



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

Basic Financial Statements and
Supplementary Information

December 31, 2025 and 2024

(Unaudited)

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

Table of Contents

	Page
Summary of the Quarterly Report	1
Basic Financial Statements:	
Statements of Net Position – December 31, 2025 and 2024 (Unaudited)	3
Statements of Revenues, Expenses, and Changes in Net Position – Six Months Ended December 31, 2025 and 2024 (Unaudited)	5
Statements of Cash Flows – Six Months Ended December 31, 2025 and 2024 (Unaudited)	6
Statements of Fiduciary Net Position – December 31, 2025 and 2024 (Unaudited)	8
Statements of Changes in Fiduciary Net Position – Six Months Ended December 31, 2025 and 2024 (Unaudited)	9
Notes to Basic Financial Statements (Unaudited)	10
Other Supplementary Information	
1 Combining Schedule of Net Position – December 31, 2025 (Unaudited)	30
2 Combining Schedule of Revenues, Expenses, and Changes in Net Position – Six Months Ended December 31, 2025 (Unaudited)	32
3 Combining Schedule of Fiduciary Net Position – December 31, 2025 (Unaudited)	33
4 Combining Schedule of Changes in Fiduciary Net Position – Six Months Ended December 31, 2025 (Unaudited)	34
5 Combining Schedule of Net Position – December 31, 2024 (Unaudited)	35
6 Combining Schedule of Revenues, Expenses, and Changes in Net Position – Six Months Ended December 31, 2024 (Unaudited)	37
7 Combining Schedule of Fiduciary Net Position – December 31, 2024 (Unaudited)	38
8 Combining Schedule of Changes in Fiduciary Net Position – Six Months Ended December 31, 2024 (Unaudited)	39

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

Summary of the Quarterly Report

December 31, 2025 and 2024

(Unaudited)

This condensed report provides highlights of the financial performance of the Virginia Housing Development Authority (the Authority) for the second quarter of fiscal year 2026. 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 four components: net investment in capital assets; restricted OPEB asset, restricted portion of net position; and unrestricted portion of net position. Net position is restricted when external constraints are placed upon its 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 second 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 that 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 include 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 for the interim financial activity.

The most recent audited financial report as of June 30, 2025, is available on the Authority's website at www.virginiahousing.com/partners/investors/financial-statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Net Position
December 31, 2025 and 2024
(Unaudited)

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents (note 3)	\$ 2,359,298,691	1,898,127,251
Investments (note 3)	202,060,949	472,583,800
Interest receivable – investments	21,059,537	25,954,692
Mortgage loans held for sale (note 1)	50,645,048	66,572,709
Mortgage and other loans receivable, net (note 1)	212,750,040	194,256,882
Interest receivable – mortgage and other loans	37,114,503	32,483,371
Other real estate owned	10,870,411	3,812,749
Other assets	16,692,451	17,345,711
Total current assets	2,910,491,630	2,711,137,165
Noncurrent assets:		
Investments (note 3)	618,790,502	668,892,644
Mortgage and other loans receivable	9,887,481,893	8,581,928,759
Less allowance for loan loss (note 1)	166,240,440	153,454,637
Mortgage and other loans receivable, net	9,721,241,453	8,428,474,122
Capital Assets, net of accumulated depreciation and amortization of \$62,392,668 and \$69,885,558 respectively	33,155,334	28,697,987
Mortgage servicing rights, net (note 1)	14,707,869	21,706,466
Other assets	37,388,708	29,981,987
Total noncurrent assets	10,425,283,866	9,177,753,206
Total assets	13,335,775,496	11,888,890,371
Deferred outflows of resources		
Other postemployment benefits - change in assumptions (note 1)	1,374,522	1,627,852
Other postemployment benefits - difference between expected and actual experience (note 1)	4,655,454	5,393,161
Other postemployment benefits - difference between projected and actual earning (note 1)	-	585,200
Total deferred outflows of resources	6,029,976	7,606,213

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Net Position
December 31, 2025 and 2024
(Unaudited)

	2025	2024
Liabilities		
Current liabilities:		
Notes and bonds payable (note 4)	\$ 577,885,972	637,713,102
Accrued interest payable on notes and bonds	95,313,984	63,730,109
Escrows	58,311,616	51,112,308
Federal grant awards held	-	2,786,889
Derivative instruments	209,980	52,566
Accounts payable and other liabilities	44,643,616	47,098,397
Total current liabilities	776,365,168	802,493,371
Noncurrent liabilities:		
Bonds payable, net (note 4)	8,313,460,119	6,950,707,656
Project reserves	119,774,590	122,950,304
Loan participation payable to Federal Financing Bank (note 5)	31,868,697	32,756,155
Other liabilities	20,638,799	19,378,425
Total noncurrent liabilities	8,485,742,205	7,125,792,540
Total liabilities	9,262,107,373	7,928,285,911
Deferred inflows of resources		
Deferred fees and points on multifamily loans	67,839,464	64,961,490
Other postemployment benefits - change in assumptions (note1)	430,519	508,695
Other postemployment benefits - difference between expected and actual experience (note 1)	9,812,467	7,961,316
Other postemployment benefits - difference between projected and actual earning (note 1)	2,873,277	-
Total deferred inflows of resources	80,955,727	73,431,501
Net position (note 1):		
Net investment in capital assets	16,379,119	7,300,614
Restricted OPEB asset	19,680,411	12,601,297
Restricted by bond indentures	3,366,279,275	3,309,691,019
Unrestricted	596,403,567	565,186,242
Total net position	\$ 3,998,742,372	3,894,779,172

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
Six months ended December 31, 2025 and 2024
(Unaudited)

	2025	2024
Operating revenues:		
Interest on mortgage and other loans receivable	\$ 240,145,405	202,172,140
Investment earnings:		
Investment income	57,322,166	60,332,351
Realized loss on investments	(1,378)	(825,694)
Unrealized gain on investments	9,258,868	184,524
Housing Choice Voucher program administrative income	6,443,042	5,113,716
Gains and recoveries on sale of other real estate owned	394,337	363,914
Gains on sale of single family mortgage loans	6,618,068	5,684,763
Mortgage servicing fees net of guaranty fees	18,987,226	20,557,760
Tax credit program fees earned	6,044,135	5,503,710
Other	8,300,829	3,840,951
Total operating revenues	353,512,698	302,928,135
Operating expenses:		
Interest on notes and bonds payable	168,976,299	132,813,171
Salaries and related employee benefits	40,592,749	40,710,677
General operating expenses	21,963,795	19,073,431
Note and bond expenses	1,115,964	794,839
Bond issuance expenses	6,562,798	6,078,267
Grant expenses	40,758,220	34,944,183
Housing Choice Voucher program expenses (note 1)	3,870,693	3,817,522
Mortgage servicing rights amortization and other servicing costs	18,546,471	18,039,604
Losses on other real estate owned (note 1)	690,688	714,258
Provision for loan losses (note 1)	14,798,367	10,634,729
Total operating expenses	317,876,044	267,620,681
Operating income	35,636,654	35,307,454
Nonoperating revenues (expenses):		
Pass-through grant awards (note 1)	57,071,083	55,640,490
Pass-through grants expenses (note 1)	(57,071,083)	(55,640,490)
Total nonoperating revenues, net	-	-
Change in net position	35,636,654	35,307,454
Total net position, beginning of year	3,963,105,718	3,859,471,718
Total net position, end of six months	\$ 3,998,742,372	3,894,779,172

See accompanying notes to basic financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Statements of Cash Flows

Six months ended December 31, 2025 and 2024

(Unaudited)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash payments for mortgage and other loans	\$ (1,291,206,172)	(1,051,181,296)
Principal repayments on mortgage and other loans	318,536,131	199,672,384
Sale of mortgage loans	165,388,483	136,680,696
Interest received on mortgage and other loans	236,393,488	197,574,245
Pass-through grant awards received	55,736,492	53,756,433
Pass-through grant awards disbursed	(57,071,083)	(54,507,954)
Grant administrative fees received	-	136,800
Housing Choice Voucher payments received	8,663,375	5,598,740
Housing Choice Voucher payments disbursed	(6,338,964)	(3,850,916)
Escrow and project reserve payments received	163,254,774	153,673,981
Escrow and project reserve payments disbursed	(163,878,958)	(148,478,523)
Other operating revenues	43,580,883	41,104,543
Cash received for loan origination fees and loan discounts	8,558,734	8,883,711
Cash paid for loan origination fees and loan premiums	(4,411,675)	(3,250,982)
Cash payments for salaries and related benefits	(42,344,857)	(43,098,951)
Cash payments on grants	(40,758,220)	(34,944,184)
Cash payments for general operating expenses	(24,142,447)	(13,099,053)
Cash payments for servicing release premiums and guaranty fees	(21,195,523)	(18,270,686)
Proceeds from sale of other real estate owned	11,995,472	5,412,693
Net cash used in operating activities	<u>(639,240,067)</u>	<u>(568,188,319)</u>
Cash flows from noncapital financing activities:		
Proceeds from issuance of notes and bonds	1,053,525,000	1,141,675,000
Principal payments on notes and bonds	(113,296,701)	(219,444,549)
Principal payments on loan participation - FFB	(448,198)	(430,500)
Interest payments on notes and bonds	(150,826,713)	(124,722,728)
Cash payments for bond issuance expenses	(6,562,798)	(6,078,267)
Net cash provided by noncapital financing activities	<u>782,390,590</u>	<u>790,998,956</u>
Cash flows from capital and related financing activities:		
Purchases of property, furniture, and equipment	(3,615,522)	(503,119)
Lease payments	(347,114)	(400,882)
Subscription-based information technology payments	(2,133,642)	(2,456,535)
Net cash used in capital and related financing activities	<u>(6,096,278)</u>	<u>(3,360,536)</u>
Cash flows from investing activities:		
Purchases of investments	(201,649,032)	(470,042,427)
Proceeds from sales or maturities of investments	649,095,352	522,143,971
Interest received on investments	62,934,067	62,463,533
Net cash provided by investing activities	<u>510,380,387</u>	<u>114,565,077</u>
Net increase in cash and cash equivalents	647,434,632	334,015,178
Cash and cash equivalents, at beginning of year	1,711,864,059	1,564,112,073
Cash and cash equivalents, at end of six months	\$ <u>2,359,298,691</u>	<u>1,898,127,251</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Cash Flows
Six months ended December 31, 2025 and 2024
(Unaudited)

	2025	2024
Reconciliation of operating income to net cash used in operating activities:		
Operating income	\$ 35,636,654	35,307,454
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:		
Depreciation of property, furniture, and equipment	1,197,149	1,092,847
Amortization of right to use asset	3,250,573	2,668,108
Bond issuance costs	6,562,798	6,078,267
Investment earnings	(66,579,656)	(59,691,181)
Interest on notes and bonds payable	168,976,299	132,813,171
Decrease/(increase) in mortgage loans held for sale	28,944,550	(14,225,461)
Increase in mortgage and other loans receivable	(819,999,006)	(695,719,609)
Increase in allowance for loan loss	14,159,665	10,331,259
Increase in interest receivable – mortgage and other loans	(2,817,559)	(3,667,070)
(Increase)/decrease in other real estate owned	(4,578,755)	209,275
Decrease in mortgage servicing rights	2,758,543	4,894,734
Increase in other assets	(640,829)	(1,035,668)
Increase in deferred inflows of resources	1,228,268	619,812
Decrease in Federal funds held	(1,334,590)	(1,884,057)
(Decrease)/Increase in accounts payable and other liabilities	(5,358,626)	8,660,213
(Decrease)/increase in escrows and project reserves	(645,545)	5,359,587
Net cash used in operating activities	\$ (639,240,067)	(568,188,319)
Supplemental disclosure of noncash activity:		
Increase in other real estate owned as a result of loan foreclosures	\$ 16,231,581	4,958,820

See accompanying notes to the financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025 and 2024
(Unaudited)

	<u>2025</u>		<u>2024</u>	
	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,748	86,696,443	3,682	111,205,746
Interest receivable - investments	-	88,937	-	218,915
Interest receivable - mortgage and other loans	-	221,693	-	187,025
Other assets	-	212	-	212
Total current assets	<u>4,748</u>	<u>87,007,285</u>	<u>3,682</u>	<u>111,611,898</u>
Noncurrent assets:				
Mortgage and other loans receivable	-	1,631,558	-	2,154,120
Investments	69,509,575	-	61,636,704	-
Total noncurrent assets	<u>69,509,575</u>	<u>1,631,558</u>	<u>61,636,704</u>	<u>2,154,120</u>
Total assets	<u>69,514,323</u>	<u>88,638,843</u>	<u>61,640,386</u>	<u>113,766,018</u>
LIABILITIES				
Other liabilities	-	11,296,831	-	7,565,233
Total liabilities	<u>-</u>	<u>11,296,831</u>	<u>-</u>	<u>7,565,233</u>
NET POSITION				
Restricted for:				
Other postemployment benefit plan other than pension	69,514,323	-	61,640,386	-
Funds held in escrow	-	71,159,878	-	99,949,648
Other governmental agency	-	6,182,134	-	6,251,137
Total Net Position	<u>\$ 69,514,323</u>	<u>77,342,012</u>	<u>61,640,386</u>	<u>106,200,785</u>

*June 30, 2025 and 2024 six months ended.
See accompanying notes to the financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Six months ended December 31, 2025 and 2024
(Unaudited)

	<u>2025</u>		<u>2024</u>	
	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>
ADDITIONS				
Contribution:				
Borrower payments	\$ -	850,898,602	-	911,521,341
Employers	52,546	-	48,740	-
Total Contributions	<u>52,546</u>	<u>850,898,602</u>	<u>48,740</u>	<u>911,521,341</u>
Investment earnings:				
Net (decrease)/increase in fair value of investments	2,856,747	-	3,164,533	-
Interest, dividends, and other	881,598	1,636,105	838,494	1,303,409
Securities lending income gain on sales	234,154	-	183,482	-
Total investment earnings	<u>3,972,499</u>	<u>1,636,105</u>	<u>4,186,509</u>	<u>1,303,409</u>
Total additions	<u>4,025,045</u>	<u>852,534,707</u>	<u>4,235,249</u>	<u>912,824,750</u>
DEDUCTIONS				
Other governmental agency	-	1,452,811	-	802,994
Disbursement of escrow funds	-	857,744,634	-	869,763,380
Administrative expense	52,546	-	48,740	-
Total deductions	<u>52,546</u>	<u>859,197,445</u>	<u>48,740</u>	<u>870,566,374</u>
Net increase/(decrease) in fiduciary net position	3,972,499	(6,662,738)	4,186,509	42,258,376
Net position - beginning of year	65,541,824	84,004,750	57,453,877	63,942,409
Net position - end of six months	<u>\$ 69,514,323</u>	<u>77,342,012</u>	<u>61,640,386</u>	<u>106,200,785</u>

*June 30, 2025 and 2024 six months ended.
See accompanying notes to the financial statements.

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

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

For financial reporting purposes, the Authority is a component unit of the Commonwealth. The accounts of the Authority, along with other component units, are combined to form the component units of the Commonwealth. The Authority reports all its activities as a single enterprise fund, in accordance with U.S. generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). 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. If investments are sold, then the resulting realized gains or losses are reported separately in the Statements of Revenues, Expenses, and Changes in Net Position.

(e) Derivative Instruments

Forward sales securities commitments are utilized to hedge changes in the fair value of mortgage loan inventory and commitments to originate mortgage loans. At December 31, 2025, the Authority had outstanding 22 forward sales transactions with a book value of \$70.1 million across four counterparties.

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

At December 31, 2024, the Authority had outstanding 33 forward sales transactions with a book value of \$91.3 million across five counterparties.

(f) *Mortgage Loans Held for Sale*

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

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

(g) *Mortgage and Other Loans Receivable*

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

(h) *Allowance for Loan Losses*

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

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

The allowance for loan losses increased by \$14,159,665 for the six months ended December 31, 2025, and increased by \$10,331,259 for the six months ended December 31, 2024.

	Six months ended December 31	
	2025	2024
Beginning Balance, July 1	\$ 152,080,775	143,123,378
Provision:		
Homeownership	4,102,977	2,153,165
Rental Housing	10,695,390	8,481,564
Provision	14,798,367	10,634,729
Net (charge-offs)/recoveries:		
Homeownership	(638,702)	(303,470)
Rental Housing	-	-
Net charge-offs	(638,702)	(303,470)
Net change	14,159,665	10,331,259
Ending Balance, December 31	\$ 166,240,440	153,454,637

(i) Mortgage Servicing Rights

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

(j) Notes and Bonds Payable

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

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

(k) Retirement Plans and Other Postemployment Benefit Plans

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

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

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

(l) Cash Equivalents

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

(m) Statements of Net Position

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

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

(n) Operating and Nonoperating Revenues and Expenses

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

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

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

(p) Reclassifications

Certain reclassifications have been made to the other, net line of the nonoperating revenues (expenses) section of the Statements of Revenues, Expenses, and Changes in Net Position for the December 31, 2024, financial statements to conform to the December 31, 2025, presentation. Other net amounts have been moved to the other line under the operating revenues section on the Statements of Revenues, Expenses, and Changes in Net Position. This reclassification will also affect the December 31, 2024, Statements of Cash Flows in order to conform to the December 31, 2025, presentation.

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

(2) Basis of Presentation

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

(a) General Operating Accounts

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

(b) Rental Housing Bond Group

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

(c) Commonwealth Mortgage Bond Group

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

(d) Homeownership Mortgage Bond Group

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

(3) Cash, Cash Equivalents, and Investments

Cash includes cash on hand and amounts in checking accounts, which are insured by the Federal Depository Insurance Corporation or are collateralized under provisions of the Virginia Security for Public Deposits Act. At December 31, 2025 and 2024, the carrying amount of the Authority's deposits was \$109,067,407 and \$90,844,655, respectively. The associated bank balance of the Authority's deposits was \$102,781,881 and \$85,603,085 at December 31, 2025 and 2024, respectively. The difference between the carrying amount and the bank balance is due to outstanding checks, deposits in transit, and other reconciling items.

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

Cash equivalents include investments with original maturities of three months or less from the 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 December 31, 2025 and 2024, total cash equivalents were \$2,250,231,284 and \$1,807,282,596, respectively.

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

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

(a) Interest Rate Risk

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

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

As of December 31, 2025, 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	\$ 2,307,061,621	-	-	-	2,307,061,621
Repurchase agreements	50,000,000	-	-	-	50,000,000
Asset-backed securities	-	-	64,365	975,390	1,039,755
Collateralized mortgage obligations	-	-	-	22,122,445	22,122,445
Agency-mortgage backed securities	-	116,918	2,786,719	592,724,665	595,628,302
Money market securities	95,230,612	-	-	-	95,230,612
Total investments	<u>\$ 2,452,292,233</u>	<u>116,918</u>	<u>2,851,084</u>	<u>615,822,500</u>	<u>3,071,082,735</u>

As of December 31, 2024, the Authority had the following investments (including cash equivalents) and maturities:

<u>Investment type</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>Over 10 years</u>	<u>Total</u>
U.S. government and agency	\$ 1,986,145,884	-	-	-	1,986,145,884
Repurchase agreements	225,000,000	-	-	-	225,000,000
Asset-backed securities	-	-	72,795	1,075,024	1,147,819
Collateralized mortgage obligations	-	-	-	23,468,527	23,468,527
Agency-mortgage backed securities	-	-	2,403,831	641,872,467	644,276,298
Money market securities	68,720,512	-	-	-	68,720,512
Total investments	<u>\$ 2,279,866,396</u>	<u>-</u>	<u>2,476,626</u>	<u>666,416,018</u>	<u>2,948,759,040</u>

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

(4) Notes and Bonds Payable

Notes and bonds payable at June 30, 2025 and December 31, 2025 and changes for the six months ended December 31, 2025 were as follows:

Description	Balance at June 30, 2025	Issued	Retired	Balance at December 31, 2025
(Amounts shown in thousands)				
General operating accounts:				
Revolving line of credit:				
Bank of America				
floating daily rate with				
termination date of December 1, 2026	\$ —	2,000	2,000	—
Wells Fargo				
floating daily rate with				
termination date of December 1, 2026	—	2,000	2,000	—
Federal Home Loan Bank				
varying fixed rate notes with 120 to 180-day maturities				
(average of 4.15% as of December 31, 2025 and				
4.97% at December 31, 2024), maturities range				
from January 16, 2026 to March 02, 2026	400,000	—	—	400,000
Total general operating	400,000	4,000	4,000	400,000
accounts	400,000	4,000	4,000	400,000
Rental housing bond group:				
2012 Series D dated October 30, 2012,				
4.15% effective interest rate,				
final due date October 1, 2037	104,030	—	6,295	97,735
2012 Series E dated November 2, 2013,				
3.16% effective interest rate,				
final due date November 1, 2042	7,690	—	315	7,375
2013 Series A/B dated April 11, 2013,				
3.95% effective interest rate,				
final due date April 1, 2043	24,685	—	—	24,685
2013 Series C dated May 2, 2013,				
3.82% effective interest rate,				
final due date February 1, 2043	117,440	—	2,460	114,980
2013 Series D dated May 30, 2013,				
4.06% effective interest rate,				
final due date June 1, 2043	82,795	—	1,610	81,185
2013 Series E dated July 11, 2013,				
4.15% effective interest rate,				
final due date July 1, 2043	15,710	—	595	15,115
2013 Series F dated October 10, 2013,				
5.24% effective interest rate,				
final due date October 1, 2043	43,055	—	1,525	41,530
2013 Series G dated December 3, 2013,				
4.39% effective interest rate,				
final due date December 1, 2043	8,140	—	275	7,865

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at December 31, 2025
		(Amounts shown in thousands)		
2014 Series A dated August 19, 2014, 3.75% effective interest rate, final due date August 1, 2049	\$ 10,655	—	260	10,395
2014 Series B dated October 28, 2014, 3.30% effective interest rate, final due date October 1, 2044	6,985	—	250	6,735
2014 Series C dated November 20, 2014, 4.29% effective interest rate, final due date November 1, 2044	104,335	—	3,565	100,770
2015 Series A dated March 18, 2015, 3.50% effective interest rate, final due date March 1, 2045	30,755	—	—	30,755
2015 Series B dated May 12, 2015, 3.44% effective interest rate, final due date May 1, 2045	9,130	—	—	9,130
2015 Series C dated August 5, 2015, 3.68% effective interest rate, final due date August 1, 2045	18,270	—	625	17,645
2015 Series D dated November 10, 2015, 3.55% effective interest rate, final due date November 1, 2045	28,180	—	960	27,220
2015 Series E/F dated December 8, 2015, 3.94% effective interest rate, final due date December 1, 2045	67,480	—	2,135	65,345
2016 Series A dated March 8, 2016, 2.99% effective interest rate, final due date March 1, 2046	3,865	—	—	3,865
2016 Series B dated May 17, 2016, 3.48% effective interest rate, final due date May 1, 2046	55,350	—	970	54,380
2016 Series C dated July 19, 2016, 2.72% effective interest rate, final due date July 1, 2046	3,850	—	125	3,725
2016 Series D dated October 18, 2016, 2.89% effective interest rate, final due date October 1, 2046	6,515	—	220	6,295
2017 Series A dated March 14, 2017, 3.66% effective interest rate, final due date March 1, 2049	24,280	—	—	24,280
2017 Series B dated June 13, 2017, 3.35% effective interest rate, final due date June 1, 2047	5,840	—	—	5,840
2017 Series C dated September 13, 2017, 3.24% effective interest rate, final due date September 1, 2047	2,460	—	75	2,385

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at December 31, 2025
		(Amounts shown in thousands)		
2017 Series D dated October 19, 2017, 3.21% effective interest rate, final due date October 1, 2047	\$ 4,815	—	150	4,665
2017 Series E dated December 5, 2017, 3.28% effective interest rate, final due date December 1, 2050	42,615	—	1,130	41,485
2018 Series A dated March 27, 2018, 3.62% effective interest rate, final due date March 1, 2053	30,225	—	—	30,225
2018 Series B dated June 5, 2018, 3.76% effective interest rate, final due date June 1, 2053	24,665	—	—	24,665
2018 Series C dated August 28, 2018, 3.63% effective interest rate, final due date August 1, 2053	17,350	—	370	16,980
2018 Series D dated October 2, 2018, 3.79% effective interest rate, final due date October 1, 2053	67,045	—	1,415	65,630
2018 Series E dated December 4, 2018, 3.90% effective interest rate, final due date December 1, 2049	32,890	—	825	32,065
2019 Series A dated March 26, 2019, 3.70% effective interest rate, final due date March 1, 2054	57,740	—	650	57,090
2019 Series B dated May 22, 2019, 3.10% effective interest rate, final due date May 1, 2054	15,615	—	—	15,615
2019 Series C dated August 21, 2019 3.13% effective interest rate, final due date August 1, 2054	46,890	—	935	45,955
2019 Series D dated October 16, 2019 3.12% effective interest rate, final due date October 1, 2054	46,835	—	955	45,880
2019 Series E dated December 12, 2019 3.00% effective interest rate, final due date December 1, 2054	48,410	—	1,140	47,270
2020 Series A dated March 25, 2020 2.74% effective interest rate, final due date March 1, 2055	69,940	—	—	69,940
2020 Series B dated March 25, 2020 2.39% effective interest rate, final due date March 1, 2055	62,690	—	—	62,690
2020 Series C dated April 28, 2020 3.57% effective interest rate, final due date April 1, 2055	174,505	—	—	174,505

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at December 31, 2025
		(Amounts shown in thousands)		
2020 Series D dated May 27, 2020 3.58% effective interest rate, final due date June 1, 2055	\$ 417,800	—	1,490	416,310
2020 Series E dated July 28, 2020 2.53% effective interest rate, final due date July 1, 2055	35,060	—	825	34,235
2020 Series F dated July 21, 2020 3.09% effective interest rate, final due date July 1, 2055	191,835	—	4,145	187,690
2020 Series G dated October 14, 2020 2.29% effective interest rate, final due date September 1, 2055	18,790	—	535	18,255
2020 Series H dated October 7, 2020 2.94% effective interest rate, final due date September 1, 2055	167,870	—	3,620	164,250
2020 Series I dated December 9, 2020 2.33% effective interest rate, final due date November 1, 2053	42,755	—	1,115	41,640
2020 Series J dated December 2, 2020 3.04% effective interest rate, final due date November 1, 2055	47,850	—	1,090	46,760
2021 Series A dated March 2, 2021 2.68% effective interest rate, final due date February 1, 2056	77,660	—	—	77,660
2021 Series B dated March 30, 2021 2.23% effective interest rate, final due date March 1, 2056	30,655	—	—	30,655
2021 Series C dated April 22, 2021 2.85% effective interest rate, final due date April 1, 2056	95,420	—	—	95,420
2021 Series D dated June 3, 2021 2.17% effective interest rate, final due date May 1, 2056	30,740	—	—	30,740
2021 Series E dated June 24, 2021 2.71% effective interest rate, final due date June 1, 2056	74,275	—	—	74,275
2021 Series F dated July 27, 2021 2.17% effective interest rate, final due date July 1, 2056	49,345	—	1,330	48,015
2021 Series G dated July 27, 2021 2.56% effective interest rate, final due date August 1, 2056	29,355	—	650	28,705
2021 Series H dated September 2, 2021 2.58% effective interest rate, final due date September 1, 2056	29,665	—	685	28,980

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at December 31, 2025
		(Amounts shown in thousands)		
2021 Series I dated October 12, 2021 2.23% effective interest rate, final due date October 1, 2056	\$ 5,855	—	140	5,715
2021 Series J dated November 9, 2021 2.98% effective interest rate, final due date November 1, 2056	221,895	—	4,770	217,125
2021 Series K dated December 7, 2021 2.39% effective interest rate, final due date December 1, 2056	138,790	—	3,790	135,000
2022 Series A dated February 2, 2022 2.95% effective interest rate, final due date February 1, 2057	39,610	—	—	39,610
2022 Series B dated March 8, 2022 3.12% effective interest rate, final due date March 1, 2057	57,170	—	—	57,170
2022 Series C dated March 29, 2022 3.91% effective interest rate, final due date April 1, 2057	48,310	—	—	48,310
2022 Series D dated May 3, 2022 3.95% effective interest rate, final due date May 1, 2057	21,895	—	—	21,895
2022 Series E dated June 30, 2022 4.19% effective interest rate, final due date June 1, 2057	40,035	—	2,815	37,220
2022 Series F dated October 5, 2022 4.85% effective interest rate, final due date October 1, 2057	57,550	—	1,110	56,440
2022 Series G dated November 30, 2022 5.13% effective interest rate, final due date November 1, 2064	78,820	—	720	78,100
2023 Series A dated February 9, 2023 5.28% effective interest rate, final due date February 1, 2066	60,000	—	—	60,000
2023 Series B dated March 8, 2023 4.65% effective interest rate, final due date March 1, 2065	40,250	—	—	40,250
2023 Series C dated June 1, 2023 4.24% effective interest rate, final due date May 1, 2060	6,915	—	—	6,915
2023 Series D dated August 3, 2023 4.65% effective interest rate, final due date August 1, 2065	109,895	—	795	109,100
2023 Series E dated October 12, 2023 5.10% effective interest rate, final due date October 1, 2065	56,630	—	1,350	55,280

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at December 31, 2025
		(Amounts shown in thousands)		
2023 Series F dated November 30, 2023 5.16% effective interest rate, final due date May 1, 2067	\$ 167,855	—	—	167,855
2024 Series A dated March 7, 2024 4.53% effective interest rate, final due date September 1, 2065	177,070	—	—	177,070
2024 Series B dated May 2, 2024 5.84% effective interest rate, final due date May 1, 2066	25,000	—	—	25,000
2024 Series C dated June 18, 2024 4.73% effective interest rate, final due date June 1, 2066	80,270	—	700	79,570
2024 Series D dated August 1, 2024 4.41% effective interest rate, final due date August 1, 2060	50,900	—	—	50,900
2024 Series E dated October 10, 2024 4.07% effective interest rate, final due date April 1, 2066	89,820	—	—	89,820
2024 Series F dated October 31, 2024 5.84% effective interest rate, final due date October 1, 2066	106,000	—	—	106,000
2024 Series G dated November 7, 2024 4.11% effective interest rate, final due date November 1, 2066	34,300	—	—	34,300
2024 Series H dated December 5, 2024 4.57% effective interest rate, final due date December 1, 2066	164,175	—	—	164,175
2025 Series A dated March 20, 2025 4.59% effective interest rate, final due date March 1, 2068	172,520	—	—	172,520
2025 Series B dated June 17, 2025 5.01% effective interest rate, final due date June 1, 2067	21,200	—	—	21,200
2025 Series C dated July 22, 2025 4.87% effective interest rate, final due date July 1, 2062	—	36,675	—	36,675
2025 Series D dated August 21, 2025 5.91% effective interest rate, final due date August 1, 2067	—	57,315	—	57,315
2025 Series E dated October 9, 2025 4.71% effective interest rate, final due date October 1, 2067	—	111,795	—	111,795
2025 Series F dated December 4, 2025 4.55% effective interest rate, final due date December 1, 2067	—	102,780	—	102,780
	4,935,530	308,565	61,505	5,182,590
Unamortized premium	(702)	—	19	(683)
Total rental housing bonds	4,934,828			5,181,907

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at December 31, 2025
(Amounts shown in thousands)				
Commonwealth mortgage bonds group:				
2006 Series C, dated June 8, 2006, 6.54% effective interest rate, final due date June 25, 2034	\$ 3,182	—	306	2,876
2012 Series A, dated December 20, 2012, 2.10% effective interest rate, final due date July 1, 2026	12,400	—	4,000	8,400
2012 Series B/C, dated December 20, 2012, 3.07% effective interest rate, final due date July 1, 2039.	167,670	—	7,100	160,570
2013 Series B, dated May 21, 2013, 2.75% effective interest rate, final due date April 25, 2042	13,158	—	655	12,503
2013 Series C, dated October 24, 2013, 4.25% effective interest rate, final due date October 25, 2043	15,043	—	962	14,081
2013 Series D, dated December 19, 2013, 4.30% effective interest rate, final due date December 25, 2043	14,597	—	445	14,152
2014 Series A, dated December 11, 2014, 3.50% effective interest rate, final due date October 25, 2037	20,900	—	1,654	19,246
2015 Series A, dated November 10, 2015, 3.25% effective interest rate, final due date June 25, 2042	34,287	—	1,979	32,308
2016 Series A, dated June 9, 2016, 3.10% effective interest rate, final due date June 25, 2041	34,552	—	2,333	32,219
2017 Series A, dated June 13, 2017, 3.13% effective interest rate, final due date November 25, 2039	39,902	—	2,592	37,310
2019 Series A, dated November 5, 2019, 2.95% effective interest rate, final due date October 25, 2049	38,324	—	1,844	36,480
2020 Series A, dated February 12, 2020, 2.85% effective interest rate, final due date December 25, 2049	50,570	—	1,623	48,947
2020 Series B, dated April 21, 2020, 2.75% effective interest rate, final due date October 25, 2046	59,755	—	3,237	56,518
2021 Series A, dated August 17, 2021, 2.13% effective interest rate, final due date July 25, 2051	114,086	—	4,083	110,003
2022 Series A, dated February 1, 2022, 2.88% effective interest rate, final due date February 25, 2052	33,256	—	1,024	32,232

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at December 31, 2025
		(Amounts shown in thousands)		
2023 Series A, dated October 24, 2023, 5.07% effective interest rate, final due date November 1, 2053	\$ 97,635	—	1,320	96,315
2023 Series B, dated October 24, 2023, 6.39% effective interest rate, final due date November 1, 2053	147,155	—	1,695	145,460
2023 Series CE, dated December 14, 2023, 4.42% effective interest rate, final due date July 1, 2055	364,395	—	3,005	361,390
2023 Series D, dated December 14, 2023, 6.03% effective interest rate, final due date January 1, 2054	99,000	—	1,050	97,950
2024 A Series, dated March 28, 2024, 5.46% effective interest rate, final due date April 1, 2054	160,000	—	1,745	158,255
2024 B Series, dated May 29, 2024, 5.79% effective interest rate, final due date October 1, 2054	160,000	—	1,465	158,535
2024 C Series, dated September 17, 2024, 5.59% effective interest rate, final due date October 1, 2054	160,005	—	1,440	158,565
2024 D/F Series, dated November 21, 2024, 4.72% effective interest rate, final due date July 1, 2055	295,480	—	—	295,480
2024 E Series, dated November 21, 2024 5.74% effective interest rate, final due date July 1, 2055	160,000	—	—	160,000
2025 A Series, dated February 19, 2025 5.76% effective interest rate, final due date July 1, 2055	150,000	—	—	150,000
2025 B Series, dated May 20, 2025 6.05% effective interest rate, final due date July 1, 2055	140,000	—	—	140,000
2025 C Series, dated July 16, 2025 5.91% effective interest rate, final due date July 1, 2055	—	150,000	—	150,000
2025 Series D dated August 21, 2025 5.60% effective interest rate, final due date August 1, 2067	—	140,960	—	140,960
2025 Series EG dated November 12, 2025, 2025 4.53% effective interest rate, final due date July 1, 2056	—	300,000	—	300,000
2025 Series F dated November 12, 2025 5.41% effective interest rate, final due date July 1, 2056	—	150,000	—	150,000
	<u>2,585,352</u>	<u>740,960</u>	<u>45,557</u>	<u>3,280,755</u>
Unamortized premium	(66)	—	6	(60)
Total commonwealth mortgage bonds group	<u>2,585,286</u>			<u>3,280,695</u>

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at December 31, 2025
		(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	\$ 30,978	—	2,234	28,744
Total homeownership mortgage bonds group	<u>30,978</u>	<u>—</u>	<u>—</u>	<u>28,744</u>
Total	<u>\$ 7,951,092</u>			<u>8,891,346</u>

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

Notes and bonds payable at June 30, 2024 and December 31, 2024 and changes for the six months ended December 31, 2024 were summarized as follows (amounts in thousands):

Description	Balance at June 30, 2024	Issued	Retired	Increase/ (decrease) in unamortized premium/ discount	Balance at December 31, 2024
General operating accounts	\$ 400,000	1,000	1,000	-	400,000
Rental housing bonds group	4,422,184	445,195	55,575	19	4,811,823
Commonwealth mortgage bonds group	1,809,536	695,480	161,147	10	2,343,879
Homeownership mortgage bonds group	34,441	-	1,722	-	32,719
Total	<u>\$ 6,666,161</u>	<u>1,141,675</u>	<u>219,444</u>	<u>29</u>	<u>7,588,421</u>

The principal payment obligations and associated interest related to all note and bond indebtedness (excluding the effect of unamortized discounts and premiums) commencing January 1, 2026, and thereafter are as follows:

Year Ending December 31	Outstanding principal	Current interest	Total debt service
2026	\$ 577,885,972	342,486,022	920,371,994
2027	422,010,000	336,574,213	758,584,213
2028	273,330,000	328,067,144	601,397,144
2029	379,060,000	312,115,785	691,175,785
2030	212,075,000	301,045,360	513,120,360
2031-2035	1,092,698,337	1,386,625,892	2,479,324,229
2036-2040	1,190,228,050	1,169,094,598	2,359,322,648
2041-2045	1,352,866,179	900,041,117	2,252,907,296
2046-2050	1,367,071,797	619,551,075	1,986,622,872
2051-2055	1,372,657,936	307,268,053	1,679,925,989
2056-2060	326,110,000	120,601,207	446,711,207
2061-2065	258,330,000	52,725,170	311,055,170
2066-2070	67,765,000	4,076,311	71,841,311
Total	<u>\$ 8,892,088,271</u>	<u>6,180,271,947</u>	<u>15,072,360,218</u>

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

(5) Loan Participation Payable to Federal Financing Bank

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

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

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

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

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

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

Notes to Basic Financial Statements

December 31, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at December 31, 2025
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	\$ 2,557,120	—	33,880	2,523,240
Wilsondale II - Note rate of 4.47%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.12%				
Maturity date of July 1, 2047	6,625,458	—	89,041	6,536,417
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	4,947,726	—	50,652	4,897,074
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	5,841,032	—	115,437	5,725,595
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	3,274,629	—	41,433	3,233,196
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	2,153,564	—	27,248	2,126,316
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	3,921,310	—	51,307	3,870,003
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	2,996,056	—	39,200	2,956,856
Total participation certificates payable	\$ 32,316,895	—	448,198	31,868,697

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
December 31, 2025
(Unaudited)

Assets	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Current assets:					
Cash and cash equivalents	\$ 228,835,356	1,244,160,347	872,155,727	14,147,261	2,359,298,691
Investments	13,640,421	111,060,010	76,108,487	1,252,031	202,060,949
Interest receivable – investments	2,853,138	10,645,691	7,442,297	118,411	21,059,537
Mortgage loans held for sale	-	-	50,645,048	-	50,645,048
Mortgage and other loans receivable, net	11,762,062	108,130,332	88,984,209	3,873,437	212,750,040
Interest receivable – mortgage and other loans	1,071,865	23,620,812	12,199,280	222,546	37,114,503
Other real estate owned	6,300,749	-	4,569,662	-	10,870,411
Other assets	16,692,451	-	-	-	16,692,451
Total current assets	281,156,042	1,497,617,192	1,112,104,710	19,613,686	2,910,491,630
Noncurrent assets:					
Investments	499,234,275	-	119,556,227	-	618,790,502
Mortgage and other loans receivable	480,494,462	5,604,132,501	3,723,117,228	79,737,702	9,887,481,893
Less allowance for loan loss	27,957,111	85,584,073	51,842,448	856,808	166,240,440
Mortgage and other loans receivable, net	452,537,351	5,518,548,428	3,671,274,780	78,880,894	9,721,241,453
Capital Assets, net of accumulated depreciation and amortization of \$62,392,668	27,973,831	5,181,503	-	-	33,155,334
Mortgage servicing rights, net	14,707,869	-	-	-	14,707,869
Other Assets	37,388,708	-	-	-	37,388,708
Total noncurrent assets	1,031,842,034	5,523,729,931	3,790,831,007	78,880,894	10,425,283,866
Total assets	1,312,998,076	7,021,347,123	4,902,935,717	98,494,580	13,335,775,496
Deferred outflows of resources					
Other postemployment benefits - change in assumptions	1,374,522	-	-	-	1,374,522
Other postemployment benefits - difference between expected and actual experience	4,655,454	-	-	-	4,655,454
Total Deferred outflows of resources	6,029,976	-	-	-	6,029,976

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
December 31, 2025
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Liabilities					
Current liabilities:					
Notes and bonds payable	400,000,000	97,090,000	79,362,275	1,433,697	577,885,972
Accrued interest payable on notes and bonds	916,211	46,007,759	48,312,170	77,844	95,313,984
Escrows	58,311,616	-	-	-	58,311,616
Derivative instruments	-	-	209,980	-	209,980
Accounts payable and other liabilities	44,637,439	-	6,177	-	44,643,616
Total current liabilities	<u>503,865,266</u>	<u>143,097,759</u>	<u>127,890,602</u>	<u>1,511,541</u>	<u>776,365,168</u>
Noncurrent liabilities:					
Bonds payable, net	-	5,084,817,084	3,201,334,158	27,308,877	8,313,460,119
Project reserves	119,774,590	-	-	-	119,774,590
Loan participation payable to Federal Financing Bank	31,868,697	-	-	-	31,868,697
Other (assets) liabilities	17,539,520	3,032,980	66,299	-	20,638,799
Total noncurrent liabilities	<u>169,182,807</u>	<u>5,087,850,064</u>	<u>3,201,400,457</u>	<u>27,308,877</u>	<u>8,485,742,205</u>
Total liabilities	<u>673,048,073</u>	<u>5,230,947,823</u>	<u>3,329,291,059</u>	<u>28,820,418</u>	<u>9,262,107,373</u>
Deferred inflows of resources					
Deferred fees and points on multifamily loans	548,830	67,290,634	-	-	67,839,464
Other postemployment benefits - change in assumptions	430,519	-	-	-	430,519
Other postemployment benefits - difference between expected and actual experience	9,812,467	-	-	-	9,812,467
Other postemployment benefits - difference between projected and actual earning	2,873,277	-	-	-	2,873,277
Total deferred inflows of resources	<u>13,665,093</u>	<u>67,290,634</u>	<u>-</u>	<u>-</u>	<u>80,955,727</u>
Net position:					
Net investment in capital assets	16,230,908	148,211	-	-	16,379,119
Restricted OPEB asset	19,680,411	-	-	-	19,680,411
Restricted by bond indentures	-	1,722,960,455	1,573,644,658	69,674,162	3,366,279,275
Unrestricted	596,403,567	-	-	-	596,403,567
Total net position	<u>\$ 632,314,886</u>	<u>1,723,108,666</u>	<u>1,573,644,658</u>	<u>69,674,162</u>	<u>3,998,742,372</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Six months ended December 31, 2025

(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Operating revenues:					
Interest on mortgage and other loans receivable	\$ 8,838,096	128,596,029	100,964,316	1,746,964	240,145,405
Investment earnings:					
Investment income	10,690,523	26,357,724	19,992,756	281,163	57,322,166
Realized loss on investments	(1,378)	-	-	-	(1,378)
Unrealized gain/(loss) on investments	5,937,454	(1,896,946)	5,235,156	(16,796)	9,258,868
Housing Choice Voucher program administrative income	6,443,042	-	-	-	6,443,042
Gains and recoveries on sale of other real estate owned	336,598	-	-	-	394,337
Gains on sale of single family mortgage loans	-	-	57,739	-	6,618,068
Mortgage servicing fees net of guaranty fees	18,987,226	-	6,618,068	-	18,987,226
Tax credit program fees earned	6,044,135	-	-	-	6,044,135
Other	507,247	7,777,697	15,885	-	8,300,829
Total operating revenues	<u>57,782,943</u>	<u>160,834,504</u>	<u>132,883,920</u>	<u>2,011,331</u>	<u>353,512,698</u>
Operating expenses:					
Interest on notes and bonds payable	8,763,288	92,594,442	67,135,510	483,059	168,976,299
Salaries and related employee benefits	40,592,749	-	-	-	40,592,749
General operating expenses	21,960,927	-	2,868	-	21,963,795
Note and bond expenses	1,115,964	-	-	-	1,115,964
Bond issuance expenses	42,235	2,368,976	4,151,587	-	6,562,798
Grant expenses	40,758,220	-	-	-	40,758,220
Housing Choice Voucher program expenses	3,870,693	-	-	-	3,870,693
Mortgage servicing rights amortization and other servicing costs	6,451,467	-	12,095,004	-	18,546,471
Losses on other real estate owned	499,832	-	188,420	2,436	690,688
Provision for loan losses	1,332,476	10,385,595	3,040,997	39,299	14,798,367
Total operating expenses	<u>125,387,851</u>	<u>105,349,013</u>	<u>86,614,386</u>	<u>524,794</u>	<u>317,876,044</u>
Operating income (expense)	<u>(67,604,908)</u>	<u>55,485,491</u>	<u>46,269,534</u>	<u>1,486,537</u>	<u>35,636,654</u>
Nonoperating revenues (expenses):					
Pass-through grant awards	57,071,083	-	-	-	57,071,083
Pass-through grants expenses	(57,071,083)	-	-	-	(57,071,083)
Total nonoperating revenues, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>(67,604,908)</u>	<u>55,485,491</u>	<u>46,269,534</u>	<u>1,486,537</u>	<u>35,636,654</u>
Transfers between funds	102,094,789	(50,759,727)	(51,342,252)	7,190	-
Change in net position	34,489,881	4,725,764	(5,072,718)	1,493,727	35,636,654
Total net position, beginning of year	597,825,005	1,718,382,902	1,578,717,376	68,180,435	3,963,105,718
Total net position, end of six months	\$ <u>632,314,886</u>	<u>1,723,108,666</u>	<u>1,573,644,658</u>	<u>69,674,162</u>	<u>3,998,742,372</u>

VIRGINIA HOUSING

(A Component Unit of the Commonwealth of Virginia)
 Combining Schedule of Fiduciary Net Position
 Fiduciary Funds - Custodial Funds

December 31, 2025

(Unaudited)

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 71,159,878	4,887,271	9,961,859	687,435	86,696,443
Interest receivable - investments	-	34,804	47,014	7,119	88,937
Interest receivable - mortgage and other loans	-	71,422	124,090	26,181	221,693
Other assets	-	212	-	-	212
Total current assets	<u>71,159,878</u>	<u>4,993,709</u>	<u>10,132,963</u>	<u>720,735</u>	<u>87,007,285</u>
Noncurrent assets:					
Mortgage and other loans receivable	-	1,631,558	-	-	1,631,558
Total noncurrent assets	<u>-</u>	<u>1,631,558</u>	<u>-</u>	<u>-</u>	<u>1,631,558</u>
Total assets	<u>71,159,878</u>	<u>6,625,267</u>	<u>10,132,963</u>	<u>720,735</u>	<u>88,638,843</u>
LIABILITIES					
Other liabilities	-	1,547,199	9,324,248	425,384	11,296,831
Total liabilities	<u>-</u>	<u>1,547,199</u>	<u>9,324,248</u>	<u>425,384</u>	<u>11,296,831</u>
NET POSITION					
Restricted for:					
Funds held in escrow	71,159,878	-	-	-	71,159,878
Other governmental agency	-	5,078,068	808,715	295,351	6,182,134
Total Net Position	<u>\$ 71,159,878</u>	<u>5,078,068</u>	<u>808,715</u>	<u>295,351</u>	<u>77,342,012</u>

VIRGINIA HOUSING

(A Component Unit of the Commonwealth of Virginia)
 Combining Schedule of Changes in Fiduciary Net Position
 Fiduciary Funds - Custodial Funds
 Six months ended December 31, 2025
 (Unaudited)

	<u>Escrow Funds (GNMA, FNMA, FHL/MC, Habitat)</u>	<u>Commonwealth Priority Housing Fund</u>	<u>Virginia Housing Trust Fund</u>	<u>National Housing Trust Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS					
Contribution:					
Borrower payments	\$ 850,898,602	-	-	-	850,898,602
Total Contributions	<u>850,898,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>850,898,602</u>
Investment earnings:					
Interest, dividends, and other	-	691,828	728,297	215,980	1,636,105
Total investment earnings	<u>-</u>	<u>691,828</u>	<u>728,297</u>	<u>215,980</u>	<u>1,636,105</u>
Total additions	<u>850,898,602</u>	<u>691,828</u>	<u>728,297</u>	<u>215,980</u>	<u>852,534,707</u>
DEDUCTIONS					
Other governmental agency	-	633,409	616,127	203,275	1,452,811
Disbursement of escrow funds	857,744,634	-	-	-	857,744,634
Total deductions	<u>857,744,634</u>	<u>633,409</u>	<u>616,127</u>	<u>203,275</u>	<u>859,197,445</u>
Net increase/(decrease) in fiduciary net position	<u>(6,846,032)</u>	<u>58,419</u>	<u>112,170</u>	<u>12,705</u>	<u>(6,662,738)</u>
Net position - beginning of year	78,005,910	5,019,649	696,545	282,646	84,004,750
Net position - end of six months	<u>\$ 71,159,878</u>	<u>5,078,068</u>	<u>808,715</u>	<u>295,351</u>	<u>77,342,012</u>

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
 (A Component Unit of the Commonwealth of Virginia)
 Combining Schedule of Net Position
 December 31, 2024
 (Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 179,901,560	882,254,011	830,423,273	5,548,407	1,898,127,251
Investments	43,178,611	318,876,783	108,575,565	1,952,841	472,583,800
Interest receivable – investments	3,496,339	12,010,677	9,997,961	449,715	25,954,692
Mortgage loans held for sale	-	-	66,572,709	-	66,572,709
Mortgage and other loans receivable, net	11,453,179	104,037,950	74,838,396	3,927,357	194,256,882
Interest receivable – mortgage and other loans	1,020,728	20,919,034	10,291,277	252,332	32,483,371
Other real estate owned	2,938,380	-	874,369	-	3,812,749
Other assets	17,345,711	-	-	-	17,345,711
Total current assets	259,334,508	1,338,098,455	1,101,573,550	12,130,652	2,711,137,165
Noncurrent assets:					
Investments	492,959,975	-	175,932,669	-	668,892,644
Mortgage and other loans receivable	469,337,799	5,330,958,761	2,693,540,613	88,091,586	8,581,928,759
Less allowance for loan loss	34,852,572	80,076,407	37,677,357	848,301	153,454,637
Mortgage and other loans receivable, net	434,485,227	5,250,882,354	2,655,863,256	87,243,285	8,428,474,122
Capital Assets, net of accumulated depreciation and amortization of \$69,885,558	22,820,050	5,877,937	-	-	28,697,987
Mortgage servicing rights, net	21,706,466	-	-	-	21,706,466
Other Assets	29,981,987	-	-	-	29,981,987
Total noncurrent assets	1,001,953,705	5,256,760,291	2,831,795,925	87,243,285	9,177,753,206
Total assets	1,261,288,213	6,594,858,746	3,933,369,475	99,373,937	11,888,890,371
Deferred outflows of resources					
Other postemployment benefits - change in assumptions	1,627,852	-	-	-	1,627,852
Other postemployment benefits - difference between expected and actual experience	5,393,161	-	-	-	5,393,161
Other postemployment benefits - difference between projected and actual earning	585,200	-	-	-	585,200
Total Deferred outflows of resources	7,606,213	-	-	-	7,606,213

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
December 31, 2024
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Liabilities					
Current liabilities:					
Notes and bonds payable	400,000,000	104,690,000	131,535,803	1,487,299	637,713,102
Accrued interest payable on notes and bonds	677,667	40,076,275	22,887,553	88,614	63,730,109
Escrows	51,112,308	-	-	-	51,112,308
Federal grand awards held	2,786,889	-	-	-	2,786,889
Derivative instruments	-	-	52,566	-	52,566
Accounts payable and other liabilities	47,095,396	-	3,001	-	47,098,397
Total current liabilities	501,672,260	144,766,275	154,478,923	1,575,913	802,493,371
Noncurrent liabilities:					
Bonds payable, net	-	4,707,133,337	2,212,342,472	31,231,847	6,950,707,656
Project reserves	122,950,304	-	-	-	122,950,304
Loan participation payable to Federal Financing Bank	32,756,155	-	-	-	32,756,155
Other (assets) liabilities	17,138,619	2,239,806	-	-	19,378,425
Total noncurrent liabilities	172,845,078	4,709,373,143	2,212,342,472	31,231,847	7,125,792,540
Total liabilities	674,517,338	4,854,139,418	2,366,821,395	32,807,760	7,928,285,911
Deferred inflows of resources					
Deferred fees and points on multifamily loans	447,381	64,514,109	-	-	64,961,490
Other postemployment benefits - change in assumptions	508,695	-	-	-	508,695
Other postemployment benefits - difference between expected and actual experience	7,961,316	-	-	-	7,961,316
Total deferred inflows of resources	8,917,392	64,514,109	-	-	73,431,501
Net position:					
Net investment in capital assets	7,672,157	(371,543)	-	-	7,300,614
Restricted OPEB asset	12,601,297	-	-	-	12,601,297
Restricted by bond indentures	-	1,676,576,762	1,566,548,080	66,566,177	3,309,691,019
Unrestricted	565,186,242	-	-	-	565,186,242
Total net position	\$ 585,459,696	1,676,205,219	1,566,548,080	66,566,177	3,894,779,172

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Six months ended December 31, 2024

(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
Operating revenues:					
Interest on mortgage and other loans receivable	\$ 8,324,538	121,098,456	70,797,318	1,951,828	202,172,140
Investment earnings:					
Investment income	11,018,715	24,647,490	23,615,888	1,050,258	60,332,351
Realized loss on investments	24,720	-	(850,414)	-	(825,694)
Unrealized loss on investments	(2,279,330)	491,077	2,019,208	(46,431)	184,524
Housing Choice Voucher program administrative income	5,113,716	-	-	-	5,113,716
Gains and recoveries on sale of other real estate owned	253,343	-	110,571	-	363,914
Gains on sale of single family mortgage loans	-	-	5,684,763	-	5,684,763
Mortgage servicing fees net of guaranty fees	20,557,760	-	-	-	20,557,760
Tax credit program fees earned	5,503,710	-	-	-	5,503,710
Other	166,565	3,660,336	14,050	-	3,840,951
Total operating revenues	48,683,737	149,897,359	101,391,384	2,955,655	302,928,135
Operating expenses:					
Interest on notes and bonds payable	10,666,808	79,783,037	41,818,808	544,518	132,813,171
Salaries and related employee benefits	40,710,677	-	-	-	40,710,677
General operating expenses	19,071,239	-	2,192	-	19,073,431
Note and bond expenses	794,839	-	-	-	794,839
Bond issuance expenses	56,910	2,958,902	3,062,455	-	6,078,267
Grant expenses	34,944,183	-	-	-	34,944,183
Housing Choice Voucher program expenses	3,817,522	-	-	-	3,817,522
Mortgage servicing rights amortization and other servicing costs	8,722,323	-	9,317,281	-	18,039,604
Losses on other real estate owned	563,358	-	144,521	6,379	714,258
Provision for loan losses	790,012	8,476,914	1,352,816	14,987	10,634,729
Total operating expenses	120,137,871	91,218,853	55,698,073	565,884	267,620,681
Operating income (expense)	(71,454,134)	58,678,506	45,693,311	2,389,771	35,307,454
Nonoperating revenues (expenses):					
Pass-through grant awards	55,640,490	-	-	-	55,640,490
Pass-through grants expenses	(55,640,490)	-	-	-	(55,640,490)
Total nonoperating revenues, net	-	-	-	-	-
Income (loss) before transfers	(71,454,134)	58,678,506	45,693,311	2,389,771	35,307,454
Transfers between funds	124,523,827	(53,723,594)	(29,820,681)	(40,979,552)	-
Change in net position	53,069,693	4,954,912	15,872,630	(38,589,781)	35,307,454
Total net position, beginning of year	532,390,003	1,671,250,307	1,550,675,450	105,155,958	3,859,471,718
Total net position, end of six months	585,459,696	1,676,205,219	1,566,548,080	66,566,177	3,894,779,172

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

December 31, 2024

(Unaudited)

	Escrow Funds (GNMA, FNMA, FHL/MC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 99,949,648	5,194,936	5,653,485	407,677	111,205,746
Interest receivable - investments	-	75,018	115,903	27,994	218,915
Interest receivable - mortgage and other loans	-	68,437	99,917	18,671	187,025
Other assets	-	212	-	-	212
Total current assets	99,949,648	5,338,603	5,869,305	454,342	111,611,898
Noncurrent assets:					
Mortgage and other loans receivable	-	2,154,120	-	-	2,154,120
Total noncurrent assets	-	2,154,120	-	-	2,154,120
Total assets	99,949,648	7,492,723	5,869,305	454,342	113,766,018
Liabilities					
Other liabilities	-	2,070,764	5,287,165	207,304	7,565,233
Total liabilities	-	2,070,764	5,287,165	207,304	7,565,233
Net position					
Restricted for:					
Funds held in escrow	99,949,648	-	-	-	99,949,648
Other governmental agency	-	5,421,959	582,140	247,038	6,251,137
Total Net Position	99,949,648	5,421,959	582,140	247,038	106,200,785

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
 (A Component Unit of the Commonwealth of Virginia)
 Combining Schedule of Changes in Fiduciary Net Position
 Fiduciary Funds - Custodial Funds
 Six months ended December 31, 2024
 (Unaudited)

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
Additions					
Contribution:					
Borrower payments	\$ 911,521,341	-	-	-	911,521,341
Total Contributions	<u>911,521,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>911,521,341</u>
Investment earnings:					
Interest, dividends, and other	-	571,499	573,644	158,266	1,303,409
Total investment earnings	<u>-</u>	<u>571,499</u>	<u>573,644</u>	<u>158,266</u>	<u>1,303,409</u>
Total additions	<u>911,521,341</u>	<u>571,499</u>	<u>573,644</u>	<u>158,266</u>	<u>912,824,750</u>
Deductions					
Other governmental agency	-	421,445	294,138	87,411	802,994
Disbursement of escrow funds	869,763,380	-	-	-	869,763,380
Total deductions	<u>869,763,380</u>	<u>421,445</u>	<u>294,138</u>	<u>87,411</u>	<u>870,566,374</u>
Net increase in fiduciary net position	41,757,961	150,054	279,506	70,855	42,258,376
Net position - beginning of year	58,191,687	5,271,905	302,634	176,183	63,942,409
Net position - end of six months	<u>\$ 99,949,648</u>	<u>5,421,959</u>	<u>582,140</u>	<u>247,038</u>	<u>106,200,785</u>