DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

OIG Project No. 23-1-16HF



January 31, 2024

District of Columbia Housing Finance Agency



with Independent Auditor's Report

GUIDING PRINCIPLES

ACCOUNTABILITY * INTEGRITY * PROFESSIONALISM TRANSPARENCY * CONTINUOUS IMPROVEMENT * EXCELLENCE



OUR MISSION

We independently audit, inspect, and investigate matters pertaining to the District of Columbia government to

- prevent and detect corruption, mismanagement, waste, fraud, and abuse.
- promote economy, efficiency, effectiveness, and accountability.
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

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Our vision is to be a world-class Office of the Inspector General that is customer-focused and sets the standard for oversight excellence!

OUR GUIDING PRINCIPLES

- Accountability
- Continuous Improvement
- Excellence
- Integrity
- Professionalism
- Transparency





DISTRICT OF COLUMBIA | OFFICE OF THE INSPECTOR GENERAL

January 31, 2024

The Honorable Muriel Bowser Mayor of the District of Columbia Mayor's Correspondence Unit John A. Wilson Building 1350 Pennsylvania Avenue NW, Suite 316 Washington, DC 20004

The Honorable Phil Mendelson Chairman Council of the District of Columbia John A. Wilson Building 1350 Pennsylvania Avenue, NW, Suite 504 Washington, DC 20004

Subject: District of Columbia Housing Finance Agency | 23-1-16HF

Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the final report *District of Columbia Housing Finance Agency Financial Statements for the Years Ended September 30, 2023 and 2022 with Independent Auditor's Report* (OIG No. 23-1-16HF). McConnell Jones, LLP (MJ) submitted this component report as part of our overall contract for the audit of the District of Columbia's general-purpose financial statements for fiscal year 2023. MJ is contractually required to review the work papers of Mitchell Titus LLP (MT), which audited the financial statements of the District of Columbia Housing Finance Agency to independently determine whether the financial statements are fairly presented.

On December 29, 2023, MT issued its opinion and concluded that the financial statements are presented fairly in all material respects, in accordance with accounting principles generally accepted in the United States of America. MT identified no material weaknesses in internal control over financial reporting. MJ concurred with MT's opinion and conclusions.

If you have questions about this report, please contact me or Eileen Shanklin-Andrus, Acting Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

alla

Daniel W. Lucas Inspector General

DWL/ws

Enclosure

cc: See Distribution List

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- Mr. Stephen M. Green, Chairman, District of Columbia Housing Finance Agency
- Mr. Christopher E. Donald, Executive Director and CEO District of Columbia Housing Finance Agency
- Mr. Wayne McConnell, Managing Partner, McConnell & Jones LLP



Financial Statements For the Years Ended September 30, 2023 and 2022 With Independent Auditor's Report



Financial Statements For the Years Ended September 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors District of Columbia Housing Finance Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the District of Columbia Housing Finance Agency (the "Agency"), a component unit of the Government of the District of Columbia, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as of September 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Agency as of and for the year ended September 30, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on December 29, 2022.

Responsibilities of Management for the Financial Statements

The Agency's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

80 Pine Street New York, NY 10005 **T** +1 212 709 4500 **F** +1 212 709 4680 mitchelltitus.com



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements as of and for the year ended September 30, 2023. The combining statements of net position, combining statements of revenues, expenses and changes in net position, combining statements of cash flows, and schedules of cash/cash equivalents, investments and mortgage-backed securities by Program (the "supplementary information") on pages 50 through 53 as of and for the year ended September 30, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information as of and for the year ended September 30, 2023 has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as of and for the year ended September 30, 2023 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



The supplementary information as of and for the year ended September 30, 2022 was subjected to the auditing procedures applied by another auditor who indicated in their report dated December 29, 2022 that the supplemental information as of and for the year ended September 30, 2022 was fairly stated, in all material respects, in relation to the 2022 basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023 on our consideration of the District of Columbia Housing Finance Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Mitchell : Titus, LLP

December 29, 2023

Management's Discussion and Analysis September 30, 2023 and 2022 (Unaudited)

Our discussion and analysis of the District of Columbia Housing Finance Agency's financial performance provides an overview of the Agency's financial activities for the years ended September 30, 2023, and 2022. The financial statements, accompanying notes, and additional information should be read in conjunction with the following discussion.

Overview

The District of Columbia Housing Finance Agency (the "Agency") was established in 1979 to stimulate and expand homeownership and rental housing opportunities for low- and moderateincome families in the District of Columbia (the "District"). The Agency primarily issues taxable and tax-exempt mortgage revenue bonds to lower the financing costs for single family homebuyers and multifamily developers acquiring, constructing, and rehabilitating rental housing in the District of Columbia. The amount of tax-exempt bonds the Agency can issue each year is prescribed in a formula embedded in Federal legislation. In addition, the Agency administers the issuance of 4% low-income housing tax credits on behalf of the District of Columbia and Community Development ("DHCD"), to achieve its affordable housing preservation, rehabilitation, and development objectives. The Agency is self-sustaining, and its budget, finances, procurement, and personnel system are independent of the District of Columbia Government.

The Agency accounts for its financial activities using program revenues and funds, through housing revenue bonds financing and mortgage enhancement and lending programs, for its single family and multifamily loan programs and its general operations. The Agency's General Fund is used to record the receipt of income not directly pledged for repayment of debt securities, to pay expenses related to the Agency's administrative functions and operations, including bond program administration, mortgage servicing, the United States Department of Housing and Urban Development ("HUD") Risk-Sharing insurance program and the McKinney Act loan program. The Agency's currently active bond programs include (i) single family mortgage revenue bonds, (ii) multifamily housing revenue bonds (conduit financing), (iii) multifamily development program bonds, for acquisition, construction, rehabilitation of single-family homes and multifamily residential rental projects, and refinancing of existing debt. In conjunction with the Agency's multifamily revenue bonds, developers may be entitled to 4% Low Income Housing Tax Credits under the Internal Revenue Code.

The Agency also operates programs that include down payment and closing cost assistance, pre-development loans, construction monitoring services, multifamily mortgage loan servicing and a wide range of other technical assistance services that are available to prospective homeowners, developers and to the Washington D.C. Metropolitan Area at large.

These single family and multifamily programs funds are used to account for proceeds of bonds, notes, debentures or other financial indebtedness of the Agency issued under these programs, cash and investments held under the bond indenture revenue fund, debt service reserve fund, rebate fund, redemption fund and program subsidy fund, mortgage loans held pursuant to the bond indenture, and repayments and prepayments collected from mortgage loans originated under the bond indenture.

Management's Discussion and Analysis *(continued)* September 30, 2023 and 2022 (Unaudited)

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED SEPTEMBER 30, 2023, AND COMPARATIVE FINANCIAL HIGHLIGHTS FOR THE YEARS ENDED SEPTEMBER 30, 2023, AND 2022

Significant Macroeconomic Factors and Program Updates

Fiscal year 2023 was another year of significant changes to the macro-economic environment. The inflation battle that emerged in FY22 continued to be a highly relevant issue in FY23. The Federal Reserve continued to raise interest rates a number of times in FY23 to cool the economy and stem rising inflation. These rate changes continued to cripple our single-family business volume as fewer borrowers were able to afford monthly mortgage payments at rates that reached a high of near 8% on 30 fixed mortgages from below 4% in early 2022. While rising interest rates also negatively impacted our multi-family business, there was a positive tailwind to the multi-family business from the DC Government as it's Housing Production Trust Fund (HPTF) continued to have a large budget available from previous year's fundings for second trusts for the development of MF apartments focused on low- and moderate-income tenants. The Agency often underwrites and finances the first trust on multi-family projects but partners on most affordable housing financing projects with the DC Government as the second trust provider through the HPTF. The DC Government made a smaller contribution to the Housing Production Trust fund in FY23 but previous year's unused fundings provided private developers opportunity to leverage this fund to propose and produce a high number of low- and moderateincome apartment projects in Washington DC in FY23. The high amount of the HPTF funds available, and the availability of DCHFA's unused Federal tax-exempt bond issuance cap spurred private developer demand in the affordable housing sector. In fact, our pipeline of MF apartment projects grew substantially in FY23 and enabled us to have one of our biggest MF volume years in the Agency's history with over \$680 million in projects closed. Going forward the Agency's tax-exempt bond issuance ability will be more limited as will the DC Government's Housing Production Trust Fund will not likely be replenished as previous years such that we are likely to fall back towards our historic MF volume more in the \$300 million range.

Consistent with the overall mortgage market in the United States, the DCHFA single family first trust loan volume declined from \$59.1 million in FY22 to approximately \$30.9 million in FY23 as higher interest rates dampened both supply and demand for single family activity. This decline is largely macro-economic related as higher interest rates increased monthly mortgage payments significantly for the same size loan, disrupted mortgage-backed security markets, limited homes for sale, and caused overall consumer caution contributing to reduced volume. Similarly, the Agency's self-funded down payment assistance loan volume dropped substantially as well in FY23. Despite the conditions, the single-family business helped finance loans for over one hundred families with most of those families being first-time home buyers with income below 80% of the area median income.

Management's Discussion and Analysis *(continued)* September 30, 2023 and 2022 (Unaudited)

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED SEPTEMBER 30, 2023, AND COMPARATIVE FINANCIAL HIGHLIGHTS FOR THE YEARS ENDED SEPTEMBER 30, 2023, AND 2022 (continued)

Significant Macroeconomic Factors and Program Updates (continued)

In March 2017, DCHFA entered into a grant agreement with the DC DHCD as the sub-recipient in the administration of the Home Purchase Assistance Program ("HPAP") funded by a variety of sources to include the Community Development Block Grant ("CDBG") funds. DCHFA continued to be one of two program administrators for the HPAP program in FY23 and has been selected for FY24 as well. The Agency processed over 300 HPAP loans in FY23 on behalf of the DC Government and DHCD. Accordingly, the Agency maintains a \$10 million line of credit with Industrial Bank to serve as a facility to fund HPAP loans. The line is paid down upon receipt of reimbursements from DHCD typically monthly. As of September 30, 2023, the outstanding balance on the credit line totaled \$9.9 million.

BASIC FINANCIAL STATEMENTS

The accompanying financial statements include Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows. The Statements of Net Position show the financial position of the Agency and its programs as of the end of the reporting period, while the Statements of Revenues, Expenses and Changes in Net Position show the results of operations for the reporting period. The Statements of Cash Flows show sources and uses of cash in the operating, investing, and financing activities of the Agency and its programs.

Management's Discussion and Analysis *(continued)* September 30, 2023 and 2022 (Unaudited)

FINANCIAL STATEMENT ANALYSIS

The following information is an analysis of the Agency's financial statements as of and for the year ended September 30, 2023, compared to the financial statements as of and for the years ended September 30, 2022, and 2021:

	2023	Net Change	2022	Net Change	2021
ASSETS					
Current assets	\$ 202,717,321	54.2%	\$ 131,462,165	(23.4)%	\$ 171,586,105
Non-current other assets	467,107,560	13.6%	411,156,774	(1.1)%	415,724,688
Non-current capital assets	2,029,902	(11.9)%	2,305,050	(3.7)%	2,393,891
Total assets	\$ 671,854,783	23.3%	\$ 544,923,989	(7.6)%	\$ 589,704,684
LIABILITIES					
Current liabilities	\$ 154,352,914	48.1%	\$ 104,213,809	(32.9)%	\$ 155,196,966
Non-current liabilities	327,066,057	18.4%	276,187,814	(1.0)%	278,950,195
Total liabilities	481,418,971	26.6%	380,401,623	(12.4)%	434,147,161
NET POSITION					
Net investment in capital assets	1,819,578	(15.3)%	2,149,225	(2.4)%	2,201,126
Restricted for					
Bond fund, collateral and Risk					
Share Program	33,729,290	10.2%	30,607,809	6.5%	28,730,761
McKinney Act Program	9,545,342	(0.8)%	9,624,933	5.1%	9,156,761
Total restricted	43,274,632	7.6%	40,232,742	6.2%	37,887,522
Unrestricted	145,341,602	19.0%	122,140,399	5.8%	115,468,875
Total net position	190,435,812	15.8%	164,522,366	5.8%	155,557,523
Total liabilities and net position	\$ 671,854,783	23.3%	\$ 544,923,989	(7.6)%	\$ 589,704,684

Management's Discussion and Analysis *(continued)* September 30, 2023 and 2022 (Unaudited)

FINANCIAL STATEMENT ANALYSIS (continued)

	2023	Net Change	2022	Net Change	2021
OPERATING REVENUES					
Investment interest income	\$ 4,919,657	105.8%	\$ 2,390,291	(5.1)%	\$ 2,518,369
Mortgage-backed security interest					
income	482,451	(15.4)%	569,957	(19.6)%	708,774
Interest on mortgage and construction					
loans	6,293,299	20.4%	5,226,898	1.8%	5,135,051
Construction and development	4 070 400	70.00/	0.075.054		0.400.055
administration fees	4,078,138	79.2%	2,275,851	(26.7)%	3,103,655
Financing fee income	12,927,765	121.2%	5,845,154	23.8%	4,721,625
Tax credit fee income	3,251,154	130.8%	1,408,631	36.7%	1,030,806
Bond administration fee income	8,997,570	22.1% 48.8%	7,370,384 295.733	15.9%	6,357,252
McKinney Act interest revenue	439,962	48.8% 162.8%	,	(4.3)% 92.7%	308,979
Application and commitment fees Legal fees	693,024 792,208	47.4%	263,660 537,624	92.7% 19.5%	136,797 450,000
Legal fees	402,682	(74.5)%	1,578,235	(53.2)%	450,000 3,371,990
Mortgage prepayment penaly income	402,882 25,050	(74.5)%	1,339,227	(53.2)%	3,371,990
Project revenue	2,938,856	(43.5)%	5,203,638	- 44.2%	3,608,422
Other	1,091,794	(43.3)%	1,515,410	(22.7)%	1,959,792
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Total operating revenues	47,333,610	32.1%	35,820,693	7.2%	33,411,512
OPERATING EXPENSES					
General and administrative	4,329,223	(4.6)%	4,537,753	(25.4)%	6,082,957
Personnel and related costs	8,223,552	14.7%	7,172,594	20.1%	5,970,199
Interest expense	8,499,265	7.3%	7,922,002	21.5%	6,519,759
Depreciation and amortization	548,119	62.7%	336,970	(14.1)%	392,272
Trustee fees and other expenses	24,662	(15.1)%	29,043	(68.0)%	90,668
Total operating expenses	21,624,821	8.1%	19,998,362	4.9%	19,055,855
Operating income	25,708,789	62.5%	15,822,331	10.2%	14,355,657
Non-operating revenues (expenses)	204,657	(103.0)%	(6,857,488)	494.8%	(1,152,971)
Change in net position	25,913,446	189.1%	8,964,843	(32.1)%	13,202,686
Net position, beginning of year	164,522,366	5.8%	155,557,523	9.3%	142,354,837
Net position, end of year	\$ 190,435,812	15.8%	\$ 164,522,366	5.8%	\$ 155,557,523

Operating Results

During fiscal year 2023, the Agency's combined net position increased by \$25.9. million, or 15.8%, which comprises operating income of \$25.7 million from operations and a non- operating gain of \$.2 million due to a change in the unrealized fair value of mortgage-backed securities and other investments.

Total assets increased \$126.9 million or 23.3% partially attributable to a strong net income year, growth in both our SF and MF indentures, and a new on balance sheet HUD MF risk share deal that closed in late September 2023.

Fiscal year 2023 operating income of \$25.7 million was 62.5% higher than FY22 operating income of \$15.8 million partially attributable to historically high volume and subsequent transaction fees earned from the Multifamily Business which more than offset the drop-in Single Family transaction fees. Due to a rising interest rate environment, our interest income from our investment portfolio rose from FY22.

Management's Discussion and Analysis *(continued)* September 30, 2023 and 2022 (Unaudited)

FINANCIAL STATEMENT ANALYSIS (continued)

Operating Results (continued)

Combined operating expenses in fiscal year FY23 vs FY22 were up 1.6 million or 8.1% partially attributed to small growth in the number of employees, increases in overall compensation due to inflation, a higher percentage of benefits paid on behalf of employees and the addition of loan loss reserves.

Total operating expenses for the last three years have been \$21.6 million, \$20.0 million and \$19.1 million for the years FY23, FY22 and FY21, respectively, which is a reasonable growth range in the high inflation environment we experienced.

DEBT MANAGEMENT

Debt activity and mortgage revenue bonds issued for the years ended September 30, 2023, 2022 and 2021 was as follows:

	2023		2022		 2021
Beginning balance New issuance/draws Redemptions/maturities	\$	280,782,284 72,103,880 (13,877,217)	\$	282,866,582 47,789,334 (49,873,632)	\$ 199,581,486 99,662,617 (16,377,521)
Ending balance	\$	339,008,947	\$	280,782,284	\$ 282,866,582

The debt outstanding numbers represent DCHFA's risk share portfolio where it takes financial risk along with the Department of Housing and Urban Development in a portfolio of 21 multi-family projects.

The overall outstanding debt position increased from \$280.8 million at September 30, 2022 to \$339.0 million at September 30, 2023 partly due to one new project added in FY23 year.

In March 2017, the Agency established a line of credit with Industrial Bank for the purpose of funding HPAP loans. As of September 30, 2023, the total outstanding balance on the Industrial credit line was \$9.96 million.

During fiscal year 2023, DCHFA financed 16 new multifamily projects and issued supplemental bonds for two existing deals for \$683.4 million.

During fiscal year 2022, DCHFA financed 12 new multifamily projects for \$272.6 million.

Management's Discussion and Analysis *(continued)* September 30, 2023 and 2022 (Unaudited)

KEY BOND PROGRAMS

Multifamily Development Program ("MFDP")

The Agency desired to implement a program that provides flexible financing options for loans made to finance housing projects through the issuance of bonds, notes, or other obligations by the Agency. In spring 2017, the Agency established a new multifamily bonds indenture to issue its multifamily mortgage revenue bonds, from time to time, for the purpose of (i) providing funds to finance, among other things, the acquisitions, construction, rehabilitation and equipping and/or permanent financing or refinancing of housing projects in the District of Columbia for occupancy by low- and moderate-income persons and (ii) refunding bonds. previously issued by the Agency. The MFDP includes other indentures used prior to the 2017 indenture for the same purposes.

Single Family New Issue Bond Program

Due to the executive management decision several years ago, the Agency changed its singlefamily business model from bond financing to a purchase and sale of the mortgage-backed securities approach. These purchase and sale transactions are accounted for as General Activities and not under the Single-Family Program.

At the beginning of 2021, the Agency had three outstanding Single-Family indentures 1988, 1996 and 2009. During Fiscal Year 2022, the Agency consolidated the 1996 and 2009 indenture into the 1988 indenture to concentrate assets and reduce administrative costs. The Agency did not issue any new Mortgage Revenue Bonds in 2023 but is always analyzing that execution for possible financial benefits vs the existing strategy of leveraging the "To Be Announced"/MBS execution. The total bonds outstanding in the now consolidated SF indenture is \$.5 million on September 30, 2023.

HUD Risk Sharing Program and Agency General Activities

The Agency has two risk sharing agreements with HUD where HUD pays 100% of the amount needed to retire bonds issued in connection with a defaulted project at the time of the initial claim. Both agreements provide loss sharing in the event of default. The most recent program enhancement allows the Agency to share premiums and losses 50% between the Federal Housing Administration ("FHA") and the Agency whereas the older program splits premiums and losses between FHA at 90% and the Agency at 10%. Due to DCHFA's A+ S&P rating, HUD does not require that DCHFA hold reserves against our risk sharing portfolio of multifamily loans. The Agency has or will have permanent mortgages of approximately \$241.7 million when all current projects complete construction. The risk share portfolio contains 12 projects with permanent mortgages of approximately \$40.6 million which have 10% risk share exposure to the Agency. The remaining nine projects totaling approximately \$201 million in permanent mortgages or commitments of permanent mortgages when construction is complete have a 50% risk share exposure to the Agency.

Management's Discussion and Analysis *(continued)* September 30, 2023 and 2022 (Unaudited)

CAPITAL ASSETS

Capital assets, net of accumulated depreciation and amortization, were \$2.0 million and \$2.3 million, respectively, as of September 30, 2023 and 2022. The detailed analysis of changes in capital assets is in Note 5.

CONCLUSION

Management's discussion and analysis is presented to provide additional information regarding the activities of the Agency and to meet the disclosure requirements of the Governmental Accounting Standards Board ("GASB"). If you have questions about the report or need additional financial information, contact the Chief Financial Officer, Stephen Clinton, District of Columbia Housing Finance Agency, (202) 777-1620, 815 Florida Avenue, N.W. Washington DC 20001, <u>sclinton@dchfa.org</u> or go to our website at <u>www.dchfa.org</u>.

Statements of Net Position As of September 30, 2023 and 2022

	2023	2022
CURRENT ASSETS		
Unrestricted current assets		
Cash and cash equivalents	\$ 34,534,966	\$ 38,181,423
Investments	28,535,840	15,165,142
Other receivables	3,476,949	3,312,419
Accrued interest receivable	1,025,594	567,220
Prepaid expenses	266,907	212,990
Total unrestricted current assets	67,840,256	57,439,194
Restricted current assets		
Cash and cash equivalents	55,740,200	57,636,470
Investments	56,420,367	11,035,000
Accounts receivable - HPAP program	20,360,772	2,892,860
Mortgage-backed securities at fair value	36,965	-
McKinney Act loans receivable, net	750,000	1,585,808
Accrued interest receivable	1,568,761	872,833
Total restricted current assets	134,877,065	74,022,971
Total current assets	202,717,321	131,462,165
NON-CURRENT ASSETS		
Unrestricted non-current assets		
Investments	65,250,605	51,993,809
Mortgage and construction loans receivable, net	6,379,253	6,078,723
Total unrestricted non-current assets	71,629,858	58,072,532
Restricted non-current assets		
Investments held in trust	149,149,473	140,828,738
Investments in joint ventures	1,908,454	1,345,435
Mortgage-backed securities at fair value	10,455,150	12,389,739
Mortgage and construction loans receivable, net	232,337,244	196,796,048
Loans receivable	1,627,381	1,724,282
McKinney Act loans receivable, net		
Total restricted non-current assets	395,477,702	353,084,242

Statements of Net Position *(continued)* As of September 30, 2023 and 2022

		2023	 2022
CAPITAL ASSETS Land Depreciable and amortizable capital assets <i>Less:</i> Accumulated depreciation and amortization	\$(573,000 6,859,524 (5,402,622)	\$ 573,000 6,586,553 (4,854,503)
Total capital assets, net		2,029,902	 2,305,050
Total non-current assets	46	9,137,462	 413,461,824
Total assets	\$ 67	1,854,783	\$ 544,923,989
LIABILITIES AND NET POSITION CURRENT LIABILITIES Current liabilities payable from unrestricted assets Accounts payable and accrued liabilities Accrued salary and vacation payable Lease liability Unearned income	\$	174,975 602,002 39,221 5,985,601	\$ 242,992 558,674 36,940 5,460,680
Total current liabilities payable from unrestricted assets	1	6,801,799	 6,299,286
Current liabilities payable from restricted assets Accounts payable and accrued liabilities Project funds held for borrower and other liabilities Interest payable Current portion of loan payable Current portion of bonds payable		218,728 4,595,451 715,506 9,956,367 2,065,063	105,204 92,257,734 838,230 2,780,425 1,932,930
Total current liabilities payable from restricted assets	13	7,551,115	 97,914,523
Total current liabilities	15	4,352,914	 104,213,809

Statements of Net Position *(continued)* As of September 30, 2023 and 2022

	2023	2022
NON-CURRENT LIABILITIES Non-current liabilities payable from unrestricted assets Lease liability	\$ 78,540	\$ 118,885
Total non-current liabilities payable from	<u> </u>	<u> </u>
unrestricted assets	78,540	118,885
Non-current liabilities payable from restricted assets Bonds payable - less current portion	326,987,517	276,068,929
Total non-current liabilities payable from		
restricted assets	326,987,517	276,068,929
Total non-current liabilities	327,066,057	276,187,814
Total liabilities	481,418,971	380,401,623
NET POSITION		
Net investment in capital assets	1,819,578	2,149,225
Restricted for		
Bond Fund, collateral and Risk Share Program	33,729,290	30,607,809
McKinney Act Program	9,545,342	9,624,933
Total restricted net position	43,274,632	40,232,742
Unrestricted net position	145,341,602	122,140,399
Total net position	190,435,812	164,522,366
Total liabilities and net position	\$ 671,854,783	\$ 544,923,989

Statements of Revenues, Expenses and Changes In Net Position For the Years Ended September 30, 2023 and 2022

		2023	_		2022
OPERATING REVENUES					
Investment interest income	\$	4,919,657		\$	2,390,291
Mortgage-backed security interest income	Ψ	482,451		Ψ	569,957
Interest on mortgage and construction loans		6,293,299			5,226,898
Construction and development admin fees		4,078,138			2,275,851
Financing fee income		12,927,765			5,845,154
Tax credit fee income		3,251,154			1,408,631
Bond administration fee income		8,997,570			7,370,384
McKinney Act interest revenue		439,962			295,733
Application and commitment fees		693,024			263,660
Legal fees		792,208			537,624
Gain on sale of single family loans		402,682			1,578,235
Mortgage prepayment income		25,050			1,339,227
Project revenue		2,938,856			5,203,638
Other		1,091,794			1,515,410
			-		
Total operating revenues		47,333,610			35,820,693
OPERATING EXPENSES					
General and administrative		4,329,223			4,537,753
Personnel and related costs		8,223,552			7,172,594
Interest expense		8,499,265			7,922,002
Depreciation and amortization		548,119			336,970
Trustee fees and other expenses		24,662	_		29,043
Total operating expenses		21,624,821	_		19,998,362
Operating income		25,708,789	_		15,822,331
NON-OPERATING REVENUES/(EXPENSES) Federal and city grant programs					
Grant program revenue		45,462,996			8,125,894
Grant program expenses		(45,459,031)			(8,125,894)
Increase (decrease) in fair value of mortgage-backe	d	· · ·			, , , , , , , , , , , , , , , , , , ,
securities and investments		200,692	_		(6,857,488)
Total non-operating (expenses)/revenues		204,657	_		(6,857,488)
Change in net position		25,913,446			8,964,843
Net position, beginning of year		164,522,366	_		155,557,523
Net position, end of year	\$	190,435,812	-	\$	164,522,366

Statements of Cash Flows

For the Years Ended September 30, 2023 and 2022

CASH FLOWS FROM OPERATING ACTIVITIES 5 6,293,299 \$ 5,173,438 Interest received on loans 27,324,175 15,491,389 Other cash receipts 27,324,175 15,491,389 Other cash receipts (3,848,846) (12,101,891) (7,222,511) Payments to employees (3,848,846) (7,222,511) Net mortgage and construction loans principal receipts (35,841,726) 6,999,129 Principal and interest received on mortgage-backed securities 2,278,419 (870,371) Principal and interest received on McKinney Act loans 754,095 - (29,043) Net cash provided by (used in) operating activities 39,448,267 (24,642,116) (24,642,116) CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES (45,850,991) (45,758) (7,712,427) Proceeds from bond issuances and loans (13,868,991) (48,173,652) (11,17,1478) CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES (45,558) (11,171,1478) Requisition of capital assets (272,970) (248,147) Principal payments on lease from operations (36,018) (363,767) Principal pa		2023	2022
Interest received on loans \$ 6,293,299 \$ 5,173,438 Administrative and financing cash receipts 27,324,175 53,680,075 53,2082,256) Payments to vendors (3,848,846) (12,101,891) Payments to vendors (6,180,224) (7,222,511) Net mortgage and construction loans principal receipts (35,841,726) 6,999,129 Principal and interest received on mortgage-backed securities 2,278,419 (870,371) Principal and interest received on McKinney Act loans 754,095 - (29,043) Net cash payments . . (29,043) Net cash provided by (used in) operating activities 39,448,267 (24,642,116) CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES Interest paid on bonds and loans 72,103,878 47,743,776 . <td>CASH FLOWS FROM OPERATING ACTIVITIES</td> <td></td> <td></td>	CASH FLOWS FROM OPERATING ACTIVITIES		
Administrative and financing cash receipts 27,324,175 15,491,389 Other cash receipts 50,669,075 (32,082,256) Payments to employees (3,848,846) (12,101,891) Payments to employees (3,848,846) (7,222,511) Net mortgage and construction loans principal receipts (35,841,726) 6,999,129 Principal and interest received on mortgage-backed securities 2,278,419 (870,371) Principal and interest received on McKinney Act loans 764,095 - Other cash payments - (29,043) Net cash provided by (used in) operating activities 39,448,267 (24,642,116) CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES - (29,043) Interest paid on bonds and loans 72,103,878 47,743,776 Principal any ments on issued debt and loans (13,868,991) (49,873,632) Bond premium 8,226 45,556 Grant program cash receipts 27,995,084 6,751,141 Grant program cash receipts 27,995,084 (36,767) Acquisition of capital assets (272,970) (248,147) Principal payments on lease from operations (38,064) (36,940)		\$ 6.293.299	\$ 5.173.438
Other cash receipts50.699.075(32.082.256)Payments to vendors(3,848,846)(12,101,891)Payments to employees(8,180.224)(7,222.511)Net mortgage and construction loans principal receipts(35,841,726)6,999,129(disbursements)(25,841,726)6,999,129Principal and interest received on mortgage-backed securities2,278,419(870.371)Principal and interest received on McKinney Act loans754,095-Other cash payments-(29.043)Net cash provided by (used in) operating activities39.448,267(24.642,116)CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES(7,712,427)Interest paid on bonds and loans(8,630,215)(7,712,427)Principal payments on issued debt and loans(13,868,991)(49,873,632)Bond premium8,22645,558Grant program cash receipts27,995,0846,751,141Grant program cash receipts(272,970)(248,147)Acquisition of capital assets(272,970)(248,147)Principal payments on lease from operations(38,064)(36,940)Net cash used in capital assets(272,970)(248,147)Principal payments on lease from operations(38,064)(36,3767)Interest received on investments(102,291,248)(131,137)Net cash used in capital and related financing activities(76,828,911)60,836,779Interest received on investments(102,291,248)(131,137,212)Net cash used in capital and related financing activities <td< td=""><td></td><td></td><td></td></td<>			
Payments to vendors(3,848,846)(12,101,891)Payments to employees(8,180,224)(7,222,511)Net mortgage and construction loans principal receipts(35,841,726)6,999,129(disbursements)(35,841,726)6,999,129Principal and interest received on mortgage-backed securities2,278,419(870,371)Principal and interest received on McKinney Act loans754,095-(29,043)Net cash payments	o		
Payments to employees(8,180,224)(7,222,511)Net mortgage and construction loans principal receipts (disbursements)(35,841,726)6,999,129Principal and interest received on mortgage-backed securities2,278,419(870,371)Principal and interest received on McKinney Act loans754,095-(29,043)Other cash payments(24,642,116)(24,642,116)CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES(24,642,116)(49,873,632)Interest paid on bonds and loans(13,668,991)(49,873,632)(49,873,632)Bond premium8,22645,55845,558Cash receipts27,995,0846,751,141Grant program cash receipts(45,459,031)(8,125,894)Net cash provided by (used in) non-capital financing activities32,148,951(11,171,478)CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIESNet cash used in capital and related financing activitiesAcquisition of capital assetsPrincipal payments on lease from operationsNet cash used in capital and related financing activitiesCASH FLOWS FROM INVESTING ACTIVITIESInterest received on investmentsNet cash used in capital and related financing activities <t< td=""><td>•</td><td></td><td></td></t<>	•		
(disbursements)(35,841,726)6,999,129Principal and interest received on McKinney Act loans2,278,419(870,371)Principal and interest received on McKinney Act loans754,095(29,043)Other cash payments	Payments to employees	(8,180,224)	(7,222,511)
Principal and interest received on mortgage-backed securities2,278,419(870,371)Principal and interest received on McKinney Act loans754,095(29,043)Other cash payments39,448,267(24,642,116)CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES(24,642,116)(24,642,116)Interest paid on bonds and boans(8,630,215)(7,712,427)Proceeds from bond issuances and loans(72,103,87847,743,776Principal payments on issued debt and loans(13,868,991)(49,873,632)Bond premium8,22645,558Grant program cash disbursements(24,459,031)(8,125,894)Net cash provided by (used in) non-capital financing activities32,148,951(11,171,478)CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES(272,970)(248,147)Acquisition of capital assets(272,970)(248,147)Principal payments on lease from operations(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIES(102,291,248)(131,597,212)Interest received on investments3,765,3552,300,291Maturities and sales of investments(102,291,248)(131,597,212)Net cash used in provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents, beginning of year\$ 34,534,966\$ 38,181,423CASH, CASH EQUIVALE	Net mortgage and construction loans principal receipts		
Principal and interest received on McKinney Act loans754,095Other cash payments	· · · · · ·	. , , , , , , , , , , , , , , , , , , ,	6,999,129
Other cash payments			(870,371)
Net cash provided by (used in) operating activities39,448,267(24,642,116)CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIESInterest paid on bonds and loans(8,630,215)(7,712,427)Proceeds from bond issuances and loans72,103,87847,743,776Principal payments on issued debt and loans(13,868,991)(49,873,632)Bond premium8,22645,558Grant program cash receipts27,995,0846,751,141Grant program cash disbursements(45,459,031)(8,125,894)Net cash provided by (used in) non-capital financing activities32,148,951(11,171,478)CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES(272,970)(248,147)Principal payments on lease from operations(38,064)(36,940)Net cash used in capital and related financing activities(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIES Investment in joint ventures(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments22,260,000190,440,267Purchase of investments(13,597,212)(13,597,212)Net (accrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year\$90,275,166\$95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents, equivalents\$34,534,966\$38,181,423CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$34,534,966\$38,181,423Cash and cash equivalents <t< td=""><td>•</td><td>754,095</td><td>-</td></t<>	•	754,095	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES Interest paid on bonds and loans (8,630,215) (7,712,427) Proceeds from bond issuances and loans 72,103,878 47,743,776 Principal payments on issued debt and loans (13,868,991) (49,873,632) Bond premium 8,226 45,558 Grant program cash receipts 27,995,084 6,751,141 Grant program cash disbursements (45,459,031) (8,125,894) Net cash provided by (used in) non-capital financing activities 32,148,951 (11,171,478) CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES (272,970) (248,147) Principal payments on lease from operations (38,064) (36,940) Net cash used in capital and related financing activities (311,034) (285,087) CASH FLOWS FROM INVESTING ACTIVITIES Investment in joint ventures (563,018) (363,767) Interest received on investments 3,765,355 2,390,291 Maturities and sales of investments 22,260,000 190,440,267 Purchase of investments (13,597,212) Net cash (used in) provided by investing activities (5,542,727) 24,770,898 Cash and cash equivalents, beginning of year 95,817,893	Other cash payments	-	(29,043)
ACTIVITIESInterest paid on bords and loans(8,630,215)(7,712,427)Proceeds from bond issuances and loans72,103,87847,743,776Principal payments on issued debt and loans(13,868,991)(49,873,632)Bond premium8,22645,558Grant program cash receipts27,995,0846,751,141Grant program cash disbursements(45,459,031)(8,125,894)Net cash provided by (used in) non-capital financing activities32,148,951(11,171,478)CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES(272,970)(248,147)Principal payments on lease from operations(38,064)(36,940)Net cash used in capital assets(272,970)(248,147)Principal payments on lease from operations(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIES(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments2,2,260,000190,440,267Purchase of investments(102,291,248)(131,597,212)Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Restricted cash and cash equivalents\$ 5,740,200\$ 57,636,470	Net cash provided by (used in) operating activities	39,448,267	(24,642,116)
Interest paid on bonds and loans(8,630,215)(7,712,427)Proceeds from bond issuances and loans72,103,87847,743,776Principal payments on issued debt and loans(13,868,991)(49,873,632)Bond premium8,22645,558Grant program cash receipts27,995,0846,751,141Grant program cash disbursements(45,459,031)(8,125,894)Net cash provided by (used in) non-capital financing activities32,148,951(11,171,478)CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIESAcquisition of capital assets(272,970)(248,147)Principal payments on lease from operations(38,064)(36,940)Net cash used in capital and related financing activities(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIES(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments(102,291,248)(131,597,212)Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 34,534,966\$ 38,181,423CASH, CASH EQUIVALENTS AND RESTRICTED CASH\$ 34,534,966\$ 38,181,423Cash and cash equivalents\$ 5,740,200\$ 7,636,470			
Proceeds from bond issuances and loans72,103,87847,743,776Principal payments on issued debt and loans(13,868,991)(49,873,632)Bond premium8,22645,558Grant program cash receipts27,995,084(6,751,141Grant program cash disbursements(45,459,031)(8,125,894)Net cash provided by (used in) non-capital financing activities32,148,951(11,171,478)CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES(272,970)(248,147)Principal payments on lease from operations(38,064)(36,940)Net cash used in capital and related financing activities(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIES(563,018)(363,767)Investment in joint ventures(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments22,260,000190,440,267Purchase of investments(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, end of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 34,534,966\$ 38,181,423CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Restricted cash and cash equivalents\$ 57,636,470\$ 57,636,470	Interest paid on bonds and loans	(8,630,215)	(7,712,427)
Bond premium8,22645,558Grant program cash receipts27,995,0846,751,141Grant program cash disbursements(45,459,031)(8,125,894)Net cash provided by (used in) non-capital financing activities32,148,951(11,171,478)CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES(272,970)(248,147)Principal payments on lease from operations(38,064)(36,940)Net cash used in capital and related financing activities(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIES Investment in joint ventures(563,018)(363,767)Investment in joint ventures(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Cash and cash equivalents\$ 55,740,200\$ 7,636,470	•		. ,
Grant program cash receipts27,995,0846,751,141Grant program cash disbursements	Principal payments on issued debt and loans	(13,868,991)	(49,873,632)
Grant program cash disbursements(45,459,031)(8,125,894)Net cash provided by (used in) non-capital financing activities32,148,951(11,171,478)CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES(272,970)(248,147)Principal payments on lease from operations(38,064)(36,940)Net cash used in capital and related financing activities(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIES Investment in joint ventures(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Restricted cash and cash equivalents\$ 55,740,200\$ 57,636,470	Bond premium	8,226	45,558
Net cash provided by (used in) non-capital financing activities32,148,951(11,171,478)CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIESAcquisition of capital assets(272,970)(248,147)Principal payments on lease from operations(38,064)(36,940)Net cash used in capital and related financing activities(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIES Investment in joint ventures(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 34,534,966\$ 38,181,423CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Restricted cash and cash equivalents\$ 57,636,470	Grant program cash receipts	27,995,084	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIESAcquisition of capital assets(272,970)(248,147)Principal payments on lease from operations(38,064)(36,940)Net cash used in capital and related financing activities(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIES(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments22,260,000190,440,267Purchase of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Cash and cash equivalents\$ 57,740,200\$ 57,636,470	Grant program cash disbursements	(45,459,031)	(8,125,894)
ACTIVITIESAcquisition of capital assets(272,970)(248,147)Principal payments on lease from operations(38,064)(36,940)Net cash used in capital and related financing activities(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIES(563,018)(363,767)Investment in joint ventures(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments22,260,000190,440,267Purchase of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH\$ 34,534,966\$ 38,181,423Cash and cash equivalents\$ 55,740,20057,636,470	Net cash provided by (used in) non-capital financing activities	32,148,951	(11,171,478)
Principal payments on lease from operations(38,064)(36,940)Net cash used in capital and related financing activities(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIESInvestment in joint ventures(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments22,260,000190,440,267Purchase of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Cash and cash equivalents\$ 34,534,966\$ 38,181,423Restricted cash and cash equivalents\$ 55,740,200\$ 57,636,470			
Net cash used in capital and related financing activities(311,034)(285,087)CASH FLOWS FROM INVESTING ACTIVITIES Investment in joint ventures(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments22,260,000190,440,267Purchase of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Cash and cash equivalents\$ 57,740,200\$ 77,636,470	Acquisition of capital assets	(272,970)	(248,147)
CASH FLOWS FROM INVESTING ACTIVITIESInvestment in joint ventures(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments22,260,000190,440,267Purchase of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH\$ 34,534,966\$ 38,181,423Cash and cash equivalents\$ 34,534,966\$ 38,181,423Restricted cash and cash equivalents55,740,200\$ 57,636,470	Principal payments on lease from operations	(38,064)	(36,940)
Investment in joint ventures(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments22,260,000190,440,267Purchase of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Restricted cash and cash equivalents\$ 55,740,200\$ 76,36,470	Net cash used in capital and related financing activities	(311,034)	(285,087)
Investment in joint ventures(563,018)(363,767)Interest received on investments3,765,3552,390,291Maturities and sales of investments22,260,000190,440,267Purchase of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Restricted cash and cash equivalents\$ 55,740,200\$ 76,36,470	CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments3,765,3552,390,291Maturities and sales of investments22,260,000190,440,267Purchase of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966 55,740,200\$ 38,181,423 57,636,470		(563,018)	(363,767)
Maturities and sales of investments22,260,000190,440,267Purchase of investments(102,291,248)(131,597,212)Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Sestricted cash and cash equivalents\$ 34,534,966\$ 38,181,423Sestricted cash and cash equivalents\$ 5,740,200\$ 7,636,470	-	. ,	. ,
Net cash (used in) provided by investing activities(76,828,911)60,869,579Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966\$ 38,181,423Cash and cash equivalents\$ 55,740,200\$ 76,636,470	Maturities and sales of investments		190,440,267
Net (decrease) increase in cash and cash equivalents(5,542,727)24,770,898Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH\$ 34,534,966\$ 38,181,423Cash and cash equivalents\$ 34,534,966\$ 38,181,423Cash and cash equivalents\$ 55,740,200\$ 77,636,470	Purchase of investments	(102,291,248)	(131,597,212)
Cash and cash equivalents, beginning of year95,817,89371,046,995Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents Restricted cash and cash equivalents\$ 34,534,966 55,740,200\$ 38,181,423 57,636,470	Net cash (used in) provided by investing activities	(76,828,911)	60,869,579
Cash and cash equivalents, end of year\$ 90,275,166\$ 95,817,893CASH, CASH EQUIVALENTS AND RESTRICTED CASH Cash and cash equivalents\$ 34,534,966 55,740,200\$ 38,181,423 57,636,470	Net (decrease) increase in cash and cash equivalents	(5,542,727)	24,770,898
CASH, CASH EQUIVALENTS AND RESTRICTED CASHCash and cash equivalents\$ 34,534,966\$ 38,181,423Restricted cash and cash equivalents55,740,20057,636,470	Cash and cash equivalents, beginning of year	95,817,893	71,046,995
Cash and cash equivalents \$ 34,534,966 \$ 38,181,423 Restricted cash and cash equivalents 55,740,200 57,636,470	Cash and cash equivalents, end of year	\$ 90,275,166	\$ 95,817,893
Cash and cash equivalents \$ 34,534,966 \$ 38,181,423 Restricted cash and cash equivalents 55,740,200 57,636,470	CASH. CASH EQUIVALENTS AND RESTRICTED CASH		
Restricted cash and cash equivalents55,740,20057,636,470		\$ 34.534.966	\$ 38.181.423

Statements of Cash Flows (continued)

For the Years Ended September 30, 2023 and 2022

	2023		 2022
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income	\$	25,708,789	\$ 15,822,331
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation and amortization		548,119	336,970
Gain on disposal of assets		-	18
Provision for uncollectible loans		521,675	-
Interest on bonds/loans		8,613,763	7,712,427
Provision for uncollectible interest revenue		-	31,339
Decrease (increase) in mortgage and construction loans		(35,841,726)	6,999,129
Decrease (increase) in mortgage-backed securities		1,795,968	(1,566,766)
Interest received on investments		(3,765,355)	(2,390,291)
Effects of changes in operating assets and liabilities			
Asset/(liability) adjustment			
Decrease (increase) in assets			
Accrued interest receivable		(1,154,302)	(254,094)
Other current assets		(53,917)	89,976
Other receivables		246,504	201,145
Increase (decrease) in liabilities			
Accounts payable and accrued liabilities		88,835	(1,702,729)
Unearned income		10,524,921	2,124,574
Project funds held for borrower and other liabilities		32,337,717	(52,255,720)
Accrued interest payable		(122,724)	209,575
Net cash provided by (used in) operating activities	\$	39,448,267	\$ (24,642,116)

Notes to Financial Statements For the Years Ended September 30, 2023 and 2022

NOTE 1 ORGANIZATION AND PURPOSE

The District of Columbia Housing Finance Agency (the "Agency" or "DCHFA") was created as a corporate body which has a legal existence separate from the Government of the District of Columbia (the "District") but which is an instrumentality of the District, created to effectuate certain public purposes. The Agency is empowered to, among other activities, generate funds from public and private sources to increase the supply and lower the cost of funds available for residential mortgages and notes and for the construction of permanent multifamily rental properties.

In 1991, the Governmental Accounting Standards Board ("GASB") issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the Agency considered whether its officials appoint a voting majority of an organization's governing body and the Agency is either able to impose its will on that organization or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Agency. The Agency also considered whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the Agency.

These financial statements present only financial information about the Agency. The Agency qualifies for inclusion in the District's reporting entity pursuant to GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. These financial statements do not purport to, and do not, present fairly the financial position of the District and the changes in its financial position and its cash flows, in conformity with accounting principles generally accepted in the United States of America. The Agency is included in the District's Annual Comprehensive Financial Report as a discretely presented component unit.

The accompanying combined financial statements include DCHFA's General Activities and Revenue Obligation Programs: Single Family Program and Multifamily Program. Within each Revenue Obligation Program are separate accounts maintained for each obligation in accordance with the respective indentures.

The bonds and notes issued by the Agency are special obligations of the Agency payable principally from revenue and repayments of mortgage loans and mortgage-backed securities and investments, financed by or purchased from the proceeds of such bonds under applicable indentures and are not a debt of the District. Neither the faith and credit nor the taxing power of the District is pledged for the repayment of the bonds.

The Agency's line of credit is backed by the Agency's unrestricted assets and constitutes the Agency's general obligation.

NOTE 1 ORGANIZATION AND PURPOSE (continued)

The following is a description of the activities and programs maintained by the Agency:

General Activities

The General Activities record the receipt and accrual of income not directly pledged for repayment of debt securities under the Revenue Obligation Programs, to pay expenses related to the Agency's administrative functions and operations, including mortgage servicing, HUD Risk-Share Insurance Program, McKinney Act Loan Program and purchase and sale of single-family mortgagebacked securities.

Single-Family Program

The Single-Family Program is used to account for the proceeds of single-family mortgage revenue bond issues, investments, mortgage loans and mortgage-backed securities held pursuant to the indentures authorizing the issuance of the bonds, the debt service requirements on the bonds, and debt service collected from mortgage loans purchased for the financing of owner-occupied single family residences in the District. The Single-Family Program includes the 1988 Collateralized Single Family Mortgage Revenue Bonds, which consolidated the 1996 and 2009 indentures into the 1988 indenture to concentrate assets and reduce administrative costs in 2021.

Multifamily Program

The Multifamily Program is used to account for proceeds of bonds, notes, debentures or other financial indebtedness of the Agency issued under the Multifamily Development Program Indenture ("MFDP") and smaller indentures under the multifamily HUD Risk-Share Insurance Program (the "Indentures"), cash and investments held under the Indentures' revenue funds, debt service reserve funds, rebate funds, redemption funds and program subsidy funds, mortgage loans held pursuant to the Indentures, and repayments and prepayments collected from mortgage loans originated to finance multifamily residential rental facilities within the District for persons or families of limited income.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the Agency's significant accounting policies:

Basis of Accounting and Measurement Focus

For financial reporting purposes only, the Agency is a component unit of the District. The Agency's General Activities and Revenue Obligation Programs are accounted for as an enterprise fund. Accordingly, the accompanying financial statements have been prepared using the accrual basis of accounting following accounting principles generally accepted in the United States of America.

Operating Revenues and Expenses

The Agency distinguishes operating revenues and expenses from non-operating items in conformity with GASB Statement No. 34. Operating revenues and expenses are identified with those activities that are directly related to financing affordable housing in the District. Operating revenues primarily consist of interest on mortgage-backed securities, interest on mortgage and construction loans and investment of bond proceeds, issuer fees, construction monitoring fees, servicing fees and other revenues. Operating expenses primarily consist of bond interest, personnel costs, bond issuance costs, bond administrative fees, trustee, legal and financial advisory fees, accretion of discounts and amortization of premiums and other operating expenses.

Non-Operating Revenues and Expenses

Non-operating revenue and expenses mainly consist of changes in fair value of mortgage-backed securities and other investments and of federal and city grant program related transactions. Federal and city grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, demand deposits, money market funds and investments in highly liquid short-term instruments with original maturities of three months or less at the time of purchase.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments consist of debt obligations of the U.S. Treasury and U.S. Government Agencies, government-sponsored enterprises ("GSEs"), corporate and municipal debt securities, certificates of deposit and investment agreements. Investments are reported at fair value as determined by financial services providers, except for certificates of deposit and certain non-participating fixed interest investment contracts, which are valued using cost-based measures. Debt securities are stated at fair value, based on the quoted market prices. General Activities investments are made in accordance with the Agency's investment policy. Investments in the Revenue Obligation Programs follow the Agency investment policy and consist of those permitted by the respective trust indentures adopted by the Agency providing for the issuance of notes and bonds. Investments reported at fair value in the Statements of Net Position report changes in the fair value of investments in the Statements of Revenues, Expenses and Changes in Net Position as part of non-operating revenues.

Mortgage-Backed Securities

Mortgage-backed securities represent certificates issued by the Government National Mortgage Association ("Ginnie Mae" or "GNMA"), the Federal National Mortgage Association ("Fannie Mae" or "FNMA") and the Federal Home Loan Mortgage Corporation ("Freddie Mac" or "FHLMC"). These securities are stated at fair value as determined by financial services providers or financial publications. These guaranteed securities are issued in connection with single family mortgage loans and mortgage loans on multifamily projects. Each of these securities is generally intended to be held to maturity or optional par redemption date for the underlying bonds or until the payoff of the related loans. The repayment and prepayments of the mortgage-backed securities are at par value based on the guarantees embedded in these securities. Mortgage-backed securities are reported at fair value on the Statements of Net Position and unrealized changes in the fair value of mortgage-backed securities are recognized in the Statements of Revenues, Expenses and Changes in Net Position as part of non-operating income.

Mortgage and Construction Loans Receivable

Mortgage loans are carried at their unpaid principal balances, and construction loans are carried at amounts advanced, net of collections and allowances for potential loan losses. The Agency's allowance for doubtful accounts policy is to charge expenses for estimated probable losses which are established as an allowance for loan losses. The allowance is an amount that management believes will be adequate to absorb losses inherent in existing loans based on evaluations of collectability and prior loss experience as well as a competitive benchmarking study.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital asset purchases are recorded as General Activities, capitalized at cost and depreciated using the straight-line method over the estimated useful lives. Depreciable capital assets are depreciated over 5 to 40 years. Software is amortized over 5 years. Right to use leased assets are amortized over 63 months.

Bond Discounts and Premiums

Bond discounts or premiums arising from the sale of serial or term bonds are accreted/amortized using the straight-line method which approximates the effective yield method, over the life of the bond issue.

Net Position

The Agency first applies restricted resources when an expense is incurred, for purposes for which both restricted and unrestricted net position is available. Net position is reported in three separate categories:

- Net investment in capital assets Capital assets, net of accumulated depreciation/amortization and outstanding principal balances of debt and lease liabilities attributable to the acquisition, construction or improvement of those assets.
- Restricted Net position whose use by the Agency is subject to externally imposed stipulations (such as bond covenants, grantors, contributors, or laws or regulations of other governments; or are imposed by law through constitutional provisions or enabling legislation) that can be fulfilled by actions of the Agency pursuant to those stipulations or that expire with the passage of time. Such net assets include all Revenue Obligation Programs, HOME and DC Open Doors Program funds under the Single-Family Program, certain holdings under General Activities: the McKinney Act Program funds, HUD Risk-Share Reserve and assets used as collateral for the credit line draws or as warehouse securities for future bond issues.
- Unrestricted Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Financing and Other Fee Revenue

The Agency originates single family mortgage loans which are pooled into mortgage- backed securities used as direct collateral for the respective bonds. As part of this securitization, the Agency earns servicing release fees net of originating lender fees.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

A number of reclassifications were made to the 2022 financial statements to conform them to the 2023 presentation, primarily involving breaking out "Other revenues" in the Statements of Revenues, Expenses and Changes in Net Position to provide more detailed information on the nature of such revenues and reporting "Grant program cash receipts and disbursements" gross in the Statements of Cash Flows.

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES

Bond proceeds and revenues from mortgages, mortgage-backed securities and investments are invested in authorized investments as defined in the respective indentures and, for General Activities, in accordance with the Agency's Investment Policy, until required for purchasing mortgage-backed securities or originating mortgage loans, funding reserves, paying debt service or redeeming outstanding bonds and notes, and funding program and administrative and operating expenses.

The following assets, held at September 30, 2023, were evaluated in accordance with GASB Statement No. 40 *Deposit and Investment Risk Disclosures* for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Notes to Financial Statements

For the Years Ended September 30, 2023 and 2022

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES (continued)

		Si	ngle Family Program						
Assets	 General Activities	S	1988 ollateralized ingle Family Mortgage venue Bonds	P	ass-Through Revenue Refunding Bonds (MFDP)		<i>I</i> ultifamily Program		Total
Cash and cash equivalents Non-Money Market Deposits Demand Money Market Deposits Money Market Funds	\$ 7,533,426 45,302,301 -	\$	- - 9,494,019	\$	181,501 3,779,724 22,188,901	\$	12 1,524,913 270,369	\$	7,714,939 50,606,938 31,953,289
Total cash and cash equivalents	 52,835,727		9,494,019		26,150,126		1,795,294		90,275,166
Investments Certificate of Deposit U.S. Treasury Obligations Municipal Obligations Investment Agreements Corporate Obligations GSE Obligations Total investments	 14,141,208 26,161,197 895,000 - 50,223,982 2,365,059 93,786,446		- - - 10,000,000 - - 10,000,000		64,749,714 - 130,165,558 - 654,567 195,569,839		- - - - - -		14,141,208 90,910,911 895,000 140,165,558 50,223,982 3,019,626 299,356,285
<i>Mortgage-Backed Securities</i> Ginnie Mae Fannie Mae Freddie Mac	 365,353 876,572 3,040,842		1,619,868 1,587,605 3,001,875		-		-		1,985,221 2,464,177 6,042,717
Total Mortgage-Backed Securities	 4,282,767		6,209,348		-		-		10,492,115
Total cash, investments and Mortgage-Backed Securities	\$ 150,904,940	\$	25,703,367	\$	221,719,965	\$	1,795,294	\$	400,123,566

The following assets, held at September 30, 2022, were evaluated in accordance with GASB Statement No. 40 *Deposit and Investment Risk Disclosures* for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

		Single Family			
Assets	General Activities	Program 1988 Collateralized Single Family Mortgage Revenue Bonds	M Pass-Through Revenue Refunding Bonds (MFDP)	ultifamily FHA - Insur Multifamily Program	ed Total
Cash and cash equivalents Non-Money Market Deposits Demand Money Market Deposits Money Market Funds	\$ 7,258,170 46,613,003 -	\$	\$ 3 3,459,985 27,832,041	\$ 12 1,483,615 	\$ 7,258,185 51,556,603 37,003,105
Total cash and cash equivalents	53,871,173	8,919,567	31,292,029	1,735,124	95,817,893
Investments Certificate of Deposit U.S. Treasury Obligations Municipal Obligations Investment Agreements Corporate Obligations GSE Obligations Total investments	4,126,696 12,703,359 4,038,167 - - 43,028,816 3,261,913 67,158,951	- - - - - - - - - - - - - - - - - - -	3,335,000 - 137,865,562 - <u>663,176</u> 141,863,738		7,461,696 12,703,359 4,038,167 147,865,562 43,028,816 3,925,089 219,022,689
rotar investments	07,100,001	10,000,000			213,022,003
Mortgage-Backed Securities Ginnie Mae Fannie Mae Freddie Mac	385,941 926,734 <u>3,453,504</u>	2,380,458 1,886,975 3,356,127	-	- - -	2,766,399 2,813,709 6,809,631
Total Mortgage-Backed Securities	4,766,179	7,623,560			12,389,739
Total cash, investments and Mortgage-Backed Securities	\$ 125,796,303	\$ 26,543,127	\$ 173,155,767	\$ 1,735,124	\$ 327,230,321

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Under the Revenue Obligation Programs, the terms of the investments are set to allow for no market value loss at the time the invested funds are drawn for uses authorized under the indentures. As a means of limiting its exposure to fair value losses from rising interest rates for General Activities, the Agency's Investment Policy requires that the maturities of the investment portfolio are structured to be concurrent with cash needs in order to minimize losses that may be incurred from sale of investments prior to maturity. The money market funds operate in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. These funds can reasonably be expected to have a fair value that will be unaffected by interest rate changes because the interest rates are variable, and the principal can be recovered on demand. The cost of the money market mutual funds approximated fair value.

As of September 30, 2023, the amortized cost, carrying value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for General Activities are as follows:

Assets	Cost Carrying Value		Less than 1	From 1 Up To 5	Maturities (in years) From 5 Up To 10	om 5 Up From 10 Up		
Cash and eash equivalents \$ 7,533,426 \$ 7,533,426 Non-Money Market Deposits \$ 5,302,301 \$ 45,302,301 Demand Money Market Deposits \$ 22,835,727 \$ 22,835,727 Total cash and cash equivalents \$ 22,835,727 \$ 22,835,727		\$ 7,533,426 45,302,301 52,835,727	\$ - - -	\$ - - -	\$	\$ - - -		
Investments Certificate of Deposit U.S. Treasury Obligations Municipal Obligations Corporate Obligations GSE Obligations	14,141,208 27,198,692 895,000 51,884,525 2,493,059	14,141,208 26,161,197 895,000 50,223,982 2,365,059	3,093,830 3,704,927 895,000 19,722,943 1,119,140	11,047,378 22,320,578 - 30,211,610 1,169,518	135,692 	-	-	
Total investments	96,612,484	93,786,446	28,535,840	64,749,084	501,522			
Mortgage-Backed Securities Ginnie Mae Fannie Mae Freddie Mac	399,314 965,248 3,974,614	365,353 876,572 3,040,842	-	-	-	-	365,353 876,572 3,040,842	
Total Mortgage-Backed Securities	5,339,176	4,282,767					4,282,767	
General Activities total cash, investments and Mortgage-Backed Securities	\$ 154,787,387	\$ 150,904,940	\$ 81,371,567	\$ 64,749,084	\$ 501,522	<u>\$</u> -	\$ 4,282,767	

General Activities as of September 30, 2023:

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES (continued)

Interest Rate Risk (continued)

As of September 30, 2022, the amortized cost, carrying value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for General Activities were as follows:

General Activities as of September 30, 2022:

			Maturities (in years)						
Assets	Cost	Carrying Value	Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More		
Cash and eash equivalents									
Non-Money Market Deposits	\$ 7,258,170	\$ 7,258,170	\$ 7,258,170	\$-	\$-	\$-	\$-		
Demand Money Market Deposits	46,613,003	46,613,003	46,613,003						
Total cash and cash equivalents	53,871,173	53,871,173	53,871,173		<u> </u>				
Investments									
Certificate of Deposit	4,126,696	4,126,696	4,126,696	-	-	-	-		
U.S. Treasury Obligations	13,753,351	12,703,359	-	12,565,141	138,218	-	-		
Municipal Obligations	4,120,149	4,038,167	3,174,966	863,201	-	-	-		
Corporate Obligations	45,519,747	43,028,816	6,903,170	35,559,252	566,394	-	-		
GSE Obligations	3,493,059	3,261,913	960,310	2,223,268	78,335				
Total investments	71,013,002	67,158,951	15,165,142	51,210,862	782,947				
Mortgage-Backed Securities									
Ginnie Mae	410,659	385,941	-	385,941		-			
Fannie Mae	991,579	926,734	-	926,734		-			
Freddie Mac	4,236,511	3,453,504		3,453,504	-	-	-		
Total Mortgage-Backed Securities	5,638,749	4,766,179		4,766,179					
General Activities total cash, investments and Mortgage-Backed Securities	\$ 130,522,924	\$ 125,796,303	\$ 69,036,315	\$ 55,977,041	\$ 782,947	\$ -	\$ -		

Combined Revenue Obligation Programs as of September 30, 2023:

As of September 30, 2023, the amortized cost, carrying value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the Combined Revenue Obligation Programs are as follows:

			Maturities (in years)						
Assets	Cost	Carrying Value	Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More		
Cash and eash equivalents Non-Money Market Deposits Demand Money Market Deposits Money Market Funds	\$ 181,513 5,304,637 31,953,289	\$ 181,513 5,304,637 31,953,289	\$ 181,500 5,304,637 31,953,289	\$	\$ - - -	\$ 1 	\$ 12 - -		
Total cash and cash equivalents	37,439,439	37,439,439	37,439,426			1	12_		
Investments U.S. Treasury Obligations Investment Agreements GSE Obligations	64,541,271 140,165,558 689,822	64,749,714 140,165,558 654,567	1,945,367 54,475,000	62,804,347 85,690,558 654,567					
Total investments	205,396,651	205,569,839	56,420,367	149,149,472					
<i>Mortgage-Backed Securities</i> Ginnie Mae Fannie Mae Freddie Mac	1,751,702 1,658,690 3,038,030	1,619,868 1,587,605 3,001,875	36,965 - -	173,164 3,193	448,646	- 1,419,925 2,713,433	961,093 164,487 288,442_		
Total Mortgage-Backed Securities	6,448,422	6,209,348	36,965	176,357	448,646	4,133,358	1,414,022		
Combined revenue obligation programs total cash, investments a Mortgage-Backed Securities	nd \$ 249,284,512	\$ 249,218,626	\$ 93,896,758	\$ 149,325,829	\$ 448,646	\$ 4,133,359	\$ 1,414,034		

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES (continued)

Interest Rate Risk (continued)

Combined Revenue Obligation Programs as of September 30, 2022:

As of September 30, 2022, the amortized cost, carrying value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the Combined Revenue Obligations were as follows:

			Maturities (in years)						
Assets	Cost	Carrying Value	Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More		
Cash and eash equivalents Non-Money Market Deposits Demand Money Market Deposits Money Market Funds	\$ 15 4,943,600 37,003,105	\$ 15 4,943,600 37,003,105	\$ 2 4,943,600 37,003,105	\$- - -	\$	\$ - - -	\$ 13 - -		
Total cash and cash equivalents	41,946,720	41,946,720	41,946,707				13_		
Investments Certificate of Deposit Investment Agreements GSE Obligations	3,335,000 147,865,562 689,822	3,335,000 147,865,562 663,176	3,335,000 7,700,000 -	140,165,562					
Total investments	151,890,384	151,863,738	11,035,000	140,165,562	663,176				
<i>Mortgage-Backed Securities</i> Ginnie Mae Fannie Mae Freddie Mac	2,477,478 1,927,101 3,339,164	2,380,458 1,886,975 3,356,127	-	438,871 32,110	532,304 - -	1,566,414 1,014,986	1,409,283 288,451 2,341,141		
Total Mortgage-Backed Securities	7,743,743	7,623,560		470,981	532,304	2,581,400	4,038,875		
Combined revenue obligation program total cash, investments ar Mortgage-Backed Securities	nd \$ 201,580,847	\$ 201,434,018	\$ 52,981,707	\$ 140,636,543	\$ 1,195,480	\$ 2,581,400	\$ 4,038,888		

As of September 30, 2023 and 2022, the amortized cost, carrying value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for each Revenue Obligation Program are included as Supplemental Information to these financial statements.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits or investments may not be returned to it. The Agency does not have a policy for custodial credit risk.

As of September 30, 2023, \$71,705,419 of the Agency's bank balances of \$72,705,419 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,232,970
Uninsured and collateral held by pledging bank	64,472,449
Total	\$ 71,705,419

In addition, investments (excluding certificates of deposit which are included above as deposits) including U.S. Treasury Obligations, corporate obligations, municipal obligations, GSE obligations, and mortgage-backed securities are not subject to custodial credit risk since they are held with one custodian in the Agency's name.

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES (continued)

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. All of General Activity cash and investments are either collateralized, FDIC-insured, or invested in the U.S. Government, U.S. Government Agency or government- sponsored enterprises or highly rated corporate debt securities. In general all investment securities under the Revenue Obligation Programs must be at a rating not adversely affecting the rating of the respective bonds; and financial institutions who are counterparty to the Agency must be rated at least comparable to the existing rating on the Agency's bonds, unless counterparty ratings lower than the bond ratings are permitted in a specific indenture and do not affect the ratings on the bonds as determined at the time the investment securities are acquired or investment agreements are executed. The ratings on the 1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2023 and 2022 were AA+ by Standard & Poor's Global Ratings. All multifamily bond indentures under the Multifamily Development and Multifamily Programs were rated by Moody's Investor Service or Standard and Poor's Global Ratings at various levels depending on the credit guality of the underlying collateral or were unrated private placements where investment ratings conformed to the specific bond investor requirements.

As of September 30, 2023, the credit quality and percentages of the total portfolio of cash equivalents and investments under the Agency's General Activities are as follows:

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
Cash and cash equivalents Non-Money Market Deposits	\$ 7,533,426	5.0%	Not Rated		Third Party-Held Aaa Collateral
Demand Money Market Deposits	43,555,482	29.0%	Not Rated		Federal Reserve-Held Aaa Collateral
Demand Money Market Deposits	1.746.819	1.2%	P-1	Moodv's	Federal Reserve-Heid Ada Collateral
Total cash and cash equivalents	52,835,727	35.2%	1-1	moody 5	
Investments					
Certificate of Deposit	14,141,208	9.4%	Not Rated		Federal Reserve-Held Aaa Collateral
U.S. Treasury Obligations	26,161,197	17.3%	Aaa	Moody's	
Municipal Obligations	895,000	0.6%	Aa2	Moody's	
Corporate Obligations	213,701	0.1%	Aaa	Moody's	
Corporate Obligations	462,785	0.3%	Aa2	Moody's	
Corporate Obligations	2,240,727	1.5%	Aa3	Moody's	
Corporate Obligations	12,089,647	8.0%	A1	Moody's	
Corporate Obligations	17,077,881	11.2%	A2	Moody's	
Corporate Obligations	18,139,241	12.0%	A3	Moody's	
GSE Obligations	2,365,059	1.6%	Aaa	Moody's	
Total investments	93,786,446	62.0%			
Mortgage-Backed Securities					
Ginnie Mae	365.353	0.2%	Aaa	Moody's	
Fannie Mae	876.572	0.6%	Aaa	Moody's	
Freddie Mac	3.040.842	2.0%	Aaa	Moody's	
Total investments	4,282,767	2.8%		,-	
General Activities total cash.					
investments and Mortgage-					
Backed Securities	\$ 150,904,940	100.0%			
Dackey Seculilles	φ 130,904,940	100.076			

General Activities as of September 30, 2023

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES (continued)

Credit Risk and Concentration of Credit Risk (continued)

As of September 30, 2022, the credit quality and percentages of the total portfolio of cash equivalents and investments under the Agency's General Activities were as follows:

General Activities as of September 30, 2022

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
Cash and cash equivalents					
Non-Money Market Deposits	\$ 7.258.170	5.8%	Not Rated		Third Party-Held Aaa Collateral
Demand Money Market Deposits	42,476,605	33.8%	Not Rated		Federal Reserve-Held Aaa Collateral
Demand Money Market Deposits	4,136,398	3.3%	P-1	Moody's	
Total cash and cash equivalents	53,871,173	42.9%			
Investments					
Certificate of Deposit	4,126,696	3.3%	Not Rated		Federal Reserve-Held Aaa Collateral
U.S. Treasury Obligations	12,703,359	10.1%	Aaa	Moody's	
Municipal Obligations	539,721	0.4%	Aa1	Moody's	
Municipal Obligations	3,498,446	2.8%	Aa2	Moody's	
Corporate Obligations	213,584	0.2%	Aaa	Moody's	
Corporate Obligations	463,512	0.4%	Aa2	Moody's	
Corporate Obligations	4,187,148	3.3%	Aa3	Moody's	
Corporate Obligations	8,965,439	7.1%	A1	Moody's	
Corporate Obligations	16,076,916	12.7%	A2	Moody's	
Corporate Obligations	12,146,517	9.7%	A3	Moody's	
Corporate Obligations	975,700	0.8%	Baa2	Moody's	
GSE Obligations	3,261,913	2.6%	Aaa	Moody's	
Total investments	67,158,951	53.4%			
Mortgage-Backed Securities					
Ginnie Mae	385.941	0.3%	Aaa	Moody's	
Fannie Mae	926,734	0.7%	Aaa	Moody's	
Freddie Mac	3,453,504	2.7%	Aaa	Moody's	
Total investments	4,766,179	3.7%			
General Activities total cash,					
investments and Mortgage-					
Backed Securities	\$ 125,796,303	100.0%			

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES (continued)

Credit Risk and Concentration of Credit Risk (continued)

As of September 30, 2023, the credit quality and percentages of the total portfolio of cash equivalents, investments and mortgage-backed securities under the Revenue Obligation Programs are as follows:

Combined Revenue Obligation Programs as of September 30, 2023

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
Cash and cash equivalents Non-Money Market Deposits Demand Money Market Deposits Money Market Funds	\$ 181,513 5,304,637 31,953,289	0.1% 2.1% 12.8%	Not Rated P-1 Aaa-mf	Moody's Moody's	Uncollateralized, Uninsured
Total cash and cash equivalents	37,439,439	15.0%			
Investments U.S. Treasury Obligations Investment Agreements Investment Agreements GSE Obligations Total investments	64,749,714 47,340,558 54,475,000 38,350,000 654,567 205,569,839	26.0% 19.0% 21.9% 15.4% 0.3% 82.6%	Aaa Aa2 Aa3 A1 Aaa	Moody's Moody's Moody's Moody's Moody's	
<i>Mortgage-Backed Securities</i> Ginnie Mae Fannie Mae Freddie Mac	1,619,868 1,587,605 3,001,875	0.6% 0.6% 1.2%	Aaa Aaa Aaa	Moody's Moody's Moody's	
Total Mortgage-Backed Securities	6,209,348	2.4%			
Combined revenue obligation programs total cash, investments and Mortgage-Backed Securities	\$ 249,218,626	100.0%			

As of September 30, 2022, the credit quality and percentages of the total portfolio of cash equivalents, investments and mortgage-backed securities under the Revenue Obligation Programs were as follows:

Combined Revenue Obligation Programs as of September 30, 2022

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
Cash and cash equivalents Non-Money Market Deposits Demand Money Market Deposits Money Market Funds	\$ 15 4,943,600 <u>37,003,105</u>	0.0% 2.5% 18.4%	Not Rated P1 Aaa-mf	Moody's Moody's	Uncollateralized, Uninsured
Total cash and cash equivalents	41,946,720	20.9%			
Investments Certificate of Deposit Investment Agreements Investment Agreements GSE Obligations Total investments	3,335,000 55,040,562 54,475,000 38,350,000 <u>663,176</u> 151,863,738	1.7% 27.3% 27.0% 19.0% 0.3% 75.3%	Not Rated Aa2 Aa3 A1 Aaa	Moody's Moody's Moody's Moody's	Federal Reserve-Held Aaa Collateral
<i>Mortgage-Backed Securities</i> Ginnie Mae Fannie Mae Freddie Mac	2,380,458 1,886,975 3,356,127	1.2% 0.9% 1.7%	Aaa Aaa Aaa	Moody's Moody's Moody's	
Total Mortgage-Backed Securities Combined revenue obligation programs total cash, investments and Mortgage-Backed Securities	<u>7,623,560</u> \$ 201.434.018	3.8%			

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES (continued)

Credit Risk and Concentration of Credit Risk (continued)

The cash and cash equivalents, investment and mortgage-backed security portfolio with breakdown by credit quality and percentage of total portfolio for each of the Revenue Obligation Programs at September 30, 2023 and 2022 are listed as Supplemental Information to these financial statements.

Cash and Cash Equivalents

The Agency's combined cash and cash equivalents balance as of September 30, 2023 and 2022 consists primarily of amounts held in fully collateralized demand deposit bank accounts for General Activities and in highly rated money market fund trust accounts set up for each revenue bond indenture and administered by the Agency's bond trustees. The collateral for the demand deposits is held by either the Federal Reserve Bank or a third-party, as a collateral agent under the tri-party agreements.

Investments

The Agency follows the Investment Policy guidelines with regard to its General Activities' financial assets and Revenue Obligation Program indentures. The policy states that the Agency financial assets shall be held in cash and cash equivalents or invested and managed with the intention of obtaining the highest possible total return consistent with the Agency's liquidity needs and a prudent level of investment risk. Under the bond programs the permitted investments are stipulated in the respective covenants of the indentures of trust.

Investments of proceeds from bond issuances in investment agreements are governed by the covenants of the respective indentures of trust entered between the Agency, the trustee and the investment agreement provider. All investment agreements are fixed interest rate investment contracts with rated financial institutions. In case of a downgrade beyond a preset threshold, the investment providers are required to collateralize both principal and interest with qualifying securities to be held by a designated collateral agent with mark to market and undervalue cure provisions.

Investments in money market funds are short-term in nature and are held by bond trustees for the benefit of the respective indentures. They carry the highest short- term credit ratings by nationally recognized statistical rating agencies, such as Standard & Poor's Global Ratings and Moody's Investors Service. Investments in the U.S. Treasury securities are guaranteed by the full faith and credit of the United States Government.

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES (continued)

Mortgage-backed Securities

Ginnie Mae mortgage-backed securities are guaranteed by the Government National Mortgage Association ("Ginnie Mae or GNMA"), an instrument of the United States Government. GNMA securities are "fully modified pass-through" mortgage-backed securities which require monthly payments by an FHA lender, as the issuer of the Guaranteed Security to the Agency. GNMA guarantees timely payment of principal and interest on Guaranteed Securities.

Fannie Mae and Freddie Mac mortgage-backed pass-through securities are toprated by Standard & Poor's and Moody's Investors Service. The principal and interest payment on these mortgage-backed securities are guaranteed by Fannie Mae and Freddie Mac, accordingly. Though there is no explicit guarantee that Fannie Mae and Freddie Mac mortgage-backed securities are backed by the full faith and credit of the U.S. Government, there is, however, an implicit guarantee, as government-sponsored enterprises are chartered by the U.S. Congress. In 2008 both Freddie Mac and Fannie Mae were placed into the U.S. Government conservatorship. The rating agencies continue to assign high credit ratings to both of these entities.

Ginnie Mae, Fannie Mae and Freddie Mac mortgage-backed securities are reported at their fair values in accordance with GASB Statement No. 31. It is the intention of the Agency and the indentures to hold these mortgage-backed securities until the underlying loans are paid in full, or, if allowed, until the respective bonds become optionally redeemable and the sale of these securities does not negatively affect the indenture cash flows.

For the years ended September 30, 2023 and 2022, under the Agency's Single Family Program, (\$101,656) and (\$1,117,559), respectively, of non-operating (expense) was recorded in the Statements of Revenues, Expenses and Changes in Net Position to record the unrealized (loss) in the fair value of the Program's mortgage-backed security and investment portfolio.

For the years ended September 30, 2023 and 2022, under the Agency's Multifamily Program, \$199,831 and (\$114,635), respectively, of non-operating revenues (expense) was recorded in the Statements of Revenues, Expenses and Changes in Net Position to record the unrealized gain (loss) in the fair value of the Program's mortgage-backed security and investment portfolio.

For the years ended September 30, 2023 and 2022, for the Agency's General Activities, \$828,902 and (\$5,625,294), respectively, of non-operating revenues (expense) was recorded in the Statements of Revenues, Expenses and Changes in Net Position to record the unrealized gain (loss) in the fair value of the General Activity's mortgage-backed security and investment portfolio.

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES (continued)

Investments in Joint Ventures

DCHFA established the Housing Investment Platform ("HIP") in June 2017 to make innovative investments in support of the District of Columbia housing market outside of its traditional bond and tax credit financing. The investments are targeted towards developing workforce housing by partnering with emerging developers. DCHFA is the sole member of the DCHFA HIP Manager, LLC, which is the general partner of the DC Housing Investment Platform, LP. DC Housing Investment Platform, LP is the limited partner in the ultimate development entity. As of September 30, 2023 and 2022, the investment in joint ventures totaled \$1,908,454 and \$1,345,435, respectively.

Fair Value of Investments

The Agency has adopted GASB No. 72, *Fair Value Measurement and Application*. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value:

- *Level 1*: Quoted market prices in active markets.
- <u>Level 2:</u> Inputs other than quoted market prices that are observable either directly or indirectly.
- Level 3: Unobservable inputs.

The following tables present the investments that the Agency measured at fair value as of September 30, 2023 and 2022. Certificates of deposit of \$14,141,208 and \$7,461,696 and Investment Agreements of \$140,165,558 and \$147,865,562, as of September 30, 2023 and 2922, respectively, are included in Investments on the Statement of Net Position but are not included in the following schedule since they are not carried at fair value.

2023	 Total	 Level 1 Level 2		L	Level 3	
Corporate obligations	\$ 50,223,982	\$ -	\$	50,223,982	\$	-
Municipal obligations	895,000	-		895,000		-
GSE obligations	3,019,626	-		3,019,626		-
U.S. Treasury Obligations	90,910,911	90,910,911		-		-
Mortgage Backed Securities	 10,492,115	 -		10,492,115		-
Total investments and MBS	\$ 155,541,634	\$ 90,910,911	\$	64,630,723	\$	-

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES (continued)

Fair Value of Investments (continued)

2022	 Total	 Level 1 Level 2		L	Level 3	
Corporate obligations	\$ 43,028,816	\$ -	\$	43,028,816.00	\$	-
Municipal obligations	4,038,167	-		4,038,167		-
GSE obligations	3,925,089	-		3,925,089		-
U.S. Treasury Obligations	12,703,359	12,703,359		-		-
Mortgage Backed Securities	 12,389,739	 		12,389,739		-
Total investments and MBS	\$ 76,085,170	\$ 12,703,359	\$	63,381,811	\$	-

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

- Amounts invested in U.S. treasury securities are comprised of securities valued using quoted market prices (Level 1) which are then allocated to position holders.
- Amounts invested in corporate obligations, municipal obligations, GSE obligations and mortgage backed securities are comprised of securities which are priced by industry standard vendors, using observable inputs such as benchmark yields, reported trades broker/dealer quotes, and issuer spreads (Level 2) which are then allocated to position holders at a per unit value.

NOTE 4 MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE

Multifamily mortgage and construction loans receivable are assets primarily under the Multifamily Development Program secured by deeds of trust evidencing first mortgage liens on related real property. These loans are insured by the FHA, and the Agency through the Risk-Share Program. Fixed and periodic variable interest rates on these mortgage and construction loans as of September 30, 2023 range from 3.4% to 6.9% with a loan repayment period of up to 40 years.

The Agency offers a deferred second-lien loan that will become immediately due and payable upon the occurrence of specific events as defined in the Loan Disclosure document(s) of the DC Open Doors Down Payment Assistance Loan program. The amount of the deferred loans under this program as of September 30, 2023 and 2022, was \$6,379,253 and \$6,078,723, respectively.

Combined restricted mortgage and construction loans as of September 30, 2023 and 2022 were \$232,337,244 and \$196,796,048, respectively. For the years ended September 30, 2023 and 2022, there was no allowance for bond program loan losses under the Agency Revenue Obligation Programs.

Notes to Financial Statements For the Years Ended September 30, 2023 and 2022

NOTE 4 MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE (continued)

As part of its General Activity operations, the Agency performs loan servicing under the risk-sharing agreement with HUD, where HUD pays 100.0% of the amount needed to retire bonds issued in connection with a defaulted risk-share loan at the time of the initial claim. Any loss at the time of final claim on a defaulted multifamily project is risk-shared between FHA at 90.0% and the Agency at 10.0%. The most recent program enhancement allows the Agency to share losses on a 50%/50% basis with FHA. As of September 30, 2023, the Agency had 21 loans with a balance of \$232 million. As of September 30, 2022, the Agency had 20 loans with a balance of \$203 million.

In addition to its bond programs, as a General Activity the Agency administers the McKinney Act Program. Under its McKinney Act Program, the Agency originates predevelopment McKinney Act bridge loans to finance acquisition, predevelopment and rehabilitation costs associated with multifamily housing developments applying for bond financing with the Agency. These loans are typically unenhanced loans repaid at the time the bond financing is put in place. At September 30, 2023, the balance of total loans outstanding, before the allowance for uncollectible loans, was \$1,425,057, including \$675,057 in loans at various stages of default process. At September 30, 2022, the balance of total loans outstanding, before the allowance for uncollectible loans, was \$1,425,057, including \$675,057 in loans at various stages of default process. At September 30, 2022, the balance of total loans outstanding, before the allowance for uncollectible loans, was \$2,470,665, including \$884,857 in loans at various stages of default process.

The Agency recorded an allowance for uncollectible McKinney Act Program loans for the years ended September 30, 2023 and 2022 in the amount of \$675,057 and \$884,857, respectively. The Agency recorded a net (decrease) increase in the allowance for principal loss on McKinney Act Program loans during the years ended September 30, 2023 and 2022 in the amount of (\$209,800) and \$1,142, respectively.

	 2023	 2022
Beginning balance Net (decrease) increase in allowance	\$ 884,857	\$ 883,715
for uncollectible loans	 (209,800)	 1,142
Ending balance	\$ 675,057	\$ 884,857

Notes to Financial Statements For the Years Ended September 30, 2023 and 2022

NOTE 4 MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE (continued)

For the years ended September 30, 2023 and 2022, the respective balances and changes in the provision for uncollectible interest on the McKinney Act loans were as follows:

	 2023	 2022
Beginning balance Net (decrease) increase in allowance	\$ 372,183	\$ 340,843
for uncollectible interest	 (372,183)	 31,340
Ending balance	\$ _	\$ 372,183

The Agency's allowance for uncollectible accounts policy is to charge expenses for estimated probable losses, which are established as an allowance for loan losses. The allowance is an amount that management believes will be adequate to absorb losses inherent in existing loans based on evaluations of collectability and prior loss experience as well as a competitive benchmarking study. Notes to Financial Statements

For the Years Ended September 30, 2023 and 2022

NOTE 5 CAPITAL ASSETS

The following is the detail of changes in capital assets during the year ended September 30, 2023:

	September 30, 2022	Additions	Dispositions	September 30, 2023
Non-depreciable capital assets				
Land	\$ 573,000	\$-	\$-	\$ 573,000
Total non-depreciable assets	573,000			573,000
Depreciable and amortizable capital assets				
Building and improvements	3,744,571	7,616	-	3,752,187
Furniture and equipment	815,214	168,445	-	983,659
Software	1,821,154	96,910	-	1,918,064
Right-to-use leased assets	205,614	<u> </u>	-	205,614
Total depreciable and amortizable capital assets	6,586,553	272,971		6,859,524
Less : Accumulated depreciation and amortization				
Building and improvements	(3,003,469)	(80,601)	-	(3,084,070)
Furniture and equipment	(454,923)	(135,940)	-	(590,863)
Software	(1,347,155)	(292,413)	-	(1,639,568)
Right to use leased assets	(48,956)	(39,165)		(88,121)
Total accumulated depreciation/amortization	(4,854,503)	(548,119)		(5,402,622)
Total depreciable/amortizable capital assets, net	1,732,050	(275,148)		1,456,902
Total capital assets	\$ 2,305,050	\$ (275,148)	\$-	\$ 2,029,902

The following is the detail of changes in capital assets during the year ended September 30, 2022:

	September 30, 2021 Additions		Dispositions		September 30, 2022			
Non-depreciable capital assets								
Land	\$	573,000	\$	-	\$	-	\$	573,000
Total non-depreciable assets		573,000				-		573,000
Depreciable and amortizable capital assets								
Building and improvements		3,540,523		204,048		-		3,744,571
Furniture and equipment		1,547,443		44,081		(776,310)		815,214
Software		1,821,154		-		-		1,821,154
Right-to-use leased assets	-	205,614	_	-	_	-	_	205,614
Total depreciable and amortizable capital assets		7,114,734		248,129		(776,310)		6,586,553
Less : Accumulated depreciation and amortization								
Building and improvements		(2,934,467)		(69,002)		-		(3,003,469)
Furniture and equipment		(1,108,325)		(122,908)		776,310		(454,923)
Software		(1,241,260)		(105,895)		-		(1,347,155)
Right-to-use leased assets		(9,791)		(39,165)		-		(48,956)
Total accumulated depreciation/amortization		(5,293,843)		(336,970)		776,310		(4,854,503)
Total depreciable/amortizable capital assets, net		1,820,891		(88,841)		-		1,732,050
Total capital assets	\$	2,393,891	\$	(88,841)	\$	-	\$	2,305,050

Depreciation and amortization expense for fiscal years 2023 and 2022 was \$548,119 and \$336,970, respectively.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY Notes to Financial Statements

For the Years Ended September 30, 2023 and 2022

NOTE 6 BONDS PAYABLE AND OTHER DEBT OBLIGATIONS

The loans, bonds and notes issued by the Agency are special obligations of the Agency and are payable from the revenue and special funds of the applicable indentures. The bonds and notes do not constitute debt of and are not guaranteed by the District or any other program of the District. All mortgage revenue bond multifamily projects financed to date have been issued by the Agency as stand-alone pass-through financings with no direct economic recourse to the Agency as the issuer.

The provisions of the various bond indentures require or allow for the special redemption of bonds at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans and mortgage-backed securities. All outstanding bonds are subject to redemption at the option of the Agency or the borrower, in whole or in part at any time, after certain dates, as specified in the respective bond indentures and bond resolutions, at prescribed redemption prices. The redemption premiums can range up to 5.0%.

Under the Multifamily Programs, this option generally cannot be exercised until the bonds have been outstanding for ten years as provided in the various indentures. Term bonds are generally subject to redemption, without premium, from mandatory sinking fund payments.

Bonds issued to provide financing for the Agency's housing programs are collateralized by:

- Mortgage-backed securities made in connection with underlying loans.
- Mortgage loans made on the related multifamily developments or single-family residential mortgage loans purchased.
- Investments of bond proceeds, debt service reserves and escrow accounts, all revenues, mortgage payments, and recovery payments received by the Agency from investments, mortgage loans and mortgage-backed securities made on the related developments and pledged to the respective trust indentures.

Notes to Financial Statements

For the Years Ended September 30, 2023 and 2022

NOTE 6 BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (continued)

The following is a summary of the debt activity for the year ended September 30, 2023 and the debt outstanding as of September 30, 2023:

General Activities	Range of Interest Rates	Range of Maturities	Debt Outstanding Balance at 9/30/2022	New Obligations	Debt Activity Scheduled Maturity Payments	Obligations Paid	Debt Outstand Balance 9/30/20	at Pren	nium (+)/	Debt Dutstanding Balance at 9/30/2023	Due Within One Year
Industrial Bank Credit Line	Variable	2023	\$ 2,780,425	\$ 7,505,272	\$ -	\$ 329,33	0\$9,956	6,367 \$	- \$	9,956,367	\$ 9,956,367
Total			\$ 2,780,425	\$ 7,505,272	\$-	\$ 329,33	0 \$ 9,95	6,367 \$	- \$	9,956,367	\$ 9,956,367
	Range of Interest Rates	Range of Maturities	Bond Payable at 9/30/2022	New Bonds Issued	Bond Activity Scheduled Maturity Payments	Bond Redeemed	Bond Payable 9/30/202	at Pren		Bond Payable at 9/30/2023	Due Within One Year
1988 Single Family Mortgage Revenue Bonds											
1988 Series E-4	6.38%	2026	\$ 575,000	\$ -	\$ -	\$ 120,00		5,000 \$	\$	455,000	\$ -
Total			575,000			120,00	0 45	5,000		455,000	
Single Family New Issue Bond Program 2009 Series A-1	2.49%	N/A	<u> </u>					<u> </u>	<u> </u>		
Total								<u> </u>			
Combined Single Family Indentures Total			\$ 575,000	<u>\$ -</u>	\$ -	\$ 120,00	0 \$ 45	5,000 \$	\$	455,000	\$ -
	Project Name	Range of Interest Rates	Range of Maturities		New Bonds Issued	Bond Activity Scheduled Maturity Payments	Bonds Redeemed/ Adjustment	Bonds Payable at 9/30/2023	Premium (+)/ Discount (-)	Bond Payable at at 9/30/2023	Due Within One Year
							Aquotinent			410/00/2020	
MF Development Program Series 2017	Pass Through Refunding (Taxable)	3.24%	2049	\$ 17,546,473	s -	s -	\$ 462,913	\$ 17,083,560	s -	17,083,560	s -
Series 2018 A	Woodmont Crossing Apartments	2.55%-4.35%	2023-2058		· -	310,000		23,915,000	· -	23,915,000	320,000
Series 2018 B-2	Delta Towers and Capitol Vista	2.50%-4.10%			-	385,000	-	39,445,000	-	39,445,000	395,000
Series 2022A	Delta Towers and Capitol Vista	4.05%	2023-2039		-	30,000	-	3,345,000	-	3,345,000	30,000
Series 2019 A-1 and A-2 Series 2019 B-1 and B-2	Petworth Randle Hills	Variable Variable	2023-2040 2023-2039		-	100,000 325.000	3,335,000 7,700,000	9,090,000 17,230,000	-	9,090,000 17,230,000	110,000 315,000
Series 2019 B-1 and B-2 Series 2021 A-1	Hill East	1.75%-2.05%				325,000	7,700,000	2,505,000		2,505,000	315,000
Series 2021 A-2	Hill East	2.20%	2034-2036					2,890,000		2,890,000	
Series 2021 A-3	Hill East	2.50%	2034-2036				-	44,080,000		44,080,000	
Series 2021 B-1	Hill East	.95%-2.05%	2024-2030				-	4,410,000	-	4,410,000	60,000
Series 2021 B-2	Hill East	2.15%	2030-2031		-	-	-	590,000	-	590,000	-
Series 2021 B-1	1530 First	.55%-2.10%	2025-2033		-	-	-	3,550,000	-	3,550,000	-
Series 2021 B-2	1530 First	2.25%	2034-2036		-	-	-	1,355,000	-	1,355,000	-
Series 2021 B-3 Series 2021 B-4	1530 First 1530 First	2.55% 0.50%	2037-2042 2027	20,240,000 8,205,000	-	-	-	20,240,000 8,205,000	-	20,240,000 8,205,000	-
Series 2021 B-4 Series 2021 B-5	1530 First	0.90%	2027	5,000,000				5,000,000		5,000,000	
Series 2022 B-1	Terrace Manor	2.80%-4.25%					-	13,190,000		13,190,000	
Series 2022 B-2	Terrace Manor	3.00%	2028	24,105,000	-	-	-	24,105,000	37,332	24,142,332	-
Series 2023 A-1	Carl F. West	4.10-5.13%	2028-2045		18,415,000	-	-	18,415,000	(96,392)	18,318,608	
Series 2023 A-2	Carl F. West	4.40%	2025-2045	-	46,280,000			46,280,000	· <u> </u>	46,280,000	
Total				252,876,473	64,695,000	1,150,000	11,497,913	304,923,560	(59,060)	304,864,500	1,230,000
MF Program			0005			00.057		4 000		4 000	00.577
	DCCH Pool: Euclid Street DCCH Pool: Chapin Street	5.75% 5.75%	2023-2039 2023-2039		-	30,000 25,000	-	1,080,000 920,000	-	1,080,000 920,000	30,000 30,000
	DCCH Pool: Chapin Street DCHFA Pass-Through Refunding	5.75%	2023-2039 2023-2045		-	25,000 716,748		21,733,080	-	21,733,080	775,063
Tabal	BOHTA Fass-Thiough Keluliding	3.00%	2023-2043			710,748		-			
Total Combined MF Program				24,504,828		//1,/48		23,733,080		23,733,080	835,063
Bonds Total				277,381,301	64,695,000	1,921,748	11,497,913	328,656,640	(59,060)	328,597,580	2,065,063
Bonds total				\$ 277,956,301	\$ 64,695,000	\$ 1,921,748	\$ 11,617,913	\$ 329,111,640	\$ (59,060)	\$ 329,052,580	\$ 2,065,063

Notes to Financial Statements

For the Years Ended September 30, 2023 and 2022

NOTE 6 BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (continued)

The following is a summary of the debt activity for the year ended September 30, 2022 and the debt outstanding as of September 30, 2022:

General Activities	Range of Interest Rates	Range of Maturities	Debt Outstanding Balance at 9/30/2021	New Obligations	Debt Activity Scheduled Maturity Payments	Obligations Paid	Debt Outstanding Balance at 9/30/2022	Premiu Disco	um (+)/ I	Debt outstanding Balance at 9/30/2022	Due Within One Year
Industrial Bank Credit Line	Variable	2023	\$ 2,582,887	\$ 7,073,776	\$-	\$ 6,876,238	3 \$ 2,780,42	5 \$	- \$	2,780,425	\$ 2,780,425
Total			\$ 2,582,887	\$ 7,073,776	\$-	\$ 6,876,238	3 \$ 2,780,42	5 \$	- \$	2,780,425	\$ 2,780,425
	Range of Interest Rates	Range of Maturities	Bond Payable at 9/30/2021	New Bonds Issued	Bond Activity Scheduled Maturity Payments	Bond Redeemed	Bond Payable at 9/30/2022	Premiu Disco		Bond Payable at 9/30/2022	Due Within One Year
1988 Single Family Mortgage Revenue Bonds 1988 Series E-4	6.38%	2026	\$ 685,000	<u>\$ -</u>	_\$	\$ 110,000		_	\$		<u>\$</u>
Total			685,000			110,000) 575,00	0		575,000	
Single Family New Issue Bond Program 2009 Series A-1	2.49%	N/A	2,390,000	<u> </u>		2,390,000			<u> </u>	<u> </u>	
Total			2,390,000			2,390,000	<u> </u>				
Combined Single Family Indentures Total			\$ 3,075,000	\$ -	\$ -	\$ 2,500,000) \$ 575,00	0 \$	\$	575,000	\$ -
	Project Name	Range of Interest Rates	Range of Maturities	Bonds Payable at 9/30/2021	New Bonds Issued	Bond Activity Scheduled Maturity Payments	Bonds Redeemed/ Adjustment a	Bonds Payable at 9/30/2022	Premium (+)/ Discount (-)	Bond Payable at at 9/30/2022	Due Within One Year
MF Development Program Series 2017 Series 2018 A Series 2018 B-1 Series 2018 B-2 Series 2028 Series 2021 A-2 Series 2021 A-1 Series 2021 A-3 Series 2021 A-3 Series 2021 B-3 Series 2021 B-1 Series 2021 B-1 Series 2021 B-1 Series 2021 B-3 Series 2021 B-3 Series 2021 B-4 Series 2021 B-4 Series 2021 B-5 Series 2021 B-5 Series 2022 B-1 Series 2022 B-1 Series 2022 B-1 Series 2022 B-1	Pass Through Refunding (Taxable) Woodmont Crossing Apartments Delta Towers and Captol Vista Delta Towers and Captol Vista Petworth Randle Hills Hill East Hill East Hill East Hill East Hill East Hill East 1530 First 1530 First 1530 First 1530 First 1530 First 1530 First 1530 First 1530 First	3.24% 2.55% 4.35% Variable 2.60% 4.10% Variable Variable 1.75% 2.05% 2.20% 2.50% 2.50% 2.55% 2.55% 0.50% 2.55% 0.50% 0.90% 2.80% 4.25% 3.00%	2049 2023-2058 N/A 2023-2039 2023-2039 2023-2040 2023-2040 2034-2036 2034-2036 2034-2036 2034-2036 2034-2036 2037-2042 2027 2024 2027 2024 2028	\$ 22,269,902 24,525,000 34,395,000 25,420,000 25,420,000 44,080,000 44,080,000 44,080,000 3,555,000 0,3,555,000 0,3,555,000 0,3,255,000 2,02,44,000 8,205,000 5,000,000 5,000,000 5,000,000	\$ - 3,375,000 - - - - - - - - - - - - - - - - - -	\$	\$ 4,723,429 \$ 	17,546,473 24,225,000 39,830,000 3,375,000 25,255,000 2,505,000 2,505,000 44,080,000 44,080,000 44,080,000 44,000,000 1,355,000 2,024,000 8,205,000 2,024,000 8,205,000 24,105,000 24,105,000	\$ - - - - - - - - - - - - - - - - - - -	\$ 17,546,473 24,225,000 39,830,000 12,525,000 2,505,000 2,505,000 44,410,000 5,500,000 1,355,000 1,355,000 2,244,000 8,205,000 5,000,000 1,355,000 2,244,000 8,205,000 2,244,000 8,205,000 2,244,000 2,245,000 2,240,0000 2,240,0000 2,240,0000000000	\$
	DCCH Pool: Euclid Street DCCH Pool: Chapin Street DCHFA Pass-Through Refunding	5.75% 5.75% 3.88%	2023-2039 2023-2039 2023-2045	1,140,000 965,000 23,123,793	- <u>-</u>	30,000 20,000 673,965	- - -	1,110,000 945,000 22,449,828	-	1,110,000 945,000 22,449,828	30,000 25,000 727,930
Total Combined MF Program Bonds Total				25,228,793	40.670.000	1,378,965		24,504,828	45.558	24,504,828	1,932,930
Bonds total				\$ 280,283,695	\$ 40,670,000			277,956,301	\$ 45,558	\$ 278,001,859	\$ 1,932,930

Notes to Financial Statements For the Years Ended September 30, 2023 and 2022

NOTE 6 BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (continued)

The required principal and interest payments for all Agency debt outstanding as of September 30, 2023 (including mandatory sinking fund payments but excluding special and optional redemptions) for each of the next five years and in five-year increments thereafter are as follows:

For the Year Ending	1988 Collateralized Single Family Mortgage Revenue Bonds							
September 30,	l	nterest	F	Principal				
2024	\$	29,006	\$	-				
2025		29,006		-				
2026		29,006		455,000				
Totals	\$	87,018		455,000				
Bonds payable			\$	455,000				

For the Year Ending	Μι	ıltifamily Devel	opme	pment Program		Multifamily Program				
September 30,		Interest		Principal		Interest		Principal		
2024 2025 2026 2027 2028 2029-2033 2034-2038	\$	10,032,207 10,181,056 10,134,183 10,063,814 9,986,315 131,769,154 622,159	\$	1,230,000 7,325,000 2,415,000 10,745,000 26,719,442 250,893,560 5,595,558	\$	942,682 908,334 871,590 832,614 791,993 5,507,330	\$	835,063 889,314 946,700 1,002,420 1,021,697 19,037,886		
Totals	\$	182,788,888		304,923,560	\$	9,854,543		23,733,080		
Unamortized Premium/(Discount) Bonds payable			\$	(59,060) 304,864,500			\$	- 23,733,080		

The interest calculations on outstanding variable rate bonds under the Multifamily Development Programs are based on the variable rates in effect on September 30, 2023 and are not indicative of the actual interest expense that will be incurred in future years. As rates vary, variable rate bond interest payments will vary.

In March 2017, DCHFA entered into a grant agreement with the DC DHCD as the sub-recipient in the administration of Community Development Block Grant ("CDBG") funds. Accordingly, the Agency established a line of credit with Industrial Bank to serve as a facility to fund Home Purchase Assistance Program ("HPAP") loans. The credit line is paid down upon receipt of reimbursements for DHCD on a monthly basis. During fiscal year 2023, the line of credit was increased from \$5.0 million to \$10.0 million. As of September 30, 2023 and 2022, the total outstanding balance of the credit line totaled \$9,956,367 and \$2,780,425, respectively.

NOTE 6 BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (continued)

Leased Assets

The Agency is the lessee of equipment under lease agreements expiring through 2026. As a lessee, the Agency recognizes a lease liability at the present value of the payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Right-to-use leased assets are initially recorded as the sum of 1) the amount of the initial measurement of the lease liability, 2) lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, 3) initial direct costs that are ancillary charges necessary to place the asset into service. Right-to-use leased assets are amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying assets.

Included in capital assets are assets under these leases with a cost of \$205,614 as of September 30, 2023 and 2022. Amortization expense related to the leases was \$39,165 and \$39,165, respectively, for the years ended September 30, 2023 and 2022. Accumulated amortization relating to the leases was \$88,121 and \$48,956, respectively, as of September 30, 2023 and 2022.

For the Year Ending September 30,	F	Principal	I r	iterest
2024	\$	39,221	\$	2,996
2025	ŗ	40,415	Ţ	1804
2026		38,125		574
Total minium lease payments	\$	117,761	\$	5,374

Principal and interest requirements to maturity under the leases are as follows:

Lease Liability

The following is a summary of changes in lease liability for the year ended September 30, 2023:

Balance				Balance						
October 1,				September 30, Due Within						
2022 Increase				Decrease 2023 One Year						
Lease liability Total	\$	155,825 155,825	\$ \$	-	\$ \$	(38,064) (38,064)	\$ \$	117,761 117,761	\$ \$	39,221 39,221

NOTE 6 BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (continued)

Lease Liability (continued)

The following is a summary of changes in lease liability for the year ended September 30, 2022:

Balance October 1, 2021Increase			Balance September 30, Due Within Decrease 2022 One Year						
Lease liability	\$	192,765	\$ -	\$	(36,940)	\$	155,825	\$	36,940
Total	\$	192,765	\$ -	\$	(36,940)	\$	155,825	\$	36,940

NOTE 7 REBATE LIABILITY

In accordance with the Internal Revenue Service Code (the "Code"), the Agency has recorded a rebate liability for excess investment earnings in connection with tax-exempt bonds and notes issued after 1981. The excess investment earnings arise due to actual investment yields permitted to be retained by the indentures under the Code. The Code requires 90.0% of such excess investment earnings to be remitted to the United States Treasury every five years and in full at the final redemption of the bonds. Interest income on the Statements of Revenues, Expenses and Changes in Net Position is reduced by the rebate liability due to excess investment earnings. The increase/decrease in fair value of investments on the Statements of Revenues, Expenses and Changes in Net Position is adjusted by the change in the estimated rebate liability due to the change in fair value of investments. The Revenue Obligation Programs had no rebate liability from interest income or from unrealized gains on investments. For the years ended September 30, 2023 and 2022, the rebate liability in the single family program was \$40,095.

NOTE 8 PROJECT FUNDS HELD FOR BORROWER AND OTHER LIABILITIES

The project funds held for borrower and other liabilities include funds contributed by the owners of the projects and/or funds received from low-income housing tax credit equity providers, District agencies, and the Department of Housing and Community Development. The Agency includes in the financial statements, funds received from these providers to the extent of unexpended monies in the project accounts.

NOTE 8 PROJECT FUNDS HELD FOR BORROWER AND OTHER LIABILITIES (continued)

Under the 1996 Single Family Mortgage Revenue Bonds, the Agency administers grant funds received from the District's DHCD under the U.S. Department of Housing and Urban Development's Home Investment Partnership Program ("HOME"). These funds were either blended with the bond proceeds to yield interest rate subsidy on mortgage loans securitized into mortgage-backed securities or were used to help homebuyers with closing costs, including downpayment assistance. Under the respective grant agreements, the Agency may recycle repayments of HOME funds into its bond programs. There was no transfer by the Agency of HOME funds back to DHCD during fiscal year 2023. As of September 30, 2023 and 2022, total HOME Program restricted assets were \$1,100,773, for both years.

NOTE 9 UNEARNED INCOME

Unearned income includes funds related to non-refundable construction monitoring fees and bond issuer fees associated with multifamily financing activities. The income is recognized over each project's anticipated construction period.

NOTE 10 NET POSITION

Net Investment in Capital Assets

Net investment in capital assets includes capital assets, net of related accumulated amortization and related debt (i.e. lease liability). Net investment in capital assets at September 30, 2023 and 2022 was \$1,819,578 and \$2,149,225, respectively.

Revenue Obligations Programs

The Revenue Obligation Programs net position is restricted through debt covenants as collateral for the respective bond issues. Combined restricted net position related to the Revenue Obligation Programs as of September 30, 2023 and 2022 was \$33,729,290 and \$30,607,809, respectively.

McKinney Act Program

The Agency qualified for 50.0% of the savings resulting from Financing Adjustment Factors ("FAF") on Section (11)(b) bond refunding transactions. These funds are programmatically restricted as they are only to be used to benefit very low-income people. As a result, the Agency established a revolving loan fund to provide credit enhancement or loan guarantees. Restricted net position related to the McKinney Act Program as of September 30, 2023 and 2022 was \$9,545,342 and \$9,624,933, respectively.

NOTE 10 NET POSITION (continued)

Unrestricted Net Position

As of September 30, 2023 and 2022, unrestricted net position for General Activities amounted to \$145,341,602 and \$122,140,399, respectively. The unrestricted net position is used to support the Agency's issuer credit rating.

NOTE 11 RETIREMENT PLAN

The Agency established a 457(b) deferred compensation plan (the "457(b) Plan") for the benefit of its eligible employees effective October 1, 1997. The Plan was amended and changed recordkeepers effective October 1, 2015. The amended Plan allows for an employee match up to 10% (7.0% prior to 2023) of an employee's salary on a five-year vesting schedule. Plan expense for the years ended September 30, 2023 and 2022 was \$337,823 and \$274,240, respectively.

NOTE 12 OTHER INCOME

The Agency's other income for fiscal year 2023 and 2022 is comprised of the following:

	General Activities						
Description		2023	2022				
Mortgage servicing fees	\$	99,776	\$	105,744			
MIP Risk Share Program		132,872		197,608			
Portfolio asset management fees		267,200		352,885			
Other		591,946		859,173			
Total	\$	1,091,794	\$	1,515,410			

Notes to Financial Statements For the Years Ended September 30, 2023 and 2022

NOTE 13 FEDERAL AND CITY PROGRAMS

On March 1, 2017, DCHFA signed a Subrecipient Grant Agreement with the District of Columbia Department of Housing and Community Development to administer \$5.7 million of Community Development Block Grant funds, allocated to the District of Columbia by the U.S. Department of HUD under Title 1 of the U.S. Housing and Community Development Act of 1974. During 2020, the Subrecipient Grant Agreement was amended to include HOME Grant Funds. The Community Development Block and HOME Grant funds were used to fund down payment assistance activities and services. During the years ended September 30, 2023 and 2022, respectively, the DCHFA received a funding extension under the program in the total amounts of \$46.1 million and \$10.1 million, which includes \$20.4 million and \$7.5 million, to be funded from federal funds and \$25.7 million and \$2.6 million, to be funded from local funds. For the years ended September 30, 2023 and 2022, the Agency incurred program expenses, and recorded a corresponding amount of revenues, of \$45.4 million and \$7.4 million, included in grant program revenues and expenses on the statement of revenues. expenses and change in net position. Of the program expenses incurred during the years ended September 30, 2023 and 2022, \$20.4 million and \$5.7 million, respectively, were funded by federal funds and \$25 million and \$1.7 million, respectively, were funded by local funds.

In fiscal year 2019, DCHFA, by enactment by the Council of the District of Columbia, established an 18-month pilot program, Reverse Mortgage Insurance and Tax Payment ("ReMIT"), that allows qualified homeowners to apply for and receive up to \$25,000 in financial assistance for payment of past due property taxes and property insurance debts that have put qualified homeowners at risk of foreclosure. The program was extended during fiscal year 2020. DCHFA records a lien on the subject property in the amount of the financial assistance provided to the qualified homeowner, which is subordinate to the reverse mortgage lender in the first position.

NOTE 14 COMMITMENTS AND CONTINGENCIES

As of September 30, 2023, the Agency had total mortgage commitments in the amount of \$189.1 million on projects under construction in the Multifamily Development Program, of which \$99.7 million has been drawn and \$89.4 million remains to be drawn.

The Agency is a defendant in two lawsuits and other claims that occur in the ordinary course of operations. It is the opinion of the General Counsel that such lawsuits and claims will not have a material adverse impact on the Agency's financial condition.

Notes to Financial Statements For the Years Ended September 30, 2023 and 2022

NOTE 15 CONDUIT DEBT OBLIGATIONS

The Agency has issued bonds that provide mortgage loan financing for newly constructed or rehabilitated multifamily rental housing developments in the District. No individual conduit multifamily project's assets are available to collateralize other project's debt obligations. Neither the faith and credit of the Agency nor the assets of any other Program have been pledged as security for these bonds. The developments financed are pledged as collateral, and the bonds are payable solely from payments received from the mortgages on the underlying promissory notes. As of September 30, 2023 and 2022, the bonds have an aggregate outstanding principal amount payable of \$1,834,964,018 and \$1,553,419,333, respectively.

NOTE 16 SUBSEQUENT EVENTS

The events that occur after the date of the Statement of Net Position but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the Statement of Net Position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the date of the Statement of Net Position require disclosure in the accompanying notes. Management evaluated the activity of DCHFA through December 29, 2023 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

SUPPLEMENTARY INFORMATION

Combining Statements of Net Position September 30, 2023 (With Comparative Totals For 2022)

	General Activities	Single Family Program	Multifamily Program	2023	2022	
ASSETS CURRENT ASSETS Unrestricted current assets						
Cash and cash equivalents	\$ 34,534,966	\$ -	\$ -	\$ 34,534,966	\$ 38,181,423	
Investments	28,535,840	-	-	28,535,840	15,165,142	
Other receivables	3,476,949	-	-	3,476,949	3,312,419	
Accrued interest receivable	1,025,594	-	-	1,025,594	567,220	
Prepaid expenses	266,907			266,907	212,990	
Total unrestricted current assets	67,840,256			67,840,256	57,439,194	
Restricted current assets						
Cash and cash equivalents	18,300,761	9,494,019	27,945,420	55,740,200	57,636,470	
Investments	-	-	56,420,367	56,420,367	11,035,000	
Mortgage backed securities	-	36,965	-	36,965	-	
Accounts receivable - HPAP Program	20,360,772	-	-	20,360,772	2,892,860	
McKinney Act loans receivable, net	750,000	-	-	750,000	1,585,808	
Accrued interest receivable		248,828	1,319,933	1,568,761	872,833	
Total restricted current assets	39,411,533	9,779,812	85,685,720	134,877,065	74,022,971	
Total current assets	107,251,789	9,779,812	85,685,720	202,717,321	131,462,165	
NON-CURRENT ASSETS Unrestricted non-current assets						
Investments	65,250,605	-	-	65,250,605	51,993,809	
Mortgage and construction loans						
receivable, net	6,379,253	-	-	6,379,253	6,078,723	
Due from (to) other programs	181,655		(181,655)			
Total unrestricted non-current						
assets	71,811,513		(181,655)	71,629,858	58,072,532	

Combining Statements of Net Position *(continued)* September 30, 2023 (With Comparative Totals For 2022)

	General Activities	Single Family Program		Multifamily Program		 2023	 2022
NON-CURRENT ASSETS (continued) Restricted non-current assets							
Investments held in trust	\$-	\$	10,000,000	\$	139,149,473	\$ 149,149,473	\$ 140,828,738
Investments in joint ventures	1,908,454		-		-	1,908,454	1,345,435
Mortgage-backed securities at fair value	4,282,767		6,172,383		-	10,455,150	12,389,739
Mortgage and construction loans receivable, net			275,000		232,062,244	232,337,244	196,796,048
Loans receivable	- 1,627,381		275,000		-	1,627,381	1,724,282
Total restricted non-current assets	7,818,602		16,447,383		371,211,717	 395,477,702	 353,084,242
Total restricted non-current assets	7,010,002		10,447,303		571,211,717	 393,477,702	 333,004,242
Capital assets							
Land	573,000		-		-	573,000	573,000
Depreciable and amortizable capital assets Less: Accumulated depreciation and	6,859,524		-		-	6,859,524	6,586,553
amortization	(5,402,622)		-			 (5,402,622)	 (4,854,503)
Total capital assets, net	2,029,902		-			 2,029,902	 2,305,050
Total non-current assets	81,660,017		16,447,383		371,030,062	 469,137,462	 413,461,824
Total assets	\$ 188,911,806	\$	26,227,195	\$	456,715,782	\$ 671,854,783	\$ 544,923,989
LIABILITIES AND NET POSITION CURRENT LIABILITIES Current liabilities payable from unrestricted assets							
Accounts payable and accrued liabilities	\$ 174,975	\$	-	\$	-	\$ 174,975	\$ 242,992
Accrued salary and vacation payable	602,002		-		-	602,002	558,674
Lease liability	39,221		-		-	39,221	36,940
Unearned income	15,985,601		-			 15,985,601	 5,460,680
Total current liabilities payable from unrestricted assets	16,801,799		_		_	16,801,799	6,299,286
4111031110104 233013	10,001,739					 10,001,733	 0,233,200

Combining Statements of Net Position *(continued)* September 30, 2023 (With Comparative Totals For 2022)

	General Activities	Single Family Program	Multifamily Program	2023	2022
LIABILITIES AND NET POSITION (continued) CURRENT LIABILITIES (continued) Current liabilities payable from restricted assets	ued)				
Accounts payable and accrued liabilities Project funds held for borrower and	\$ 169,836	\$ 40,096	\$ 8,796	\$ 218,728	\$ 105,204
other liabilities Interest payable Current portion of loans payable	5,198,742 - 9,956,367	1,100,773 9,669 -	118,295,936 705,837 -	124,595,451 715,506 9,956,367	92,257,734 838,230 2,780,425
Current portion of bonds payable			2,065,063	2,065,063	1,932,930
Total current liabilities payable from restricted assets	15,324,945	1,150,538	121,075,632	137,551,115	97,914,523
Total current liabilities	32,126,744	1,150,538	121,075,632	154,352,914	104,213,809
NON-CURRENT LIABILITIES Non-current liabilities payable from unrestricted assets Lease liability	78,540	-	-	78,540	118,885
Total non-current liabilities payable from unrestricted assets	78,540			78,540	118,885
Non-current liabilities payable from restricted assets					
Bonds payable - less current portion		455,000	326,532,517	326,987,517	276,068,929
Total non-current liabilities payable from restricted assets		455,000	326,532,517	326,987,517	276,068,929
Total non-current liabilities	78,540	455,000	326,532,517	327,066,057	276,187,814
Total liabilities	32,205,284	1,605,538	447,608,149	481,418,971	380,401,623

Combining Statements of Net Position *(continued)* September 30, 2023 (With Comparative Totals For 2022)

	General Activities	Single Family Program	Multifamily Program	2023	2022	
NET POSITION Net investment in capital assets	\$ 1,819,578	<u>\$ -</u>	\$	\$ 1,819,578	\$ 2,149,225	
<i>Restricted for</i> Bond fund, collateral and Risk Share Program McKinney Act Program	- 9,545,342_	24,621,657	9,107,633 	33,729,290 9,545,342	30,607,809 9,624,933	
Total restricted net position	9,545,342	24,621,657	9,107,633	43,274,632	40,232,742	
Unrestricted net position	145,341,602			145,341,602	122,140,399	
Total net position	156,706,522	24,621,657	9,107,633	190,435,812	164,522,366	
Total liabilities and net position	\$ 188,911,806	\$ 26,227,195	\$ 456,715,782	\$ 671,854,783	\$ 544,923,989	

Combining Statements of Revenues, Expenses and Changes in Net Position Year Ended September 30, 2023 (With Comparative Totals for 2022)

	General Activities	Single Family Program	Multifamily Program	2023	2022
OPERATING REVENUES					
Investment interest income	\$ 2,558,135	\$ 983,194	\$ 1,378,328	\$ 4,919,657	\$ 2,390,291
Mortgage-backed security interest income	138,458	343,993	-	482,451	569,957
Interest on mortgage and construction loans	-	-	6,293,299	6,293,299	5,226,898
Construction and development admin fees	4,078,138	-	-	4,078,138	2,275,851
Financing fee income	12,927,765	-	-	12,927,765	5,845,154
Tax credit fee income	3,251,154		-	3,251,154	1,408,631
Bond administration fee income	8,933,747	-	63,823	8,997,570	7,370,384
McKinney Act interest revenue	439,962	-	-	439,962	295,733
Application and commitment fees	693,024	-	-	693,024	263,660
Legal fees	792,208	-	-	792,208	537,624
Gain on sale of single family loans	402,682	-	-	402,682	1,578,235
Mortgage prepayment income	25,050	-	-	25,050	1,339,227
Project revenue	-	-	2,938,856	2,938,856	5,203,638
Other	1,091,794			1,091,794	1,515,410
Total operating revenues	35,332,117	1,327,187	10,674,306	47,333,610	35,820,693
OPERATING EXPENSES					
General and administrative	3,874,963	288	453,972	4,329,223	4,537,753
Personnel and related costs	8,223,552	-	-	8,223,552	7,172,594
Interest expense	-	31,025	8,468,240	8,499,265	7,922,002
Depreciation and amortization	548,119	-	-	548,119	336,970
Trustee fees and other expenses		1,750	22,912	24,662	29,043
Total operating expenses	12,646,634	33,063	8,945,124	21,624,821	19,998,362
Operating income	22,685,483	1,294,124	1,729,182	25,708,789	15,822,331
NON-OPERATING REVENUES (EXPENSES) Federal and city programs					
Grant program revenue	45,462,996	-	-	45,462,996	8,125,894
Grant program expenses	(45,459,031)	-	-	(45,459,031)	(8,125,894)
Increase (decrease) in fair value of mortgage-backed					
securities and investments	102,517	(101,656)	199,831	200,692	(6,857,488)
Total non-operating revenues/(expenses)	106,482	(101,656)	199,831	204,657	(6,857,488)
Transfers of funds, net					
Change in net position	22,791,965	1,192,468	1,929,013	25,913,446	8,964,843
Net position, beginning of year	133,914,557	23,429,189	7,178,620	164,522,366	155,557,523
Net position, end of year	\$ 156,706,522	\$ 24,621,657	\$ 9,107,633	\$ 190,435,812	\$ 164,522,366

Combining Statements of Cash Flows Year Ended September 30, 2023 (With Comparative Totals for 2022)

	General Activities	Single Family Program	Multifamily Program	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received on loans	\$-	\$-	\$ 6,293,299	\$ 6,293,299	\$ 5,173,438
Administrative and financing cash receipts	27,260,352	-	63,823	27,324,175	15,491,389
Other cash receipts	15,663,591	-	35,005,484	50,669,075	(32,082,256)
Payments to vendors	(3,305,386)	(2,037)	(541,423)	(3,848,846)	(12,101,891)
Payments to employees	(8,180,224)	-	-	(8,180,224)	(7,222,511)
Net mortgage and construction loans principal					
receipts/(disbursements)	(300,530)	140,000	(35,681,196)	(35,841,726)	6,999,129
Principal and interest received on mortgage-					
backed securities	621,870	1,656,549	-	2,278,419	(870,371)
Principal and interest received on McKinney Act loans	754,095	-	-	754,095	-
Other cash payments		-			(29,043)
Net cash provided by (used in) operating activities	32,513,768	1,794,512	5,139,987	39,448,267	(24,642,116)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Interest paid on bonds and loans	-	(34,744)	(8,595,471)	(8,630,215)	(7,712,427)
Change in due from (to) other programs	2,038,061	(2,050,644)	12,583	-	-
Proceeds from bond issuances and loans	7,505,270	-	64,598,608	72,103,878	47,743,776
Principal payments on issued debt and loans	(329,330)	(120,000)	(13,419,661)	(13,868,991)	(49,873,632)
Bond premium amortization	-	-	8,226	8,226	45,558
Grant program cash receipts	27,995,084	-	-	27,995,084	6,751,141
Grant program cash disbursements	(45,459,031)	-	-	(45,459,031)	(8,125,894)
Net cash (used in) provided by non-capital					
financing activities	(8,249,946)	(2,205,388)	42,604,285	32,148,951	(11,171,478)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(272,970)	-	-	(272,970)	(248,147)
Principal payments on lease from operations	(38,064)		-	(38,064)	(36,940)
Net cash used in capital and related financing activities	(311,034)			(311,034)	(285,087)

Combining Statements of Cash Flows *(continued)* Year Ended September 30, 2023 (With Comparative Totals for 2022)

General Activities	Single Family Program	Multifamily Program	2023	2022
\$ (563,018)	\$-	\$-	\$ (563,018)	\$ (363,767)
2,099,761	985,328	680,266	3,765,355	2,390,291
11,225,000	-	11,035,000	22,260,000	190,440,267
(37,749,977)	-	(64,541,271)	(102,291,248)	(131,597,212)
(24,988,234)	985,328	(52,826,005)	(76,828,911)	60,869,579
(1,035,446)	574,452	(5,081,733)	(5,542,727)	24,770,898
53,871,173	8,919,567	33,027,153	95,817,893	71,046,995
\$ 52,835,727	\$ 9,494,019	\$ 27,945,420	\$ 90,275,166	\$ 95,817,893
\$ 34,534,966	\$-	\$-	\$ 34,534,966	\$ 38,181,423
18,300,761	9,494,019	27,945,420	55,740,200	57,636,470
\$ 52,835,727	\$ 9,494,019	\$ 27,945,420	\$ 90,275,166	\$ 95,817,893
	Activities \$ (563,018) 2,099,761 11,225,000 (37,749,977) (24,988,234) (1,035,446) 53,871,173 \$ 52,835,727 \$ 34,534,966 18,300,761	Activities Program \$ (563,018) \$ - 2,099,761 985,328 11,225,000 - (37,749,977) - (24,988,234) 985,328 (1,035,446) 574,452 53,871,173 8,919,567 \$ 52,835,727 \$ 9,494,019 \$ 34,534,966 \$ - 18,300,761 9,494,019	ActivitiesProgramProgram\$ (563,018)\$ -\$ - $2,099,761$ 985,328680,266 $11,225,000$ -11,035,000 $(37,749,977)$ -(64,541,271) $(24,988,234)$ 985,328(52,826,005) $(1,035,446)$ 574,452(5,081,733) $53,871,173$ $8,919,567$ $33,027,153$ $$ 52,835,727$ \$ 9,494,019\$ 27,945,420\$ 34,534,966\$ -\$ - $18,300,761$ $9,494,019$ $27,945,420$	ActivitiesProgramProgram2023\$ (563,018)\$ -\$ -\$ (563,018) $2,099,761$ 985,328680,266 $3,765,355$ $11,225,000$ - $11,035,000$ $22,260,000$ $(37,749,977)$ - $(64,541,271)$ $(102,291,248)$ $(24,988,234)$ 985,328 $(52,826,005)$ $(76,828,911)$ $(1,035,446)$ $574,452$ $(5,081,733)$ $(5,542,727)$ $53,871,173$ $8,919,567$ $33,027,153$ $95,817,893$ \$ 52,835,727\$ 9,494,019\$ 27,945,420\$ 90,275,166\$ 34,534,966\$ -\$ -\$ 34,534,966 $18,300,761$ $9,494,019$ $27,945,420$ \$ 34,534,966

Combining Statements of Cash Flows *(continued)* Year Ended September 30, 2023 (With Comparative Totals for 2022)

	General Activities		Single Family Program		Multifamily Program		2023		 2022
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES									
Operating income (loss)	\$ 2	2,685,483	\$	1,294,124	\$	1,729,182	\$	25,708,789	\$ 15,822,331
Adjustments to reconcile operating income to net									
cash provided by (used in) operating activities									
Depreciation and amortization		548,119		-		-		548,119	336,970
Gain on disposal of assets		-		-		-		-	18
Provision for uncollectible loans		521,675		-		-		521,675	-
Interest on bonds/loans		-		34,744		8,579,019		8,613,763	7,712,427
Provision for uncollectible interest revenue		-		-		-		-	31,339
Decrease (increase) in mortgage and construction loans		(300,530)		140,000		(35,681,196)		(35,841,726)	6,999,129
Decrease (increase) in mortgage-backed securities		483,412		1,312,556		-		1,795,968	(1,566,766)
Interest received on investments		(2,099,761)		(985,328)		(680,266)		(3,765,355)	(2,390,291)
Effects of changes in operating assets and liabilities									
Decrease (increase) in assets									
Accrued interest receivable		(458,374)		2,134		(698,062)		(1,154,302)	(254,094)
Other current assets		(53,917)		-		-		(53,917)	89,976
Other receivables		246,504		-		-		246,504	201,145
(Decrease) increase in liabilities									
Accounts payable and accrued liabilities		145,147		1		(56,313)		88,835	(1,702,729)
Unearned income	1	0,524,921		-		-		10,524,921	2,124,574
Project funds held for borrower and other liabilities		271,089		-		32,066,628		32,337,717	(52,255,720)
Accrued interest payable		-		(3,719)		(119,005)		(122,724)	 209,575
Net cash provided by (used in) operating									
activities	\$ 3	2,513,768	\$	1,794,512	\$	5,139,987	\$	39,448,267	\$ (24,642,116)

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program September 30, 2023 and 2022

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2023

									Maturi	ties (in years)				
Assets	Cost		Carrying Value		Less Than 1		From 1 Up To 5		From 5 Up To 10		From 10 Up To 15		15 and More	
CASH AND CASH EQUIVALENTS Money Market Funds	\$	9,494,019	\$	9,494,019	\$	9,494,019	\$	-	\$	-	\$	-	\$	-
Total cash and cash equivalents		9,494,019		9,494,019		9,494,019								
INVESTMENTS Investment agreements		10,000,000		10,000,000				10,000,000						
Total investments		10,000,000		10,000,000				10,000,000						-
MORTGAGE-BACKED SECURITIES														
Ginnie Mae		1,751,702		1,619,868		36,965		173,164		448,646		-		961,093
Fannie Mae		1,658,690		1,587,605		-		3,193		-		1,419,925		164,487
Freddie Mac		3,038,030		3,001,875		-				-		2,713,433		288,442
Total Mortgage-Backed Securities		6,448,422		6,209,348		36,965		176,357		448,646		4,133,358		1,414,022
1988 Collateralized Single Family Mortgage Revenue Bonds total cash and investments	\$	25,942,441	\$	25,703,367	\$	9,530,984	\$	10,176,357	\$	448,646	\$	4,133,358	\$	1,414,022

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2022

									Maturi	ies (in years)				
Assets		Cost Carrying Value				Less Than 1 From 1 Up To 5			F	om 5 Up To 10	F	rom 10 Up To 15	15 and More	
A55615		COSL		rrying value		55 T Hall T	FIC	m 1 0p 105				1015	13	
CASH AND CASH EQUIVALENTS	¢	0.040.507	¢	0.040.507	¢	0.040.507	۴		¢		۴		¢	
Money Market Funds	\$	8,919,567	\$	8,919,567	\$	8,919,567	\$	-	•	-	\$	-	Þ	-
Total cash and cash equivalents		8,919,567	<u> </u>	8,919,567		8,919,567		-		-		-	. <u> </u>	-
INVESTMENTS														
Investment agreements		10,000,000		10,000,000		-		10,000,000		-				-
Total investments		10,000,000		10,000,000				10,000,000						
MORTGAGE-BACKED SECURITIES														
Ginnie Mae		2,477,478		2,380,458		-		438,871		532,304		-		1,409,283
Fannie Mae		1,927,101		1,886,975		-		32,110		-		1,566,414		288,451
Freddie Mac		3,339,164		3,356,127								1,014,986		2,341,141
Total Mortgage-Backed Securities		7,743,743		7,623,560		-		470,981		532,304		2,581,400		4,038,875
1988 Collateralized Single Family Mortgage Revenue Bonds total	¢	00 000 040	¢	00 540 407	¢	0.040.507	¢	40 470 004	¢	500 004	¢	0.504.400	¢	4 000 075
cash and investments	\$	26,663,310	\$	26,543,127	\$	8,919,567	\$	10,470,981	\$	532,304	\$	2,581,400	\$	4,038,875

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Multifamily Development Program (MFDP) as of September 30, 2023

					Maturities (in years)		
					From 5 Up	From 10 Up	
Assets	Cost	Carrying Value	Less Than 1	From 1 Up To 5	To 10	To 15	15 and More
CASH AND CASH EQUIVALENTS							
Non-Money Market Deposits	\$ 181,501	\$ 181,501	\$ 181,501	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	3,779,724	3,779,724	3,779,724	-	-	-	-
Money Market Funds	22,188,901	22,188,901	22,188,901				
Total cash and cash equivalents	26,150,126	26,150,126	26,150,126				
INVESTMENTS							
U.S. Treasury Obligations	64,541,271	64,749,714	1,945,367	62,804,347	-	-	-
Investment agreements	130,165,558	130,165,558	54,475,000	75,690,558	-	-	-
GSE Obligations	689,822	654,567		654,567			
Total investments	195,396,651	195,569,839	56,420,367	139,149,472			
Multifamily MFDP Program total cash and investments	\$ 221,546,777	\$ 221,719,965	\$ 82,570,493	\$ 139,149,472	\$-	\$ -	\$-

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Multifamily Development Program (MFDP) as of September 30, 2022

					Maturities (in years)		
					From 5 Up	From 10 Up	
Assets	Cost	Carrying Value	Less Than 1	From 1 Up To 5	To 10	To 15	15 and More
CASH AND CASH EQUIVALENTS							
Non-Money Market Deposits	\$ 3	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	3,459,985	3,459,985	3,459,985	-	-	-	-
Money Market Funds	27,832,041	27,832,041	27,832,041				-
Total cash and cash equivalents	31,292,029	31,292,029	31,292,029				
INVESTMENTS							
Certificate of Deposit	3,335,000	3,335,000	3,335,000	-	-	-	-
Investment agreements	137,865,562	137,865,562	7,700,000	130,165,562	-	-	-
GSE Obligations	689,822	663,176			663,176		
Total investments	141,890,384	141,863,738	11,035,000	130,165,562	663,176		
Multifamily MFDP Program total cash and investments	\$ 173,182,413	\$ 173,155,767	\$ 42,327,029	\$ 130,165,562	\$ 663,176	\$ -	\$ -

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Multifamily Program as of September 30, 2023

								Maturitie	s (in years)				
								Fro	m 5 Up	From	10 Up		
Assets	 Cost	Ca	rrying Value	Le	ess Than 1	From 1	Up To 5	T	o 10	T	o 15	15 an	d More
CASH AND CASH EQUIVALENTS Non-Money Market Deposits Demand Money Market Deposits	\$ 12 1,524,913	\$	12 1,524,913	\$	3 1,524,913	\$	- -	\$	- -	\$	1 -	\$	8
Money Market Funds	 270,369		270,369		270,369		-		-		-		-
Total cash and cash equivalents	 1,795,294		1,795,294		1,795,285		-		-		1		8
Multifamily Program total cash	\$ 1,795,294	\$	1,795,294	\$	1,795,285	\$	-	\$	-	\$	1	\$	8

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Multifamily Program as of September 30, 2022

								Maturitie	s (in years)				
								Fro	m 5 Up	From	ո 10 Up		
Assets	 Cost	Ca	rying Value	Le	ess Than 1	From 1	Up To 5	т	o 10	T	o 15	15 an	d More
CASH AND CASH EQUIVALENTS													
Non-Money Market Deposits	\$ 12	\$	12	\$	2	\$	-	\$	-	\$	-	\$	10
Demand Money Market Deposits	1,483,615		1,483,615		1,483,615		-		-		-		-
Money Market Funds	 251,497		251,497		251,497		-		-		-		-
Total cash and cash equivalents	 1,735,124		1,735,124		1,735,114		-		-		-		10
Multifamily Program total cash	\$ 1,735,124	\$	1,735,124	\$	1,735,114	\$	-	\$	-	\$	-	\$	10

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Combined Revenue Obligation Programs and General Activities as of September 30, 2023

			Maturities (in years)								
					From 5 Up	From 10 Up					
Assets	Cost	Carrying Value	Less Than 1	From 1 Up To 5	<u> </u>	To 15	15 and More				
CASH AND CASH EQUIVALENTS											
Non-Money Market Deposits	\$ 7,714,939	\$ 7,714,939	\$ 7,714,939	\$-	\$-	\$ -	\$ -				
Demand Money Market Deposits	50,606,938	50,606,938	50,606,938	-	-	-	-				
Money Market Funds	31,953,289	31,953,289	31,953,289								
Total cash and cash equivalents	90,275,166	90,275,166	90,275,166								
INVESTMENTS											
Certificates of Deposits	14,141,208	14,141,208	3,093,830	11,047,378	-	-	-				
U.S, Treasury Obligations	91,739,963	90,910,911	5,650,294	85,124,925	135,692	-	-				
Municipal Obligations	895,000	895,000	895,000	-	-	-	-				
Investment Agreements	140,165,558	140,165,558	54,475,000	85,690,558	-	-	-				
Corporate Obligations	51,884,525	50,223,982	19,722,944	30,211,610	289,428	-	-				
GSE Obligations	3,182,881	3,019,626	1,119,140	1,824,085	76,401						
Total investments	302,009,135	299,356,285	84,956,208	213,898,556	501,521						
MORTGAGE-BACKED SECURITIES											
Ginnie Mae	2,151,016	1,985,221	36,965	173,164	448,646	-	1,326,446				
Fannie Mae	2,623,938	2,464,177	-	3,192	-	1,419,925	1,041,060				
Freddie Mac	7,012,644	6,042,717				2,713,433	3,329,284				
Total Mortgage-Backed Securities	11,787,598	10,492,115	36,965	176,356	448,646	4,133,358	5,696,790				
Combined General Activities and Revenue Obligation Programs total cash, investments and Mortgage-											
Backed Securities	\$ 404,071,899	\$ 400,123,566	\$ 175,268,339	\$ 214,074,912	\$ 950,167	\$ 4,133,358	\$ 5,696,790				

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Combined Revenue Obligation Programs and General Activities as of September 30, 2022

					Maturities (in years)		
Assets	Cost	Carrying Value	Less Than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
CASH AND CASH EQUIVALENTS Non-Money Market Deposits	\$ 15	\$ 15	\$ 5	\$ -	\$ -	\$ -	\$ 10
Demand Money Market Deposits Money Market Funds	4,943,600 37,003,105	4,943,600 37,003,105	4,943,600 37,003,105	- -	- 	- 	-
Total cash and cash equivalents	41,946,720	41,946,720	41,946,710				10
INVESTMENTS							
Certificates of Deposits	3,335,000	3,335,000	3,335,000	-	-	-	-
Investment Agreements	147,865,562	147,865,562	7,700,000	140,165,562	-	-	-
GSE Obligations	689,822	663,176			663,176		
Total investments	151,890,384	151,863,738	11,035,000	140,165,562	663,176		
MORTGAGE-BACKED SECURITIES							
Ginnie Mae	2,477,478	2,380,458	-	438,871	532,304	-	1,409,283
Fannie Mae	1,927,101	1,886,975	-	32,110	-	1,566,414	288,451
Freddie Mac	3,339,164	3,356,127	-	-		1,014,986	2,341,141
Total Mortgage-Backed Securities	7,743,743	7,623,560		470,981	532,304	2,581,400	4,038,875
Combined General Activities and Revenue Obligation Programs total cash, investments and Mortgage-							
Backed Securities	\$ 201,580,847	\$ 201,434,018	\$ 52,981,710	\$ 140,636,543	\$ 1,195,480	\$ 2,581,400	\$ 4,038,885

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2023

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
CASH AND CASH EQUIVALENTS Money Market Funds	\$ 9,494,019	36.9%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total cash and cash equivalents	9,494,019	36.9%		moody o	
INVESTMENTS Investment Agreements Total investments	10,000,000	<u> </u>	Aa2	Moody's	
MORTGAGE-BACKED SECURITIES Ginnie Mae Fannie Mae Freddie Mac	1,619,868 1,587,605 3,001,875	6.4% 6.2% 11.7%	Aaa Aaa Aaa	Moody's Moody's Moody's	
Total Mortgage-Backed Securities	6,209,348	24.3%		2	
1988 Collateralized Single Family Mortgage Revenue Bonds total cash, investments and Mortgage-Backed Securities	\$ 25,703,367	100.0%			

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2022

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
CASH AND CASH EQUIVALENTS					
Money Market Funds	\$ 8,919,567	33.6%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total cash and cash equivalents	8,919,567	33.6%			
INVESTMENTS					
Investment Agreements	10,000,000	37.7%	Aa2	Moody's	
Total investments	10,000,000	37.7%			
MORTGAGE-BACKED SECURITIES					
Ginnie Mae	2,380,458	9.0%	Aaa	Moody's	
Fannie Mae	1,886,975	7.1%	Aaa	Moody's	
Freddie Mac	3,356,127	12.6%	Aaa	Moody's	
Total Mortgage-Backed Securities	7,623,560	28.7%			
1988 Collateralized Single Family Mortgage Revenue Bonds total cash, investments and Mortgage-Backed Securities	\$ 26,543,127	100.0%			

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Multifamily Development Program (MFDP) as of September 30, 2023

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
CASH AND CASH EQUIVALENTS					
Non-Money Market Deposits	\$ 181,501	0.1%	Not Rated		Uncollateralized, Uninsured
Demand Money Market Deposits	3,779,724	1.7%	P-1	Moody's	
Money Market Funds	22,188,901	10.0%	Aaa-mf	Moody's	
Total cash and cash equivalents	26,150,126	11.8%			
INVESTMENTS					
U.S. Treasury Obligations	64,749,714	29.2%	Aaa	Moody's	
Investment Agreements	37,340,558	16.8%	Aa2	Moody's	
Investment Agreements	54,475,000	24.6%	Aa3	Moody's	
Investment Agreements	38,350,000	17.3%	A1	Moody's	
GSE Obligations	654,567	0.3%	Aaa	Moody's	
Total investments	195,569,839	88.2%			
Multifamily MFDP Program total cash					
and investments	\$ 221,719,965	100.0%			

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Multifamily Development Program (MFDP) as of September 30, 2022

		Percentage of Total			Underlying Securities Credit
Asset	Carrying Value	Investments	Credit Rating	Rating Agency	Rating/Supporting Collateral
CASH AND CASH EQUIVALENTS					
Non-Money Market Deposits	\$ 3	0.0%	Not Rated		Uncollateralized, Uninsured
Demand Money Market Deposits	3,459,985	2.0%	P-1	Moody's	
Money Market Funds	27,832,041	16.1%	Aaa-mf	Moody's	
Total cash and cash equivalents	31,292,029	18.1%			
INVESTMENTS					
Certificate of Deposit	3,335,000	1.9%	Not Rated		Federal Reserve-Held Aaa Collateral
Investment Agreements	45,040,562	26.0%	Aa2	Moody's	
Investment Agreements	54,475,000	31.5%	Aa3	Moody's	
Investment Agreements	38,350,000	22.1%	A1	Moody's	
GSE Obligations	663,176	0.4%	Aaa	Moody's	
Total investments	141,863,738	81.9%			
Multifamily MFDP Program total cash					
and investments	\$ 173,155,767	100.0%			

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Multifamily Program as of September 30, 2023

Asset	Ca	rrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
CASH AND CASH EQUIVALENTS						
Non-Money Market Deposits	\$	12	0.0%	Not Rated		Uncollateralized, Uninsured
Demand Money Market Deposits		1,524,913	84.9%	P-1	Moody's	
Money Market Funds		270,369	15.1%	Aaa-mf	Moody's	
Total cash and cash equivalents		1,795,294	100.0%			
Multifamily Program total cash and investments	\$	1,795,294	100.0%			

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Multifamily Program as of September 30, 2022

Asset	Car	rying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
CASH AND CASH EQUIVALENTS						
Non-Money Market Deposits	\$	12	0.0%	Not Rated		Uncollateralized, Uninsured
Demand Money Market Deposits		1,483,615	85.5%	P-1	Moody's	
Money Market Funds		251,497	14.5%	Aaa-mf	Moody's	
Total cash and cash equivalents		1,735,124	100.0%			
Multifamily Program total cash and investments	\$	1,735,124	100.0%			

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Combined Revenue Obligation Programs and General Activities as of September 30, 2023

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
CASH AND CASH EQUIVALENTS					
Non-Money Market Deposits	\$ 7,533,426	1.9%	Not Rated		Third Party-Held Aaa Collateral
Non-Money Market Deposits	181,513	0.0%	Not Rated		Uncollateralized, Uninsured
Demand Money Market Deposits	43,555,481	10.9%	Not Rated		Federal Reserve-Held Aaa Collateral
Demand Money Market Deposits	7,051,457	1.8%	P-1	Moody's	
Money Market Funds	31,953,289	8.0%	Aaa-mf	Moody's	
Total cash and cash equivalents	90,275,166	22.6%			
INVESTMENTS					
Certificates of Deposits	14,141,208	3.5%	Not Rated		Federal Reserve-Held Aaa Collateral
U.S. Treasury Obligations	90,910,911	22.7%	Aaa	Moody's	
Municipal Obligations	895,000	0.2%	Aa1	Moody's	
Investment Agreements	47,340,558	11.8%	Aa2	Moody's	
Investment Agreements	54,475,000	13.6%	Aa3	Moody's	
Investment Agreements	38,350,000	9.6%	A1	Moody's	
Corporate Obligations	213,700	0.1%	Aaa	Moody's	
Corporate Obligations	462,785	0.1%	Aa2	Moody's	
Corporate Obligations	2,240,727	0.6%	Aa3	Moody's	
Corporate Obligations	12,089,647	3.0%	A1	Moody's	
Corporate Obligations	17,077,882	4.3%	A2	Moody's	
Corporate Obligations	18,139,241	4.5%	A3	Moody's	
GSE Obligations	3,019,626	0.8%	Aaa	Moody's	
Total investments	299,356,285	74.8%			
MORT GAGE-BACKED SECURITIES					
Ginnie Mae	1,985,221	0.5%	Aaa	Moody's	
Fannie Mae	2,464,177	0.6%	Aaa	Moody's	
Freddie Mac	6,042,717	1.5%	Aaa	Moody's	
Total Mortgage-Backed Securities	10,492,115	2.6%			
Combined general activities and revenue obligation programs total cash, investme and Mortgage-Backed Securities	nts <u>\$ 400,123,566</u>	100.0%			

Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities By Program *(continued)* September 30, 2023 and 2022

Combined Revenue Obligation Programs and General Activities as of September 30, 2022

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
CASH AND CASH EQUIVALENTS Non-Money Market Deposits Demand Money Market Deposits	\$	0.0% 2.5%	Not Rated P-1	Moody's Moody's	Uncollateralized, Uninsured
Money Market Funds	37,003,105	18.4%	Aaa-mf	Moody's	
Total cash and cash equivalents	41,946,720	20.9%			
INVESTMENTS					
Certificates of Deposits	3,335,000	1.7%	Not Rated		Federal Reserve-Held Aaa Collateral
Investment Agreements	55,040,562	27.3%	Aa2	Moody's	
Investment Agreements	54,475,000	27.0%	Aa3	Moody's	
Investment Agreements	38,350,000	19.0%	A1	Moody's	
GSE Obligations	663,176	0.3%	Aaa	Moody's	
Total investments	151,863,738	75.3%			
MORTGAGE-BACKED SECURITIES					
Ginnie Mae	2,380,458	1.2%	Aaa	Moody's	
Fannie Mae	1,886,975	0.9%	Aaa	Moody's	
Freddie Mac	3,356,127	1.7%	Aaa	Moody's	
Total Mortgage-Backed Securities	7,623,560	3.8%			
Combined general activities and revenue obligation programs total cash, investmer and Mortgage-Backed Securities	nts \$201,434,018	100.0%			



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors District of Columbia Housing Finance Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the District of Columbia Housing Finance Agency (the "Agency"), a component unit of the Government of the District of Columbia, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 29, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

80 Pine Street New York, NY 10005 **T** +1 212 709 4500 **F** +1 212 709 4680 mitchelltitus.com



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mitchell : Titus, LLP

December 29, 2023



REPORT WASTE, FRAUD, ABUSE, AND MISMANAGEMENT.

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Https://oig.dc.gov



oig@dc.gov

