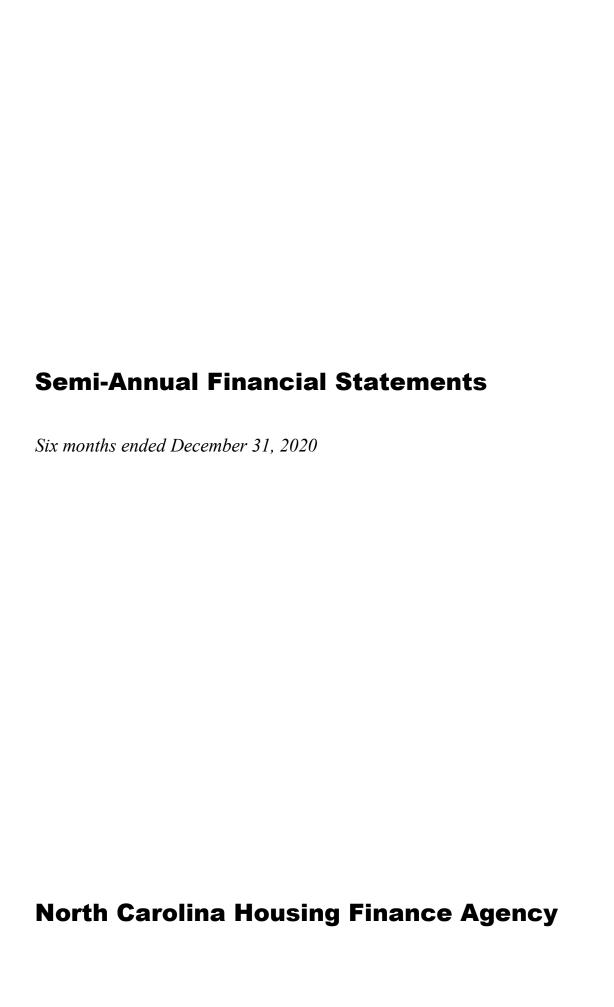






Semi-Annual Financial Statements
December 31, 2020



## NORTH CAROLINA HOUSING FINANCE AGENCY FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

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## STATEMENT OF NET POSITION AS OF DECEMBER 31, 2020

(Unaudited)

#### (in thousands)

ASSETS		
Current assets:		
Cash and cash equivalents	\$	37,682
Restricted cash and cash equivalents	,	770,309
Restricted investments		14,857
Accrued interest receivable on investments		3,975
Mortgage loans receivable		79,923
Accrued interest receivable on mortgage loans		3,166
State receivables		427
Other assets		5,970
TOTAL CURRENT ASSETS	\$	916,309
Noncurrent assets:		
Investments	\$	1,029
Restricted investments		1,146,524
Mortgage loans receivable, net		364,394
Capital assets, net		2,948
Other assets, net		20
TOTAL NONCURRENT ASSETS	\$	1,514,915
TOTAL ASSETS		2,431,224
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows for pensions	\$	2,742
Deferred outflows for other postemployment benefits		3,078
Accumulated decrease in fair value of hedging derivative		2,293
TOTAL DEFERRED OUTFLOWS OF RESOURCES		8,113
LIABILITIES		
Current liabilities:		
Bonds payable	\$	40,375
Accrued interest payable		20,652
Accounts payable		32,260
Unearned revenues		10,355
Other liabilities		603
TOTAL CURRENT LIABILITIES	\$	104,245
Noncurrent liabilities:		
Bonds payable, net	\$	1,393,96
Derivative instrument - interest rate swap		2,293
Unearned revenues		16,981
Pension liability		5,739
Other postemployment benefits		15,063
Other liabilities		5,511
TOTAL NONCURRENT LIABILITIES	\$	1,439,548
TOTAL LIABILITIES	\$	1,543,793
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows for pensions	\$	11
Deferred inflows for other postemployment benefits		5,291
TOTAL DEFERRED INFLOWS OF RESOURCES	\$	5,302
NET POSITION		
Net investment in capital assets	\$	2,948
Restricted net position	•	868,126
Unrestricted net position		19,168
TOTAL NET POSITION	\$	890,242

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION SIX MONTHS ENDED DECEMBER 31, 2020 (Unaudited)

(in thousands)

OPERATING REVENUES	
Interest on investments	\$ 22,821
Net increase in fair value of investments	5,051
Interest on mortgage loans	10,225
Federal program awards received	96,263
Program income/fees	48,837
Other revenues	 620
TOTAL OPERATING REVENUES	\$ 183,817
OPERATING EXPENSES	
Interest on bonds	\$ 21,743
Mortgage servicing expense	556
Federal program expense	101,294
Nonfederal program expense	11,985
General and administrative expense	12,247
Other expenses	167
TOTAL OPERATING EXPENSES	\$ 147,992
OPERATING INCOME	\$ 35,825
NON-OPERATING REVENUES (EXPENSES)	
State appropriations received	\$ 15,330
State grants received	34,987
State program expense	(35,777)
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 14,540
CHANGE IN NET POSITION	\$ 50,365
TOTAL NET POSITION - BEGINNING	\$ 839,877
TOTAL NET POSITION - ENDING	\$ 890,242

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

STATEMENT OF CASH FLOWS
SIX MONTHS ENDED DECEMBER 31, 2020
(Unaudited)

#### (in thousands)

Cash flows from operating activities:         \$ 10,05           Interest on mortgage loans         48,026           Purchase of mortgage loans near of proteins of payments on mortgage loans held for resale         3,687           Federal program averants         (10,098)           Federal program expenses         (11,985)           Federal grong are expenses         (11,985)           Federal grong are expense         (11,985)           Federal program expenses         (17,712)           Federal program syeense         (17,712)           Other expenses         (17,712)           Other expenses         (3,624)           Other expenses         (20,000)           Net cash provided by operating activities         \$ 96,660           Cash flows from non-capital financing activities         \$ 200,000           Interest paid         (13,902)           Bond issuance costs paid         (13,902)           Interest paid         (13,902)           Interest paid         (15,30           State appropriations received         (5,48)           State grants received         (5,48)           State grants received         (5,48)           State grants received         (5,48)           State program expense         (8,8)		
Principal payments on mortgage loans         7,108           Purchase of mortgage loans (7,108)         3,897           Pederal program awards received         33,486           Federal program expense         (100,993)           Nonfederal program expense         4,003           Federal grant administration income         4,403           Program incomeffees         4,852           Other expenses         17,712           Other expenses         17,712           Other expenses         17,712           Other of evenues         3,8553           Net cash provided by operating activities         200,000           Principal repayments on bonds         1,3502           Interest paid         (13,302)           Bond issuance costs paid         (1,812)           Net transfers         (72,380)           State appropriations received         15,330           State appropriations received         16,330           State approgram expense         (3,4971)           Net cash provided by on-capital financing activities         2,842           Eermings on investing activities         2,842           Early provided by on-capital financing activities         2,842           Puchase of investments         7,841	· · · · ·	
Purchase of mortgage loans         (7,108)           Principal payments on mortgage loans held for resale         3,697           Fedderal program avandra received         93,486           Fedderal program expense         (110,993)           Nonfederal program expense         (111,985)           Fedderal groant administration income         4,404           Program income/fees         4,772           Other expenses         1,7712           Other revenues         3,153)           Net cash provided by operating activities         8,200,000           Principal repayments on bonds         (74,935)           Interest paid         (13,902)           Bond issuance costs paid         (1,612)           Net transfers         (72,380)           State gaptoprisitions received         2,6462           State suance costs paid         (1,612)           Net transfers         (72,380)           State groant received         2,6462           State proprisitions received         2,842           State proprising partivities         2,842           Purchase of investing activities         2,842           Purchase of investing activities         2,241           Purchase of investing activities         3,825           Reco		\$
Principal payments on mortgage loans held for resale         3,847           Federal program awants received         (10,093)           Nonfederal program expense         (11,1985)           Federal program expense         (11,1985)           Federal grant administration income         4,403           Other expenses         1,7712           Other expenses         3,3153           Net cash provided by operating activities         \$ 96.660           Cash flows from non-capital financing activities         \$ 200,000           Principal repayments on bonds         (74,935)           Interest paid         (16,102)           Bond issuance costs paid         (1,612)           Net transfers         (72,380)           State appropriations received         5,330           State sprogram expense         (34,971)           Net cash provided by non-capital financing activities         \$ 23,900           State tax received         (88)           State program expense         (34,971)           Net cash provided by non-capital financing activities         \$ 23,900           Early flows from Investing activities         \$ 23,900           Purchase of investments         (5,051)           Net cash used in investing activities         \$ 31,244           <		
Federal program awards received         33.486           Federal program expense         (10.0993)           Nonfederal program expense         (11.985)           Federal grant administration income         4.403           Program incomerifies         4.3624           Other expenses         17.712           Other revenues         3.153.           Net cash provided by operating activities         200.000           Cash flows from non-capital financing activities         200.000           Principal repayments on bonds         (74.935)           Interest paid         (13.902)           Bond issuance costs paid         (14.612)           Net transfers         (72.380)           State garporpiations received         5.64.62           State program expense         (72.380)           State program expense         (72.380)           Net cash provided by non-capital financing activities         3.49.71           Purchase of investments         \$ 72.841           Purchase of investments at beginning of year         675.551           Cash and cash equivalents at of year         675.551		(7,108)
Federal program expense         (100,993)           Nondedral program expense         (11,985)           Federal grant administration income         4,403           Program income/fees         43,624           Other expenses         1,777           Other revenues         (3,153)           Net cash provided by operating activities         \$ 96,660           Cash flows from non-capital financing activities         \$ 200,000           Principal repayments on bonds         (74,935)           Interest paid         (13,902)           Bond issuance costs paid         (16,130)           Interest paid         (72,380)           State appropriations received         5,330           State appropriations received         6,83           State appropriations received         6,48           State program expense         (34,971)           Net cash provided by non-capital financing activities         2,48           Eartings on provided by non-capital financing activities         2,284           Purchase of investiments         7,284           Purchase of investiments         2,284           Purchase of investiments         3,302           Net cash used in investing activities         3,61,24           Earnings on investiments         6,75,5	Principal payments on mortgage loans held for resale	3,697
Rederal grant administration income	Federal program awards received	93,486
Federal grant administration income         4,403           Program income/fees         43,624           Other expenses         1,7,712           Other revenues         3,153)           Net cash provided by operating activities         \$ 96,666           Cash flows from non-capital financing activities:           Issuance of bonds         \$ 200,000           Principal repayments on bonds         (74,935)           Interest paid         (1,612)           Bond issuance costs paid         (1,612)           Net transfers         26,462           State garnts received         26,462           State grants received         (88)           State program expense         (34,971)           Net cash provided by non-capital financing activities         \$ 22,841           Proceeds from sales or maturities of investments         \$ 72,841           Purchase of investments         \$ 72,841           Purchase of investments         \$ 132,440           Earnings on investments         \$ 8,8124           Net cash used in investing activities         \$ 807,951           Reconciliation of operating income to net cash provided by operating activities:         \$ 807,951           Cash and cash equivalents at beginning of year         \$ 80,525	Federal program expense	(100,993)
Program income/fees         43,624           Other expenses         17,712           Other revenues         3,153           Net cash provided by operating activities         \$ 96,660           Cash flows from non-capital financing activities:         \$ 200,000           Principal repayments on bonds         \$ 200,000           Principal repayments on bonds         \$ 200,000           Interest paid         (16,12)           Bond issuance costs paid         (16,12)           Net transfers         (72,380)           State parporpiations received         26,462           State parporpiations received         26,462           State parpors received         26,462           State program expense         (34,971)           Net cash provided by non-capital financing activities         34,971           Proceeds from sales or maturities of investments         5 72,841           Purchase of investing activities         3 20,569           Net cash used in investing activities         3 (8,124)           Proceeds from sales or maturities of investments         3 (8,124)           Net increase in cash         3 (8,124)           Cash and cash equivalents at beginning of year         5 (5,51)           Cash and cash equivalents at end of year         6 75,51	Nonfederal program expense	(11,985)
Other expenses         17,712           Oher revenues         3,153           Net cash provided by operating activities         \$96,600           Cash flows from non-capital financing activities:           Issuance of bonds         \$200,000           Principal repayments on bonds         (74,935)           Interest paid         (13,902)           Bond issuance costs paid         (16,162)           Net transfers         (72,380)           State appropriations received         15,330           State grants received         68           State tax credits         (88           State tax oredits         (88           State program expense         (34,971)           Purchase in constructing activities         (82,841)           Experaces in	Federal grant administration income	4,403
Other revenues         3,153)           Net cash provided by operating activities         \$ 96,660           Cash flows from non-capital financing activities:         \$ 200,000           Principal repayments on bonds         (7,4935)           Interest paid         (13,3902)           Bond issuance costs paid         (1,612)           Net transfers         (7,280)           State appropriations received         15,330           State grants received         26,462           State program expense         (34,971)           Net cash provided by non-capital financing activities         3(34,971)           Net cash provided by non-capital financing activities         72,841           Proceeds from sales or maturities of investments         (104,024)           Earnings on investing activities         23,059           Net cash used in investing activities         \$ 32,059           Net cash used in investing activities         \$ 312,440           Remings on investing activities         \$ 312,440           Read and cash equivalents at beginning of year         \$ 5,551           Cash and cash equivalents at not of year         \$ 35,825           Reconciliation of operating income to net cash provided by operating activities         \$ 35,825           Interest on investments         (22,821)     <	Program income/fees	43,624
Net cash provided by operating activities         \$ 96.660           Cash flows from non-capital financing activities:         \$ 200,000           Principal repayments on bonds         \$ 200,000           Principal repayments on bonds         \$ 74,935           Interest paid         \$ (13,902)           Bond issuance costs paid         \$ (72,380)           Net transfers         \$ (72,380)           State appropriations received         \$ 15,330           State grants received         \$ (88)           State program expense         \$ (88)           State provided by non-capital financing activities         \$ (88)           State provided by non-capital financing activities         \$ 72,841           Purchase of investments         \$ 72,841           Earnings on investments         \$ 72,841           Purchase of investments         \$ 72,841           Cash and cash equivalents at beginning of year         \$ (81,324)           Cash and cash equivalents at beginning of year         \$ (81,324)           Cash and cash equivalents at not of year         \$ (87,555)           Adjustments to reconcile operating income to net cash	Other expenses	17,712
Cash flows from non-capital financing activities:           Issuance of bonds         \$ 200,000           Principal repayments on bonds         (74,935)           Interest paid         (13,902)           Bond issuance costs paid         (72,380)           Net transfers         (72,380)           State appropriations received         26,462           State tage ranks received         (88)           State tage row expense         (88)           State program expense         (34,971)           Net cash provided by non-capital financing activities         3 43,904           Cash flows from investing activities:           Expendence of spending activities           Proceeds from sales or maturities of investments         7 2,841           Purchase of investments         23,059           Net cash used in investing activities         23,059           Net cash used in investments         5 (8,124)           Net cash and cash equivalents at beginning of year         8 (8,124)           Cash and cash equivalents at not of year         8 (8,124)           Reconciliation of operating income to net cash provided by operating activities:           Interest on investments         (22,821)           Increase in fair value of investments         (5,051	Other revenues	 (3,153)
Issuance of bonds         \$ 200,000           Principal repayments on bonds         (74,395)           Interest paid         (13,902)           Bond issuance costs paid         (1,612)           Net transfers         (72,380)           State appropriations received         26,462           State program expense         (34,971)           Net cash provided by non-capital financing activities         (34,971)           Proceeds from investing activities:         * 72,841           Proceeds from sales or maturities of investments         \$ 72,841           Purchase of investments         (104,024)           Earnings on investments         \$ 8,059           Net cash used in investing activities         \$ 132,440           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         675,551           Cash and cash equivalents at end of year         \$ 35,825           Reconciliation of operating income to net cash provided by operating activities:         \$ 35,825           Adjustments to reconcile operating income to net cash provided by operating activities:         \$ 35,825           Interest on investments         (22,821)           Increase in fair value of investments         (22,821)           Increase in inciting age loan ioss	Net cash provided by operating activities	\$ 96,660
Principal repayments on bonds         (74,935)           Interest paid         (13,902)           Bond issuance costs paid         (1,612)           Net transfers         (72,330)           State appropriations received         15,330           State grants received         26,462           State grants received         (88)           State program expense         (34,971)           Net cash provided by non-capital financing activities         \$ 43,904           Proceeds from sales or maturities of investments         \$ 72,841           Purchase of investments         (104,024)           Earnings on investments         \$ 3,805           Net cash used in investing activities         \$ 36,805           Net cash used in investing activities         \$ 675,651           Cash and cash equivalents at beginning of year         675,651           Cash and cash equivalents at end of year         \$ 807,991           Reconciliation of operating income to net cash provided by operating activities:         \$ 35,825           Adjustments to reconcile operating income to net cash provided by operating activities:         \$ 22,221           Interest on investments         (22,821)           Interest on investments         (22,821)           Interest on investments         39,999	Cash flows from non-capital financing activities:	
Interest paid         (13,902)           Bond issuance costs paid         (1,612)           Net transfers         (72,380)           State appropriations received         15,330           State grants received         26,462           State program expense         (34,971)           Net cash provided by non-capital financing activities         \$ 43,904           Cash flows from investing activities:         * 72,841           Proceeds from sales or maturities of investments         (104,024)           Earnings on investments         (104,024)           Earnings on investments         23,059           Net cash used in investing activities         \$ 88,124)           Net increase in cash         \$ 132,440           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         \$ 807,991           Reconciliation of operating income to net cash provided by operating activities:         \$ 22,821           Operating income         \$ 35,825           Adjustments to reconcile operating income to net cash provided by operating activities:         \$ (22,821)           Increase in fair value of investments         (5,051)           Increase in fair value of investments         \$ (36,051)           Increase in mortgage loan loss         (806)	Issuance of bonds	\$ 200,000
Bond issuance costs paid         (1,612)           Net transfers         (72,380)           State appropriations received         15,330           State grants received         26,462           State program expense         (34,971)           Net cash provided by non-capital financing activities         \$ 43,904           Cash flows from investing activities         \$ 72,841           Purchase of investments         (104,024)           Earnings on investments         23,059           Net cash used in investing activities         \$ (8,124)           Net cash used in investing activities         \$ (8,124)           Net increase in cash         (3,059)           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         8 807,991           Reconciliation of operating income to net cash provided by operating activities:         \$ 35,825           Adjustments to reconcile operating income to net cash provided by operating activities:         \$ (22,821)           Increase in fair value of investments         (5,051)           Increase in fair value of investments         (606)           Change in operating mortgage loan loss         (806)           Change in mortgage loan loss         (806)           Change in mortgage loan sectivable in mortgage	Principal repayments on bonds	(74,935)
Net transfers         (72,380)           State appropriations received         15,330           State grants received         26,462           State tax credits         (88)           State program expense         (34,971)           Net cash provided by non-capital financing activities         \$ 43,904           Cash flows from investing activities:           Proceeds from sales or maturities of investments         (104,024)           Earnings on investments         23,059           Net cash used in investing activities         \$ 132,440           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         675,551           Cash and cash equivalents at end of year         \$ 35,825           Adjustments to reconcile operating income to net cash provided by operating activities:           Interest on investments         (22,821)           Increase in fair value of investments         (22,821)           Increase in fair value of investments         (30,051)           Change in operating assets and liabilities:         (30,051)           Decrease in mortgage loans receivable         39,999           Increase in accurued interest receivable on mortgage loans         (122)           Decrease in mortgage loans held for resale	Interest paid	(13,902)
State appropriations received         26,462           State grants received         (88)           State tax credits         (88)           State program expense         (34,971)           Net cash provided by non-capital financing activities         **           Cash flows from investing activities:           Proceeds from sales or maturities of investments         **           Purchase of investments         (104,024)           Earnings on investments         23,059           Net cash used in investing activities         **           Net cash used in investing activities         **           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         **           Reconciliation of operating income to net cash provided by operating activities:         **           Interest on investments         (22,821)           Increase in fair value of investments         (22,821)           Interest on bonds         21,743           No-operating mortgage loan loss         39,999           Increase in neortgage loan loss         39,999           Increase in mortgage loans receivable on mortgage loans         (129)           Decrease in mortgage loans held for resale         3,897           Increase in other assets </td <td>Bond issuance costs paid</td> <td>(1,612)</td>	Bond issuance costs paid	(1,612)
State grants received         26,462           State tax credits         (88)           State program expense         (34,971)           Net cash provided by non-capital financing activities         \$ 43,904           Cash flows from investing activities           Proceeds from sales or maturities of investments         \$ 72,841           Purchase of investments         (104,024)           Earnings on investments         23,059           Net cash used in investing activities         \$ 132,440           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         \$ 807,991           Reconciliation of operating income to net cash provided by operating activities:           Operating income         \$ 35,825           Adjustments to reconcile operating income to net cash provided by operating activities:         (22,821)           Interest on investments         (2,821)           Interest on investments         (3,655)           Interest on investments         (3,605)           Change in operating assets and liabilities:         39,999           Increase in mortgage loan loss         39,999           Increase in mortgage loans receivable on mortgage loans seceivable         3,997           Increase in other assets         3,867 <td>Net transfers</td> <td>(72,380)</td>	Net transfers	(72,380)
State tax credits         (88)           State program expense         (34,971)           Net cash provided by non-capital financing activities         \$ 43,904           Cash flows from investing activities:           Proceeds from sales or maturities of investments         \$ 72,841           Purchase of investments         (104,024)           Earnings on investments         23,059           Net cash used in investing activities         \$ (8,124)           Net increase in cash         \$ 132,440           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         \$ 807,991           Reconciliation of operating income to net cash provided by operating activities:           Operating income         \$ 35,825           Adjustments to reconcile operating income to net cash provided by operating activities:         (22,821)           Increase in fair value of investments         (22,821)           Increase in fair value of investments         (5,051)           Increase in fair value of investments         30,805           Change in operating assets and liabilities:         39,999           Increase in accrued interest receivable on mortgage loans         (129)           Decrease in mortgage loans held for resale         3,967           Incr	State appropriations received	15,330
State program expense         (34,971)           Net cash provided by non-capital financing activities         \$ 43,904           Cash flows from investing activities:           Proceeds from sales or maturities of investments         \$ 72,841           Purchase of investments         (104,024)           Earnings on investments         23,059           Net cash used in investing activities         \$ (8,124)           Net increase in cash         \$ 132,440           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         \$ 807,991           Reconciliation of operating income to net cash provided by operating activities:           Adjustments to reconcile operating income to net cash provided by operating activities:           Interest on investments         (22,821)           Increase in fair value of investments         (22,821)           Increase in portage loan loss         (5,051)           Change in operating assets and liabilities:         (806)           Change in operating assets and liabilities:         39,999           Increase in accrued interest receivable on mortgage loans         (129)           Decrease in mortgage loans held for resale         3,697           Increase in accounts payable and other liabilities         30,289	State grants received	26,462
Cash flows from investing activities:       \$ 43,904         Proceeds from sales or maturities of investments       \$ 72,841         Purchase of investments       (104,024)         Earnings on investments       23,059         Net acash used in investing activities       \$ (8,124)         Net increase in cash       \$ 132,440         Cash and cash equivalents at beginning of year       675,551         Cash and cash equivalents at end of year       \$ 307,991         Reconciliation of operating income to net cash provided by operating activities:       \$ 35,825         Adjustments to reconcile operating income to net cash provided by operating activities:       \$ (22,821)         Increase in fair value of investments       (22,821)         Increase in fair value of investments       (22,821)         Non-operating mortgage loan loss       (806)         Change in operating assets and liabilities:       (806)         Decrease in mortgage loans receivable       39,999         Increase in mortgage loans held for resale       3,697         Increase in other assets       (3,655)         Increase in other assets       (3,655)         Increase in other assets       (3,655)         Increase in unearned revenues       (2,431)         Decrease in unearned revenues       (2,431) <td>State tax credits</td> <td>(88)</td>	State tax credits	(88)
Cash flows from investing activities:  Proceeds from sales or maturities of investments \$72,841 Purchase of investments \$104,024 Earnings on investments \$23,059 Net cash used in investing activities \$132,440 Cash and cash equivalents at beginning of year 675,551 Cash and cash equivalents at beginning of year 675,551 Cash and cash equivalents at end of year \$807,991 Poperating income to net cash provided by operating activities:  Operating income \$35,825 Adjustments to reconcile operating income to net cash provided by operating activities: Interest on investments \$22,821 Increase in fair value of investments \$5,551 Increase in fair value of investments \$6,551 Increase in mortgage loan loss \$606 Poperating in operating assets and liabilities:  Decrease in mortgage loan receivable \$39,999 Increase in accrued interest receivable mortgage loans \$607 Poperating in mortgage loans held for resale \$607 Poperating in mortgage loans \$607 Poperating in mortgage loans \$607 Poperating in mortgage loans held for resale \$607 Poperating in mortgage loans \$607	State program expense	 (34,971)
Proceeds from sales or maturities of investments         \$ 72,841           Purchase of investments         (104,024)           Earnings on investments         23,059           Net cash used in investing activities         \$ (8,124)           Net increase in cash         \$ 132,440           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         675,551           Cash and cash equivalents at end of year         \$ 35,825           Reconciliation of operating income to net cash provided by operating activities:         \$ 35,825           Adjustments to reconcile operating income to net cash provided by operating activities:         (22,821)           Increase in investments         (22,821)           Increase in fair value of investments         (5,051)           Interest on bonds         21,743           Non-operating mortgage loan loss         (806)           Change in operating assets and liabilities:         39,999           Increase in mortgage loans receivable on mortgage loans         (129)           Decrease in mortgage loans held for resale         3,697           Increase in other assets         (3,655)           Increase in accounts payable and other liabilities         30,289           Decrease in unearmed revenues         (2,431) <tr< td=""><td>Net cash provided by non-capital financing activities</td><td>\$ 43,904</td></tr<>	Net cash provided by non-capital financing activities	\$ 43,904
Purchase of investments         (104,024)           Earnings on investments         23,059           Net cash used in investing activities         \$ (8,124)           Net increase in cash         \$ 132,440           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         \$ 807,991           Reconciliation of operating income to net cash provided by operating activities:           Operating income         \$ 35,825           Adjustments to reconcile operating income to net cash provided by operating activities:           Interest on investments         (22,821)           Increase in fair value of investments         (5,051)           Interest on bonds         (21,743)           Non-operating mortgage loan loss         (806)           Change in operating assets and liabilities:           Decrease in mortgage loans receivable on mortgage loans         (129)           Increase in accrued interest receivable on mortgage loans         (129)           Decrease in mortgage loans held for resale         3,697           Increase in other assets         (3,655)           Increase in accounts payable and other liabilities         30,288           Decrease in unearmed revenues         (2,431)           Total adjustments         § 60,	Cash flows from investing activities:	
Earnings on investments         23,099           Net cash used in investing activities         \$ (8,124)           Net increase in cash         \$ 132,440           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         \$ 807,991           Reconciliation of operating income to net cash provided by operating activities:           Operating income         \$ 35,825           Adjustments to reconcile operating income to net cash provided by operating activities:         (22,821)           Increase in fair value of investments         (22,821)           Increase in fair value of investments         (5,051)           Interest on bonds         21,743           Non-operating mortgage loan loss         (806)           Change in operating assets and liabilities:         39,999           Increase in mortgage loans receivable         39,999           Increase in accrued interest receivable on mortgage loans         (129)           Decrease in mortgage loans held for resale         3,697           Increase in other assets         (3,655)           Increase in accounts payable and other liabilities         30,289           Decrease in unearned revenues         (2,431)           Total adjustments         \$ 60,835	Proceeds from sales or maturities of investments	\$ 72,841
Net increase in cash         \$ 132,440           Cash and cash equivalents at beginning of year         675,551           Cash and cash equivalents at end of year         \$ 807,991           Reconciliation of operating income to net cash provided by operating activities:           Operating income         \$ 35,825           Adjustments to reconcile operating income to net cash provided by operating activities:           Interest on investments         (22,821)           Increase in fair value of investments         (5,051)           Interest on bonds         21,743           Non-operating mortgage loan loss         (806)           Change in operating assets and liabilities:         2           Decrease in mortgage loans receivable         39,999           Increase in accrued interest receivable on mortgage loans         (129)           Decrease in mortgage loans held for resale         3,697           Increase in other assets         (3,655)           Increase in accounts payable and other liabilities         30,289           Decrease in unearned revenues         (2,431)           Total adjustments         \$ 60,835	Purchase of investments	(104,024)
Net increase in cash Cash and cash equivalents at beginning of year Cash and cash equivalents at end of year  Reconciliation of operating income to net cash provided by operating activities: Operating income Sas,825  Adjustments to reconcile operating income to net cash provided by operating activities: Interest on investments Interest on investments Interest on investments Interest on bonds Interest on bonds Change in operating assets and liabilities:  Decrease in mortgage loans receivable Decrease in mortgage loans ledd for resale Increase in other assets Interest on bonds Increase in accrued interest receivable on mortgage loans Increase in accrued interest receivable on mortgage loans Increase in other assets Increase in accounts payable and other liabilities Increase in accounts payable and other liabilities Increase in unearned revenues Increase in unearned	Earnings on investments	 23,059
Cash and cash equivalents at beginning of year675,551Cash and cash equivalents at end of year\$ 807,991Reconciliation of operating income to net cash provided by operating activities:Operating income\$ 35,825Adjustments to reconcile operating income to net cash provided by operating activities:Interest on investments(22,821)Increase in fair value of investments(5,051)Interest on bonds21,743Non-operating mortgage loan loss(806)Change in operating assets and liabilities:39,999Increase in accrued interest receivable on mortgage loans(129)Decrease in mortgage loans held for resale3,697Increase in other assets(3,655)Increase in accounts payable and other liabilities30,289Decrease in unearned revenues(2,431)Total adjustments\$ 60,835	Net cash used in investing activities	\$ (8,124)
Cash and cash equivalents at end of year\$ 807,991Reconciliation of operating income\$ 35,825Operating income\$ 35,825Adjustments to reconcile operating income to net cash provided by operating activities:Interest on investments(22,821)Increase in fair value of investments(5,051)Interest on bonds21,743Non-operating mortgage loan loss(806)Change in operating assets and liabilities:Decrease in mortgage loans receivable39,999Increase in accrued interest receivable on mortgage loans(129)Decrease in mortgage loans held for resale3,697Increase in other assets(3,655)Increase in accounts payable and other liabilities30,289Decrease in unearned revenues(2,431)Total adjustments\$ 60,835	Net increase in cash	\$ 132,440
Reconciliation of operating income to net cash provided by operating activities:  Operating income \$35,825  Adjustments to reconcile operating income to net cash provided by operating activities:  Interest on investments (22,821) Increase in fair value of investments (5,051) Interest on bonds 21,743 Non-operating mortgage loan loss (806)  Change in operating assets and liabilities:  Decrease in mortgage loans receivable 33,999 Increase in accrued interest receivable on mortgage loans Decrease in mortgage loans held for resale 3,697 Increase in other assets (3,655) Increase in accounts payable and other liabilities 30,289 Decrease in unearned revenues (2,431) Total adjustments	Cash and cash equivalents at beginning of year	 675,551
Operating income\$ 35,825Adjustments to reconcile operating income to net cash provided by operating activities:Interest on investments(22,821)Increase in fair value of investments(5,051)Interest on bonds21,743Non-operating mortgage loan loss(806)Change in operating assets and liabilities:Decrease in mortgage loans receivable39,999Increase in accrued interest receivable on mortgage loans(129)Decrease in mortgage loans held for resale3,697Increase in other assets(3,655)Increase in accounts payable and other liabilities30,289Decrease in unearned revenues(2,431)Total adjustments\$ 60,835	Cash and cash equivalents at end of year	\$ 807,991
Adjustments to reconcile operating income to net cash provided by operating activities:       (22,821)         Interest on investments       (5,051)         Increase in fair value of investments       21,743         Non-operating mortgage loan loss       (806)         Change in operating assets and liabilities:       39,999         Increase in mortgage loans receivable       39,999         Increase in accrued interest receivable on mortgage loans       (129)         Decrease in mortgage loans held for resale       3,697         Increase in other assets       (3,655)         Increase in accounts payable and other liabilities       30,289         Decrease in unearned revenues       (2,431)         Total adjustments       \$ 60,835	Reconciliation of operating income to net cash provided by operating activities:	
Interest on investments         (22,821)           Increase in fair value of investments         (5,051)           Interest on bonds         21,743           Non-operating mortgage loan loss         (806)           Change in operating assets and liabilities:         39,999           Increase in mortgage loans receivable         39,999           Increase in accrued interest receivable on mortgage loans         (129)           Decrease in mortgage loans held for resale         3,697           Increase in other assets         (3,655)           Increase in accounts payable and other liabilities         30,289           Decrease in unearned revenues         (2,431)           Total adjustments         \$ 60,835	Operating income	\$ 35,825
Increase in fair value of investments         (5,051)           Interest on bonds         21,743           Non-operating mortgage loan loss         (806)           Change in operating assets and liabilities:         39,999           Increase in mortgage loans receivable         39,999           Increase in accrued interest receivable on mortgage loans         (129)           Decrease in mortgage loans held for resale         3,697           Increase in other assets         (3,655)           Increase in accounts payable and other liabilities         30,289           Decrease in unearned revenues         (2,431)           Total adjustments         \$ 60,835	Adjustments to reconcile operating income to net cash provided by operating activities:	
Interest on bonds Non-operating mortgage loan loss  Change in operating assets and liabilities:  Decrease in mortgage loans receivable Increase in accrued interest receivable on mortgage loans Decrease in mortgage loans held for resale Increase in other assets Increase in other assets Increase in accounts payable and other liabilities  Decrease in unearned revenues Total adjustments  21,743  39,999  (129)  39,999  (129)  3,697  (129)  3,697  (2,431)  5,60,835	Interest on investments	(22,821)
Non-operating mortgage loan loss  Change in operating assets and liabilities:  Decrease in mortgage loans receivable Increase in accrued interest receivable on mortgage loans Decrease in mortgage loans held for resale Increase in other assets Increase in other assets Increase in accounts payable and other liabilities Decrease in unearned revenues Total adjustments  (806)  (806)  (806)  39,999  (129)  (129)  3,697  (3,655)  (2,431)  5,60,835	Increase in fair value of investments	(5,051)
Change in operating assets and liabilities:Decrease in mortgage loans receivable39,999Increase in accrued interest receivable on mortgage loans(129)Decrease in mortgage loans held for resale3,697Increase in other assets(3,655)Increase in accounts payable and other liabilities30,289Decrease in unearned revenues(2,431)Total adjustments\$ 60,835	Interest on bonds	21,743
Decrease in mortgage loans receivable 39,999 Increase in accrued interest receivable on mortgage loans (129) Decrease in mortgage loans held for resale 3,697 Increase in other assets (3,655) Increase in accounts payable and other liabilities 30,289 Decrease in unearned revenues (2,431) Total adjustments \$ 60,835	Non-operating mortgage loan loss	(806)
Increase in accrued interest receivable on mortgage loans  Decrease in mortgage loans held for resale  Increase in other assets  Increase in accounts payable and other liabilities  Decrease in unearned revenues  Total adjustments  (129)  (3,655)  (3,655)  (2,431)  (2,431)	Change in operating assets and liabilities:	
Decrease in mortgage loans held for resale         3,697           Increase in other assets         (3,655)           Increase in accounts payable and other liabilities         30,289           Decrease in unearned revenues         (2,431)           Total adjustments         \$ 60,835	Decrease in mortgage loans receivable	39,999
Increase in other assets         (3,655)           Increase in accounts payable and other liabilities         30,289           Decrease in unearned revenues         (2,431)           Total adjustments         \$ 60,835	Increase in accrued interest receivable on mortgage loans	(129)
Increase in accounts payable and other liabilities 30,289  Decrease in unearned revenues (2,431)  Total adjustments \$ 60,835	Decrease in mortgage loans held for resale	3,697
Increase in accounts payable and other liabilities30,289Decrease in unearned revenues(2,431)Total adjustments\$ 60,835	Increase in other assets	(3,655)
Decrease in unearned revenues         (2,431)           Total adjustments         \$ 60,835	Increase in accounts payable and other liabilities	
Total adjustments \$ 60,835	Decrease in unearned revenues	
<u> </u>	Total adjustments	\$ 60,835
	Net cash provided by operating activities	96,660

### NOTES TO FINANCIAL STATEMENTS (Unaudited)

A. BASIS OF PRESENTATION The accompanying financial statements of the North Carolina Housing Finance Agency (Agency) have been prepared in accordance with generally accepted accounting principles in the United States of America as applicable to governments. The Governmental Accounting Standards Board establishes standards of financial accounting and reporting for state and local government entities. For full note disclosure, refer to the June 30, 2020 financial statements posted on the Agency's website at <a href="https://www.nchfa.com">www.nchfa.com</a>.

**Programs** The Agency's accounts are organized on the basis of programs. Each program represents a separate accounting entity. Agency resources are allocated to these programs based on legal responsibility, fiscal accountability, and management designation. The Agency's primary programs are summarized below:

Agency Programs Direct administrative and operational activities, including operating expenses of various programs, are recorded in Agency Programs.

Housing Trust Fund Programs The North Carolina Trust and Oil Overcharge Act created the North Carolina Housing Trust Fund (HTF) and the North Carolina Housing Partnership (Housing Partnership). The purpose of the HTF is to increase the supply of decent, affordable, and energy-efficient housing for residents of the State of North Carolina (State) with low and moderate incomes. The Housing Partnership is responsible for developing policy for the operation of several programs within the HTF. The Agency staff provides services to the Housing Partnership and administers the HTF programs. The Agency received State appropriations in the amount of \$13,830,000 for the six months ended December 31, 2020. Of this amount, \$3,830,000 is a recurring appropriation that is used to make loans and grants under the HTF programs. The remaining \$10,000,000 nonrecurring appropriation is for the Workforce Housing Loan Program, which makes loans for qualified North Carolina low-income multifamily housing developments.

During the six months ended December 31, 2020, the Agency received \$1,948,000 from the North Carolina Department of Health and Human Services (DHHS) for the Community Living Housing Fund (CLHF). This amount, in addition to \$1,229,000 received in fiscal year 2020 and \$7,296,000 received in fiscal year 2019, was appropriated by the General Assembly in September 2020 and is reported in *State grants received*.

Federal and State Programs The Agency administers several federal programs. Of the Agency's federal programs, the Section 8 programs and the HOME Investment Partnerships Program (HOME) represent 78% and 14% of federal expenditures, respectively. The Agency receives a fee for administering these programs. The Hardest Hit Fund® program substantially wound down in fiscal year 2020, accounting for only 3% of federal expenditures for the six months ending December 31, 2020.

The HOME Program is matched with State funds appropriated by the General Assembly; during the six months ended December 31, 2020, \$1,500,000 of HOME Match funds were received and are reported in *State appropriations received*. The Agency received \$2,752,000 for the Key Rental Assistance program and \$21,762,000 for the Community Living Rental Assistance Program from DHHS during the six months ended December 31, 2020. Both amounts are reported in *State grants received*.

Home Ownership Bond Programs The Home Ownership Bond Programs were created through various single-family trust agreements and are restricted as to their use. The proceeds of individual bond issues have historically been used to purchase first-time home buyer mortgage loans for single-family residential units. These mortgage loans are reflected in *Mortgage loans receivable*, *net*, and the

related interest income is reflected in *Interest on mortgage loans*. Bond proceeds are used to purchase mortgage-backed securities (MBS) in which first-time home buyer mortgage loans are pooled. These MBS are reflected in *Investments*, with the earnings from the MBS reflected in *Interest on investments*.

In addition to mortgage loans financed through the sale of bond issues, the Agency also finances mortgage loans through the sale of MBS on the secondary market. Because these MBS are sold on the secondary market, the revenue from the sales is reflected in *Program income/fees*.

The down payment assistance and the lender compensation related to the mortgage loans, regardless of whether sold on the secondary market or financed with bond proceeds, are reflected in *Nonfederal program expense*.

The 2009 Trust Indenture was defeased as of October 2020, and is explained in more detail in Note B, "Bonds Payable."

#### B. BONDS PAYABLE

Bonds payable activity for the year ended December 31, 2020 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Additions</u>	Reductions	Ending <u>Balance</u>
Bonds Payable				
Home Ownership	\$ 1,329,390	\$ 200,000	\$ (145,425)	\$ 1,383,965
Home Ownership (Direct Placement)	17,205	-	(1,020)	16,185
_	\$ 1,346,595	\$ 200,000	\$ (146,445)	\$ 1,400,150
Unamortized Bond Premium	\$ 29,252	\$ 6,643	\$ (1,709)	\$ 34,186
Total Bonds Payable, Net	\$ 1,375,847	\$ 206,643	\$ (148,154)	\$ 1,434,336

Ctotod

Final

Dringing

Bonds payable as of December 31, 2020 are as follows (in thousands):

_	Stated	Final	Principal		
<u>lssue</u>	<u>Rates (%)</u>	<u>Maturity</u>	<u>Amount</u>		
Home Ownership Revenue Bonds					
(1998 Housing Revenue Bonds Trust Agreement)					
Series 32	4.000	1/1/2030	\$ 24,885		
Series 33	3.163 - 4.319	1/1/2029	25,300		
Series 34	2.812 - 3.602	7/1/2035	9,405		
Series 35	2.870 - 3.686	7/1/2032	12,820		
Series 36	2.478 - 3.482	1/1/2031	19,675		
Series 37A & Series 37B	1.750 - 3.500	7/1/2039	110,425		
Series 37C (Direct Placement)	Variable	1/1/2035	16,185		
Series 38	1.750 - 4.000	7/1/2047	207,065		
Series 39	2.400 - 4.000	7/1/2048	127,530		
Series 40	2.250 - 4.250	7/1/2047	89,275		
Series 41	1.700 - 4.000	1/1/2050	140,715		
Series 42	1.100 - 4.000	1/1/2050	147,640		
Series 43	1.150 - 4.000	7/1/2050	149,230		
Series 44	0.875 - 4.000	7/1/2050	120,000		
Series 45	0.150 - 3.000	7/1/2051	200,000		
Total Bonds Outstanding			\$ 1,400,150		
Plus Unamortized Bond Premium			\$ 34,186		
Total Bonds Payable, Net			\$ 1,434,336		

On October 14, 2020, the Agency issued \$200 million in Series 45 bonds in the 1998 Trust Indenture to advance refund all of the 2009 resolution bonds outstanding, totaling \$71.5 million. While most of the proceeds will be applied to new NC Home Advantage Mortgage production, a portion of the proceeds was used to defease the bonds and accrued interest in the 2009 Trust Indenture. The bonds in the 2009 Trust Indenture were not eligible to be called until January 1, 2021 and July 1, 2021, so \$58.2 million of the Series 45 proceeds was placed into escrow by the Agency's trustee, Bank of New York Mellon, NA. In addition, \$14.2 million of cash in the 2009 Trust Indenture was also placed into escrow. The amounts placed in escrow were invested by the trustee in state and local government securities generating earnings sufficient to refund the bonds and pay accrued interest in full on January 1, 2021 and July 1, 2021. As a result, the 2009 Trust Indenture was defeased effective October 2020. The FirstHome mortgage loans in the 2009 Trust Indenture were transferred to the Series 45 Revenue Fund of the 1998 Trust Indenture as collateral for the Series 45 bonds, and the all remaining assets of the 2009 Trust Indenture were transferred to the 1998 Trust Indenture.

The advance refunding associated with the defeasance of the 2009 Trust Indenture resulted in a reduction of the Agency's aggregate debt service payments and an economic gain of \$7.06 million based on a 0% prepayment speed.

**Special Facilities (Conduits)** The Agency issues Multifamily Housing Revenue Bonds which are not presented in the financial statements of the Agency. These bonds are secured solely by the properties, related revenues of the projects, and the applicable credit enhancements. These bonds do not constitute a debt of, and are not guaranteed by, the State, any political subdivision thereof, or the Agency. Accordingly, these obligations are excluded from the Agency's financial statements.

Bonds payable as of December 31, 2020 for special facilities are as follows (in thousands):

Ronde

<u>Issue</u>	Bond Type	_	standing
Series 2019 (Weaver Investment Company Rural Development Portfolio)	Multifamily Housing Revenue Bonds	\$	15,235

Bonds related to special facilities that were redeemed during the first six months of fiscal year 2021 are as follows:

		Redemption
<u>Issue</u>	Bond Type	<u>Date</u>
Series 2018 (Catawba Pines Apartments)	Multifamily Housing Revenue Bonds	9/1/2020

# **North Carolina Housing Finance Agency**

**Additional Information** 

COMBINING STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2020

**AGENCY** (Unaudited) **PROGRAMS GRANT PROGRAMS** HOME OWNERSHIP BOND PROGRAMS **Housing Trust** Federal and (in thousands) Fund Programs State Programs 1998 2009 Total ASSETS **Current assets:** 37,682 Cash and cash equivalents \$ 37,682 \$ Restricted cash and cash equivalents 124,740 113,025 93,413 439,131 770,309 Restricted investments 1.902 12.955 14.857 Accrued interest receivable on investments 36 29 3,907 3.975 3 Mortgage loans receivable 197 1.159 13.300 65.267 79.923 Accrued interest receivable on mortgage loans 3 12 198 2,953 3,166 State receivables 88 339 427 Other assets 130 2,704 3,136 5,970 Interprogram receivable (payable) 3,936 (16)(5,672)1,752 TOTAL CURRENT ASSETS 156.999 94.597 135.612 529.101 916.309 Noncurrent assets: Investments \$ 1,029 \$ 1,029 1,146,524 Restricted investments 1,146,524 Mortgage loans receivable, net 1.570 12.058 78.950 271,816 364.394 Capital assets, net 2,948 2,948 Other assets, net 20 20 TOTAL NONCURRENT ASSETS 5,567 12,058 78,950 1,418,340 1,514,915 106,655 214,562 TOTAL ASSETS 162,566 1.947.441 \$ 2,431,224 DEFERRED OUTFLOWS OF RESOURCES Deferred outflows for pensions 2,742 \$ 2,742 Deferred outflows for other postemployment benefits 3,078 3,078 Accumulated decrease in fair value of hedging derivative 2,293 2,293 TOTAL DEFERRED OUTFLOWS OF RESOURCES 5,820 2.293 8,113 LIABILITIES **Current liabilities:** Bonds payable \$ 40,375 40,375 Accrued interest payable 20,652 20,652 Accounts payable 29.858 1.618 784 32.260 10,355 Unearned revenues 2,009 8,346 Other liabilities 567 36 603 TOTAL CURRENT LIABILITIES 32,434 10,000 61,811 104,245 Noncurrent liabilities: Bonds payable, net \$ 1,393,961 \$ 1,393,961 Derivative instrument - interest rate swap 2.293 2.293 Unearned revenues 16,981 16,981 Pension liability 5,739 5,739 15,063 15,063 Other postemployment benefits Other liabilities 5,511 5,511 TOTAL NONCURRENT LIABILITIES 43.294 1.396.254 1,439,548 TOTAL LIABILITIES 75,728 10,000 1,458,065 1,543,793 \$ \$ **DEFERRED INFLOWS OF RESOURCES** Deferred inflows for pensions \$ 11 - \$ 11 Deferred inflows for other postemployment benefits 5,291 5,291 TOTAL DEFERRED INFLOWS OF RESOURCES 5,302 5,302 **NET POSITION** \$ 2.948 2,948 Net investment in capital assets \$ Restricted net position 65,240 868,126 106,655 204,562 491,669 Unrestricted net position 19.168 19.168 TOTAL NET POSITION 106,655 204,562 491,669 87,356 890,242

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION SIX MONTHS ENDED DECEMBER 31, 2020 (Unaudited)

AGENCY

	PROGRAMS		GRANT PROGRAMS		HOME OWNERSHIP BOND PROGRAMS			
(in thousands)			Housing Trust Fund Programs	Federal and State Programs	1998	2009		Total
OPERATING REVENUES								
Interest on investments	\$	425	321	181	21,850	44	\$	22,821
Net increase (decrease) in fair value of investments		(53)	-	-	5,061	43		5,051
Interest on mortgage loans		12	430	451	8,727	605		10,225
Federal program awards received		-	-	96,263	-	-		96,263
Program income/fees		13,037	1,914	20,975	12,911	-		48,837
Other revenues		53	66	195	296	10		620
TOTAL OPERATING REVENUES	\$	13,474	2,731	118,065	48,845	702	\$	183,817
OPERATING EXPENSES								
Interest on bonds	\$	_	_	_	20,881	862	\$	21.743
Mortgage servicing expense		_	_	_	484	72		556
Federal program expense		_	_	101,294	-	_		101,294
Nonfederal program expense		1,402	_	· -	10,583	_		11,985
General and administrative expense		9,831	_	2,214	202	_		12,247
Other expenses		22	_	19	109	17		167
TOTAL OPERATING EXPENSES	\$	11,255	-	103,527	32,259	951	\$	147,992
OPERATING INCOME (LOSS)	\$	2,219	2,731	14,538	16,586	(249)	\$	35,825
NON-OPERATING REVENUES (EXPENSES)								
Transfers in (out)	\$	10,880	118	(10,998)	17,997	(17,997)	\$	-
State appropriations received		-	13,830	1,500	-	-		15,330
State grants received		-	10,473	24,514	-	-		34,987
State program expense		-	(24,011)	(11,766)	-	-		(35,777)
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$	10,880	410	3,250	17,997	(17,997)	\$	14,540
CHANGE IN NET POSITION	\$	13,099	3,141	17,788	34,583	(18,246)	\$	50,365
TOTAL NET POSITION - BEGINNING	\$	74,257	103,514	186,774	457,086	18,246	\$	839,877
TOTAL NET POSITION - ENDING	\$	87,356	106,655	204,562	491,669	-	\$	890,242

COMBINING STATEMENT OF CASH FLOWS SIX MONTHS ENDED DECEMBER 31, 2020 (Unaudited)

(Unaudited)								
		GENCY OGRAMS	GRANT PR	OCDAMS	HOME OWNERSHIP BOND PROGRAMS			
		OGRANIS	Housing Trust	Federal and				
(in thousands)			Fund Programs	State Programs	1998	2009		Total
Cash flows from operating activities:								
Interest on mortgage loans	\$	12	425	395	8,115	1,104	\$	10,051
Principal payments on mortgage loans		128	845	9,668	32,522	3,763		46,926
Purchase of mortgage loans		-	-	(7,108)		-		(7,108)
Principal payments on mortgage loans held for resale		-	-	-	3,697	-		3,697
Federal program awards received		-	-	93,486	-	-		93,486
Federal program expense		-	-	(100,993)		-		(100,993)
Nonfederal program expense		(1,402)	-	-	(10,583)	-		(11,985)
Federal grant administration income				4,403		-		4,403
Program income/fees		12,807	1,914	15,992	12,911			43,624
Other expenses		18,420	(1)	780	(914)	(573)		17,712
Other revenues		(1,659)	181	(339)	(2,150)	814		(3,153)
Net cash provided by operating activities	\$	28,306	3,364	16,284	43,598	5,108	\$	96,660
Cash flows from non-capital financing activities:								
Issuance of bonds	\$	-	-	-	200,000	-	\$	200,000
Principal repayments on bonds		-	-	-	(70,075)	(4,860)		(74,935)
Interest paid		-	-	-	(12,697)	(1,205)		(13,902)
Bond issuance costs paid		-	-	-	(1,612)	-		(1,612)
Net transfers		10,880	118	(10,998)	(55,249)	(17,131)		(72,380)
State appropriations received		-	13,830	1,500	-	-		15,330
State grants received		-	1,948	24,514	-	-		26,462
State tax credits		(88)	<u>-</u>		-	-		(88)
State program expense	\$	40.700	(23,205)	(11,766)		(00.400)	\$	(34,971)
Net cash provided by (used in) non-capital financing activities	<u> </u>	10,792	(7,309)	3,250	60,367	(23,196)	Ф	43,904
Cash flows from investing activities:								
Proceeds from sales or maturities of investments	\$	-	-	-	66,595	6,246	\$	72,841
Purchase of investments		-	-	-	(104,024)	-		(104,024)
Earnings on investments		436	389	178	21,972	84		23,059
Net cash provided by (used in) investing activities	\$	436	389	178	(15,457)	6,330	\$	(8,124)
Net increase (decrease) in cash	\$	39,534	(3,556)	19,712	88,508	(11,758)	\$	132,440
Cash and cash equivalents at beginning of year		111,173	96,969	105,028	350,623	11,758		675,551
Cash and cash equivalents at end of year	\$	150,707	93,413	124,740	439,131	-	\$	807,991
Reconciliation of operating income (loss) to net								
cash provided by operating activities:								
Operating income (loss)	\$	2,219	2,731	14,538	16,586	(249)	\$	35,825
Adjustments to reconcile operating income (loss) to net cash								
provided by operating activities:								
Interest on investments		(425)	(321)	(181)		(44)		(22,821)
Decrease (increase) in fair value of investments		53	-	-	(5,061)	(43)		(5,051)
Interest on bonds		-	-	-	20,881	862		21,743
Non-operating mortgage loan loss		-	(806)	-	-	-		(806)
Net operating transfers		-	-	-	73,246	(73,246)		-
Change in assets and liabilities:								
Decrease (increase) in mortgage loans receivable		77	1,585	2,365	(40,932)	76,904		39,999
Decrease (increase) in interest receivable on mortgage loans		-	(5)	(56)		516		(129)
Decrease (increase) in mortgage loans held for resale		-	-	-	3,697	-		3,697
Decrease (increase) in other assets		(1,083)	181	(1,495)	· · /	892		(3,655)
Increase (decrease) in accounts payable and other liabilities		27,695	(1)	3,314	(235)	(484)		30,289
Increase (decrease) in unearned revenues		(230)	-	(2,201)				(2,431)
Total adjustments	\$	26,087	633	1,746	27,012	5,357	\$	60,835
Net cash provided by operating activities	\$	28,306	3,364	16,284	43,598	5,108	\$	96,660



Our mission is to create affordable housing options for North Carolinians whose needs are not met by the market

Our vision is to lead the nation in creating sustainable housing opportunities that people can afford.

Our values: We Care, We Act, We Lead.