



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

Basic Financial Statements and  
Supplementary Information

March 31, 2022 and 2021

(Unaudited)

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

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

Summary of the Quarterly Report

March 31, 2022 and 2021

(Unaudited)

This condensed report provides highlights of the financial performance of the Virginia Housing Development Authority (the Authority) for the third quarter of fiscal year 2022. The information provided is an abbreviated version of the full financial report published annually. Sections and notes included are based on an analysis of significant interim information necessary to provide an accurate representation of the Authority's year-to-date activity.

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

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

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

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

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

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

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

The most recent audited financial report as of June 30, 2021 is available on the Authority's website at [www.virginiahousing.com/partners/investors/financial-statements](http://www.virginiahousing.com/partners/investors/financial-statements).

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Statements of Net Position  
March 31, 2022 and 2021  
(Unaudited)

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 3)	\$ 2,085,508,146	1,675,010,333
Interest receivable – investments	3,352,174	2,622,906
Derivative instruments	8,684,510	5,881,576
Mortgage loans held for sale (note 1)	305,935,893	322,204,018
Mortgage and other loans receivable, net	196,724,085	183,217,265
Interest receivable – mortgage and other loans	23,474,663	26,656,177
Other real estate owned	2,351,453	3,457,006
Other assets	24,030,571	12,145,221
Total current assets	2,650,061,495	2,231,194,502
Noncurrent assets:		
Investments (note 3)	1,059,869,366	980,413,372
Mortgage and other loans receivable	6,135,732,805	5,882,318,620
Less allowance for loan loss (note 1)	155,851,442	180,642,562
Mortgage and other loans receivable, net	5,979,881,363	5,701,676,058
Capital Assets, net of accumulated depreciation and amortization of \$51,353,518 and \$47,055,062 respectively	20,593,028	24,496,086
Mortgage servicing rights, net (note 1)	45,875,830	42,177,097
Other assets	14,889,331	17,505,825
Total noncurrent assets	7,121,108,918	6,766,268,438
<b>Total assets</b>	<b>9,771,170,413</b>	<b>8,997,462,940</b>
<b>Deferred outflows of resources</b>		
Other postemployment benefits - change in assumptions (note 1)	2,071,266	2,362,344
Other postemployment benefits - difference between expected and actual experience (note 1)	6,631,614	2,228,265
<b>Total deferred outflows of resources</b>	<b>8,702,880</b>	<b>4,590,609</b>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Statements of Net Position  
March 31, 2022 and 2021  
(Unaudited)

	<b>2022</b>	<b>2021</b>
<b>Liabilities</b>		
Current liabilities:		
Notes and bonds payable (note 4)	\$ 803,551,416	848,193,834
Accrued interest payable on notes and bonds	41,153,190	38,875,507
Escrows	44,818,253	46,929,604
Federal grant awards held	262,280,796	15,813,847
Accounts payable and other liabilities	25,172,036	34,744,503
Total current liabilities	1,176,975,691	984,557,295
Noncurrent liabilities:		
Bonds payable, net (note 4)	4,628,597,096	4,145,430,195
Project reserves	107,712,785	99,613,056
Loan participation payable to Federal Financing Bank	35,020,149	35,783,226
Other liabilities	7,570,080	7,254,508
Total noncurrent liabilities	4,778,900,110	4,288,080,985
<b>Total liabilities</b>	<b>5,955,875,801</b>	<b>5,272,638,280</b>
<b>Deferred inflows of resources</b>		
Deferred fees and points on multifamily loans (note 1)	62,891,756	53,997,888
Other postemployment benefits - change in assumptions (note1)	743,223	583,584
Other postemployment benefits - difference between expected and actual experience (note 1)	145,377	166,145
Other postemployment benefits - difference between projected and actual earning (note 1)	3,165,139	2,860,594
<b>Total deferred inflows of resources</b>	<b>66,945,495</b>	<b>57,608,211</b>
<b>Net position (note 1):</b>		
Net investment in capital assets	10,404,613	13,353,227
Restricted by bond indentures	3,370,483,829	3,324,470,891
Unrestricted	376,163,555	333,982,940
<b>Total net position</b>	<b>\$ 3,757,051,997</b>	<b>3,671,807,058</b>

See accompanying notes to basic financial statements.

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Statements of Revenues, Expenses, and Changes in Net Position  
Nine months ended March 31, 2022 and 2021  
(Unaudited)

	<b>2022</b>	<b>2021</b>
Operating revenues:		
Interest on mortgage and other loans receivable	\$ 217,104,418	217,651,398
Housing Choice Voucher program administrative income (note 1)	6,016,943	5,129,061
Gains and recoveries on sale of other real estate owned	121,015	413,817
Gains on sale of single family mortgage loans	32,679,308	35,645,423
Mortgage servicing fees net of guaranty fees	28,146,154	28,807,790
Other	24,607,165	8,137,504
Total operating revenues	308,675,003	295,784,993
Operating expenses:		
Interest on notes and bonds payable	106,952,110	109,281,728
Salaries and related employee benefits	55,232,580	48,326,078
General operating expenses	31,798,137	20,768,750
Note and bond expenses	1,271,936	1,216,004
Bond issuance expenses	5,625,316	4,181,871
Grant expenses	26,149,234	32,261,760
Housing Choice Voucher program expenses (note 1)	6,203,364	5,266,004
Mortgage servicing rights amortization and other servicing costs	23,102,665	24,282,698
Losses on other real estate owned	745,408	665,360
Provision for loan losses (note 1)	(13,264,692)	6,983,486
Total operating expenses	243,816,058	253,233,739
Operating income	64,858,945	42,551,254
Nonoperating revenues (losses):		
Pass-through grant awards	200,862,905	120,401,524
Pass-through grants expenses	(200,862,905)	(120,401,524)
Investment income	26,355,480	20,783,756
Unrealized gain (loss) on investments	(52,607,616)	22,349,439
Other, net	12,989	19,042
Total nonoperating revenues, net	(26,239,147)	43,152,237
Change in net position	38,619,798	85,703,491
Total net position, beginning of year	3,718,432,199	3,586,103,567
Total net position, end of nine months	\$ 3,757,051,997	3,671,807,058

See accompanying notes to basic financial statements.

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Statements of Cash Flows  
Nine months ended March 31, 2022 and 2021  
(Unaudited)

	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:		
Cash payments for mortgage and other loans	\$ (2,063,824,794)	(1,989,509,550)
Principal repayments on mortgage and other loans	541,223,315	536,017,154
Sale of mortgage loans	1,066,802,353	705,870,669
Interest received on mortgage and other loans	221,824,777	218,351,763
Pass-through grant awards received	554,910,206	134,215,370
Pass-through grant awards disbursed	(352,025,737)	(120,401,523)
Grant administrative fees received	11,581,686	3,635,000
Housing Choice Voucher payments received	6,720,536	4,375,736
Housing Choice Voucher payments disbursed	(9,266,669)	(4,393,326)
Escrow and project reserve payments received	145,676,549	(150,738,986)
Escrow and project reserve payments disbursed	(136,981,726)	151,827,533
Other operating revenues	79,591,083	79,346,533
Cash received for loan origination fees and loan discounts	11,299,125	4,607,481
Cash paid for loan origination fees and loan premiums	(12,341,470)	(9,449,938)
Cash payments for salaries and related benefits	(54,878,148)	(51,055,680)
Cash payments on grants	(26,149,233)	(16,373,629)
Cash payments for general operating expenses	(38,751,888)	(32,261,758)
Cash payments for servicing release premiums and guaranty fees	(29,777,137)	(34,945,549)
Proceeds from sale of other real estate owned	1,124,838	6,223,962
Net cash used in operating activities	(83,242,334)	(564,658,738)
Cash flows from noncapital financing activities:		
Proceeds from issuance of notes and bonds	879,290,015	914,355,000
Principal payments on notes and bonds	(516,141,845)	(368,422,168)
Principal payments on loan participation - FFB	(575,178)	(552,493)
Interest payments on notes and bonds	(99,463,808)	(100,324,698)
Cash payments for bond issuance expenses	(5,625,315)	(4,181,871)
Net cash provided by noncapital financing activities	257,483,869	440,873,770
Cash flows from capital and related financing activities:		
Purchases of property, furniture, and equipment	106,872	(230,827)
Net cash provided by/(used in) capital and related financing activities	106,872	(230,827)
Cash flows from investing activities:		
Purchases of investments	134,034,242	127,422,648
Proceeds from sales or maturities of investments	(18,230,324)	(8,969,799)
Interest received on investments	25,864,063	19,696,116
Net cash provided by investing activities	141,667,981	138,148,965
Net increase in cash and cash equivalents	316,016,388	14,133,170
Cash and cash equivalents, at beginning of year	1,769,491,758	1,660,877,163
Cash and cash equivalents, at end of nine months	\$ 2,085,508,146	1,675,010,333



**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
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Statements of Cash Flows  
Nine months ended March 31, 2022 and 2021  
(Unaudited)

	<b>2022</b>	<b>2021</b>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 64,858,945	42,551,254
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation of property, furniture, and equipment	2,780,261	2,869,238
Bond issuance costs	5,625,316	4,181,871
Interest on notes and bonds payable	106,952,110	109,281,728
Increase in mortgage loans held for sale	(143,757,124)	(204,125,897)
Increase in mortgage and other loans receivable	(313,004,126)	(543,793,228)
(Decrease)/increase in allowance for loan loss	(13,731,157)	6,146,006
Decrease/(increase) in interest receivable – mortgage and other loans	2,391,643	(2,607,343)
Decrease in other real estate owned	671,039	2,432,985
(Increase)/decrease in mortgage servicing rights	(1,463,247)	220,627
Increase in other assets	(9,171,312)	(2,329,208)
Increase in net loan discounts	13,643,261	4,770,522
Increase in Federal funds held	202,884,469	15,813,847
Decrease in accounts payable and other liabilities	(10,994,070)	(1,488,130)
Increase in escrows and project reserves	9,071,658	1,416,990
Net cash used in operating activities	\$ (83,242,334)	(564,658,738)
Supplemental disclosure of noncash activity:		
Increase in other real estate owned as a result of loan foreclosures	\$ 636,931	3,692,064
Decrease in mortgage and other loans receivable from transferring loans to MBS securities retained as investments	\$ 151,195,288	497,446,961

See accompanying notes to basic financial statements.

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Statement of Fiduciary Net Position  
Fiduciary Funds  
March 31, 2022 and 2021  
(Unaudited)

	<u>2022</u>		<u>2021</u>	
	<u>Pension (and Other Employee Benefit) Trust Funds *</u>	<u>Custodial Funds</u>	<u>Pension (and Other Employee Benefit) Trust Funds *</u>	<u>Custodial Funds</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 729,526	111,662,621	1,457	203,952,137
Interest receivable - investments	-	1,074	-	304
Interest receivable - mortgage and other loans	-	61,736	-	47,178
Other assets	-	66,408	-	67,868
Total current assets	<u>729,526</u>	<u>111,791,839</u>	<u>1,457</u>	<u>204,067,487</u>
Noncurrent assets:				
Mortgage and other loans receivable	-	34,183,353	-	25,462,490
Investments	<u>51,331,603</u>	<u>-</u>	<u>42,850,589</u>	<u>-</u>
Total noncurrent assets	<u>51,331,603</u>	<u>34,183,353</u>	<u>42,850,589</u>	<u>25,462,490</u>
Total assets	<u>52,061,129</u>	<u>145,975,192</u>	<u>42,852,046</u>	<u>229,529,977</u>
<b>LIABILITIES</b>				
Accounts payable	727,928	-	206,659	-
Other liabilities	-	3,215,619	-	5,250,625
Total liabilities	<u>727,928</u>	<u>3,215,619</u>	<u>206,659</u>	<u>5,250,625</u>
<b>NET POSITION</b>				
Restricted for:				
Other postemployment benefit plan other than pension	51,333,201	-	42,645,387	-
Funds held in escrow	-	105,713,361	-	195,521,990
Other governmental agency	-	<u>37,046,212</u>	-	<u>28,757,361</u>
Total Net Position	<u>\$ 51,333,201</u>	<u>142,759,573</u>	<u>42,645,387</u>	<u>224,279,351</u>

\*September 30, 2021 and 2020 year-end  
See accompanying notes to basic financial statements.

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Nine months ended March 31, 2022 and 2021  
(Unaudited)

	<u>2022</u>		<u>2021</u>	
	<u>Pension (and Other Employee Benefit) Trust Funds *</u>	<u>Custodial Funds</u>	<u>Pension (and Other Employee Benefit) Trust Funds *</u>	<u>Custodial Funds</u>
<b>ADDITIONS</b>				
Contribution:				
Borrower payments	\$ -	2,135,634,122	-	2,796,307,938
Employers	2,266,004	141,569	2,086,587	99,038
Other governmental agency	-	7,628,525	-	6,834,150
Total Contributions	<u>2,266,004</u>	<u>2,143,404,216</u>	<u>2,086,587</u>	<u>2,803,241,126</u>
Investment earnings:				
Net increase in fair value of investments	3,606,537	-	204,602	-
Interest, dividends, and other	536,817	12,718	606,693	15,473
Securities lending income (gain on sales)	45,348	-	-	-
Total investment earnings	<u>4,188,702</u>	<u>12,718</u>	<u>811,295</u>	<u>15,473</u>
Total additions	<u>6,454,706</u>	<u>2,143,416,934</u>	<u>2,897,882</u>	<u>2,803,256,599</u>
<b>DEDUCTIONS</b>				
Benefits paid to participants or beneficiaries	-	-	206,659	-
Other governmental agency	-	42,174	-	1,304,243
Disbursement of escrow funds	84,083	2,170,534,304	45,640	2,742,459,287
Total deductions	<u>84,083</u>	<u>2,170,576,478</u>	<u>252,299</u>	<u>2,743,763,530</u>
Net increase in fiduciary net position	6,370,623	(27,159,544)	2,645,583	59,493,069
Net position - beginning of year	44,962,578	169,919,117	39,999,804	164,786,282
Net position - end of nine months	<u>\$ 51,333,201</u>	<u>142,759,573</u>	<u>42,645,387</u>	<u>224,279,351</u>

\*September 30, 2021 and 2020 year-end  
See accompanying notes to basic financial statements.

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

Notes to Basic Financial Statements

March 31, 2022 and 2021

(Unaudited)

**(1) Organization and Summary of Significant Accounting Policies**

**(a) Organization**

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

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

**(b) Measurement Focus and Basis of Accounting**

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

**(c) Use of Estimates**

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

**(d) Investments**

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

**(e) Derivative Instruments**

Forward sales securities commitments are utilized to hedge changes in fair value of mortgage loan inventory and commitments to originate mortgage loans. At March 31, 2022, the Authority had outstanding 72 forward sales transactions with a \$444.8 million notional amount with five counterparties. At March 31, 2021, the Authority had outstanding 72 forward sales transactions with a \$582.0 million notional amount with five counterparties.

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Notes to Basic Financial Statements

March 31, 2022 and 2021

(Unaudited)

**(f) *Mortgage Loans Held for Sale***

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

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

**(g) *Mortgage and Other Loans Receivable***

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

**(h) *Allowance for Loan Losses***

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

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
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Notes to Basic Financial Statements

March 31, 2022 and 2021

(Unaudited)

The allowance for loan losses decreased by \$13,731,157 for the nine months ended March 31, 2022 and increased by \$6,146,006 for the nine months ended March 31, 2021.

	<b>Nine months ended March 31</b>	
	<b>2022</b>	<b>2021</b>
Beginning Balance, July 1	\$ 169,582,599	174,496,556
Provision:		
Homeownership	(12,059,362)	(1,178,043)
Rental Housing	(1,205,330)	8,161,529
Provision	(13,264,692)	6,983,486
Net (charge-offs)/recoveries:		
Homeownership	(466,465)	(608,259)
Rental Housing	-	(229,221)
Net charge-offs	(466,465)	(837,480)
Net change	(13,731,157)	6,146,006
Ending Balance, March 31	\$ 155,851,442	180,642,562

**(i) Mortgage Servicing Rights**

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

**(j) Notes and Bonds Payable**

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

**(k) Retirement Plans and Other Postemployment Benefit Plans**

The Authority has three defined contribution retirement savings plans covering substantially all employees. Retirement expense is fully funded as incurred. To the extent terminating employees are

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less than 100% vested in the Authority's contributions, the unvested portion is forfeited and redistributed to the remaining participating employees.

The Authority also provides postretirement healthcare benefits administered through a trust under a defined benefit plan to all employees who have met the years of service requirement and who retire from the Authority on or after attaining age 55 or become permanently disabled. Effective for the plan year ended December 31, 2017, the Authority adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and the Authority adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended June 30, 2018. For purposes of measuring the net OPEB liability, deferred outflows or inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Virginia Housing Development Authority Retiree Health Care Plan (the Plan) and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit terms of the Plan. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost, which approximates fair value.

**(l) Cash Equivalents**

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

**(m) Statements of Net Position**

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

**(n) Operating and Nonoperating Revenues and Expenses**

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

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

**(o) *Reclassifications***

Certain reclassifications have been made in the March 31, 2021 financial statements to conform to the March 31, 2022 presentation.

The “Less net loan discounts” row was removed from the Statements of Net Position to be consistent with the current year. The change relocated rental housing financing fees to deferred inflows and any remaining premiums and discounts were moved to “Mortgage and other loans receivable.

**(2) *Basis of Presentation***

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

**(a) *General Operating Accounts***

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

**(b) *Rental Housing Bond Group***

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

**(c) *Commonwealth Mortgage Bond Group***

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

**(d) *Homeownership Mortgage Bond Group***

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



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**(3) Cash, Cash Equivalents, and Investments**

Cash includes cash on hand and amounts in checking accounts, which are insured by the Federal Depository Insurance Corporation or are collateralized under provisions of the Virginia Security for Public Deposits Act. At March 31, 2022 and 2021, the carrying amount of the Authority's deposits was \$321,229,004 and \$87,411,546, respectively. The associated bank balance of the Authority's deposits was \$319,015,890 and \$77,957,443 at March 31, 2022 and 2021, respectively. The difference between the carrying amount and the bank balance is due to outstanding checks, deposits in transit, and other reconciling items.

Cash equivalents include investments with original maturities of three months or less from date of purchase. Investments consist of U.S. government and agency securities, repurchase agreements, asset-backed securities, agency-mortgage backed securities, money market securities and other interest-bearing securities held at the FHLB Atlanta. Investments in the bond funds consist of those permitted by the various resolutions adopted by the Authority. At March 31, 2022 and 2021, total cash equivalents were \$1,764,279,142 and \$1,587,598,787, respectively.

The Investment of Public Funds Act of the Code of Virginia as well as the various bond resolutions establishes permitted investments for the Authority. Within the permitted statutory framework, the Authority's investment policy is to fully invest all monies and maximize the return thereon, by investing and managing investments in a prudent manner that will enable the Authority to fulfill its financial commitments. Approved investments include but are not limited to: direct obligations of the U.S. government, direct obligations of any state or political subdivision of the U.S. government, obligations unconditionally guaranteed by the U.S. government or other political subdivisions, bonds, debentures, certificates of deposit, repurchase agreements, swap contracts, futures contracts, and forward contracts. No more than 3.0% of the Authority's total assets may be invested in any one entity, excluding obligations issued or guaranteed by the U.S. government and repurchase agreement transactions. However, repurchase agreements cannot be no more than the Authority's total assets and must mature in less than one month. Such agreements must be collateralized with U.S. Treasury or Agency securities with a fair value at least equal to 102% of the principal amount of the agreement.

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

**(a) Interest Rate Risk**

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

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As of March 31, 2022, the Authority had the following investments (including cash equivalents) and maturities:

<u>Investment type</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>Over 10 years</u>	<u>Total</u>
U.S. government and agency	\$ 819,444,852	-	-	-	819,444,852
Repurchase agreements	625,000,000	-	-	-	625,000,000
Asset-backed securities	-	-	274,488	1,705,632	1,980,120
Collateralized mortgage obligations	-	-	-	23,997,798	23,997,798
Agency-mortgage backed securities	-	-	586,083	1,032,180,364	1,032,766,447
Money market securities	319,834,291	-	-	-	319,834,291
Total investments	<u>\$ 1,764,279,143</u>	<u>-</u>	<u>860,571</u>	<u>1,057,883,794</u>	<u>2,823,023,508</u>

As of March 31, 2021, the Authority had the following investments (including cash equivalents) and maturities:

<u>Investment type</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>Over 10 years</u>	<u>Total</u>
U.S. government and agency	\$ 514,938,815	-	-	-	514,938,815
Repurchase agreements	825,000,000	-	-	-	825,000,000
Asset-backed securities	-	-	-	2,486,635	2,486,635
Agency-mortgage backed securities	-	-	844,809	975,581,928	976,426,737
Money market securities	247,659,972	-	-	-	247,659,972
Total investments	<u>\$ 1,587,598,787</u>	<u>-</u>	<u>844,809</u>	<u>978,068,563</u>	<u>2,566,512,159</u>

**(b) Equity Investment**

On January 31, 2021, the Authority made an equity investment in IndieDwell Virginia Inc. for \$1.5 million, which equates to a 37.5 percent interest in the company. As of March 31, 2022, the equity investment has a fair market value of \$1.1 million. Additionally, two of the five Board members of the company are Authority associates which together giving the Authority reasonable influence of the company. Therefore, the Authority will be using the equity method of accounting for the investment. IndieDwell Virginia Inc. is currently in the developmental stages to acquire a location to begin its home manufacturing process in Virginia some time in 2022.

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**(4) Notes and Bonds Payable**

Notes and bonds payable at June 30, 2021 and March 31, 2022 and changes for the nine months ended March 31, 2022 were as follows:

Description	Balance at June 30, 2021	Issued	Retired	Balance at March 31, 2022
(Amounts shown in thousands)				
General operating accounts:				
Revolving line of credit:				
Bank of America				
floating daily rate (rate of				
1.13% at March 31, 2022)				
termination date of December 1, 2026	\$ —	47,000	47,000	—
Federal Home Loan Bank				
varying fixed rate notes with 90-day maturities				
(average of 0.46% as of March 31, 2022 and				
0.20% at March 31, 2021), maturities range				
from April 14, 2022 to August 12, 2022	<u>710,300</u>	<u>—</u>	<u>—</u>	<u>710,300</u>
Total general operating				
accounts	<u>\$ 710,300</u>	<u>47,000</u>	<u>47,000</u>	<u>710,300</u>

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Description	Balance at June 30, 2021	Issued	Retired	Balance at March 31, 2022
(Amounts shown in thousands)				
Rental housing bond group:				
2011 Series D, dated December 8, 2011, 3.78% effective interest rate, final due date January 1, 2022	\$ 122,890	—	122,890	—
2012 Series B/C, dated August 21, 2012, 3.64% effective interest rate, final due date August 1, 2042	95,400	—	95,400	—
2012 Series D dated October 30, 2012, 4.02% effective interest rate, final due date October 1, 2042	185,150	—	5,615	179,535
2012 Series E dated November 2, 2042, 3.16% effective interest rate, final due date November 1, 2042	8,875	—	285	8,590
2013 Series A/B dated April 11, 2013, 3.95% effective interest rate, final due date April 1, 2043	28,490	—	—	28,490
2013 Series C dated May 2, 2013, 3.82% effective interest rate, final due date February 1, 2043	135,825	—	4,385	131,440
2013 Series D dated May 30, 2013, 4.06% effective interest rate, final due date June 1, 2043	94,595	—	1,380	93,215
2013 Series E dated July 11, 2013, 4.15% effective interest rate, final due date July 1, 2043	17,940	—	535	17,405
2013 Series F dated October 10, 2013, 4.98% effective interest rate, final due date October 1, 2043	51,805	—	1,315	50,490
2013 Series G dated December 3, 2013, 4.39% effective interest rate, final due date December 1, 2043	9,165	—	245	8,920
2014 Series A dated August 19, 2014, 3.75% effective interest rate, final due date August 1, 2049	11,625	—	235	11,390
2014 Series B dated October 28, 2014, 3.30% effective interest rate, final due date October 1, 2044	7,920	—	225	7,695

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		(Amounts shown in thousands)		
2014 Series C dated November 20, 2014, 4.29% effective interest rate, final due date November 1, 2044	\$ 117,610	—	3,190	114,420
2015 Series A dated March 18, 2015, 3.50% effective interest rate, final due date March 1, 2045	34,855	—	990	33,865
2015 Series B dated May 12, 2015, 3.44% effective interest rate, final due date May 1, 2045	10,365	—	—	10,365
2015 Series C dated August 5, 2015, 3.68% effective interest rate, final due date August 1, 2045	20,625	—	570	20,055
2015 Series D dated November 10, 2015, 3.55% effective interest rate, final due date November 1, 2045	31,815	—	880	30,935
2015 Series E/F dated December 8, 2015, 3.94% effective interest rate, final due date December 1, 2045	75,445	—	1,915	73,530
2016 Series A dated March 8, 2016, 2.99% effective interest rate, final due date March 1, 2046	4,375	—	125	4,250
2016 Series B dated May 17, 2016, 3.35% effective interest rate, final due date May 1, 2046	63,870	—	900	62,970
2016 Series C dated July 19, 2016, 2.72% effective interest rate, final due date July 1, 2046	4,335	—	120	4,215
2016 Series D dated October 18, 2016, 2.89% effective interest rate, final due date October 1, 2046	7,370	—	210	7,160
2017 Series A dated March 14, 2017, 3.66% effective interest rate, final due date March 1, 2049	26,775	—	605	26,170
2017 Series B dated June 13, 2017, 3.35% effective interest rate, final due date June 1, 2047	6,545	—	—	6,545

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Description	Balance at June 30, 2021	Issued	Retired	Balance at March 31, 2022
		(Amounts shown in thousands)		
2017 Series C dated September 13, 2017, 3.24% effective interest rate, final due date September 1, 2047	\$ 2,755	—	70	2,685
2017 Series D dated October 19, 2017, 3.21% effective interest rate, final due date October 1, 2047	5,390	—	140	5,250
2017 Series E dated December 5, 2017, 3.28% effective interest rate, final due date December 1, 2050	46,910	—	1,035	45,875
2018 Series A dated March 27, 2018, 3.62% effective interest rate, final due date March 1, 2053	32,990	—	650	32,340
2018 Series B dated June 5, 2018, 3.76% effective interest rate, final due date June 1, 2053	26,780	—	—	26,780
2018 Series C dated August 28, 2018, 3.63% effective interest rate, final due date August 1, 2053	18,645	—	240	18,405
2018 Series D dated October 2, 2018, 3.79% effective interest rate, final due date October 1, 2053	72,395	—	1,290	71,105
2018 Series E dated December 4, 2018, 3.90% effective interest rate, final due date December 1, 2049	42,090	—	—	42,090
2019 Series A dated March 26, 2019, 3.70% effective interest rate, final due date March 1, 2054	79,225	—	16,820	62,405
2019 Series B dated May 22, 2019, 3.10% effective interest rate, final due date May 1, 2054	16,940	—	—	16,940
2019 Series C dated August 21, 2019 3.13% effective interest rate, final due date August 1, 2054	50,000	—	425	49,575
2019 Series D dated October 16, 2019 3.12% effective interest rate, final due date October 1, 2054	50,000	—	430	49,570
2019 Series E dated December 12, 2019 2.89% effective interest rate, final due date December 1, 2054	63,700	—	—	63,700

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Description	Balance at June 30, 2021	Issued	Retired	Balance at March 31, 2022
		(Amounts shown in thousands)		
2020 Series A dated March 25, 2020 2.74% effective interest rate, final due date March 1, 2055	\$ 75,000	—	700	74,300
2020 Series B dated March 25, 2020 2.30% effective interest rate, final due date March 1, 2055	75,905	—	—	75,905
2020 Series C dated April 28, 2020 3.57% effective interest rate, final due date April 1, 2055	200,000	—	—	200,000
2020 Series D dated May 27, 2020 3.58% effective interest rate, final due date June 1, 2055	425,000	—	—	425,000
2020 Series E dated July 28, 2020 2.40% effective interest rate, final due date July 1, 2055	44,770	—	—	44,770
2020 Series F dated July 21, 2020 3.09% effective interest rate, final due date July 1, 2055	200,000	—	—	200,000
2020 Series G dated October 14, 2020 2.20% effective interest rate, final due date September 1, 2055	23,050	—	—	23,050
2020 Series H dated October 7, 2020 2.94% effective interest rate, final due date September 1, 2055	175,000	—	—	175,000
2020 Series I dated December 9, 2020 2.33% effective interest rate, final due date November 1, 2053	44,970	—	—	44,970
2020 Series J dated December 2, 2020 3.04% effective interest rate, final due date November 1, 2055	50,000	—	—	50,000

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Description	Balance at June 30, 2021	Issued	Retired	Balance at March 31, 2022
		(Amounts shown in thousands)		
2021 Series A dated March 2, 2021 2.68% effective interest rate, final due date February 1, 2056	\$ 81,590	—	—	81,590
2021 Series B dated March 30, 2021 2.12% effective interest rate, final due date March 1, 2056	49,975	—	—	49,975
2021 Series C dated April 22, 2021 2.85% effective interest rate, final due date April 1, 2056	101,620	—	—	101,620
2021 Series D dated June 3, 2021 2.17% effective interest rate, final due date May 1, 2056	32,195	—	—	32,195
2021 Series E dated June 24, 2021 2.71% effective interest rate, final due date June 1, 2056	80,000	—	—	80,000
2021 Series F dated July 27, 2021 2.17% effective interest rate, final due date July 1, 2056	—	50,000	—	50,000
2021 Series G dated July 27, 2021 2.56% effective interest rate, final due date August 1, 2056	—	30,000	—	30,000
2021 Series H dated September 2, 2021 2.58% effective interest rate, final due date September 1, 2056	—	30,000	—	30,000
2021 Series I dated October 12, 2021 2.23% effective interest rate, final due date October 1, 2056	—	5,925	—	5,925
2021 Series J dated November 9, 2021 2.98% effective interest rate, final due date November 1, 2056	—	226,630	—	226,630
2021 Series K dated December 7, 2021 2.39% effective interest rate, final due date December 1, 2056	—	149,080	—	149,080
2022 Series A dated February 2, 2022 2.95% effective interest rate, final due date February 1, 2057	—	40,000	—	40,000
2022 Series B dated March 8, 2022 3.12% effective interest rate, final due date March 1, 2057	—	57,755	—	57,755
2022 Series C dated March 29, 2022 3.91% effective interest rate, final due date April 1, 2057	—	50,000	—	50,000
	<u>3,340,560</u>	<u>639,390</u>	<u>263,815</u>	<u>3,716,135</u>
Unamortized premium	(517)	—	18	(499)
Total rental housing bonds	<u>\$ 3,340,043</u>			<u>3,715,636</u>



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Description	Balance at June 30, 2021	Issued	Retired	Balance at March 31, 2022
(Amounts shown in thousands)				
Commonwealth mortgage bonds group:				
2006 Series C, dated June 8, 2006, 6.33% effective interest rate, final due date June 25, 2034	\$ 6,269	—	825	5,444
2008 Series A, dated March 25, 2008, 6.12% effective interest rate, final due March 25, 2038	9,334	—	2,034	7,300
2008 Series B, dated April 10, 2008, 6.19% effective interest rate, final due date March 25, 2038	14,129	—	3,315	10,814
2008 Series C, dated November 18, 2008, 6.53% effective interest rate, final due date June 25, 2038	5,033	—	690	4,343
2012 Series A, dated December 20, 2012, 2.10% effective interest rate, final due date July 1, 2026	44,800	—	8,400	36,400
2012 Series B/C, dated December 20, 2012, 3.11% effective interest rate, final due date July 1, 2039.	281,970	—	51,500	230,470
2013 Series B, dated May 21, 2013, 2.75% effective interest rate, final due date April 25, 2042	25,254	—	5,396	19,858

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Description	Balance at June 30, 2021	Issued	Retired	Balance at March 31, 2022
		(Amounts shown in thousands)		
2013 Series C, dated October 24, 2013, 4.25% effective interest rate, final due date October 25, 2043	\$ 33,992	—	9,011	24,981
2013 Series D, dated December 19, 2013, 4.30% effective interest rate, final due date December 25, 2043	30,739	—	8,087	22,652
2014 Series A, dated December 11, 2014, 3.50% effective interest rate, final due date October 25, 2037	40,592	—	6,893	33,699
2015 Series A, dated November 10, 2015, 3.25% effective interest rate, final due date June 25, 2045	62,848	—	9,388	53,460
2016 Series A, dated June 9, 2016, 3.10% effective interest rate, final due date June 25, 2041	61,646	—	10,677	50,969
2017 Series A, dated June 13, 2017, 3.13% effective interest rate, final due date November 25, 2039	72,497	—	11,673	60,824
2019 Series A, dated November 5, 2019, 2.95% effective interest rate, final due date October 25, 2049	73,177	—	20,042	53,135
2020 Series A, dated February 12, 2020, 2.85% effective interest rate, final due date December 25, 2049	89,418	—	18,703	70,715
2020 Series B, dated April 21, 2020, 2.75% effective interest rate, final due date October 25, 2046	113,132	—	22,838	90,294
2021 Series A, dated August 17, 2021, 2.13% effective interest rate, final due date July 25, 2051	—	151,168	5,106	146,062
2022 Series A, dated February 1, 2022, 2.88% effective interest rate, final due date February 25, 2052	—	41,615	194	41,421
	<u>964,830</u>	<u>192,783</u>	<u>194,772</u>	<u>962,841</u>
Unamortized premium	(530)	—	99	(431)
Total commonwealth mortgage bonds group	<u>\$ 964,300</u>			<u>962,410</u>

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<u>Description</u>	<u>Balance at June 30, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at March 31, 2022</u>
		(Amounts shown in thousands)		
Homeownership mortgage bonds group:				
2013 Series A, dated March 27, 2013, 3.25% effective interest rate, final due date August 25, 2042	\$ 54,241	—	10,438	43,803
Total homeownership mortgage bonds group	<u>54,241</u>	<u>—</u>	<u>—</u>	<u>43,803</u>
Total	<u>\$ 5,068,884</u>			<u>5,432,149</u>

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Notes and bonds payable at June 30, 2020 and March 31, 2021 and changes for the nine months ended March 31, 2021 were summarized as follows (amounts in thousands):

Description	Balance at June 30, 2020	Issued	Retired	Increase/ (decrease) in unamortized premium/ discount	Balance at March 31, 2021
General operating accounts	\$ 450,300	245,000	40,000	-	655,300
Rental housing bonds group	2,599,950	669,355	118,770	17	3,150,552
Commonwealth mortgage bonds group	1,279,150	-	188,602	248	1,090,796
Homeownership mortgage bonds group	118,025	-	21,050	-	96,975
Total	<u>\$ 4,447,425</u>	<u>914,355</u>	<u>368,422</u>	<u>265</u>	<u>4,993,623</u>

The principal payment obligations and associated interest related to all note and bond indebtedness (excluding the effect of unamortized discounts and premium) commencing April 1, 2022 and thereafter are as follows:

Year Ending March 31	Outstanding principal	Current interest	Total debt service
2023	\$ 803,551,415	149,251,829	952,803,244
2024	115,115,000	144,046,855	259,161,855
2025	132,000,000	141,773,192	273,773,192
2026	104,690,000	139,393,244	244,083,244
2027	106,850,000	136,961,564	243,811,564
2028-2032	568,615,000	642,350,723	1,210,965,723
2033-2037	631,007,250	554,134,514	1,185,141,764
2038-2042	820,658,314	433,844,249	1,254,502,563
2043-2047	884,585,147	272,349,613	1,156,934,760
2048-2052	848,506,454	150,637,191	999,143,645
2053-2057	414,970,000	32,557,681	447,527,681
2059-2062	2,530,000	-	2,530,000
Total	<u>\$ 5,433,078,580</u>	<u>2,797,300,655</u>	<u>8,230,379,235</u>

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

Notes to Basic Financial Statements

March 31, 2022 and 2021

(Unaudited)

**(5) Loan Participation Payable to Federal Financing Bank**

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

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

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

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

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

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
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Notes to Basic Financial Statements

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(Unaudited)

Description	Balance at June 30, 2021	Issued	Retired	Balance at March 31, 2022
Participation Certificates Outstanding:				
Colonnade at Rocktown - Note rate of 4.68%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.45%				
Maturity date of May 1, 2047	\$ 2,801,464	—	42,407	2,759,057
Wilsondale II - Note rate of 4.47%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.12%				
Maturity date of July 1, 2047	7,270,598	—	112,360	7,158,238
Baker Woods - Note rate of 3.91%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.89%				
Maturity date of December 1, 2052	5,319,245	—	65,315	5,253,930
Twin Canal Village - Note rate of 3.82%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.18%				
Maturity date of April 1, 2043	6,689,388	—	149,368	6,540,020
Treesdale - Note rate of 4.22%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.30%				
Maturity date of November 1, 2048	3,576,448	—	52,784	3,523,664
Landing at Weyers Cove - Note rate of 4.22%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.30%				
Maturity date of November 1, 2048	2,352,055	—	34,713	2,317,342
Belle Hall - Note rate of 3.57%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.72%				
Maturity date of September 1, 2049	4,300,417	—	67,023	4,233,394
Campostella Commons - Note rate of 3.57%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.72%				
Maturity date of September 1, 2049	3,285,712	—	51,208	3,234,504
Total participation certificates payable	\$ 35,595,327	—	575,178	35,020,149

**VIRGINIA HOUSING**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Net Position  
March 31, 2022  
(Unaudited)

<b>Assets</b>	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
<b>Current assets:</b>					
Cash and cash equivalents	\$ 430,394,070	1,251,352,558	386,180,234	17,581,284	2,085,508,146
Interest receivable – investments	2,190,069	207,461	951,758	2,886	3,352,174
Derivative instruments	-	-	8,684,510	-	8,684,510
Mortgage loans held for sale	-	-	305,935,893	-	305,935,893
Mortgage and other loans receivable, net	7,534,247	106,133,196	78,759,511	4,297,131	196,724,085
Interest receivable – mortgage and other loans	644,319	17,679,427	4,837,823	313,094	23,474,663
Other real estate owned	1,271,534	427,000	509,919	143,000	2,351,453
Other assets	24,022,980	-	7,591	-	24,030,571
Total current assets	<u>466,057,219</u>	<u>1,375,799,642</u>	<u>785,867,239</u>	<u>22,337,395</u>	<u>2,650,061,495</u>
<b>Noncurrent assets:</b>					
Investments	827,575,695	-	231,168,671	1,125,000	1,059,869,366
Mortgage and other loans receivable	259,745,404	4,208,002,279	1,551,644,222	116,340,900	6,135,732,805
Less allowance for loan loss	49,371,208	62,897,611	42,356,591	1,226,032	155,851,442
Mortgage and other loans receivable, net	<u>210,374,196</u>	<u>4,145,104,668</u>	<u>1,509,287,631</u>	<u>115,114,868</u>	<u>5,979,881,363</u>
Capital Assets, net of accumulated depreciation and amortization of \$51,353,518	12,799,259	7,793,769	-	-	20,593,028
Mortgage servicing rights, net	45,875,830	-	-	-	45,875,830
Other Assets	14,889,331	-	-	-	14,889,331
Total noncurrent assets	<u>1,111,514,311</u>	<u>4,152,898,437</u>	<u>1,740,456,302</u>	<u>116,239,868</u>	<u>7,121,108,918</u>
<b>Total assets</b>	<u><u>1,577,571,530</u></u>	<u><u>5,528,698,079</u></u>	<u><u>2,526,323,541</u></u>	<u><u>138,577,263</u></u>	<u><u>9,771,170,413</u></u>
<b>Deferred outflows of resources</b>					
Other postemployment benefits - change in assumptions	2,071,266	-	-	-	2,071,266
Other postemployment benefits - difference between expected and actual experience	6,631,614	-	-	-	6,631,614
Total Deferred outflows of resources	<u>8,702,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,702,880</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Net Position  
March 31, 2022  
(Unaudited)

<b>Liabilities</b>	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
<b>Current liabilities:</b>					
Notes and bonds payable	710,300,000	50,215,000	41,509,662	1,526,754	803,551,416
Accrued interest payable on notes and bonds	108,253	36,385,400	4,540,903	118,634	41,153,190
Escrows	44,818,253	-	-	-	44,818,253
Federal grant awards held	262,280,796	-	-	-	262,280,796
Accounts payable and other liabilities	25,171,838	-	198	-	25,172,036
<b>Total current liabilities</b>	<u>1,042,679,140</u>	<u>86,600,400</u>	<u>46,050,763</u>	<u>1,645,388</u>	<u>1,176,975,691</u>
<b>Noncurrent liabilities:</b>					
Bonds payable, net	-	3,665,420,885	920,899,752	42,276,459	4,628,597,096
Project reserves	107,712,785	-	-	-	107,712,785
Loan participation payable to Federal Financing Bank	35,020,149	-	-	-	35,020,149
Other (assets) liabilities	7,570,080	-	-	-	7,570,080
<b>Total noncurrent liabilities</b>	<u>150,303,014</u>	<u>3,665,420,885</u>	<u>920,899,752</u>	<u>42,276,459</u>	<u>4,778,900,110</u>
<b>Total liabilities</b>	<u>1,192,982,154</u>	<u>3,752,021,285</u>	<u>966,950,515</u>	<u>43,921,847</u>	<u>5,955,875,801</u>
<b>Deferred inflows of resources</b>					
Deferred fees and points on multifamily loans	326,176	62,565,580	-	-	62,891,756
Other postemployment benefits - change in assumptions	743,223	-	-	-	743,223
Other postemployment benefits - difference between expected and actual experience	145,377	-	-	-	145,377
Other postemployment benefits - difference between projected and actual earning	3,165,139	-	-	-	3,165,139
<b>Total deferred inflows of resources</b>	<u>4,379,915</u>	<u>62,565,580</u>	<u>-</u>	<u>-</u>	<u>66,945,495</u>
<b>Net position:</b>					
Net investment in capital assets	12,748,786	(2,344,173)	-	-	10,404,613
Restricted by bond indentures	-	1,716,455,387	1,559,373,026	94,655,416	3,370,483,829
Unrestricted	376,163,555	-	-	-	376,163,555
<b>Total net position</b>	<u>\$ 388,912,341</u>	<u>1,714,111,214</u>	<u>1,559,373,026</u>	<u>94,655,416</u>	<u>3,757,051,997</u>



**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Revenues, Expenses, and Changes in Net Position  
Nine months ended March 31, 2022  
(Unaudited)

	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
Operating revenues:					
Interest on mortgage and other loans receivable	\$ 7,476,040	150,385,943	54,974,013	4,268,422	217,104,418
Housing Choice Voucher program administrative income	6,016,943	-	-	-	6,016,943
Gains and recoveries on sale of other real estate owned	108,498	-	11,068	1,449	121,015
Gains on sale of single family mortgage loans	-	-	32,679,308	-	32,679,308
Mortgage servicing fees net of guaranty fees	28,146,154	-	-	-	28,146,154
Other	17,965,091	6,641,962	112	-	24,607,165
Total operating revenues	<u>59,712,726</u>	<u>157,027,905</u>	<u>87,664,501</u>	<u>4,269,871</u>	<u>308,675,003</u>
Operating expenses:					
Interest on notes and bonds payable	1,223,116	82,297,733	22,254,062	1,177,199	106,952,110
Salaries and related employee benefits	55,232,580	-	-	-	55,232,580
General operating expenses	31,795,864	-	2,273	-	31,798,137
Note and bond expenses	1,271,936	-	-	-	1,271,936
Bond issuance expenses	315,081	4,295,930	1,014,305	-	5,625,316
Grant expenses	26,149,234	-	-	-	26,149,234
Housing Choice Voucher program expenses	6,203,364	-	-	-	6,203,364
Mortgage servicing rights amortization and other servicing costs	18,720,985	-	4,381,680	-	23,102,665
Losses on other real estate owned	511,569	-	189,243	44,596	745,408
Provision for loan losses	(3,942,342)	(1,298,622)	(7,725,970)	(297,758)	(13,264,692)
Total operating expenses	<u>137,481,387</u>	<u>85,295,041</u>	<u>20,115,593</u>	<u>924,037</u>	<u>243,816,058</u>
Operating income (expense)	<u>(77,768,661)</u>	<u>71,732,864</u>	<u>67,548,908</u>	<u>3,345,834</u>	<u>64,858,945</u>
Nonoperating revenues (expenses):					
Pass-through grant awards	200,862,905	-	-	-	200,862,905
Pass-through grants expenses	(200,862,905)	-	-	-	(200,862,905)
Investment income	19,427,454	559,820	6,736,549	(368,343)	26,355,480
Unrealized loss on investments	(45,185,192)	-	(7,422,424)	-	(52,607,616)
Other, net	12,989	-	-	-	12,989
Total nonoperating revenues, net	<u>(25,744,749)</u>	<u>559,820</u>	<u>(685,875)</u>	<u>(368,343)</u>	<u>(26,239,147)</u>
Income (loss) before transfers	<u>(103,513,410)</u>	<u>72,292,684</u>	<u>66,863,033</u>	<u>2,977,491</u>	<u>38,619,798</u>
Transfers between funds	114,318,581	(69,537,309)	(44,915,730)	134,458	-
Change in net position	<u>10,805,171</u>	<u>2,755,375</u>	<u>21,947,303</u>	<u>3,111,949</u>	<u>38,619,798</u>
Total net position, beginning of year	378,107,170	1,711,355,839	1,537,425,723	91,543,467	3,718,432,199
Total net position, end of nine months	<u>\$ 388,912,341</u>	<u>1,714,111,214</u>	<u>1,559,373,026</u>	<u>94,655,416</u>	<u>3,757,051,997</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Fiduciary Net Position  
Fiduciary Funds - Custodial Funds  
March 31, 2022  
(Unaudited)

	<b>Escrow Funds (GNMA, FNMA, Habitat)</b>	<b>Commonwealth Priority Housing Fund</b>	<b>Virginia Housing Trust Fund</b>	<b>National Housing Trust Fund</b>	<b>Total Custodial Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 105,713,361	3,350,268	1,782,924	816,068	111,662,621
Interest receivable - investments	-	626	293	155	1,074
Interest receivable - mortgage and other loans	-	1,046	53,210	7,480	61,736
Other assets	-	66,408	-	-	66,408
Total current assets	<u>105,713,361</u>	<u>3,418,348</u>	<u>1,836,427</u>	<u>823,703</u>	<u>111,791,839</u>
Noncurrent assets:					
Mortgage and other loans receivable	-	2,702,870	23,279,636	8,200,847	34,183,353
Total noncurrent assets	<u>-</u>	<u>2,702,870</u>	<u>23,279,636</u>	<u>8,200,847</u>	<u>34,183,353</u>
Total assets	<u>105,713,361</u>	<u>6,121,218</u>	<u>25,116,063</u>	<u>9,024,550</u>	<u>145,975,192</u>
<b>LIABILITIES</b>					
Other liabilities	-	658,469	1,742,712	814,438	3,215,619
Total liabilities	<u>-</u>	<u>658,469</u>	<u>1,742,712</u>	<u>814,438</u>	<u>3,215,619</u>
<b>NET POSITION</b>					
Restricted for:					
Funds held in escrow	105,713,361	-	-	-	105,713,361
Other governmental agency	-	5,462,749	23,373,351	8,210,112	37,046,212
Total Net Position	<u>\$ 105,713,361</u>	<u>5,462,749</u>	<u>23,373,351</u>	<u>8,210,112</u>	<u>142,759,573</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Changes in Fiduciary Net Position  
Fiduciary Funds - Custodial Funds  
Nine months ended March 31, 2022  
(Unaudited)

	<u>Escrow Funds (GNMA, FNMA, Habitat)</u>	<u>Commonwealth Priority Housing Fund</u>	<u>Virgina Housing Trust Fund</u>	<u>National Housing Trust Fund</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>					
Contribution:					
Borrower payments	\$ 2,135,634,122	-	-	-	2,135,634,122
Employers	-	22,091	86,619	32,859	141,569
Other governmental agency	-	-	4,628,525	3,000,000	7,628,525
Total Contributions	<u>2,135,634,122</u>	<u>22,091</u>	<u>4,715,144</u>	<u>3,032,859</u>	<u>2,143,404,216</u>
Investment earnings:					
Interest, dividends, and other	-	11,310	905	503	12,718
Total investment earnings	<u>-</u>	<u>11,310</u>	<u>905</u>	<u>503</u>	<u>12,718</u>
Total additions	<u>2,135,634,122</u>	<u>33,401</u>	<u>4,716,049</u>	<u>3,033,362</u>	<u>2,143,416,934</u>
<b>DEDUCTIONS</b>					
Other governmental agency	-	-	42,174	-	42,174
Disbursement of escrow funds	2,170,534,304	-	-	-	2,170,534,304
Total deductions	<u>2,170,534,304</u>	<u>-</u>	<u>42,174</u>	<u>-</u>	<u>2,170,576,478</u>
Net increase in fiduciary net position	(34,900,182)	33,401	4,673,875	3,033,362	(27,159,544)
Net position - beginning of year	140,613,543	5,429,348	18,699,476	5,176,750	169,919,117
Net position - end of nine months	<u>\$ 105,713,361</u>	<u>5,462,749</u>	<u>23,373,351</u>	<u>8,210,112</u>	<u>142,759,573</u>

**VIRGINIA HOUSING**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Net Position  
March 31, 2021  
(Unaudited)

<b>Assets</b>	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
<b>Current assets:</b>					
Cash and cash equivalents	\$ 181,511,958	1,050,083,734	404,040,758	39,373,883	1,675,010,333
Interest receivable – investments	2,040,733	35,481	545,280	1,412	2,622,906
Derivative instruments	-	-	5,881,576	-	5,881,576
Mortgage loans held for sale	-	-	322,204,018	-	322,204,018
Mortgage and other loans receivable, net	7,320,914	95,441,922	75,738,385	4,716,044	183,217,265
Interest receivable – mortgage and other loans	644,034	20,376,214	5,263,857	372,072	26,656,177
Other real estate owned	2,106,600	427,000	702,328	221,078	3,457,006
Other assets	12,139,708	-	5,513	-	12,145,221
Total current assets	<u>205,763,947</u>	<u>1,166,364,351</u>	<u>814,381,715</u>	<u>44,684,489</u>	<u>2,231,194,502</u>
<b>Noncurrent assets:</b>					
Investments	759,630,106	-	219,283,266	1,500,000	980,413,372
Mortgage and other loans receivable	256,534,519	3,823,915,612	1,658,701,933	143,166,556	5,882,318,620
Less allowance for loan loss	54,348,712	70,910,114	53,543,438	1,840,298	180,642,562
Mortgage and other loans receivable, net	<u>202,185,807</u>	<u>3,753,005,498</u>	<u>1,605,158,495</u>	<u>141,326,258</u>	<u>5,701,676,058</u>
Capital Assets, net of accumulated depreciation and amortization of \$47,055,062	16,005,884	8,490,202	-	-	24,496,086
Mortgage servicing rights, net	42,177,097	-	-	-	42,177,097
Other Assets	17,505,825	-	-	-	17,505,825
Total noncurrent assets	<u>1,037,504,719</u>	<u>3,761,495,700</u>	<u>1,824,441,761</u>	<u>142,826,258</u>	<u>6,766,268,438</u>
<b>Total assets</b>	<u><u>1,243,268,666</u></u>	<u><u>4,927,860,051</u></u>	<u><u>2,638,823,476</u></u>	<u><u>187,510,747</u></u>	<u><u>8,997,462,940</u></u>
<b>Deferred outflows of resources</b>					
Other postemployment benefits - change in assumptions	2,362,344	-	-	-	2,362,344
Other postemployment benefits - difference between expected and actual experience	2,228,265	-	-	-	2,228,265
Total Deferred outflows of resources	<u>4,590,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,590,609</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Net Position  
March 31, 2021  
(Unaudited)

<b>Liabilities</b>	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
<b>Current liabilities:</b>					
Notes and bonds payable	655,300,000	41,210,000	110,191,263	41,492,571	848,193,834
Accrued interest payable on notes and bonds	88,089	32,188,656	6,319,901	278,861	38,875,507
Escrows	46,929,604	-	-	-	46,929,604
Federal grant awards held	15,813,847	-	-	-	15,813,847
Accounts payable and other liabilities	34,744,503	-	-	-	34,744,503
Total current liabilities	<u>752,876,043</u>	<u>73,398,656</u>	<u>116,511,164</u>	<u>41,771,432</u>	<u>984,557,295</u>
<b>Noncurrent liabilities:</b>					
Bonds payable, net	-	3,109,342,447	980,604,827	55,482,921	4,145,430,195
Project reserves	99,613,056	-	-	-	99,613,056
Loan participation payable to Federal Financing Bank	35,783,226	-	-	-	35,783,226
Other liabilities	7,254,508	-	-	-	7,254,508
Total noncurrent liabilities	<u>142,650,790</u>	<u>3,109,342,447</u>	<u>980,604,827</u>	<u>55,482,921</u>	<u>4,288,080,985</u>
<b>Total liabilities</b>	<u>895,526,833</u>	<u>3,182,741,103</u>	<u>1,097,115,991</u>	<u>97,254,353</u>	<u>5,272,638,280</u>
<b>Deferred inflows of resources</b>					
Deferred fees and points on multifamily loans	341,044	53,656,844	-	-	53,997,888
Other postemployment benefits - change in assumptions	583,584	-	-	-	583,584
Other postemployment benefits - difference between expected and actual experience	166,145	-	-	-	166,145
Other postemployment benefits - difference between projected and actual earning	2,860,594	-	-	-	2,860,594
Total deferred inflows of resources	<u>3,951,367</u>	<u>53,656,844</u>	<u>-</u>	<u>-</u>	<u>57,608,211</u>
<b>Net position:</b>					
Net investment in capital assets	14,398,135	(1,044,908)	-	-	13,353,227
Restricted by bond indentures	-	1,692,507,012	1,541,707,485	90,256,394	3,324,470,891
Unrestricted	333,982,940	-	-	-	333,982,940
Total net position	<u>\$ 348,381,075</u>	<u>1,691,462,104</u>	<u>1,541,707,485</u>	<u>90,256,394</u>	<u>3,671,807,058</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Revenues, Expenses, and Changes in Net Position  
Nine months ended March 31, 2021  
(Unaudited)

	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
Operating revenues:					
Interest on mortgage and other loans receivable	\$ 6,560,772	149,992,394	56,306,829	4,791,403	217,651,398
Housing Choice Voucher program administrative income	5,129,061	-	-	-	5,129,061
Gains and recoveries on sale of other real estate owned	215,948	-	194,477	3,392	413,817
Gains on sale of single family mortgage loans	-	-	35,645,423	-	35,645,423
Mortgage servicing fees net of guaranty fees	28,807,790	-	-	-	28,807,790
Other	5,079,429	3,057,866	209	-	8,137,504
Total operating revenues	<u>45,793,000</u>	<u>153,050,260</u>	<u>92,146,938</u>	<u>4,794,795</u>	<u>295,784,993</u>
Operating expenses:					
Interest on notes and bonds payable	976,718	76,911,255	28,606,401	2,787,354	109,281,728
Salaries and related employee benefits	48,326,078	-	-	-	48,326,078
General operating expenses	20,764,595	-	4,155	-	20,768,750
Note and bond expenses	1,214,479	-	1,525	-	1,216,004
Bond issuance expenses	140,500	4,041,371	-	-	4,181,871
Grant expenses	32,261,760	-	-	-	32,261,760
Housing Choice Voucher program expenses	5,266,004	-	-	-	5,266,004
Mortgage servicing rights amortization and other servicing costs	20,255,770	-	4,026,928	-	24,282,698
Losses/(gains) on other real estate owned	493,027	(39,334)	197,917	13,750	665,360
Provision for loan losses	3,333,914	8,719,306	(4,689,802)	(379,932)	6,983,486
Total operating expenses	<u>133,032,845</u>	<u>89,632,598</u>	<u>28,147,124</u>	<u>2,421,172</u>	<u>253,233,739</u>
Operating income (expense)	<u>(87,239,845)</u>	<u>63,417,662</u>	<u>63,999,814</u>	<u>2,373,623</u>	<u>42,551,254</u>
Nonoperating revenues (expenses):					
Pass-through grant awards	120,401,524	-	-	-	120,401,524
Pass-through grants expenses	(120,401,524)	-	-	-	(120,401,524)
Investment income	29,077,984	675,246	7,566,506	26,625	37,346,361
Unrealized gain on derivative instruments	-	-	5,786,834	-	5,786,834
Other, net	19,042	-	-	-	19,042
Total nonoperating revenues, net	<u>29,097,026</u>	<u>675,246</u>	<u>13,353,340</u>	<u>26,625</u>	<u>43,152,237</u>
Income (loss) before transfers	<u>(58,142,819)</u>	<u>64,092,908</u>	<u>77,353,154</u>	<u>2,400,248</u>	<u>85,703,491</u>
Transfers between funds	40,560,823	(51,085,860)	10,488,318	36,719	-
Change in net position	<u>(17,581,996)</u>	<u>13,007,048</u>	<u>87,841,472</u>	<u>2,436,967</u>	<u>85,703,491</u>
Total net position, beginning of year	365,963,071	1,678,455,056	1,453,866,013	87,819,427	3,586,103,567
Total net position, end of nine months	<u>\$ 348,381,075</u>	<u>1,691,462,104</u>	<u>1,541,707,485</u>	<u>90,256,394</u>	<u>3,671,807,058</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Fiduciary Net Position  
Fiduciary Funds - Custodial Funds  
March 31, 2021  
(Unaudited)

	<b>Escrow Funds (GNMA, FNMA, FHLMC, Habitat)</b>	<b>Commonwealth Priority Housing Fund</b>	<b>Virginia Housing Trust Fund</b>	<b>National Housing Trust Fund</b>	<b>Total Custodial Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 195,521,990	5,016,009	2,691,815	722,323	203,952,137
Interest receivable - investments	-	170	109	25	304
Interest receivable - mortgage and other loans	-	1,046	39,757	6,375	47,178
Other assets	-	67,868	-	-	67,868
Total current assets	<u>195,521,990</u>	<u>5,085,093</u>	<u>2,731,681</u>	<u>728,723</u>	<u>204,067,487</u>
Noncurrent assets:					
Mortgage and other loans receivable	-	2,254,370	18,007,273	5,200,847	25,462,490
Total noncurrent assets	<u>-</u>	<u>2,254,370</u>	<u>18,007,273</u>	<u>5,200,847</u>	<u>25,462,490</u>
Total assets	<u>195,521,990</u>	<u>7,339,463</u>	<u>20,738,954</u>	<u>5,929,570</u>	<u>229,529,977</u>
<b>LIABILITIES</b>					
Other liabilities	-	1,891,551	2,639,061	720,014	5,250,625
Total liabilities	<u>-</u>	<u>1,891,551</u>	<u>2,639,061</u>	<u>720,014</u>	<u>5,250,625</u>
<b>NET POSITION</b>					
Restricted for:					
Funds held in escrow	195,521,990	-	-	-	195,521,990
Other governmental agency	-	5,447,912	18,099,893	5,209,556	28,757,361
Total Net Position	<u>\$ 195,521,990</u>	<u>5,447,912</u>	<u>18,099,893</u>	<u>5,209,556</u>	<u>224,279,351</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Changes in Fiduciary Net Position  
Fiduciary Funds - Custodial Funds  
Nine months ended March 31, 2021  
(Unaudited)

	<u>Escrow Funds (GNMA, FNMA, FHLMC, Habitat)</u>	<u>Commonwealth Priority Housing Fund</u>	<u>Virginia Housing Trust Fund</u>	<u>National Housing Trust Fund</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>					
Contribution:					
Borrower payments	\$ 2,796,307,938	-	-	-	2,796,307,938
Employers	-	22,320	58,398	18,320	99,038
Other governmental agency	-	-	4,059,150	2,775,000	6,834,150
Total Contributions	<u>2,796,307,938</u>	<u>22,320</u>	<u>4,117,548</u>	<u>2,793,320</u>	<u>2,803,241,126</u>
Investment earnings:					
Interest, dividends, and other	-	13,175	1,970	328	15,473
Total investment earnings	<u>-</u>	<u>13,175</u>	<u>1,970</u>	<u>328</u>	<u>15,473</u>
Total additions	<u>2,796,307,938</u>	<u>35,495</u>	<u>4,119,518</u>	<u>2,793,648</u>	<u>2,803,256,599</u>
<b>DEDUCTIONS</b>					
Other governmental agency	-	1,262,488	41,755	-	1,304,243
Disbursement of escrow funds	2,742,459,287	-	-	-	2,742,459,287
Total deductions	<u>2,742,459,287</u>	<u>1,262,488</u>	<u>41,755</u>	<u>-</u>	<u>2,743,763,530</u>
Net increase in fiduciary net position	53,848,651	(1,226,993)	4,077,763	2,793,648	59,493,069
Net position - beginning of year	141,673,339	6,674,905	14,022,130	2,415,908	164,786,282
Net position - end of nine months	<u>\$ 195,521,990</u>	<u>5,447,912</u>	<u>18,099,893</u>	<u>5,209,556</u>	<u>224,279,351</u>