,000	23,000	410,000

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Description	Balance at June 30, 2023	Issued	Retired	Balance at September 30, 2023
(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	\$ 116,050	—	—	116,050
2012 Series E dated November 2, 2013, 3.16% effective interest rate, final due date November 1, 2042	8,300	—	—	8,300
2013 Series A/B dated April 11, 2013, 3.95% effective interest rate, final due date April 1, 2043	26,640	—	—	26,640
2013 Series C dated May 2, 2013, 3.82% effective interest rate, final due date February 1, 2043	126,915	—	2,315	124,600
2013 Series D dated May 30, 2013, 4.06% effective interest rate, final due date June 1, 2043	88,920	—	—	88,920
2013 Series E dated July 11, 2013, 4.15% effective interest rate, final due date July 1, 2043	16,855	—	565	16,290
2013 Series F dated October 10, 2013, 4.98% effective interest rate, final due date October 1, 2043	49,130	—	—	49,130
2013 Series G dated December 3, 2013, 4.39% effective interest rate, final due date December 1, 2043	8,670	—	—	8,670
2014 Series A dated August 19, 2014, 3.75% effective interest rate, final due date August 1, 2049	11,150	—	245	10,905
2014 Series B dated October 28, 2014, 3.30% effective interest rate, final due date October 1, 2044	7,465	—	—	7,465
2014 Series C dated November 20, 2014, 4.29% effective interest rate, final due date November 1, 2044	111,155	—	—	111,155
2015 Series A dated March 18, 2015, 3.50% effective interest rate, final due date March 1, 2045	32,855	—	—	32,855
2015 Series B dated May 12, 2015, 3.44% effective interest rate, final due date May 1, 2045	9,760	—	—	9,760

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Description	Balance at June 30, 2023	Issued	Retired	Balance at September 30, 2023
		(Amounts shown in thousands)		
2015 Series C dated August 5, 2015, 3.68% effective interest rate, final due date August 1, 2045	\$ 19,475	—	595	18,880
2015 Series D dated November 10, 2015, 3.55% effective interest rate, final due date November 1, 2045	30,035	—	—	30,035
2015 Series E/F dated December 8, 2015, 3.94% effective interest rate, final due date December 1, 2045	71,570	—	—	71,570
2016 Series A dated March 8, 2016, 2.99% effective interest rate, final due date March 1, 2046	4,125	—	—	4,125
2016 Series B dated May 17, 2016, 3.35% effective interest rate, final due date May 1, 2046	60,230	—	—	60,230
2016 Series C dated July 19, 2016, 2.72% effective interest rate, final due date July 1, 2046	4,095	—	120	3,975
2016 Series D dated October 18, 2016, 2.89% effective interest rate, final due date October 1, 2046	6,950	—	—	6,950
2017 Series A dated March 14, 2017, 3.66% effective interest rate, final due date March 1, 2049	25,555	—	—	25,555
2017 Series B dated June 13, 2017, 3.35% effective interest rate, final due date June 1, 2047	6,200	—	—	6,200
2017 Series C dated September 13, 2017, 3.24% effective interest rate, final due date September 1, 2047	2,610	—	75	2,535
2017 Series D dated October 19, 2017, 3.21% effective interest rate, final due date October 1, 2047	5,105	—	—	5,105
2017 Series E dated December 5, 2017, 3.28% effective interest rate, final due date December 1, 2050	44,805	—	—	44,805
2018 Series A dated March 27, 2018, 3.62% effective interest rate, final due date March 1, 2053	31,650	—	—	31,650

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Description	Balance at June 30, 2023	Issued	Retired	Balance at September 30, 2023
		(Amounts shown in thousands)		
2018 Series B dated June 5, 2018, 3.76% effective interest rate, final due date June 1, 2053	\$ 25,745	—	—	25,745
2018 Series C dated August 28, 2018, 3.63% effective interest rate, final due date August 1, 2053	18,065	—	355	17,710
2018 Series D dated October 2, 2018, 3.79% effective interest rate, final due date October 1, 2053	69,780	—	—	69,780
2018 Series E dated December 4, 2018, 3.90% effective interest rate, final due date December 1, 2049	34,480	—	—	34,480
2019 Series A dated March 26, 2019, 3.70% effective interest rate, final due date March 1, 2054	60,270	—	625	59,645
2019 Series B dated May 22, 2019, 3.10% effective interest rate, final due date May 1, 2054	16,290	—	—	16,290
2019 Series C dated August 21, 2019 3.13% effective interest rate, final due date August 1, 2054	48,700	—	895	47,805
2019 Series D dated October 16, 2019 3.12% effective interest rate, final due date October 1, 2054	48,680	—	—	48,680
2019 Series E dated December 12, 2019 3.00% effective interest rate, final due date December 1, 2054	56,890	—	—	56,890
2020 Series A dated March 25, 2020 2.74% effective interest rate, final due date March 1, 2055	72,870	—	—	72,870
2020 Series B dated March 25, 2020 2.38% effective interest rate, final due date March 1, 2055	67,285	—	—	67,285
2020 Series C dated April 28, 2020 3.57% effective interest rate, final due date April 1, 2055	191,640	—	—	191,640
2020 Series D dated May 27, 2020 3.58% effective interest rate, final due date June 1, 2055	423,590	—	—	423,590

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Description	Balance at June 30, 2023	Issued	Retired	Balance at September 30, 2023
		(Amounts shown in thousands)		
2020 Series E dated July 28, 2020 2.40% effective interest rate, final due date July 1, 2055	\$ 44,770	—	425	44,345
2020 Series F dated July 21, 2020 3.09% effective interest rate, final due date July 1, 2055	200,000	—	4,065	195,935
2020 Series G dated October 14, 2020 2.29% effective interest rate, final due date September 1, 2055	21,420	—	260	21,160
2020 Series H dated October 7, 2020 2.94% effective interest rate, final due date September 1, 2055	175,000	—	3,550	171,450
2020 Series I dated December 9, 2020 2.33% effective interest rate, final due date November 1, 2053	44,970	—	—	44,970
2020 Series J dated December 2, 2020 3.04% effective interest rate, final due date November 1, 2055	50,000	—	—	50,000
2021 Series A dated March 2, 2021 2.68% effective interest rate, final due date February 1, 2056	81,590	—	—	81,590
2021 Series B dated March 30, 2021 2.23% effective interest rate, final due date March 1, 2056	46,075	—	—	46,075
2021 Series C dated April 22, 2021 2.85% effective interest rate, final due date April 1, 2056	100,250	—	—	100,250
2021 Series D dated June 3, 2021 2.17% effective interest rate, final due date May 1, 2056	32,195	—	—	32,195
2021 Series E dated June 24, 2021 2.71% effective interest rate, final due date June 1, 2056	78,100	—	—	78,100
2021 Series F dated July 27, 2021 2.17% effective interest rate, final due date July 1, 2056	50,000	—	—	50,000
2021 Series G dated July 27, 2021 2.56% effective interest rate, final due date August 1, 2056	30,000	—	—	30,000
2021 Series H dated September 2, 2021 2.58% effective interest rate, final due date September 1, 2056	30,000	—	—	30,000

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Description	Balance at June 30, 2023	Issued	Retired	Balance at September 30, 2023
		(Amounts shown in thousands)		
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	149,080	—	—	149,080
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	50,000	—	—	50,000
2022 Series D dated May 3, 2022 3.91% effective interest rate, final due date May 1, 2057	23,425	—	—	23,425
2022 Series E dated June 30, 2022 4.12% effective interest rate, final due date June 1, 2057	41,750	—	—	41,750
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
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 4.21% 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
	<u>3,901,900</u>	<u>110,895</u>	<u>14,090</u>	<u>3,998,705</u>
Unamortized premium	(780)	—	9	(771)
Total rental housing bonds	<u>\$ 3,901,120</u>			<u>3,997,934</u>

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Description	Balance at June 30, 2023	Issued	Retired	Balance at September 30, 2023
		(Amounts shown in thousands)		
Commonwealth mortgage bonds group:				
2006 Series C, dated June 8, 2006, 6.40% effective interest rate, final due date June 25, 2034	\$ 4,570	—	140	4,430
2008 Series B, dated April 10, 2008, 6.22% effective interest rate, final due date March 25, 2038	8,287	—	214	8,073
2008 Series C, dated November 18, 2008, 6.58% effective interest rate, final due date June 25, 2038	3,486	—	84	3,402
2012 Series A, dated December 20, 2012, 2.10% effective interest rate, final due date July 1, 2026	28,400	—	4,000	24,400
2012 Series B/C, dated December 20, 2012, 3.09% effective interest rate, final due date July 1, 2039	204,170	—	—	204,170
2013 Series B, dated May 21, 2013, 2.75% effective interest rate, final due date April 25, 2042	16,556	—	448	16,108
2013 Series C, dated October 24, 2013, 4.25% effective interest rate, final due date October 25, 2043	18,729	—	258	18,471
2013 Series D, dated December 19, 2013, 4.30% effective interest rate, final due date December 25, 2043	17,883	—	570	17,313
2014 Series A, dated December 11, 2014, 3.50% effective interest rate, final due date October 25, 2037	27,871	—	687	27,184
2015 Series A, dated November 10, 2015, 3.25% effective interest rate, final due date June 25, 2042	44,195	—	1,464	42,731

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Description	Balance at June 30, 2023	Issued	Retired	Balance at September 30, 2023
		(Amounts shown in thousands)		
2016 Series A, dated June 9, 2016, 3.10% effective interest rate, final due date June 25, 2041	\$ 43,090	—	1,050	42,040
2017 Series A, dated June 13, 2017, 3.13% effective interest rate, final due date November 25, 2039	50,928	—	1,857	49,071
2019 Series A, dated November 5, 2019, 2.95% effective interest rate, final due date October 25, 2049	46,506	—	960	45,546
2020 Series A, dated February 12, 2020, 2.85% effective interest rate, final due date December 25, 2049	61,321	—	1,237	60,084
2020 Series B, dated April 21, 2020, 2.75% effective interest rate, final due date October 25, 2046	75,974	—	2,625	73,349
2021 Series A, dated August 17, 2021, 2.13% effective interest rate, final due date July 25, 2051	134,183	—	2,710	131,473
2022 Series A, dated February 1, 2022, 2.88% effective interest rate, final due date February 25, 2052	39,152	—	674	38,478
	<u>825,301</u>	<u>—</u>	<u>18,978</u>	<u>806,323</u>
Unamortized premium	(289)	<u>—</u>	<u>8</u>	(281)
Total commonwealth mortgage bonds group	<u>\$ 825,012</u>			<u>806,042</u>

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Description	Balance at June 30, 2023	Issued	Retired	Balance at September 30, 2023
		(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	\$ 37,583	—	594	36,989
Total homeownership mortgage bonds group	37,583	—	—	36,989
Total	\$ 5,163,715			5,250,965

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Notes and bonds payable at June 30, 2022 and September 30, 2022 and changes for the three months ended September 30, 2022 were summarized as follows (amounts in thousands):

Description	Balance at June 30, 2022	Issued	Retired	Increase/ (decrease) in unamortized premium/ discount	Balance at September 30, 2022
General operating accounts	\$ 710,300	40,000	140,000	-	610,300
Rental housing bonds group	3,718,567	-	11,350	6	3,707,223
Commonwealth mortgage bonds group	918,598	-	26,923	16	891,691
Homeownership mortgage bonds group	42,634	-	1,588	-	41,046
Total	<u>\$ 5,390,099</u>	<u>40,000</u>	<u>179,861</u>	<u>22</u>	<u>5,250,260</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, 2023, and thereafter are as follows:

Year Ending September 30	Outstanding principal	Current interest	Total debt service
2024	\$ 550,759,363	176,005,165	726,764,528
2025	123,280,000	150,976,182	274,256,182
2026	118,115,000	148,503,595	266,618,595
2027	130,875,000	145,323,211	276,198,211
2028	146,950,000	142,043,318	288,993,318
2029-2033	603,280,000	655,130,959	1,258,410,959
2034-2038	695,499,342	554,613,233	1,250,112,575
2039-2043	855,097,901	423,236,637	1,278,334,538
2044-2048	748,812,075	274,497,158	1,023,309,233
2049-2053	885,963,158	145,540,196	1,031,503,354
2054-2058	315,155,000	35,529,738	350,684,738
2059-2063	50,705,000	10,547,540	61,252,540
2064-2068	27,525,000	1,564,484	29,089,484
Total	<u>\$ 5,252,016,839</u>	<u>2,863,511,416</u>	<u>8,115,528,255</u>

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(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
(A Component Unit of the Commonwealth of Virginia)

Notes to Basic Financial Statements

September 30, 2023 and 2022

(Unaudited)

Description	Balance at June 30, 2023	Issued	Retired	Balance at September 30, 2023
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	\$ 2,684,994	—	15,339	2,669,655
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	6,962,410	—	40,493	6,921,917
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	5,140,732	—	23,311	5,117,421
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	6,281,380	—	53,225	6,228,155
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	3,431,896	—	18,940	3,412,956
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	2,256,991	—	12,457	2,244,534
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	4,117,625	—	23,780	4,093,845
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	3,146,050	—	18,168	3,127,882
Total participation certificates payable	<u>\$ 34,022,078</u>	<u>—</u>	<u>205,713</u>	<u>33,816,365</u>

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

Assets	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
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	<u>285,295,968</u>	<u>1,020,438,339</u>	<u>471,307,209</u>	<u>41,063,509</u>	<u>1,818,105,025</u>
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	<u>337,922,019</u>	<u>4,748,982,798</u>	<u>1,604,681,186</u>	<u>96,965,590</u>	<u>6,788,551,593</u>
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	<u>870,188,077</u>	<u>4,755,731,756</u>	<u>1,893,026,399</u>	<u>96,965,590</u>	<u>7,615,911,822</u>
Total assets	<u><u>1,155,484,045</u></u>	<u><u>5,776,170,095</u></u>	<u><u>2,364,333,608</u></u>	<u><u>138,029,099</u></u>	<u><u>9,434,016,847</u></u>
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	<u>11,258,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,258,138</u>

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	<u>542,555,462</u>	<u>139,877,757</u>	<u>44,499,935</u>	<u>1,603,855</u>	<u>728,537,009</u>
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	<u>167,262,793</u>	<u>3,899,369,400</u>	<u>765,351,021</u>	<u>35,484,854</u>	<u>4,867,468,068</u>
Total liabilities	<u>709,818,255</u>	<u>4,039,247,157</u>	<u>809,850,956</u>	<u>37,088,709</u>	<u>5,596,005,077</u>
Deferred inflows of resources					
Deferred fees and points on multifamily loans	453,170	64,608,583	-	-	65,061,753
Other postemployment benefits - change in assumptions	586,871	-	-	-	586,871
Other postemployment benefits - difference between expected and actual experience	941,509	-	-	-	941,509
Total deferred inflows of resources	<u>1,981,550</u>	<u>64,608,583</u>	<u>-</u>	<u>-</u>	<u>66,590,133</u>
Net position:					
Net investment in capital assets	8,427,101	(119,545)	-	-	8,307,556
Restricted by bond indentures	-	1,672,433,900	1,554,482,652	100,940,390	3,327,856,942
Unrestricted	446,515,277	-	-	-	446,515,277
Total net position	<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 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
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>27,345,039</u>	<u>54,857,864</u>	<u>26,415,401</u>	<u>1,078,942</u>	<u>109,697,246</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 (expense)	<u>(33,958,044)</u>	<u>20,670,120</u>	<u>20,348,224</u>	<u>770,831</u>	<u>7,831,131</u>
Nonoperating revenues (expenses):					
Pass-through grant awards	62,306,308	-	-	-	62,306,308
Pass-through grants expenses	(62,306,308)	-	-	-	(62,306,308)
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 on investments	(23,236,175)	150,863	(11,247,569)	6,161	(34,326,720)
Total nonoperating (expenses) revenues, net	<u>(17,915,470)</u>	<u>11,832,184</u>	<u>(4,668,571)</u>	<u>453,205</u>	<u>(10,298,652)</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	48,665,663	(25,438,878)	(23,230,989)	4,204	-
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	458,150,229	1,665,250,929	1,562,033,988	99,712,150	3,785,147,296
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	385,400,605	-	-	-	385,400,605
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	75,335,481	5,482,576	73,264	36,592	80,927,913
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>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position (as restated)
September 30, 2022
(Unaudited)

Assets	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Current assets:					
Cash and cash equivalents	\$ 465,965,196	1,069,755,651	358,143,935	24,928,292	1,918,793,074
Interest receivable – investments	2,398,454	2,133,842	1,458,771	47,002	6,038,069
Derivative instruments	-	-	5,047,672	-	5,047,672
Mortgage loans held for sale	-	-	184,762,408	-	184,762,408
Mortgage and other loans receivable, net	8,790,960	103,468,762	69,062,585	4,169,428	185,491,735
Interest receivable – mortgage and other loans	810,365	17,319,450	4,854,123	306,939	23,290,877
Other real estate owned	5,259,113	427,000	803,903	83,000	6,573,016
Other assets	40,020,528	-	7,593	-	40,028,121
Total current assets	<u>523,244,616</u>	<u>1,193,104,705</u>	<u>624,140,990</u>	<u>29,534,661</u>	<u>2,370,024,972</u>
Noncurrent assets:					
Investments	679,597,512	-	157,828,848	1,124,337	838,550,697
Mortgage and other loans receivable	312,974,037	4,334,352,313	1,567,918,831	108,516,383	6,323,761,564
Less allowance for loan loss	47,075,314	52,992,939	38,229,682	1,092,018	139,389,953
Mortgage and other loans receivable, net	<u>265,898,723</u>	<u>4,281,359,374</u>	<u>1,529,689,149</u>	<u>107,424,365</u>	<u>6,184,371,611</u>
Capital Assets, net of accumulated depreciation and amortization of \$67,372,701	33,739,824	7,445,550	-	-	41,185,374
Mortgage servicing rights, net	43,182,426	-	-	-	43,182,426
Other Assets	19,148,416	-	-	-	19,148,416
Total noncurrent assets	<u>1,041,566,901</u>	<u>4,288,804,924</u>	<u>1,687,517,997</u>	<u>108,548,702</u>	<u>7,126,438,524</u>
Total assets	<u><u>1,564,811,517</u></u>	<u><u>5,481,909,629</u></u>	<u><u>2,311,658,987</u></u>	<u><u>138,083,363</u></u>	<u><u>9,496,463,496</u></u>
Deferred outflows of resources					
Other postemployment benefits - change in assumptions	1,911,020	-	-	-	1,911,020
Other postemployment benefits - difference between expected and actual experience	6,868,575	-	-	-	6,868,575
Total Deferred outflows of resources	<u>8,779,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,779,595</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position (as restated)
September 30, 2022
(Unaudited)

Liabilities	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Current liabilities:					
Notes and bonds payable	610,300,000	71,830,000	41,189,063	1,512,229	724,831,292
Accrued interest payable on notes and bonds	792,586	36,956,639	4,158,328	111,167	42,018,720
Escrows	42,617,075	-	-	-	42,617,075
Federal grand awards held	203,718,657	-	-	-	203,718,657
Accounts payable and other liabilities	29,518,448	-	-	-	29,518,448
Total current liabilities	886,946,766	108,786,639	45,347,391	1,623,396	1,042,704,192
Noncurrent liabilities:					
Bonds payable, net	-	3,635,392,604	850,501,916	39,534,118	4,525,428,638
Project reserves	108,177,161	-	-	-	108,177,161
Loan participation payable to Federal Financing Bank	34,626,936	-	-	-	34,626,936
Other (assets) liabilities	23,251,988	-	-	-	23,251,988
Total noncurrent liabilities	166,056,085	3,635,392,604	850,501,916	39,534,118	4,691,484,723
Total liabilities	1,053,002,851	3,744,179,243	895,849,307	41,157,514	5,734,188,915
Deferred inflows of resources					
Deferred fees and points on multifamily loans	480,663	63,470,600	-	-	63,951,263
Other postemployment benefits - change in assumptions	665,047	-	-	-	665,047
Other postemployment benefits - difference between expected and actual experience	124,609	-	-	-	124,609
Other postemployment benefits - difference between projected and actual earning	5,757,970	-	-	-	5,757,970
Total deferred inflows of resources	7,028,289	63,470,600	-	-	70,498,889
Net position:					
Net investment in capital assets	11,633,359	280,411	-	-	11,913,770
Restricted by bond indentures	-	1,673,979,375	1,415,809,680	96,925,849	3,186,714,904
Unrestricted	501,926,613	-	-	-	501,926,613
Total net position	\$ 513,559,972	1,674,259,786	1,415,809,680	96,925,849	3,700,555,287

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Revenues, Expenses, and Changes in Net Position (as restated)
Three months ended September 30, 2022
(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	\$ 4,648,369	50,896,778	19,269,325	1,287,175	76,101,647
Housing Choice Voucher program administrative income	2,677,107	-	-	-	2,677,107
Gains and recoveries on sale of other real estate owned	40,423	-	35,869	1,052	77,344
Gains on sale of single family mortgage loans	-	-	(1,046,347)	-	(1,046,347)
Mortgage servicing fees net of guaranty fees	10,592,094	-	-	-	10,592,094
Other	2,738,611	1,333,733	2,560	-	4,074,904
Total operating revenues	<u>20,696,604</u>	<u>52,230,511</u>	<u>18,261,407</u>	<u>1,288,227</u>	<u>92,476,749</u>
Operating expenses:					
Interest on notes and bonds payable	3,681,470	28,888,260	6,708,024	338,711	39,616,465
Salaries and related employee benefits	17,398,158	-	-	-	17,398,158
General operating expenses	7,918,085	-	-	-	7,918,085
Note and bond expenses	313,834	-	-	-	313,834
Grant expenses	15,306,004	-	-	-	15,306,004
Housing Choice Voucher program expenses	1,859,074	-	-	-	1,859,074
Mortgage servicing rights amortization and other servicing costs	7,466,869	-	(184,808)	-	7,282,061
Losses on other real estate owned	553,140	-	336,671	6,619	896,430
Provision for loan losses	(125,601)	(2,901,911)	(697,498)	(21,787)	(3,746,797)
Total operating expenses	<u>54,371,033</u>	<u>25,986,349</u>	<u>6,162,389</u>	<u>323,543</u>	<u>86,843,314</u>
Operating income (expense)	<u>(33,674,429)</u>	<u>26,244,162</u>	<u>12,099,018</u>	<u>964,684</u>	<u>5,633,435</u>
Nonoperating revenues (expenses):					
Pass-through grant awards	43,953,769	-	-	-	43,953,769
Pass-through grants expenses	(43,953,769)	-	-	-	(43,953,769)
Investment income	7,360,169	5,262,245	4,684,235	113,584	17,420,233
Realized loss on investments	(2,163)	-	(41,933,169)	-	(41,935,332)
Unrealized loss on investments	(27,194,650)	-	(853,060)	-	(28,047,710)
Total nonoperating revenues, net	<u>(19,836,644)</u>	<u>5,262,245</u>	<u>(38,101,994)</u>	<u>113,584</u>	<u>(52,562,809)</u>
Income (loss) before transfers	<u>(53,511,073)</u>	<u>31,506,407</u>	<u>(26,002,976)</u>	<u>1,078,268</u>	<u>(46,929,374)</u>
Transfers between funds	137,327,911	(42,153,718)	(95,204,090)	29,897	-
Change in net position	<u>83,816,838</u>	<u>(10,647,311)</u>	<u>(121,207,066)</u>	<u>1,108,165</u>	<u>(46,929,374)</u>
Total net position, beginning of year	429,743,134	1,684,907,097	1,537,016,746	95,817,684	3,747,484,661
Total net position, end of three months	<u>\$ 513,559,972</u>	<u>1,674,259,786</u>	<u>1,415,809,680</u>	<u>96,925,849</u>	<u>3,700,555,287</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, 2022
(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	\$ 85,760,686	4,418,103	1,775,150	1,620,347	93,574,286
Interest receivable - investments	-	6,343	1,806	1,375	9,524
Interest receivable - mortgage and other loans	-	1,046	56,176	8,625	65,847
Other assets	-	64,984	-	-	64,984
Total current assets	<u>85,760,686</u>	<u>4,490,476</u>	<u>1,833,132</u>	<u>1,630,347</u>	<u>93,714,641</u>
Noncurrent assets:					
Mortgage and other loans receivable	-	2,702,870	24,898,970	9,800,847	37,402,687
Total noncurrent assets	<u>-</u>	<u>2,702,870</u>	<u>24,898,970</u>	<u>9,800,847</u>	<u>37,402,687</u>
Total assets	<u>85,760,686</u>	<u>7,193,346</u>	<u>26,732,102</u>	<u>11,431,194</u>	<u>131,117,328</u>
LIABILITIES					
Other liabilities	-	1,838,865	1,810,084	1,648,070	5,297,019
Total liabilities	<u>-</u>	<u>1,838,865</u>	<u>1,810,084</u>	<u>1,648,070</u>	<u>5,297,019</u>
NET POSITION					
Restricted for:					
Funds held in escrow	85,760,686	-	-	-	85,760,686
Other governmental agency	-	5,354,481	24,922,018	9,783,124	40,059,623
Total Net Position	<u>\$ 85,760,686</u>	<u>5,354,481</u>	<u>24,922,018</u>	<u>9,783,124</u>	<u>125,820,309</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, 2022 and 2021
(Unaudited)

	<u>Escrow Funds (GNMA, FNMA, FHLMC Habitat)</u>	<u>Commonwealth Priority Housing Fund</u>	<u>Virginia Housing Trust Fund</u>	<u>National Housing Trust Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS					
Contribution:					
Borrower payments	\$ 508,576,880	-	-	-	508,576,880
Employers	-	-	76,208	30,687	106,895
Other governmental agency minus Employers	-	-	543,792	769,313	1,313,105
Total Contributions	<u>508,576,880</u>	<u>-</u>	<u>620,000</u>	<u>800,000</u>	<u>509,996,880</u>
Investment earnings:					
Interest, dividends, and other	-	18,616	3,307	2,598	24,521
Total investment earnings	<u>-</u>	<u>18,616</u>	<u>3,307</u>	<u>2,598</u>	<u>24,521</u>
Total additions	<u>508,576,880</u>	<u>18,616</u>	<u>623,307</u>	<u>802,598</u>	<u>510,021,401</u>
DEDUCTIONS					
Other governmental agency	-	-	14,164	-	14,164
Disbursement of escrow funds	516,552,357	-	-	-	516,552,357
Total deductions	<u>516,552,357</u>	<u>-</u>	<u>14,164</u>	<u>-</u>	<u>516,566,521</u>
Net (decrease)/increase in fiduciary net position	(7,975,477)	18,616	609,143	802,598	(6,545,120)
Net position - beginning of year	93,736,163	5,335,865	24,312,875	8,980,526	132,365,429
Net position - end of three months	<u>\$ 85,760,686</u>	<u>5,354,481</u>	<u>24,922,018</u>	<u>9,783,124</u>	<u>125,820,309</u>