

# AUDIT REPORT

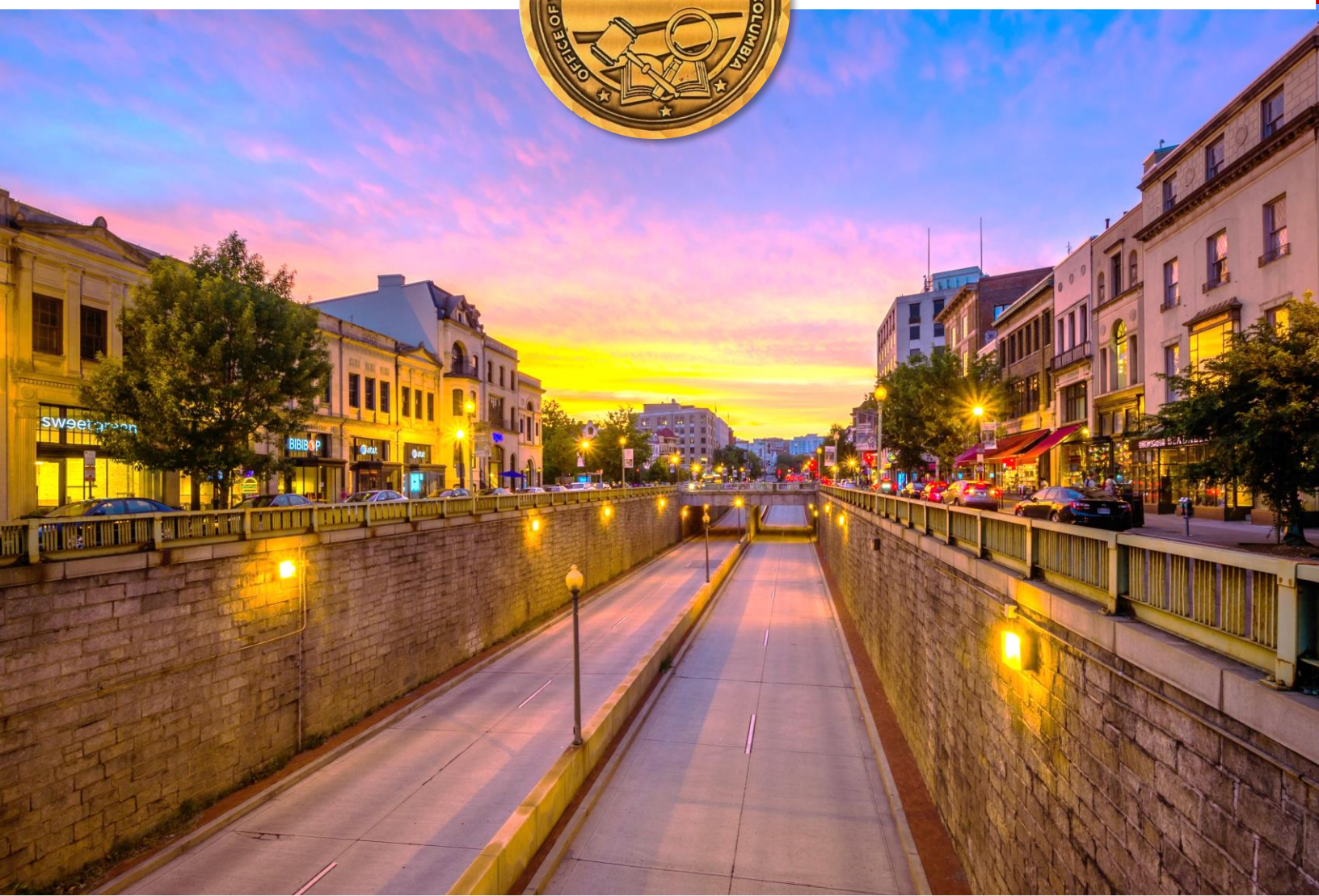
Housing Finance Agency

Financial Statements and Independent Auditor's Reports

Fiscal Year 2024

OIG No. 24-1-16HF

January 31, 2025



**DANIEL W. LUCAS**  
INSPECTOR GENERAL



## OUR MISSION

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

## OUR VISION

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

## OUR VALUES

**Accountability:** We recognize that our duty extends beyond oversight; it encompasses responsibility. By holding ourselves accountable, we ensure that every action we take contributes to the greater good of the District.

**Continuous Improvement:** We view challenges not as obstacles, but as opportunities for growth. Our commitment to continuous improvement drives us to evolve, adapt, and enhance our practices.

**Excellence:** Mediocrity has no place in our lexicon. We strive for excellence in every facet of our work.

**Integrity:** Our integrity is non-negotiable. We act with honesty, transparency, and unwavering ethics. Upholding the public's trust demands nothing less.

**Professionalism:** As stewards of oversight, we maintain the utmost professionalism. Our interactions, decisions, and conduct exemplify the dignity of our role.

**Transparency:** Sunlight is our ally. Transparency illuminates our processes, decisions, and outcomes. By sharing information openly, we empower stakeholders, promote understanding, and reinforce our commitment to accountability.






DISTRICT OF COLUMBIA | OFFICE OF THE INSPECTOR GENERAL

## MEMORANDUM

To: The Honorable Muriel Bowser  
Mayor of the District of Columbia

The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

From: Daniel W. Lucas  
Inspector General 

Date: January 31, 2025

Subject: **Housing Finance Agency Annual Financial Statements**  
**OIG No. 24-1-16HF**

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This memorandum transmits the final *Housing Finance Agency Financial Statements and Independent Auditor's Reports* for fiscal year 2024. McConnell Jones, LLP (MJ) provided these reports to the Office of the Inspector General as part of the annual audit of the District of Columbia's general-purpose financial statements for fiscal year 2024. MJ is contractually required to review the work papers of Mitchell and Titus, LLP (MT), which audited the financial statements of the Housing Finance Agency to independently determine whether the financial statements are fairly presented.

On December 23, 2024, 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. MT identified no material weaknesses in internal control over financial reporting. MJ concurred with MT's opinion and conclusions.

Should you have questions or concerns, please contact me or Dr. Slemo Warigon, Assistant Inspector General for Audits, at (202) 792-5684.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

**Financial Statements**

**For the Years Ended September 30, 2024 and 2023**

**With Independent Auditor's Report**



**MITCHELL TITUS**  
ACHIEVING EXCELLENCE TOGETHER

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Financial Statements  
For the Years Ended September 30, 2024 and 2023

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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 years ended September 30, 2024 and 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, 2024 and 2023, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits 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 (*Government Auditing Standards*). 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *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.

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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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

***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 11 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. 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") 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. The information 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the 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 23, 2024, 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 23, 2024

**REQUIRED SUPPLEMENTARY INFORMATION**

## **DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis  
September 30, 2024 and 2023 (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, 2024 and 2023. 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 moderate-income 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 Department of Housing 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- 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.

## **DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (*continued*)

September 30, 2024 and 2023 (Unaudited)

### **FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED SEPTEMBER 30, 2024, AND COMPARATIVE FINANCIAL HIGHLIGHTS FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023**

#### Significant Macroeconomic Factors and Program Updates

Fiscal year 2024 was challenging for both DCHFA multi-family and single-family business lines in terms of volume. The inflation battle that largely emerged in FY22 started to reverse itself in FY24, but the economic data was mixed which led the Federal Reserve to move slowly in lowering interest rates vs. an expected more aggressive reduction of rates during the year 2024. Thus, the interest rate environment for single family mortgages saw rates crest but not drop much. Rates during the fiscal year 2024 for DCHFA first trust single-family 30-year loans ranged from 6% to 8% which, combined with the low inventory of homes available for sale in Washington, DC, made it a challenge for DCHFA to generate single-family business. For the year, our single-family business generated just under \$20 million of new first trust DC Open Door loans vs. over 30 million in FY23. In FY24, our multifamily business volume dropped from 683 million in FY23 to approximately 200 million in FY24. A sticky high-interest rate environment hurt the multifamily business as well but a bigger contributing factor to the drop in volume was the availability of the District of Columbia's Housing Production Trust Fund (HPTF). DCHFA relies upon HPTF to complement the majority of the Agency's multifamily bond issuances. The DC Government made a smaller contribution to the Housing Production Trust fund in FY24 vs FY23. Affordable multifamily apartments in FY24 also saw a rise in delinquent rent payments; HPTF funds may be used to provide support to existing projects which will reduce the amount available for new production.

The Agency's FY24 revenues were supported by interest income increases from FY23 rising from \$4.9 million in FY23 to \$6.4 million in FY24. With interest rates staying high and an inverted treasury curve most of the fiscal 2024 year, the Agency benefitted with higher interest income as we typically invest with 1- to 3-year maturities on a large portion of our investment portfolio. The Agency collects ongoing monthly bond administration fees on every bond that is still outstanding. In FY24, the Agency earned \$8.4 million in bond administration fees. This steady flow of bond administration fees helps offset any volatility of our earnings in low transaction volume years, such as in 2024.

#### Significant Macroeconomic Factors and Program Updates

In March 2017, DCHFA entered into a grant agreement with the DC DHCD as the sub-recipient in the administration of 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 FY24 and has been selected for FY25 as well. The Agency processed 193 HPAP loans in FY24 on behalf of the DC Government and DCHCD. The Agency maintains a \$10,000,000 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. As of September 30, 2024, the outstanding balance on the credit line totaled approximately \$250,000.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Management's Discussion and Analysis (*continued*)  
September 30, 2024 and 2023 (Unaudited)

**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.

**FINANCIAL STATEMENT ANALYSIS**

The following information is an analysis of the Agency's financial statements as of and for the year ended September 30, 2024, compared to the financial statements as of and for the years ended September 30, 2023, and 2022:

	<u>2024</u>	<u>Net Change</u>	<u>2023</u>	<u>Net Change</u>	<u>2022</u>
Current assets	\$ 192,921,223	(4.8)%	\$ 202,717,321	54.2 %	\$ 131,462,165
Non-current other assets	494,719,402	5.9 %	467,107,560	13.6 %	411,156,774
Non-current capital assets, net	<u>1,696,373</u>	(16.4)%	<u>2,029,902</u>	(11.9)%	<u>2,305,050</u>
<b>Total assets</b>	<u>\$ 689,336,998</u>	2.6 %	<u>\$ 671,854,783</u>	23.3 %	<u>\$ 544,923,989</u>
Current liabilities	\$ 115,202,940	(25.4)%	\$ 154,352,914	48.1 %	\$ 104,213,809
Non-current liabilities	<u>366,375,863</u>	12.0 %	<u>327,066,057</u>	18.4 %	<u>276,187,814</u>
<b>Total liabilities</b>	<u>481,578,803</u>	0.0 %	<u>481,418,971</u>	26.6 %	<u>380,401,623</u>
<b>Net position</b>					
Net investment in capital assets	<u>1,617,835</u>	(15.4)%	<u>1,912,141</u>	(11.0)%	<u>2,149,225</u>
<i>Restricted for</i>					
Bond fund, collateral and Risk Share Program	35,222,814	4.4 %	33,729,290	10.2 %	30,607,809
McKinney Act Fund	<u>10,219,074</u>	7.1 %	<u>9,545,342</u>	(.8)%	<u>9,624,933</u>
Total Restricted	<u>45,441,888</u>	5.0 %	<u>43,274,632</u>	7.6 %	<u>40,232,742</u>
Unrestricted	<u>160,698,472</u>	10.6 %	<u>145,249,039</u>	18.9 %	<u>122,140,399</u>
<b>Total net position</b>	<u>207,758,195</u>	9.1 %	<u>190,435,812</u>	15.8 %	<u>164,522,366</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 689,336,998</u>	2.6 %	<u>\$ 671,854,783</u>	23.3 %	<u>\$ 544,923,989</u>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**Management's Discussion and Analysis (continued)**  
**September 30, 2024 and 2023 (Unaudited)**

**FINANCIAL STATEMENT ANALYSIS (continued)**

	<u>2024</u>	<u>Net Change</u>	<u>2023</u>	<u>Net Change</u>	<u>2022</u>
<b>Operating Revenues</b>					
Investment interest income	\$ 6,425,390	30.6 %	\$ 4,919,657	105.8 %	\$ 2,390,291
Mortgage-backed security interest income	441,378	(8.5)%	482,451	(15.4)%	569,957
Interest on mortgage and construction loans	7,183,948	14.2 %	6,293,299	20.4 %	5,226,898
Construction and development administration fees	4,744,386	16.3 %	4,078,138	79.2 %	2,275,851
Financing fee income	4,057,198	(68.6)%	12,927,765	121.2 %	5,845,154
Tax credit fee income	1,002,312	(69.2)%	3,251,154	130.8 %	1,408,631
Bond administration fee income	8,471,544	(5.8)%	8,997,570	22.1 %	7,370,384
McKinney Act interest revenue	497,356	13.0 %	439,962	48.8 %	295,733
Application and commitment fees	104,945	(84.9)%	693,024	162.8 %	263,660
Bond counsel fees	225,000	(71.6)%	792,208	47.4 %	537,624
Gain on sale of single family loans	274,602	(31.8)%	402,682	(74.5)%	1,578,235
Mortgage prepayment penalty income	937,991	N/A	-	(100.0)%	1,339,227
Project revenue	1,756,542	(40.2)%	2,938,856	(43.5)%	5,203,638
Other	1,650,189	47.8 %	1,116,844	(26.3)%	1,515,410
<b>Total operating revenues</b>	<u>37,772,781</u>	<u>(20.2)%</u>	<u>47,333,610</u>	<u>32.1 %</u>	<u>35,820,693</u>
<b>Operating Expenses</b>					
General and administrative	4,085,951	(5.6)%	4,329,223	(4.6)%	4,537,753
Personnel and related costs	9,581,685	16.5 %	8,223,552	14.7 %	7,172,594
Interest expense	11,843,438	39.3 %	8,499,265	7.3 %	7,922,002
Depreciation and amortization	387,770	(29.3)%	548,119	62.7 %	336,970
Trustee fees and other expenses	651,488	2541.7 %	24,662	(15.1)%	29,043
<b>Total operating expenses</b>	<u>26,550,332</u>	<u>22.8 %</u>	<u>21,624,821</u>	<u>8.1 %</u>	<u>19,998,362</u>
<b>Operating Income</b>	11,222,449	(56.3)%	25,708,789	62.5 %	15,822,331
<b>Non-operating (expenses) revenues</b>	<u>6,099,934</u>	<u>2880.6 %</u>	<u>204,657</u>	<u>(103.0)%</u>	<u>(6,857,488)</u>
<b>Change in Net Position</b>	17,322,383	(33.2)%	25,913,446	189.1 %	8,964,843
<b>Net position, beginning of year</b>	<u>190,435,812</u>	<u>15.8 %</u>	<u>164,522,366</u>	<u>5.8 %</u>	<u>155,557,523</u>
<b>Net position, end of year</b>	<u>\$ 207,758,195</u>	<u>9.1 %</u>	<u>\$ 190,435,812</u>	<u>15.8 %</u>	<u>\$ 164,522,366</u>

**Operating Results**

The preceding information is an analysis of the Agency's financial statements for the year ended September 30, 2024, compared to the financial statements for the years ended September 30, 2023, and 2022:

During fiscal year 2024, the Agency's combined net position increased by \$17.3 million which comprises operating income of \$11.2 million and a non-operating gain of \$6.1 million due to a change in the unrealized fair value of mortgage-backed securities and other investments.

Total assets increased \$17.4 million, or 2.6%, partially attributable to a healthy net operating income year, interest income growth in our Single-Family indenture assets, and a new HUD multi-family risk share deal that we financed in late FY24.

## DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Management's Discussion and Analysis (*continued*)

September 30, 2024 and 2023 (Unaudited)

### FINANCIAL STATEMENT ANALYSIS (*continued*)

#### Operating Results (*continued*)

Fiscal year 2024 operating income of \$11.2 million was down 56.3% from FY23 operating income of \$25.7 million as the Agency returned to more normal multifamily volume vs an elevated volume year in 2023. Lower single-family revenue in a high-interest rate low supply environment also contributed to the drop in net income this year. Interest income in our investment portfolio rose \$1.5 million, or 30.6%, due to stable and high short-term interest rates which helped offset some of the single family and multifamily volume and net income drops. The Agency also showed a gain of \$6.1 million of non-operating unrealized gain in our investment portfolio. The Agency tends to hold its investment instruments to maturity but does mark to market all its holdings each year.

Combined operating expenses in FY24 vs FY23 were up \$4.9 million, or 22.8%, partially attributed to 39.3% increase in interest expense, a small growth in the number of employees, and reasonable increases in overall compensation of the staff.

### DEBT MANAGEMENT

Debt activity and mortgage revenue bonds issued for the years ended September 30, 2024, 2023 and 2022 was as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 339,008,947	\$ 280,782,284	\$ 282,866,582
New issuance/draws	49,360,733	72,103,880	47,789,334
Redemptions/maturities	(13,568,550)	(13,868,991)	(49,873,632)
Amortization of premium	1,321	(8,226)	-
<b>Ending balance</b>	<b>\$ 374,802,451</b>	<b>\$ 339,008,947</b>	<b>\$ 280,782,284</b>

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 22 multifamily projects.

The overall outstanding debt position increased in FY24 from \$339 million on September 30, 2023, to \$374.8 million on September 30, 2024, partially due to one new risk share deal that was added during FY24.

In March 2017, the Agency established a line of credit with Industrial Bank for the purpose of funding HPAP loans. As of September 30, 2024, the total outstanding balance on the Industrial credit line was \$250 thousand.

## **DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (*continued*)

September 30, 2024 and 2023 (Unaudited)

### **DEBT MANAGEMENT** (*continued*)

During fiscal year 2024, DCHFA financed four new multifamily projects and supplemental bonds to one existing deal for approximately \$200 million.

During fiscal year 2023, DCHFA financed 16 new multifamily projects for approximately \$683 million.

### **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 single-family business model from bond financing to a purchase and sale of the mortgage-backed securities approach. These purchase and sale transactions are accounted for under the DCHFA General Activities and not under the Single-Family Program Funds.

At the beginning of 2021, the Agency had three outstanding Single-Family indentures 1988, 1996 and 2009. During FY22, 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 2024 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 \$0.3 million on September 30, 2024.



## **DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (*continued*)

September 30, 2024 and 2023 (Unaudited)

### **KEY BOND PROGRAMS** (*continued*)

#### 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 'AA-' 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 \$268.9 million when all current projects complete construction. The risk share portfolio contains twelve projects with permanent mortgages of approximately \$39.3 million, which have a 10% risk share exposure to the Agency. The remaining ten projects totaling approximately \$229.6 million in permanent mortgages or commitments of permanent mortgages when construction is complete have a 50% risk share exposure to the Agency.

### **CAPITAL ASSETS**

Capital assets, net of accumulated depreciation and amortization, were \$1.7 million and \$2.0 million, respectively, as of September 30, 2024 and 2023. 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, sclinton@dchfa.org or go to our website at [www.dchfa.org](http://www.dchfa.org).

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

## Statements of Net Position

As of September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
<i>Unrestricted current assets</i>		
Cash and cash equivalents	\$ 31,852,698	\$ 34,534,966
Investments	54,363,940	28,535,840
Other receivables	5,005,537	3,476,949
Accrued interest receivable	1,418,429	1,025,594
Prepaid expenses	325,404	266,907
Total unrestricted current assets	<u>92,966,008</u>	<u>67,840,256</u>
<i>Restricted current assets</i>		
Cash and cash equivalents	55,147,068	55,740,200
Investments	40,581,903	56,420,367
Mortgage-backed securities at fair value	6,981	36,965
Other receivables	461,012	-
Accounts receivable - HPAP program	401,868	20,360,772
McKinney Act loans receivable, net	2,641,615	750,000
Accrued interest receivable	714,768	1,568,761
Total restricted current assets	<u>99,955,215</u>	<u>134,877,065</u>
Total current assets	<u>192,921,223</u>	<u>202,717,321</u>
<b>NON-CURRENT ASSETS</b>		
<i>Unrestricted non-current assets</i>		
Investments	63,021,081	65,250,605
Mortgage-backed securities at fair value	4,389,471	4,282,767
Mortgage and construction loans receivable, net	6,548,907	6,379,253
Total unrestricted non-current assets	<u>73,959,459</u>	<u>75,912,625</u>
<i>Restricted non-current assets</i>		
Investments held in trust	161,385,586	149,149,473
Investments in joint ventures	2,300,000	1,908,454
Mortgage-backed securities at fair value	5,869,268	6,172,383
Mortgage and construction loans receivable, net	251,149,360	232,337,244
Loans receivable	55,729	1,627,381
Total restricted non-current assets	<u>420,759,943</u>	<u>391,194,935</u>

The accompanying notes are an integral part of these financial statements.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**Statements of Net Position *(continued)*

As of September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CAPITAL ASSETS</b>		
Land	\$ 573,000	\$ 573,000
Depreciable and amortizable capital assets	6,791,069	6,859,523
Less: Accumulated depreciation and amortization	<u>(5,667,696)</u>	<u>(5,402,621)</u>
Total capital assets, net	<u>1,696,373</u>	<u>2,029,902</u>
Total non-current assets	<u>496,415,775</u>	<u>469,137,462</u>
<b>Total assets</b>	<u><b>\$ 689,336,998</b></u>	<u><b>\$ 671,854,783</b></u>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
<i>Current liabilities payable from unrestricted assets</i>		
Accounts payable and accrued liabilities	\$ 389,320	\$ 174,975
Accrued salary and vacation payable	685,178	602,002
Lease liability	40,412	39,221
Unearned income	<u>11,582,477</u>	<u>15,985,601</u>
Total current liabilities payable from unrestricted assets	<u>12,697,387</u>	<u>16,801,799</u>
<i>Current liabilities payable from restricted assets</i>		
Accounts payable and accrued liabilities	42,571	218,728
Project funds held for borrower and other liabilities	92,893,023	124,595,451
Interest payable	1,105,246	715,506
Current portion of loan payable	250,400	9,956,367
Current portion of bonds payable	<u>8,214,313</u>	<u>2,065,063</u>
Total current liabilities payable from restricted assets	<u>102,505,553</u>	<u>137,551,115</u>
Total current liabilities	<u>115,202,940</u>	<u>154,352,914</u>

The accompanying notes are an integral part of these financial statements.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**Statements of Net Position *(continued)*

As of September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>NON-CURRENT LIABILITIES</b>		
<i>Non-current liabilities payable from unrestricted assets</i>		
Lease liability	\$ 38,125	\$ 78,540
Total non-current liabilities payable from unrestricted assets	<u>38,125</u>	<u>78,540</u>
<i>Non-current liabilities payable from restricted assets</i>		
Bonds payable - less current portion	<u>366,337,738</u>	<u>326,987,517</u>
Total non-current liabilities payable from restricted assets	<u>366,337,738</u>	<u>326,987,517</u>
Total non-current liabilities	<u>366,375,863</u>	<u>327,066,057</u>
Total liabilities	<u>481,578,803</u>	<u>481,418,971</u>
<b>NET POSITION</b>		
Net investment in capital assets	<u>1,617,835</u>	<u>1,912,141</u>
<i>Restricted for</i>		
Bond fund, collateral and risk share program	35,222,814	33,729,290
McKinney Act program	<u>10,219,074</u>	<u>9,545,342</u>
Total restricted net position	<u>45,441,888</u>	<u>43,274,632</u>
Unrestricted net position	<u>160,698,472</u>	<u>145,249,039</u>
Total net position	<u>207,758,195</u>	<u>190,435,812</u>
<b>Total liabilities and net position</b>	<u>\$ 689,336,998</u>	<u>\$ 671,854,783</u>

The accompanying notes are an integral part of these financial statements.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>		
Investment interest income	\$ 6,425,390	\$ 4,919,657
Mortgage-backed security interest income	441,378	482,451
Interest on mortgage and construction loans	7,183,948	6,293,299
Construction and development admin fees	4,744,386	4,078,138
Financing fee income	4,057,198	12,927,765
Tax credit fee income	1,002,312	3,251,154
Bond administration fee income	8,471,544	8,997,570
McKinney Act interest revenue	497,356	439,962
Application and commitment fees	104,945	693,024
Bond counsel fees	225,000	792,208
Gain on sale of single-family loans	274,602	402,682
Mortgage prepayment income	937,991	-
Project revenue	1,756,542	2,938,856
Other	1,650,189	1,116,844
	<u>37,772,781</u>	<u>47,333,610</u>
<b>OPERATING EXPENSES</b>		
General and administrative	4,085,951	4,329,223
Personnel and related costs	9,581,685	8,223,552
Interest expense	11,843,438	8,499,265
Depreciation and amortization	387,770	548,119
Trustee fees and other expenses	651,488	24,662
	<u>26,550,332</u>	<u>21,624,821</u>
Operating income	<u>11,222,449</u>	<u>25,708,789</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
<i>Federal and city grant programs</i>		
Grant program revenue	23,966,242	45,462,996
Grant program expenses	(23,965,698)	(45,459,031)
Increase in fair value of mortgage-backed securities and investments	6,099,390	200,692
	<u>6,099,934</u>	<u>204,657</u>
Total non-operating revenues	<u>6,099,934</u>	<u>204,657</u>
Change in net position	17,322,383	25,913,446
Net position, beginning of year	<u>190,435,812</u>	<u>164,522,366</u>
<b>Net position, end of year</b>	<u>\$ 207,758,195</u>	<u>\$ 190,435,812</u>

The accompanying notes are an integral part of these financial statements.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

## Statements of Cash Flows

For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received on loans	\$ 7,183,948	\$ 6,293,299
Administrative and financing cash receipts	14,459,688	38,679,361
Other cash receipts	4,854,989	5,263,315
Payments to vendors	(4,757,748)	(3,840,620)
Payments to employees	(9,498,509)	(8,180,224)
Net mortgage and construction loans principal receipts (disbursements)	(19,442,782)	(35,841,726)
Principal received on loans receivable	32,971	96,901
Principal and interest received on mortgage-backed securities	1,435,895	2,278,419
Principal and interest received on McKinney Act loans	193,430	656,273
Principal advances on McKinney Act loans	(1,742,390)	-
Net cash receipts (disbursements) projects funds held for borrower	<u>(34,198,877)</u>	<u>32,337,717</u>
Net cash (used in) provided by operating activities	<u>(41,479,385)</u>	<u>37,742,715</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Interest paid on bonds and loans	(11,452,377)	(8,630,215)
Proceeds from bond issuances and loans	49,360,733	72,103,880
Principal payments on issued debt and loans	(13,568,550)	(13,868,991)
Grant program cash receipts	43,452,812	29,611,040
Grant program cash disbursements	<u>(23,965,698)</u>	<u>(45,459,031)</u>
Net cash provided by non-capital financing activities	<u>43,826,920</u>	<u>33,756,683</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(64,906)	(272,971)
Principal payments on lease from operations	<u>(39,224)</u>	<u>(38,064)</u>
Net cash used in capital and related financing activities	<u>(104,130)</u>	<u>(311,035)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in joint ventures	(391,546)	(563,019)
Interest received on investments	7,185,484	3,863,177
Maturities and sales of investments	82,172,582	22,260,000
Purchase of investments	<u>(94,485,325)</u>	<u>(102,291,248)</u>
Net cash used in investing activities	<u>(5,518,805)</u>	<u>(76,731,090)</u>
Net decrease in cash and cash equivalents	(3,275,400)	(5,542,727)
Cash and cash equivalents, beginning of year	<u>90,275,166</u>	<u>95,817,893</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 86,999,766</u>	<u>\$ 90,275,166</u>

The accompanying notes are an integral part of these financial statements.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**Statements of Cash Flows *(continued)*

For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>		
Cash and cash equivalents	\$ 31,852,698	\$ 34,534,966
Restricted cash and cash equivalents	55,147,068	55,740,200
<b>Total cash, cash equivalents and restricted cash</b>	<u>\$ 86,999,766</u>	<u>\$ 90,275,166</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income	\$ 11,222,449	\$ 25,708,789
<i>Adjustments to reconcile operating income to net cash provided by (used in) operating activities</i>		
Depreciation and amortization	387,770	548,119
Loss on disposal of capital assets	10,665	-
Provision for uncollectible interest revenue	-	521,675
Bond premium amortization/discount accretion	1,321	(8,226)
Interest received on bonds/loans	11,452,377	8,630,215
Interest received on investments	(7,279,383)	(3,863,177)
Mckinney Act receivable bad debt recovery	(149,225)	-
Loans receivable written off	1,538,681	-
<i>Effects of changes in operating assets and liabilities</i>		
<i>Asset/(liability) adjustment</i>		
<i>Decrease (increase) in assets</i>		
Other receivables	(1,989,600)	(164,530)
Accrued interest receivable	699,292	(1,675,977)
Prepaid expenses	(58,497)	(53,917)
McKinney Act receivable	(1,742,390)	835,808
Mortgage and construction loans	(18,981,770)	(35,841,726)
Mortgage-backed securities	994,517	1,795,968
Loan receivable	32,971	96,901
<i>Increase (decrease) in liabilities</i>		
Accounts payable and accrued liabilities	38,188	45,507
Accrued salary and vacation payable	83,176	43,328
Unearned income	(3,930,790)	8,909,965
Project funds held for borrower and other liabilities	(34,198,877)	32,337,717
Interest payable	389,740	(122,724)
<b>Net cash (used in) provided by operating activities</b>	<u>\$ (41,479,385)</u>	<u>\$ 37,743,715</u>

The accompanying notes are an integral part of these financial statements.



## DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### 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.

## DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### 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, mortgage-backed 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.

## **DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### **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.

## DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### 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.

## DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### 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 five to 40 years. Software is amortized over five years. Right-to-use lease 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.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

**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 2023 financial statements to conform them to the 2024 presentation.

**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, 2024, 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.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Notes to Financial Statements  
For the Years Ended September 30, 2024 and 2023

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

Assets	General Activities	Single-Family Program	Multifamily FHA - Insured		
		1988 Collateralized Single-Family Mortgage Revenue Bonds	Pass-Through Revenue Refunding Bonds (MFDP)	Multifamily Program	Total
<i>Cash and cash equivalents</i>					
Non-money market deposits	\$ 11,103,817	\$ -	\$ 1,022,407	\$ 12	\$ 12,126,236
Demand money market deposits	36,544,481	-	-	1,484,154	38,028,635
Money market funds	4,210,965	11,513,708	20,828,205	292,017	36,844,895
Total cash and cash equivalents	51,859,263	11,513,708	21,850,612	1,776,183	86,999,766
<i>Investments</i>					
Certificates of deposit	14,666,892	-	-	-	14,666,892
U.S. Treasury obligations	44,192,853	-	68,004,006	-	112,196,859
Investment agreements	-	10,000,000	123,270,558	-	133,270,558
Corporate obligations	57,208,491	-	-	-	57,208,491
GSE obligations	1,316,785	-	692,925	-	2,009,710
Total investments	117,385,021	10,000,000	191,967,489	-	319,352,510
<i>Mortgage-backed securities</i>					
Ginnie Mae	378,499	1,440,855	-	-	1,819,354
Fannie Mae	909,043	1,574,195	-	-	2,483,238
Freddie Mac	3,101,929	2,861,199	-	-	5,963,128
Total mortgage-backed securities	4,389,471	5,876,249	-	-	10,265,720
<b>Total cash, investments and mortgage-backed securities</b>	<b>\$ 173,633,755</b>	<b>\$ 27,389,957</b>	<b>\$ 213,818,101</b>	<b>\$ 1,776,183</b>	<b>\$ 416,617,996</b>

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.

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

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
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For the Years Ended September 30, 2024 and 2023

**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, 2024, the amortized cost, carrying value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for General Activities are as follows:

**General Activities as of September 30, 2024:**

Assets	Cost	Carrying Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<i>Cash and cash equivalents</i>							
Non-money market deposits	\$ 11,103,817	\$ 11,103,817	\$ 11,103,817	\$ -	\$ -	\$ -	\$ -
Demand money market deposits	36,544,481	36,544,481	36,544,481	-	-	-	-
Money market funds	4,210,965	4,210,965	4,210,965	-	-	-	-
Total cash and cash equivalents	51,859,263	51,859,263	51,859,263	-	-	-	-
<i>Investments</i>							
Certificates of deposit	14,666,892	14,666,892	12,536,456	2,130,436	-	-	-
U.S. Treasury obligations	44,232,047	44,192,853	24,541,619	19,651,234	-	-	-
Corporate obligations	56,762,658	57,208,491	16,202,632	40,689,329	316,530	-	-
GSE obligations	1,369,030	1,316,785	1,083,233	148,075	85,477	-	-
Total investments	117,030,627	117,385,021	54,363,940	62,619,074	402,007	-	-
<i>Mortgage-backed securities</i>							
Ginnie Mae	387,463	378,499	-	-	-	-	378,499
Fannie Mae	937,103	909,043	-	-	-	-	909,043
Freddie Mac	3,734,843	3,101,929	-	-	-	-	3,101,929
Total mortgage-backed securities	5,059,409	4,389,471	-	-	-	-	4,389,471
<b>General activities' total cash, investments and mortgage-backed securities</b>	<b>\$ 173,949,299</b>	<b>\$ 173,633,755</b>	<b>\$ 106,223,203</b>	<b>\$ 62,619,074</b>	<b>\$ 402,007</b>	<b>\$ -</b>	<b>\$ 4,389,471</b>



**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
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**For the Years Ended September 30, 2024 and 2023**

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

Interest Rate Risk (continued)

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 were as follows:

**General Activities as of September 30, 2023:**

Assets	Cost	Carrying Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<i>Cash and cash equivalents</i>							
Non-money market deposits	\$ 7,533,426	\$ 7,533,426	\$ 7,533,426	\$ -	\$ -	\$ -	\$ -
Demand money market deposits	45,302,301	45,302,301	45,302,301	-	-	-	-
Total cash and cash equivalents	52,835,727	52,835,727	52,835,727	-	-	-	-
<i>Investments</i>							
Certificates of deposit	14,141,208	14,141,208	3,093,830	11,047,378	-	-	-
U.S. Treasury obligations	27,198,692	26,161,197	3,704,927	22,320,578	135,692	-	-
Municipal obligations	895,000	895,000	895,000	-	-	-	-
Corporate obligations	51,884,525	50,223,982	19,722,943	30,211,610	289,429	-	-
GSE obligations	2,493,059	2,365,059	1,119,140	1,169,518	76,401	-	-
Total investments	96,612,484	93,786,446	28,535,840	64,749,084	501,522	-	-
<i>Mortgage-backed securities</i>							
Ginnie Mae	399,314	365,353	-	-	-	-	365,353
Fannie Mae	965,248	876,572	-	-	-	-	876,572
Freddie Mac	3,974,614	3,040,842	-	-	-	-	3,040,842
Total mortgage-backed securities	5,339,176	4,282,767	-	-	-	-	4,282,767
<b>General activities' total cash, investments and mortgage-backed securities</b>	<b>\$ 154,787,387</b>	<b>\$ 150,904,940</b>	<b>\$ 81,371,567</b>	<b>\$ 64,749,084</b>	<b>\$ 501,522</b>	<b>\$ -</b>	<b>\$ 4,282,767</b>

**Combined Revenue Obligation Programs as of September 30, 2024:**

As of September 30, 2024, 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:

Assets	Cost	Carrying Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<i>Cash and cash equivalents</i>							
Non-money market deposits	\$ 1,022,419	\$ 1,022,419	\$ 1,022,419	\$ -	\$ -	\$ -	\$ -
Demand money market deposits	1,484,154	1,484,154	1,484,154	-	-	-	-
Money market funds	32,633,930	32,633,930	32,633,930	-	-	-	-
Total cash and cash equivalents	35,140,503	35,140,503	35,140,503	-	-	-	-
<i>Investments</i>							
U.S. Treasury obligations	65,683,089	68,004,006	2,231,902	65,182,304	-	-	589,800
Investment agreements	133,270,558	133,270,558	38,350,000	47,340,558	47,580,000	-	-
GSE obligations	689,822	692,925	-	692,925	-	-	-
Total investments	199,643,469	201,967,489	40,581,902	113,215,787	47,580,000	-	589,800
<i>Mortgage-backed securities</i>							
Ginnie Mae	1,458,577	1,440,855	6,981	70,560	418,990	-	944,324
Fannie Mae	1,550,638	1,574,195	-	-	-	1,403,614	170,581
Freddie Mac	2,724,457	2,861,199	-	-	-	2,779,866	81,333
Total mortgage-backed securities	5,733,672	5,876,249	6,981	70,560	418,990	4,183,480	1,196,238
<b>Combined revenue obligation programs' total cash, investments and mortgage-backed securities</b>	<b>\$ 240,517,644</b>	<b>\$ 242,984,241</b>	<b>\$ 75,729,386</b>	<b>\$ 113,286,347</b>	<b>\$ 47,998,990</b>	<b>\$ 4,183,480</b>	<b>\$ 1,786,038</b>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Notes to Financial Statements  
For the Years Ended September 30, 2024 and 2023

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

Interest Rate Risk (continued)

**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 Obligations were as follows:

Assets	Cost	Carrying Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<i>Cash and cash equivalents</i>							
Non-money market deposits	\$ 181,513	\$ 181,513	\$ 181,500	\$ -	\$ -	\$ 1	\$ 12
Demand money market deposits	5,304,637	5,304,637	5,304,637	-	-	-	-
Money market funds	31,953,289	31,953,289	31,953,289	-	-	-	-
Total cash and cash equivalents	37,439,439	37,439,439	37,439,426	-	-	1	12
<i>Investments</i>							
U.S. Treasury obligations	64,541,271	64,749,714	1,945,367	62,804,347	-	-	-
Investment agreements	140,165,558	140,165,558	54,475,000	85,690,558	-	-	-
GSE obligations	689,822	654,567	-	654,567	-	-	-
Total investments	205,396,651	205,569,839	56,420,367	149,149,472	-	-	-
<i>Mortgage-backed securities</i>							
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
<b>Combined revenue obligation programs' total cash, investments and mortgage-backed securities</b>	<b>\$ 249,284,512</b>	<b>\$ 249,218,626</b>	<b>\$ 93,896,758</b>	<b>\$ 149,325,829</b>	<b>\$ 448,646</b>	<b>\$ 4,133,359</b>	<b>\$ 1,414,034</b>

As of September 30, 2024 and 2023, 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, 2024, \$63,821,764 of the Agency's bank balances of \$64,821,764 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,304,285
Uninsured and collateral held by pledging bank	<u>60,517,479</u>
<b>Total</b>	<b><u>\$ 63,821,764</u></b>

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.

# DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

## Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### 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 GSEs 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, 2024 and 2023 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 quality of the underlying collateral or were unrated private placements where investment ratings conformed to the specific bond investor requirements.

As of September 30, 2024, the credit quality and percentages of the total portfolio of cash equivalents and investments under the Agency's General Activities are as follows:

#### General Activities as of September 30, 2024

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
<i>Cash and cash equivalents</i>					
Non-money market deposits	\$ 11,103,817	6.4%	Not Rated		Third-Party-Held Aaa Collateral
Demand money market deposits	35,746,769	20.6%	Not Rated		Federal Reserve-Held Aaa Collateral
Demand money market deposits	797,712	0.5%	P-1	Moody's	
Money market funds	4,210,965	2.4%	Aaa-mf	Moody's	
Total cash and cash equivalents	51,859,263	29.9%			
<i>Investments</i>					
Certificates of deposit	14,666,892	8.4%	Not Rated		Federal Reserve-Held Aaa Collateral
U.S. Treasury obligations	44,192,853	25.5%	Aaa	Moody's	
Corporate obligations	230,219	0.1%	Aaa	Moody's	
Corporate obligations	1,540,125	0.9%	Aa1	Moody's	
Corporate obligations	1,608,882	0.9%	Aa2	Moody's	
Corporate obligations	2,636,149	1.5%	Aa3	Moody's	
Corporate obligations	16,503,784	9.5%	A1	Moody's	
Corporate obligations	13,255,440	7.6%	A2	Moody's	
Corporate obligations	16,174,101	9.3%	A3	Moody's	
Corporate obligations	5,259,791	3.0%	Baa1	Moody's	
GSE obligations	1,316,785	0.8%	Aaa	Moody's	
Total investments	117,385,021	67.6%			
<i>Mortgage-backed securities</i>					
Ginnie Mae	378,499	0.2%	Aaa	Moody's	
Fannie Mae	909,043	0.5%	Aaa	Moody's	
Freddie Mac	3,101,929	1.8%	Aaa	Moody's	
Total investments	4,389,471	2.5%			
<b>General activities' total cash, investments and mortgage-backed securities</b>	<b>\$ 173,633,755</b>	<b>100.0%</b>			

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Notes to Financial Statements  
For the Years Ended September 30, 2024 and 2023

**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 and investments under the Agency's General Activities were as follows:

**General Activities as of September 30, 2023**

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<i>Cash and cash equivalents</i>					
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	<u>1,746,819</u>	<u>1.2%</u>	P-1	Moody's	
Total cash and cash equivalents	<u>52,835,727</u>	<u>35.2%</u>			
<i>Investments</i>					
Certificates 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	<u>2,365,059</u>	<u>1.6%</u>	Aaa	Moody's	
Total investments	<u>93,786,446</u>	<u>62.0%</u>			
<i>Mortgage-backed securities</i>					
Ginnie Mae	365,353	0.2%	Aaa	Moody's	
Fannie Mae	876,572	0.6%	Aaa	Moody's	
Freddie Mac	<u>3,040,842</u>	<u>2.0%</u>	Aaa	Moody's	
Total investments	<u>4,282,767</u>	<u>2.8%</u>			
<b>General activities' total cash, investments and mortgage-backed securities</b>	<u>\$ 150,904,940</u>	<u>100.0%</u>			

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Notes to Financial Statements  
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**NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE- BACKED SECURITIES** *(continued)*

Credit Risk and Concentration of Credit Risk *(continued)*

As of September 30, 2024, 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, 2024**

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<i>Cash and cash equivalents</i>					
Non-money market deposits	\$ 1,022,419	0.4%	Not Rated		Uncollateralized, Uninsured
Demand money market deposits	1,484,154	0.6%	P-1	Moody's	
Money market funds	32,633,930	13.4%	Aaa-mf	Moody's	
Total cash and cash equivalents	35,140,503	14.5%			
<i>Investments</i>					
U.S. Treasury obligations	68,004,006	28.0%	Aaa	Moody's	
Investment agreements	94,920,558	39.1%	Aa2	Moody's	
Investment agreements	38,350,000	15.8%	Aa3	Moody's	
GSE obligations	692,925	0.3%	Aaa	Moody's	
Total investments	201,967,489	83.1%			
<i>Mortgage-backed securities</i>					
Ginnie Mae	1,440,855	0.6%	Aaa	Moody's	
Fannie Mae	1,574,195	0.6%	Aaa	Moody's	
Freddie Mac	2,861,199	1.2%	Aaa	Moody's	
Total mortgage-backed securities	5,876,249	2.4%			
<b>Combined revenue obligation programs' total cash, investments and mortgage-backed securities</b>	<b>\$ 242,984,241</b>	<b>100.0%</b>			

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 were as follows:

**Combined Revenue Obligation Programs as of September 30, 2023**

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

## DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### 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, 2024 and 2023, 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, 2024 and 2023, 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 third-party agreements.

#### Investments

The Agency follows the Investment Policy guidelines with regards 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.

## DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### 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 top-rated 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, 2024 and 2023, under the Agency’s Single-Family Program, \$381,650 and \$(101,656), respectively, of non-operating revenues (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, 2024 and 2023, under the Agency’s Multifamily Program, \$2,150,836 and \$199,831, respectively, of non-operating revenues 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, 2024 and 2023, for the Agency’s General Activities, \$3,566,904 and \$828,902, respectively, of non-operating revenues 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.

## DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### 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, 2024 and 2023, the investment in joint ventures totaled \$2,300,000 and \$1,908,454, 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.

Level 2: 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, 2024 and 2023. Certificates of deposit of \$14,666,892 and \$14,141,208 and Investment Agreements of \$133,270,558 and \$140,165,558, as of September 30, 2024 and 2023, respectively, are included in Investments on the statements of net position but are not included in the following schedule since they are not carried at fair value.

<u>2024</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate obligations	\$ 57,208,491	\$ -	\$ 57,208,491	\$ -
GSE obligations	2,009,710	-	2,009,710	-
U.S. Treasury obligations	112,196,859	112,196,859	-	-
Mortgage-backed securities	10,265,720	-	10,265,720	-
<b>Total investments and mortgage-backed securities</b>	<b>\$ 181,680,780</b>	<b>\$ 112,196,859</b>	<b>\$ 69,483,921</b>	<b>\$ -</b>



## DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

### Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

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

##### Fair Value of Investments (continued)

<u>2023</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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	-
<b>Total investments and mortgage-backed securities</b>	<b>\$ 155,541,634</b>	<b>\$ 90,910,911</b>	<b>\$ 64,630,723</b>	<b>\$ -</b>

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 interest rates on these mortgage and construction loans as of September 30, 2024, 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, 2024 and 2023, was \$6,548,907 and \$6,379,253, respectively.

Combined restricted mortgage and construction loans as of September 30, 2024 and 2023 were \$251,149,360 and \$232,337,244, respectively. For the years ended September 30, 2024 and 2023, there was no allowance for bond program loan losses under the Agency Revenue Obligation Programs.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

**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, 2024, the Agency had 22 loans with a balance of \$251 million. As of September 30, 2023, the Agency had 21 loans with a balance of \$232 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, 2024, the balance of total loans outstanding, before the allowance for uncollectible loans, was \$3,141,615, including \$500,000 in loans at various stages of default process. 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.

The Agency had an allowance for uncollectible McKinney Act Program loans as of September 30, 2024 and 2023 in the amount of \$500,000 and \$675,057, respectively. The Agency recorded a net decrease in the allowance for uncollectible McKinney Act Program loans during the years ended September 30, 2024 and 2023, in the amount of \$(175,057) and \$(209,800), respectively.

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 675,057	\$ 884,857
Net decrease in allowance for uncollectible loans	<u>(175,057)</u>	<u>(209,800)</u>
<b>Ending balance</b>	<u>\$ 500,000</u>	<u>\$ 675,057</u>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Notes to Financial Statements  
For the Years Ended September 30, 2024 and 2023

**NOTE 4 MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE** *(continued)*

For the years ended September 30, 2024 and 2023, the respective balances and changes in the provision for uncollectible interest on the McKinney Act loans were as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ -	\$ 372,183
Net (decrease) increase in allowance for uncollectible interest	-	(372,183)
<b>Ending balance</b>	<b>\$ -</b>	<b>\$ -</b>

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.

**NOTE 5 CAPITAL ASSETS**

The following is the detail of changes in capital assets during the year ended September 30, 2024:

	<u>September 30, 2023</u>	<u>Additions</u>	<u>Dispositions</u>	<u>September 30, 2024</u>
<i>Non-depreciable assets</i>				
Land	\$ 573,000	\$ -	\$ -	\$ 573,000
Total non-depreciable assets	573,000	-	-	573,000
<i>Depreciable and amortizable capital assets</i>				
Building and improvements	3,752,187	8,301	-	3,760,488
Furniture and equipment	983,658	56,605	(133,360)	906,903
Software	1,918,064	-	-	1,918,064
Right-to-use lease assets	205,614	-	-	205,614
Total depreciable and amortizable capital assets	6,859,523	64,906	(133,360)	6,791,069
<i>Less: Accumulated depreciation and amortization</i>				
Building and improvements	(3,084,069)	(80,924)	-	(3,164,993)
Furniture and equipment	(590,863)	(140,642)	122,695	(608,810)
Software	(1,639,568)	(127,040)	-	(1,766,608)
Right-to-use lease assets	(88,121)	(39,164)	-	(127,285)
Total accumulated depreciation/amortization	(5,402,621)	(387,770)	122,695	(5,667,696)
Total depreciable/amortizable capital assets, net	1,456,902	(322,864)	(10,665)	1,123,373
<b>Total capital assets</b>	<b>\$ 2,029,902</b>	<b>\$ (322,864)</b>	<b>\$ (10,665)</b>	<b>\$ 1,696,373</b>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Notes to Financial Statements  
For the Years Ended September 30, 2024 and 2023

**NOTE 5 CAPITAL ASSETS (continued)**

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
<i>Non-depreciable assets</i>				
Land	\$ 573,000	\$ -	\$ -	\$ 573,000
Total non-depreciable assets	573,000	-	-	573,000
<i>Depreciable and amortizable capital assets</i>				
Building and improvements	3,744,571	7,616	-	3,752,187
Furniture and equipment	815,213	168,445	-	983,658
Software	1,821,154	96,910	-	1,918,064
Right-to-use lease assets	205,614	-	-	205,614
Total depreciable and amortizable capital assets	6,586,552	272,971	-	6,859,523
<i>Less: Accumulated depreciation and amortization</i>				
Building and improvements	(3,003,468)	(80,601)	-	(3,084,069)
Furniture and equipment	(454,923)	(135,940)	-	(590,863)
Software	(1,347,155)	(292,413)	-	(1,639,568)
Right-to-use lease assets	(48,956)	(39,165)	-	(88,121)
Total accumulated depreciation/amortization	(4,854,502)	(548,119)	-	(5,402,621)
Total depreciable/amortizable capital assets, net	1,732,050	(275,148)	-	1,456,902
<b>Total capital assets</b>	<b>\$ 2,305,050</b>	<b>\$ (275,148)</b>	<b>\$ -</b>	<b>\$ 2,029,902</b>

Depreciation and amortization expense for fiscal years 2024 and 2023 was \$387,770 and \$548,119, respectively.

**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.

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.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

**NOTE 6      BONDS PAYABLE AND OTHER DEBT OBLIGATIONS** *(continued)*

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.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**Notes to Financial Statements**  
**For the Years Ended September 30, 2024 and 2023**

**NOTE 6 BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (continued)**

The following is a summary of the debt activity for the year ended September 30, 2024 and the debt outstanding as of September 30, 2024:

General Activities	Range of Interest Rates	Range of Maturities	Debt Outstanding Balance at 9/30/2023	Debt Activity			Debt Outstanding Balance at 9/30/2024	Premium (+)/ Discount (-)	Debt Outstanding Balance at 9/30/2024	Due Within One Year	
				New Obligations	Scheduled Maturity Payments	Obligations Paid					
Industrial Bank Credit Line	Variable	2024	\$ 9,956,367	\$ 1,190,933	\$ -	\$ 10,896,900	\$ 250,400	\$ -	\$ 250,400	\$ 250,400	
<b>Total</b>			<b>\$ 9,956,367</b>	<b>\$ 1,190,933</b>	<b>\$ -</b>	<b>\$ 10,896,900</b>	<b>\$ 250,400</b>	<b>\$ -</b>	<b>\$ 250,400</b>	<b>\$ 250,400</b>	
	Range of Interest Rates	Range of Maturities	Bond Payable at 9/30/2023	Bond Activity			Bond Payable at 9/30/2024	Premium (+)/ Discount (-)	Bond Payable at 9/30/2024	Due Within One Year	
				New Bonds Issued	Scheduled Maturity Payments	Bond Redeemed					
1988 Single-Family Mortgage Revenue Bonds 1988 Series E-4	6.38%	2026	\$ 455,000	\$ -	\$ -	\$ 130,000	\$ 325,000	\$ -	\$ 325,000	\$ -	
<b>Total Single Family Indenture</b>			<b>455,000</b>	<b>-</b>	<b>-</b>	<b>130,000</b>	<b>325,000</b>	<b>-</b>	<b>325,000</b>	<b>-</b>	
Project Name	Range of Interest Rates	Range of Maturities	Bonds Payable at 9/30/2023	Bond Activity			Bonds Payable at 9/30/2024	Premium (+)/ Discount (-)	Bonds Payable at 9/30/2024	Due Within One Year	
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed/ Adjustment					
MF Development Program											
Series 2017	Pass-Through Refunding (Taxable)	3.24%	2049	\$ 17,083,560	\$ -	\$ -	\$ 489,399	\$ 16,594,161	\$ -	\$ 16,594,161	\$ -
Series 2018 A	Woodmont Crossing Apartments	2.55%-4.35%	2023-2058	23,915,000	-	320,000.00	-	23,595,000	-	23,595,000	330,000
Series 2018 B-2	Delta Towers and Capitol Vista	2.50%-4.10%	2023-2039	39,445,000	-	395,000.00	-	39,050,000	-	39,050,000	415,000
Series 2022A	Delta Towers and Capitol Vista	4.05%	2023-2039	3,345,000	-	30,000.00	-	3,315,000	-	3,315,000	35,000
Series 2019 A-1 and A-2	Petworth	Variable	2023-2040	9,090,000	-	110,000.00	-	8,980,000	-	8,980,000	110,000
Series 2019 B-1 and B-2	Randle Hills	Variable	2023-2039	17,230,000	-	315,000.00	-	16,915,000	-	16,915,000	310,000
Series 2021 A-1	Hill East	1.75%-2.05%	2031-2033	2,505,000	-	-	-	2,505,000	-	2,505,000	-
Series 2021 A-2	Hill East	2.20%	2034-2036	2,890,000	-	-	-	2,890,000	-	2,890,000	-
Series 2021 A-3	Hill East	2.50%	2034-2036	44,080,000	-	-	-	44,080,000	-	44,080,000	-
Series 2021 B-1	Hill East	0.95%-2.05%	2024-2030	4,410,000	-	60,000.00	-	4,350,000	-	4,350,000	755,000
Series 2021 B-2	Hill East	2.15%	2030-2031	590,000	-	-	-	590,000	-	590,000	-
Series 2021 B-1	1530 First	0.55%-2.10%	2025-2033	3,550,000	-	-	-	3,550,000	-	3,550,000	370,000
Series 2021 B-2	1530 First	2.25%	2034-2036	1,355,000	-	-	-	1,355,000	-	1,355,000	-
Series 2021 B-3	1530 First	2.55%	2037-2042	20,240,000	-	-	-	20,240,000	-	20,240,000	-
Series 2021 B-4	1530 First	0.50%	2027	8,205,000	-	-	-	8,205,000	-	8,205,000	-
Series 2021 B-5	1530 First	0.90%	2024	5,000,000	-	-	-	5,000,000	-	5,000,000	5,000,000
Series 2022 B-1	Terrace Manor	2.80%-4.25%	2026-2043	13,190,000	-	-	-	13,190,000	-	13,190,000	-
Series 2022 B-2	Terrace Manor	3.00%	2028	24,105,000	-	-	-	24,105,000	29,739	24,134,739	-
Series 2023 A-1	Carl F. West	4.10%-5.13%	2028-2045	18,415,000	-	-	-	18,415,000	(91,994)	18,323,006	-
Series 2023 A-2	Carl F. West	4.40%	2025-2045	46,280,000	-	-	-	46,280,000	-	46,280,000	-
	NoMa Union Market	3.800%-4.200%	2029-2036	-	1,460,000	-	-	1,460,000	-	1,460,000	-
	NoMa Union Market	4.125%-4.750%	2037-2046	-	19,260,000	-	-	19,260,000	(380,684)	18,879,316	-
	NoMa Union Market	4.100%-4.100%	2040-2046	-	27,835,000	-	-	27,835,000	-	27,835,000	-
<b>Total</b>			<b>304,923,560</b>	<b>48,555,000</b>	<b>1,230,000</b>	<b>489,399</b>	<b>351,759,161</b>	<b>(442,939)</b>	<b>351,316,222</b>	<b>7,325,000</b>	
MF Program											
	DCHC Pool: Euclid Street	5.75%	2023-2039	1,080,000	-	30,000	-	1,050,000	-	1,050,000	35,000
	DCHC Pool: Chapin Street	5.75%	2023-2039	920,000	-	30,000	-	890,000	-	890,000	30,000
	DCHFA Pass-Through Refunding	3.88%	2023-2045	21,733,080	-	762,251	-	20,970,829	-	20,970,829	824,313
<b>Total</b>			<b>23,733,080</b>	<b>-</b>	<b>822,251</b>	<b>-</b>	<b>22,910,829</b>	<b>-</b>	<b>22,910,829</b>	<b>889,313</b>	
<b>Combined MF Program</b>											
<b>Bonds total</b>			<b>328,656,640</b>	<b>48,555,000</b>	<b>2,052,251</b>	<b>489,399</b>	<b>374,669,990</b>	<b>(442,939)</b>	<b>374,227,051</b>	<b>8,214,313</b>	
<b>Bonds total</b>			<b>\$ 328,656,640</b>	<b>\$ 48,555,000</b>	<b>\$ 2,052,251</b>	<b>\$ 489,399</b>	<b>\$ 374,669,990</b>	<b>\$ (442,939)</b>	<b>\$ 374,227,051</b>	<b>\$ 8,214,313</b>	

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**Notes to Financial Statements**  
**For the Years Ended September 30, 2024 and 2023**

**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	Debt Activity			Debt Outstanding Balance at 9/30/2023	Premium (+)/ Discount (-)	Debt Outstanding Balance at 9/30/2023	Due Within One Year
				New Obligations	Scheduled Maturity Payments	Obligations Paid				
Industrial Bank Credit Line	Variable	2023	\$ 2,780,425	\$ 7,505,272	\$ -	\$ 329,330	\$ 9,956,367	\$ -	\$ 9,956,367	\$ 9,956,367
<b>Total</b>			<b>\$ 2,780,425</b>	<b>\$ 7,505,272</b>	<b>\$ -</b>	<b>\$ 329,330</b>	<b>\$ 9,956,367</b>	<b>\$ -</b>	<b>\$ 9,956,367</b>	<b>\$ 9,956,367</b>

1988 Single-Family Mortgage Revenue Bonds 1988 Series E-4	Range of Interest Rates	Range of Maturities	Bond Payable at 9/30/2022	Bond Activity			Bond Payable at 9/30/2023	Premium (+)/ Discount (-)	Bond Payable at 9/30/2023	Due Within One Year
				New Bonds Issued	Scheduled Maturity Payments	Bond Redeemed				
	6.38%	2026	\$ 575,000	\$ -	\$ -	\$ 120,000	\$ 455,000	\$ -	\$ 455,000	\$ -
<b>Total Single Family Indenture</b>			<b>575,000</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>455,000</b>	<b>-</b>	<b>455,000</b>	<b>-</b>

Project Name	Range of Interest Rates	Range of Maturities	Bonds Payable at 9/30/2022	Bond Activity			Bonds Payable at 9/30/2023	Premium (+)/ Discount (-)	Bond Payable at 9/30/2023	Due Within One Year	
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed/ Adjustment					
<i>MF Development Program</i>											
Series 2017	Pass-Through Refunding (Taxable)	3.24%	2049	\$ 17,546,473	\$ -	\$ -	\$ 462,913	\$ 17,083,560	\$ -	17,083,560	\$ -
Series 2018 A	Woodmont Crossing Apartments	2.55%-4.35%	2023-2058	24,225,000	-	310,000	-	23,915,000	-	23,915,000	320,000
Series 2018 B-2	Delta Towers and Capitol Vista	2.50%-4.10%	2023-2039	39,830,000	-	385,000	-	39,445,000	-	39,445,000	395,000
Series 2022A	Delta Towers and Capitol Vista	4.05%	2023-2039	3,375,000	-	30,000	-	3,345,000	-	3,345,000	30,000
Series 2019 A-1 and A-2	Petworth	Variable	2023-2040	12,525,000	-	100,000	3,335,000	9,090,000	-	9,090,000	110,000
Series 2019 B-1 and B-2	Randle Hills	Variable	2023-2039	25,255,000	-	325,000	7,700,000	17,230,000	-	17,230,000	315,000
Series 2021 A-1	Hill East	1.75%-2.05%	2031-2033	2,505,000	-	-	-	2,505,000	-	2,505,000	-
Series 2021 A-2	Hill East	2.20%	2034-2036	2,890,000	-	-	-	2,890,000	-	2,890,000	-
Series 2021 A-3	Hill East	2.50%	2034-2036	44,080,000	-	-	-	44,080,000	-	44,080,000	-
Series 2021 B-1	Hill East	0.95%-2.05%	2024-2030	4,410,000	-	-	-	4,410,000	-	4,410,000	60,000
Series 2021 B-2	Hill East	2.15%	2030-2031	590,000	-	-	-	590,000	-	590,000	-
Series 2021 B-1	1530 First	0.55%-2.10%	2025-2033	3,550,000	-	-	-	3,550,000	-	3,550,000	-
Series 2021 B-2	1530 First	2.25%	2034-2036	1,355,000	-	-	-	1,355,000	-	1,355,000	-
Series 2021 B-3	1530 First	2.55%	2037-2042	20,240,000	-	-	-	20,240,000	-	20,240,000	-
Series 2021 B-4	1530 First	0.50%	2027	8,205,000	-	-	-	8,205,000	-	8,205,000	-
Series 2021 B-5	1530 First	0.90%	2024	5,000,000	-	-	-	5,000,000	-	5,000,000	-
Series 2022 B-1	Terrace Manor	2.80%-4.25%	2026-2043	13,190,000	-	-	-	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	-	46,280,000	-
<b>Total</b>			<b>252,876,473</b>	<b>64,695,000</b>	<b>1,150,000</b>	<b>11,497,913</b>	<b>304,923,560</b>	<b>(59,060)</b>	<b>304,864,500</b>	<b>1,230,000</b>	
<i>MF Program</i>											
	DCCH Pool: Euclid Street	5.75%	2023-2039	1,110,000	-	30,000	-	1,080,000	-	1,080,000	30,000
	DCCH Pool: Chapin Street	5.75%	2023-2039	945,000	-	25,000	-	920,000	-	920,000	30,000
	DCHFA Pass-Through Refunding	3.88%	2023-2045	22,449,828	-	716,748	-	21,733,080	-	21,733,080	775,063
<b>Total</b>			<b>24,504,828</b>	<b>-</b>	<b>771,748</b>	<b>-</b>	<b>23,733,080</b>	<b>-</b>	<b>23,733,080</b>	<b>835,063</b>	
<i>Combined MF Program</i>											
<b>Bonds total</b>			<b>277,381,301</b>	<b>64,695,000</b>	<b>1,921,748</b>	<b>11,497,913</b>	<b>328,656,640</b>	<b>(59,060)</b>	<b>328,597,580</b>	<b>2,065,063</b>	
<b>Bonds total</b>			<b>\$ 277,381,301</b>	<b>\$ 64,695,000</b>	<b>\$ 1,921,748</b>	<b>\$ 11,497,913</b>	<b>\$ 328,656,640</b>	<b>\$ (59,060)</b>	<b>\$ 328,597,580</b>	<b>\$ 2,065,063</b>	

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

**NOTE 6 BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (continued)**

The required principal and interest payments for all Agency debt outstanding as of September 30, 2024 (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 September 30,	1988 Collateralized Single-Family Mortgage Revenue Bonds	
	Interest	Principal
2025	\$ 20,719	\$ -
2026	20,719	325,000
<b>Totals</b>	<b>\$ 41,438</b>	<b>325,000</b>
<b>Bonds payable</b>		<b>\$ 325,000</b>

For the Year Ending September 30,	Multifamily Development Program		Multifamily Program	
	Interest	Principal	Interest	Principal
2025	\$ 12,276,140	\$ 7,325,000	\$ 908,830	\$ 889,313
2026	12,229,267	2,415,000	872,086	946,700
2027	12,158,898	10,745,000	833,111	1,002,420
2028	12,081,400	26,765,000	792,489	1,021,697
2029	11,291,495	2,880,000	750,637	1,081,170
2030-2054	157,445,841	301,629,161	4,764,885	17,969,528
<b>Totals</b>	<b>\$ 217,483,041</b>	<b>351,759,161</b>	<b>\$ 8,922,038</b>	<b>22,910,828</b>
Unamortized Premium/(Discount)		(442,939)		-
<b>Bonds payable</b>		<b>\$ 351,316,222</b>		<b>\$ 22,910,828</b>

The interest calculations on outstanding variable rate bonds under the Multifamily Development Programs are based on the variable rates in effect on September 30, 2024 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 funds. Accordingly, the Agency established a line of credit with Industrial Bank to serve as a facility to fund Home Purchase Assistance Program loans. The credit line is paid down upon receipt of reimbursements for DHCD on a monthly basis. During the fiscal year 2023, the line of credit available was increased from \$5 million to \$10 million. As of September 30, 2024 and 2023, the total outstanding balance of the credit line totaled \$250,000 and \$9,956,367, respectively.



**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

**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 right to use assets under these leases with a cost of \$205,614 as of September 30, 2024 and 2023. Amortization expense related to the leases was \$39,164, for the years ended September 30, 2024 and 2023. Accumulated amortization relating to the leases was \$127,285 and \$88,121 as of September 30, 2024 and 2023, respectively.

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

<b>For the Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>
2025	\$ 40,412	\$ 1,804
2026	38,125	574
<b>Total minimum lease payments</b>	<b>\$ 78,537</b>	<b>\$ 2,378</b>

Lease Liability

The following is a summary of changes in lease liability for the year ended September 30, 2024:

	<b>Balance October 1, 2023</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance September 30, 2024</b>	<b>Due Within One Year</b>
Lease liability	\$ 117,761	\$ -	\$ (39,224)	\$ 78,537	\$ 40,412
<b>Total</b>	<b>\$ 117,761</b>	<b>\$ -</b>	<b>\$ (39,224)</b>	<b>\$ 78,537</b>	<b>\$ 40,412</b>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

**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, 2023:

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

**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, 2024 and 2023, 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.

## DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### 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 down-payment 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 2024. As of September 30, 2024 and 2023, 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, 2024 and 2023 was \$1,617,835 and \$1,912,141, 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, 2024 and 2023 was \$35,222,814 and \$33,729,290, 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, 2024 and 2023 was \$10,219,074 and \$9,545,342, respectively.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

**NOTE 10      NET POSITION** *(continued)*Unrestricted Net Position

As of September 30, 2024 and 2023, unrestricted net position for General Activities amounted to \$160,698,472 and \$145,249,039, 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 the Agency to match an employee's salary at a discretionary percentage. The match amount was 10% and 7% for the years ended September 30, 2024 and 2023 respectively. Plan expense for the years ended September 30, 2024 and 2023 was \$414,637 and \$337,823, respectively.

**NOTE 12      OTHER INCOME**

The Agency's other income for fiscal year 2024 and 2023 is comprised of the following:

<u>Description</u>	<u>General Activities</u>	
	<u>2024</u>	<u>2023</u>
Mortgage servicing fees	\$ 96,692	\$ 99,776
MIP Risk Share Program	290,214	132,872
Interest income advances - HPAP	209,077	-
Portfolio asset management fees	267,250	267,200
Other	786,956	616,996
<b>Total</b>	<b>\$ 1,650,189</b>	<b>\$ 1,116,844</b>

## **DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### **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, 2024 and 2023, respectively, the DCHFA received a funding extension under the program in the total amounts of \$24.9 million and \$46.1 million, which includes \$5.7 million and \$20.4 million, to be funded from federal funds and \$19.2 million and \$25.7 million, to be funded from local funds. For the years ended September 30, 2024 and 2023, the Agency incurred program expenses, and recorded a corresponding amount of revenues, of \$23.4 million and \$45.4 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, 2024 and 2023, \$5.6 million and \$20.4 million, respectively, were funded by federal funds and \$17.8 million and \$25 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, 2024, the Agency had total mortgage commitments in the amount of \$150.5 million on projects under construction in the Multifamily Development Program, of which \$30.4 million has been drawn and \$120.1 million remains to be drawn.

The Agency is a plaintiff in one lawsuit. It is the opinion of the General Counsel that the lawsuit will not have a material adverse impact on the Agency's financial condition.

## **DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

### Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

#### **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, 2024 and 2023, the bonds have an aggregate outstanding principal amount payable of \$2,121,597,473 and \$1,921,048,807, 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 23, 2024 (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**

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Combining Statements of Net Position

September 30, 2024

(With Comparative Totals For 2023)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
<i>Unrestricted current assets</i>					
Cash and cash equivalents	\$ 31,852,698	\$ -	\$ -	\$ 31,852,698	\$ 34,534,966
Investments	54,363,940	-	-	54,363,940	28,535,840
Other receivables	5,005,537	-	-	5,005,537	3,476,949
Accrued interest receivable	1,418,429	-	-	1,418,429	1,025,594
Prepaid expenses	325,404	-	-	325,404	266,907
Total unrestricted current assets	<u>92,966,008</u>	<u>-</u>	<u>-</u>	<u>92,966,008</u>	<u>67,840,256</u>
<i>Restricted current assets</i>					
Cash and cash equivalents	20,006,565	11,513,708	23,626,795	55,147,068	55,740,200
Investments held in trust	-	-	40,581,903	40,581,903	56,420,367
Mortgage backed securities	-	6,981	-	6,981	36,965
Other receivables	-	-	461,012	461,012	-
Accounts receivable - HPAP Program	401,868	-	-	401,868	20,360,772
McKinney Act loans receivable, net	2,641,615	-	-	2,641,615	750,000
Accrued interest receivable	-	241,147	473,621	714,768	1,568,761
Total restricted current assets	<u>23,050,048</u>	<u>11,761,836</u>	<u>65,143,331</u>	<u>99,955,215</u>	<u>134,877,065</u>
Total current assets	<u>116,016,056</u>	<u>11,761,836</u>	<u>65,143,331</u>	<u>192,921,223</u>	<u>202,717,321</u>
<b>NON-CURRENT ASSETS</b>					
<i>Unrestricted non-current assets</i>					
Investments	63,021,081	-	-	63,021,081	65,250,605
Mortgage-backed securities at fair value	4,389,471	-	-	4,389,471	4,282,767
Mortgage and construction loans receivable, net	6,548,907	-	-	6,548,907	6,379,253
Due from (to) other programs	181,655	-	(181,655)	-	-
Total unrestricted non-current assets	<u>74,141,114</u>	<u>-</u>	<u>(181,655)</u>	<u>73,959,459</u>	<u>75,912,625</u>

See Accompanying Independent Auditor's Report.



**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Combining Statements of Net Position *(continued)*

September 30, 2024

(With Comparative Totals For 2023)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2024</u>	<u>2023</u>
<b>NON-CURRENT ASSETS</b> <i>(continued)</i>					
<i>Restricted non-current assets</i>					
Investments held in trust	\$ -	\$ 10,000,000	\$ 151,385,586	\$ 161,385,586	\$ 149,149,473
Investments in joint ventures	2,300,000	-	-	2,300,000	1,908,454
Mortgage-backed securities at fair value	-	5,869,268	-	5,869,268	6,172,383
Mortgage and construction loans receivable, net	-	275,000	250,874,360	251,149,360	232,337,244
Loans receivable	55,729	-	-	55,729	1,627,381
Total restricted non-current assets	<u>2,355,729</u>	<u>16,144,268</u>	<u>402,259,946</u>	<u>420,759,943</u>	<u>391,194,935</u>
<i>Capital assets</i>					
Land	573,000	-	-	573,000	573,000
Depreciable and amortizable capital assets	6,791,069	-	-	6,791,069	6,859,523
Less: Accumulated depreciation and amortization	<u>(5,667,696)</u>	<u>-</u>	<u>-</u>	<u>(5,667,696)</u>	<u>(5,402,621)</u>
Total capital assets, net	<u>1,696,373</u>	<u>-</u>	<u>-</u>	<u>1,696,373</u>	<u>2,029,902</u>
Total non-current assets	<u>78,193,216</u>	<u>16,144,268</u>	<u>402,078,291</u>	<u>496,415,775</u>	<u>469,137,462</u>
<b>Total assets</b>	<u>\$ 194,209,272</u>	<u>\$ 27,906,104</u>	<u>\$ 467,221,622</u>	<u>\$ 689,336,998</u>	<u>\$ 671,854,783</u>
<b>LIABILITIES AND NET POSITION</b>					
<b>CURRENT LIABILITIES</b>					
<i>Current liabilities payable from unrestricted assets</i>					
Accounts payable and accrued liabilities	\$ 389,320	\$ -	\$ -	\$ 389,320	\$ 174,975
Accrued salary and vacation payable	685,178	-	-	685,178	602,002
Lease liability	40,412	-	-	40,412	39,221
Unearned income	11,582,477	-	-	11,582,477	15,985,601
Total current liabilities payable from unrestricted assets	<u>12,697,387</u>	<u>-</u>	<u>-</u>	<u>12,697,387</u>	<u>16,801,799</u>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Combining Statements of Net Position *(continued)*

September 30, 2024

(With Comparative Totals For 2023)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2024</u>	<u>2023</u>
<b>LIABILITIES AND NET POSITION</b> <i>(continued)</i>					
<b>CURRENT LIABILITIES</b> <i>(continued)</i>					
<i>Current liabilities payable from restricted assets</i>					
Accounts payable and accrued liabilities	\$ 2,475	\$ 40,096	\$ -	\$ 42,571	\$ 218,728
Project funds held for borrower and other liabilities	8,685,504	1,100,773	83,106,746	92,893,023	124,595,451
Interest payable	-	6,905	1,098,341	1,105,246	715,506
Current portion of loans payable	250,400	-	-	250,400	9,956,367
Current portion of bonds payable	-	-	8,214,313	8,214,313	2,065,063
Total current liabilities payable from restricted assets	<u>8,938,379</u>	<u>1,147,774</u>	<u>92,419,400</u>	<u>102,505,553</u>	<u>137,551,115</u>
Total current liabilities	<u>21,635,766</u>	<u>1,147,774</u>	<u>92,419,400</u>	<u>115,202,940</u>	<u>154,352,914</u>
<b>NON-CURRENT LIABILITIES</b>					
<i>Non-current liabilities payable from unrestricted assets</i>					
Lease liability	38,125	-	-	38,125	78,540
Total non-current liabilities payable from unrestricted assets	<u>38,125</u>	<u>-</u>	<u>-</u>	<u>38,125</u>	<u>78,540</u>
<i>Non-current liabilities payable from restricted assets</i>					
Bonds payable - less current portion	-	325,000	366,012,738	366,337,738	326,987,517
Total non-current liabilities payable from restricted assets	<u>-</u>	<u>325,000</u>	<u>366,012,738</u>	<u>366,337,738</u>	<u>326,987,517</u>
Total non-current liabilities	<u>38,125</u>	<u>325,000</u>	<u>366,012,738</u>	<u>366,375,863</u>	<u>327,066,057</u>
Total liabilities	<u>21,673,891</u>	<u>1,472,774</u>	<u>458,432,138</u>	<u>481,578,803</u>	<u>481,418,971</u>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Combining Statements of Net Position *(continued)*

September 30, 2024

(With Comparative Totals For 2023)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2024</u>	<u>2023</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 1,617,835	\$ -	\$ -	\$ 1,617,835	\$ 1,819,578
<i>Restricted for</i>					
Bond fund, collateral and Risk Share Program	-	26,433,330	8,789,484	35,222,814	33,729,290
McKinney Act Program	10,219,074	-	-	10,219,074	9,545,342
Total restricted net position	10,219,074	26,433,330	8,789,484	45,441,888	43,274,632
Unrestricted net position	160,698,472	-	-	160,698,472	145,341,602
Total net position	172,535,381	26,433,330	8,789,484	207,758,195	190,435,812
<b>Total liabilities and net position</b>	<b>\$ 194,209,272</b>	<b>\$ 27,906,104</b>	<b>\$ 467,221,622</b>	<b>\$ 689,336,998</b>	<b>\$ 671,854,783</b>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Combining Statements of Revenues, Expenses and Changes in Net Position  
 Year Ended September 30, 2024  
 (With Comparative Totals for 2023)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>					
Investment interest income	\$ 4,280,588	\$ 1,147,607	\$ 997,195	\$ 6,425,390	\$ 4,919,657
Mortgage-backed security interest income	132,456	308,922	-	441,378	482,451
Interest on mortgage and construction loans	-	-	7,183,948	7,183,948	6,293,299
Construction and development admin fees	4,744,386	-	-	4,744,386	4,078,138
Financing fee income	4,057,198	-	-	4,057,198	12,927,765
Tax credit fee income	1,002,312	-	-	1,002,312	3,251,154
Bond administration fee income	8,409,369	-	62,175	8,471,544	8,997,570
McKinney Act interest revenue	497,356	-	-	497,356	439,962
Application and commitment fees	104,945	-	-	104,945	693,024
Bond counsel fees	225,000	-	-	225,000	792,208
Gain on sale of single family loans	274,602	-	-	274,602	402,682
Mortgage prepayment income	937,991	-	-	937,991	-
Project revenue	-	-	1,756,542	1,756,542	2,938,856
Other	1,650,189	-	-	1,650,189	1,116,844
Total operating revenues	<u>26,316,392</u>	<u>1,456,529</u>	<u>9,999,860</u>	<u>37,772,781</u>	<u>47,333,610</u>
<b>OPERATING EXPENSES</b>					
General and administrative	4,085,526	425	-	4,085,951	4,329,223
Personnel and related costs	9,581,685	-	-	9,581,685	8,223,552
Interest expense	-	24,331	11,819,107	11,843,438	8,499,265
Depreciation and amortization	387,770	-	-	387,770	548,119
Trustee fees and other expenses	-	1,750	649,738	651,488	24,662
Total operating expenses	<u>14,054,981</u>	<u>26,506</u>	<u>12,468,845</u>	<u>26,550,332</u>	<u>21,624,821</u>
Operating income	<u>12,261,411</u>	<u>1,430,023</u>	<u>(2,468,985)</u>	<u>11,222,449</u>	<u>25,708,789</u>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Combining Statements of Revenues, Expenses and Changes in Net Position *(continued)*

Year Ended September 30, 2024

(With Comparative Totals for 2023)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2024</u>	<u>2023</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
<i>Federal and city programs</i>					
Grant program revenue	\$ 23,966,242	\$ -	\$ -	\$ 23,966,242	\$ 45,462,996
Grant program expenses	(23,965,698)	-	-	(23,965,698)	(45,459,031)
Increase (decrease) in fair value of mortgage-backed securities and investments	<u>3,566,904</u>	<u>381,650</u>	<u>2,150,836</u>	<u>6,099,390</u>	<u>200,692</u>
Total non-operating revenues/(expenses)	<u>3,567,448</u>	<u>381,650</u>	<u>2,150,836</u>	<u>6,099,934</u>	<u>204,657</u>
Change in net position	15,828,859	1,811,673	(318,149)	17,322,383	25,913,446
Net position, beginning of year	<u>156,706,522</u>	<u>24,621,657</u>	<u>9,107,633</u>	<u>190,435,812</u>	<u>164,522,366</u>
<b>Net position, end of year</b>	<u>\$ 172,535,381</u>	<u>\$ 26,433,330</u>	<u>\$ 8,789,484</u>	<u>\$ 207,758,195</u>	<u>\$ 190,435,812</u>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Combining Statements of Cash Flows

Year Ended September 30, 2024

(With Comparative Totals for 2023)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Interest received on loans	\$ -	\$ -	\$ 7,183,948	\$ 7,183,948	\$ 6,293,299
Administrative and financing cash receipts	14,397,513	-	62,175	14,459,688	38,679,361
Other cash receipts	3,098,447	-	1,756,542	4,854,989	5,263,315
Payments to vendors	(4,097,039)	(2,175)	(658,534)	(4,757,748)	(3,840,620)
Payments to employees	(9,498,509)	-	-	(9,498,509)	(8,180,224)
Net mortgage and construction loans					
principal receipts (disbursements)	(169,654)	-	(19,273,128)	(19,442,782)	(35,841,726)
Principal received on loans receivable	32,971	-	-	32,971	96,901
Principal and interest received on mortgage-backed securities	412,224	1,023,671	-	1,435,895	2,278,419
Principal and interest received on McKinney Act loans	193,430	-	-	193,430	656,273
Principal advances on McKinney Act loans	(1,742,390)	-	-	(1,742,390)	-
Net cash receipts (disbursements) projects funds held for borrower	<u>3,486,762</u>	<u>-</u>	<u>(37,685,639)</u>	<u>(34,198,877)</u>	<u>32,337,717</u>
Net cash provided by (used in) operating activities	<u>6,113,755</u>	<u>1,021,496</u>	<u>(48,614,636)</u>	<u>(41,479,385)</u>	<u>37,742,715</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Interest paid on bonds and loans	-	(27,095)	(11,425,282)	(11,452,377)	(8,630,215)
Proceeds from bond issuances and loans	1,190,933	-	48,169,800	49,360,733	72,103,880
Principal payments on issued debt and loans	(10,896,900)	(130,000)	(2,541,650)	(13,568,550)	(13,868,991)
Grant program cash receipts	43,452,812	-	-	43,452,812	29,611,040
Grant program cash disbursements	<u>(23,965,698)</u>	<u>-</u>	<u>-</u>	<u>(23,965,698)</u>	<u>(45,459,031)</u>
Net cash (used in) provided by non-capital financing activities	<u>9,781,147</u>	<u>(157,095)</u>	<u>34,202,868</u>	<u>43,826,920</u>	<u>33,756,683</u>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Combining Statements of Cash Flows *(continued)*

Year Ended September 30, 2024

(With Comparative Totals for 2023)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	\$ (64,906)	\$ -	\$ -	\$ (64,906)	\$ (272,971)
Principal payments on lease from operations	(39,224)	-	-	(39,224)	(38,064)
Net cash used in capital and related financing activities	<u>(104,130)</u>	<u>-</u>	<u>-</u>	<u>(104,130)</u>	<u>(311,035)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment in joint ventures	(391,546)	-	-	(391,546)	(563,019)
Interest received on investments	4,186,689	1,155,288	1,843,507	7,185,484	3,863,177
Maturities and sales of investments	25,753,146	-	56,419,436	82,172,582	22,260,000
Purchase of investments	(46,315,525)	-	(48,169,800)	(94,485,325)	(102,291,248)
Net cash (used in) provided by investing activities	<u>(16,767,236)</u>	<u>1,155,288</u>	<u>10,093,143</u>	<u>(5,518,805)</u>	<u>(76,731,090)</u>
Net increase (decrease) in cash and cash equivalents	(976,464)	2,019,689	(4,318,625)	(3,275,400)	(5,542,727)
Cash and cash equivalents, beginning of year	52,835,727	9,494,019	27,945,420	90,275,166	95,817,893
<b>Cash and cash equivalents, end of year</b>	<u>\$ 51,859,263</u>	<u>\$ 11,513,708</u>	<u>\$ 23,626,795</u>	<u>\$ 86,999,766</u>	<u>\$ 90,275,166</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>					
Cash and cash equivalents	\$ 31,852,698	\$ -	\$ -	\$ 31,852,698	\$ 34,534,966
Restricted cash and cash equivalents	20,006,565	11,513,708	23,626,795	55,147,068	55,740,200
<b>Total cash, cash equivalents and restricted cash</b>	<u>\$ 51,859,263</u>	<u>\$ 11,513,708</u>	<u>\$ 23,626,795</u>	<u>\$ 86,999,766</u>	<u>\$ 90,275,166</u>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Combining Statements of Cash Flows *(continued)*

Year Ended September 30, 2024

(With Comparative Totals for 2023)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2024</u>	<u>2023</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 12,261,411	\$ 1,430,023	\$ (2,468,985)	\$ 11,222,449	\$ 25,708,789
<i>Adjustments to reconcile operating income to net cash provided by (used in) operating activities</i>					
Depreciation and amortization	387,770	-	-	387,770	548,119
Loss on disposal of capital assets	10,665	-	-	10,665	-
Provision for uncollectible interest revenue	-	-	-	-	521,675
Bond premium amortization/discount accretion	-	-	1,321	1,321	(8,226)
Interest received on bonds/loans	-	27,095	11,425,282	11,452,377	8,630,215
Interest received on investments	(4,280,588)	(1,155,288)	(1,843,507)	(7,279,383)	(3,863,177)
Mckinney Act receivable bad debt recovery	(149,225)	-	-	(149,225)	-
Loans receivable written off	1,538,681	-	-	1,538,681	-
<i>Effects of changes in operating assets and liabilities</i>					
<i>Decrease (increase) in assets</i>					
Other receivables	(1,528,588)	-	(461,012)	(1,989,600)	(164,530)
Accrued interest receivable	(154,701)	7,681	846,312	699,292	(1,675,977)
Prepaid expenses	(58,497)	-	-	(58,497)	(53,917)
McKinney Act receivable	(1,742,390)	-	-	(1,742,390)	835,808
Mortgage and construction loans	(169,654)	-	(18,812,116)	(18,981,770)	(35,841,726)
Mortgage-backed securities	279,768	714,749	-	994,517	1,795,968
Loan receivable	32,971	-	-	32,971	96,901

See Accompanying Independent Auditor's Report.



**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**

Combining Statements of Cash Flows *(continued)*

Year Ended September 30, 2024

(With Comparative Totals for 2023)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2024</u>	<u>2023</u>
<b>RECONCILIATION OF OPERATING</b>					
<b>INCOME TO NET CASH PROVIDED BY</b>					
<b>(USED IN) OPERATING ACTIVITIES <i>(continued)</i></b>					
<i>(Decrease) increase in liabilities</i>					
Accounts payable and accrued liabilities	\$ 46,984	\$ -	\$ (8,796)	\$ 38,188	\$ 45,507
Accrued salary and vacation payable	83,176	-	-	83,176	43,328
Unearned income	(3,930,790)	-	-	(3,930,790)	8,908,965
Project funds held for borrower and other liabilities	3,486,762	-	(37,685,639)	(34,198,877)	32,337,717
Interest payable	-	(2,764)	392,504	389,740	(122,724)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 6,113,755</u>	<u>\$ 1,021,496</u>	<u>\$ (48,614,636)</u>	<u>\$ (41,479,385)</u>	<u>\$ 37,742,715</u>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program  
September 30, 2024 and 2023

**1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2024**

<u>Assets</u>	<u>Cost</u>	<u>Carrying Value</u>	<u>Maturities (in years)</u>				
			<u>Less Than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<b>CASH AND CASH EQUIVALENTS</b>							
Money Market Funds	\$ 11,513,708	\$ 11,513,708	\$ 11,513,708	\$ -	\$ -	\$ -	\$ -
Total cash and cash equivalents	11,513,708	11,513,708	11,513,708	-	-	-	-
<b>INVESTMENTS</b>							
Investment agreements	10,000,000	10,000,000	-	10,000,000	-	-	-
Total investments	10,000,000	10,000,000	-	10,000,000	-	-	-
<b>MORTGAGE-BACKED SECURITIES</b>							
Ginnie Mae	1,458,577	1,440,855	6,980	70,560	418,990	-	944,325
Fannie Mae	1,550,638	1,574,195	-	-	-	1,403,614	170,581
Freddie Mac	2,724,457	2,861,199	-	-	-	2,779,866	81,333
Total Mortgage-Backed Securities	5,733,672	5,876,249	6,980	70,560	418,990	4,183,480	1,196,239
<b>1988 Collateralized Single Family Mortgage Revenue Bonds total cash and investments</b>	<b>\$ 27,247,380</b>	<b>\$ 27,389,957</b>	<b>\$ 11,520,688</b>	<b>\$ 10,070,560</b>	<b>\$ 418,990</b>	<b>\$ 4,183,480</b>	<b>\$ 1,196,239</b>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

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

<u>Assets</u>	<u>Cost</u>	<u>Carrying Value</u>	<u>Maturities (in years)</u>				
			<u>Less Than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<b>CASH AND CASH EQUIVALENTS</b>							
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	-	-	-	-
<b>INVESTMENTS</b>							
Investment agreements	10,000,000	10,000,000	-	10,000,000	-	-	-
Total investments	10,000,000	10,000,000	-	10,000,000	-	-	-
<b>MORTGAGE-BACKED SECURITIES</b>							
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
<b>1988 Collateralized Single Family Mortgage Revenue Bonds total cash and investments</b>	<b>\$ 25,942,441</b>	<b>\$ 25,703,367</b>	<b>\$ 9,530,984</b>	<b>\$ 10,176,357</b>	<b>\$ 448,646</b>	<b>\$ 4,133,358</b>	<b>\$ 1,414,022</b>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

**Multifamily Development Program (MFDP) as of September 30, 2024**

<u>Assets</u>	<u>Cost</u>	<u>Carrying Value</u>	<u>Maturities (in years)</u>				
			<u>Less Than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<b>CASH AND CASH EQUIVALENTS</b>							
Non-Money Market Deposits	\$ 1,022,407	\$ 1,022,407	\$ 1,022,407	\$ -	\$ -	\$ -	\$ -
Money Market Funds	<u>20,828,205</u>	<u>20,828,205</u>	<u>20,828,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>21,850,612</u>	<u>21,850,612</u>	<u>21,850,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>INVESTMENTS</b>							
U.S. Treasury Obligations	65,683,089	68,004,007	2,231,903	65,182,304	-	-	589,800
Investment agreements	123,270,558	123,270,558	38,350,000	37,340,558	47,580,000	-	-
GSE Obligations	<u>689,822</u>	<u>692,924</u>	<u>-</u>	<u>692,924</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>189,643,469</u>	<u>191,967,489</u>	<u>40,581,903</u>	<u>103,215,786</u>	<u>47,580,000</u>	<u>-</u>	<u>589,800</u>
<b>Multifamily MFDP Program total cash and investments</b>	<u>\$ 211,494,081</u>	<u>\$ 213,818,101</u>	<u>\$ 62,432,515</u>	<u>\$ 103,215,786</u>	<u>\$ 47,580,000</u>	<u>\$ -</u>	<u>\$ 589,800</u>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

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

<u>Assets</u>	<u>Cost</u>	<u>Carrying Value</u>	<u>Maturities (in years)</u>				
			<u>Less Than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<b>CASH AND CASH EQUIVALENTS</b>							
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	-	-	-	-
<b>INVESTMENTS</b>							
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	-	-	-
<b>Multifamily MFDP Program total cash and investments</b>	<b>\$ 221,546,777</b>	<b>\$ 221,719,965</b>	<b>\$ 82,570,493</b>	<b>\$ 139,149,472</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

**Multifamily Program as of September 30, 2024**

<u>Assets</u>	<u>Cost</u>	<u>Carrying Value</u>	<u>Maturities (in years)</u>					
			<u>Less Than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>	
<b>CASH AND CASH EQUIVALENTS</b>								
Non-Money Market Deposits	\$ 12	\$ 12	\$ 2	\$ -	\$ -	\$ 4	\$ 6	
Demand Money Market Deposits	1,484,154	1,484,154	1,484,154	-	-	-	-	
Money Market Funds	-	292,017	292,017	-	-	-	-	
Total cash and cash equivalents	1,484,166	1,776,183	1,776,173	-	-	4	6	
<b>Multifamily Program total cash</b>	<b>\$ 1,484,166</b>	<b>\$ 1,776,183</b>	<b>\$ 1,776,173</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4</b>	<b>\$ 6</b>	

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

**Multifamily Program as of September 30, 2023**

<u>Assets</u>	<u>Cost</u>	<u>Carrying Value</u>	<u>Maturities (in years)</u>				
			<u>Less Than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<b>CASH AND CASH EQUIVALENTS</b>							
Non-Money Market Deposits	\$ 12	\$ 12	\$ 3	\$ -	\$ -	\$ 1	\$ 8
Demand Money Market Deposits	1,524,913	1,524,913	1,524,913	-	-	-	-
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
<b>Multifamily Program total cash</b>	<b>\$ 1,795,294</b>	<b>\$ 1,795,294</b>	<b>\$ 1,795,285</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 8</b>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

**Combined Revenue Obligation Programs and General Activities as of September 30, 2024**

Assets	Cost	Carrying Value	Maturities (in years)				
			Less Than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<b>CASH AND CASH EQUIVALENTS</b>							
Non-Money Market Deposits	\$ 12,126,236	\$ 12,126,236	\$ 12,126,224	\$ -	\$ -	\$ 6	\$ 6
Demand Money Market Deposits	38,028,636	38,028,636	38,028,636	-	-	-	-
Money Market Funds	36,844,894	36,844,894	36,844,894	-	-	-	-
Total cash and cash equivalents	86,999,766	86,999,766	86,999,754	-	-	6	6
<b>INVESTMENTS</b>							
Certificates of Deposits	14,666,892	14,666,892	12,536,456	2,130,436	-	-	-
U.S. Treasury Obligations	109,915,136	112,196,859	26,773,521	84,833,538	-	-	589,800
Investment Agreements	133,270,558	133,270,558	38,350,000	47,340,558	47,580,000	-	-
Corporate Obligations	56,762,658	57,208,491	16,202,632	40,689,329	316,530	-	-
GSE Obligations	2,058,852	2,009,710	1,083,233	841,000	85,477	-	-
Total investments	316,674,096	319,352,510	94,945,842	175,834,861	47,982,007	-	589,800
<b>MORTGAGE-BACKED SECURITIES</b>							
Ginnie Mae	1,846,040	1,819,354	6,981	70,560	418,990	-	1,322,823
Fannie Mae	2,487,741	2,483,238	-	-	-	1,403,614	1,079,624
Freddie Mac	6,459,301	5,963,128	-	-	-	2,779,866	3,183,262
Total Mortgage-Backed Securities	10,793,082	10,265,720	6,981	70,560	418,990	4,183,480	5,585,709
<b>Combined General Activities and Revenue Obligation Programs total cash, investments and Mortgage-Backed Securities</b>							
	\$ 414,466,944	\$ 416,617,996	\$ 181,952,577	\$ 175,905,421	\$ 48,400,997	\$ 4,183,486	\$ 6,175,515

See Accompanying Independent Auditor's Report.



**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

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

Assets	Cost	Carrying Value	Maturities (in years)				
			Less Than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<b>CASH AND CASH EQUIVALENTS</b>							
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	-	-	-	-
<b>INVESTMENTS</b>							
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	-	-
<b>MORTGAGE-BACKED SECURITIES</b>							
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
<b>Combined General Activities and Revenue Obligation Programs total cash, investments and Mortgage-Backed Securities</b>							
	\$ 404,071,899	\$ 400,123,566	\$ 175,268,339	\$ 214,074,912	\$ 950,167	\$ 4,133,358	\$ 5,696,790

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

**1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2024**

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<b>CASH AND CASH EQUIVALENTS</b>					
Money Market Funds	\$ 11,513,708	42.0%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total cash and cash equivalents	11,513,708	42.0%			
<b>INVESTMENTS</b>					
Investment Agreements	10,000,000	36.5%	Aa2	Moody's	
Total investments	10,000,000	36.5%			
<b>MORTGAGE-BACKED SECURITIES</b>					
Ginnie Mae	1,440,855	5.3%	Aaa	Moody's	
Fannie Mae	1,574,195	5.7%	Aaa	Moody's	
Freddie Mac	2,861,199	10.4%	Aaa	Moody's	
Total Mortgage-Backed Securities	5,876,249	21.5%			
<b>1988 Collateralized Single Family Mortgage Revenue Bonds total cash, investments and Mortgage-Backed Securities</b>	<b>\$ 27,389,957</b>	<b>100.0%</b>			

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program *(continued)*  
September 30, 2024 and 2023

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

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<b>CASH AND CASH EQUIVALENTS</b>					
Money Market Funds	\$ 9,494,019	36.9%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total cash and cash equivalents	9,494,019	36.9%			
<b>INVESTMENTS</b>					
Investment Agreements	10,000,000	38.8%	Aa2	Moody's	
Total investments	10,000,000	38.8%			
<b>MORTGAGE-BACKED SECURITIES</b>					
Ginnie Mae	1,619,868	6.4%	Aaa	Moody's	
Fannie Mae	1,587,605	6.2%	Aaa	Moody's	
Freddie Mac	3,001,875	11.7%	Aaa	Moody's	
Total Mortgage-Backed Securities	6,209,348	24.3%			
<b>1988 Collateralized Single Family Mortgage Revenue Bonds total cash, investments and Mortgage-Backed Securities</b>	<b>\$ 25,703,367</b>	<b>100.0%</b>			

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

**Multifamily Development Program (MFDP) as of September 30, 2024**

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<b>CASH AND CASH EQUIVALENTS</b>					
Non-Money Market Deposits	\$ 1,022,407	0.5%	Not Rated		Uncollateralized, Uninsured
Money Market Funds	20,828,205	9.7%	Aaa-mf	Moody's	
Total cash and cash equivalents	21,850,612	10.2%			
<b>INVESTMENTS</b>					
U.S. Treasury Obligations	68,004,007	31.8%	Aaa	Moody's	
Investment Agreements	84,920,558	39.7%	Aa2	Moody's	
Investment Agreements	38,350,000	17.9%	A1	Moody's	
GSE Obligations	692,924	0.3%	Aaa	Moody's	
Total investments	191,967,489	89.8%			
<b>Multifamily MFDP Program total cash and investments</b>	<b>\$ 213,818,101</b>	<b>100.0%</b>			

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

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

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<b>CASH AND CASH EQUIVALENTS</b>					
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	<u>22,188,901</u>	<u>10.0%</u>	Aaa-mf	Moody's	
Total cash and cash equivalents	<u>26,150,126</u>	<u>11.8%</u>			
<b>INVESTMENTS</b>					
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	<u>654,567</u>	<u>0.3%</u>	Aaa	Moody's	
Total investments	<u>195,569,839</u>	<u>88.2%</u>			
<b>Multifamily MFDP Program total cash and investments</b>	<u>\$ 221,719,965</u>	<u>100.0%</u>			

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program *(continued)*  
September 30, 2024 and 2023

**Multifamily Program as of September 30, 2024**

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<b>CASH AND CASH EQUIVALENTS</b>					
Non-Money Market Deposits	\$ 12	0.0%	Not Rated		Uncollateralized, Uninsured
Demand Money Market Deposits	1,484,154	83.6%	P-1	Moody's	
Money Market Funds	<u>292,017</u>	<u>16.4%</u>	Aaa-mf	Moody's	
Total cash and cash equivalents	<u>1,776,183</u>	<u>100.0%</u>			
<b>Multifamily Program total cash and investments</b>	<u>\$ 1,776,183</u>	<u>100.0%</u>			

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program *(continued)*  
September 30, 2024 and 2023

**Multifamily Program as of September 30, 2023**

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<b>CASH AND CASH EQUIVALENTS</b>					
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	<u>1,795,294</u>	<u>100.0%</u>			
<b>Multifamily Program total cash and investments</b>	<u>\$ 1,795,294</u>	<u>100.0%</u>			

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

**Combined Revenue Obligation Programs and General Activities as of September 30, 2024**

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<b>CASH AND CASH EQUIVALENTS</b>					
Non-Money Market Deposits	\$ 11,103,817	2.7%	Not Rated	Moody's	Third Party-Held Aaa Collateral
Non-Money Market Deposits	1,022,419	0.2%	Not Rated	Moody's	Uncollateralized, Uninsured
Demand Money Market Deposits	35,746,769	8.6%	Not Rated	Moody's	Federal Reserve-Held Aaa Collateral
Demand Money Market Deposits	2,281,867	0.5%	P-1	Moody's	
Money Market Funds	36,844,894	8.8%	Aaa-mf	Moody's	
Total cash and cash equivalents	86,999,766	20.9%			
<b>INVESTMENTS</b>					
Certificates of Deposits	14,666,892	3.5%	Not Rated	Moody's	Federal Reserve-Held Aaa Collateral
U.S. Treasury Obligations	112,196,859	26.9%	Aaa	Moody's	
Investment Agreements	94,920,558	22.8%	Aa2	Moody's	
Investment Agreements	38,350,000	9.2%	A1	Moody's	
Corporate Obligations	230,219	0.1%	Aaa	Moody's	
Corporate Obligations	1,540,125	0.4%	Aa1	Moody's	
Corporate Obligations	1,608,882	0.4%	Aa2	Moody's	
Corporate Obligations	2,636,149	0.6%	Aa3	Moody's	
Corporate Obligations	16,503,784	4.0%	A1	Moody's	
Corporate Obligations	13,255,440	3.2%	A2	Moody's	
Corporate Obligations	16,174,101	3.9%	A3	Moody's	
Corporate Obligations	5,259,791	1.3%	Baa1	Moody's	
GSE Obligations	2,009,710	0.5%	Aaa	Moody's	
Total investments	319,352,510	76.7%			
<b>MORTGAGE-BACKED SECURITIES</b>					
Ginnie Mae	1,819,354	0.4%	Aaa	Moody's	
Fannie Mae	2,483,238	0.6%	Aaa	Moody's	
Freddie Mac	5,963,128	1.4%	Aaa	Moody's	
Total Mortgage-Backed Securities	10,265,720	2.5%			
<b>Combined general activities and revenue obligation programs total cash, investments and Mortgage-Backed Securities</b>	<b>\$ 416,617,996</b>	<b>100.0%</b>			

See Accompanying Independent Auditor's Report.



**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
Schedules of Cash/Cash Equivalents, Investments and  
Mortgage-Backed Securities By Program (*continued*)  
September 30, 2024 and 2023

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

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<b>CASH AND CASH EQUIVALENTS</b>					
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	<u>90,275,166</u>	<u>22.6%</u>			
<b>INVESTMENTS</b>					
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	<u>299,356,285</u>	<u>74.8%</u>			
<b>MORTGAGE-BACKED SECURITIES</b>					
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	<u>10,492,115</u>	<u>2.6%</u>			
<b>Combined general activities and revenue obligation programs total cash, investments and Mortgage-Backed Securities</b>	<u>\$ 400,123,566</u>	<u>100.0%</u>			

See Accompanying Independent Auditor's Report.



**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, 2024, 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 23, 2024.

**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.

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***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 23, 2024



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**REPORT WASTE, FRAUD, ABUSE, AND MISMANAGEMENT.**

 (202) 724-TIPS (8477) and (800) 521-1639

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