



# **Semi-Annual Financial Statements**

December 31, 2024

# **Semi-Annual Financial Statements**

*Six months ended December 31, 2024*

**North Carolina Housing Finance Agency**

**NORTH CAROLINA HOUSING FINANCE AGENCY  
FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024**

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# NORTH CAROLINA HOUSING FINANCE AGENCY

## STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2024

(Unaudited)

(in thousands)

### ASSETS

#### Current assets:

Cash and cash equivalents	\$ 183,048
Restricted cash and cash equivalents	915,922
Restricted investments	260,596
Accrued interest receivable on investments	15,057
Mortgage loans receivable	42,511
Mortgage loans held for sale	14,619
Accrued interest receivable on mortgage loans	1,139
State receivables	6
Other assets	8,003

**TOTAL CURRENT ASSETS** \$ 1,440,901

#### Noncurrent assets:

Restricted investments	\$ 2,604,255
Mortgage loans receivable, net	233,340
Hedging derivatives asset	4,455
Capital assets, net	1,758

**TOTAL NONCURRENT ASSETS** \$ 2,843,808

**TOTAL ASSETS** \$ 4,284,709

### DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows for pensions	\$ 6,175
Deferred outflows for other postemployment benefits	3,463

**TOTAL DEFERRED OUTFLOWS OF RESOURCES** \$ 9,638

### LIABILITIES

#### Current liabilities:

Bonds payable	\$ 55,875
Accrued interest payable	58,830
Accounts payable	2,287
Unearned revenues	2,731
Lease liabilities	635
Other liabilities	1,208

**TOTAL CURRENT LIABILITIES** \$ 121,566

#### Noncurrent liabilities:

Bonds payable, net	\$ 3,170,616
Unearned revenues	23,906
Pension liability	9,660
Other postemployment benefits	13,365
Lease liabilities	1,118
Other liabilities	5,553

**TOTAL NONCURRENT LIABILITIES** \$ 3,224,218

**TOTAL LIABILITIES** \$ 3,345,784

### DEFERRED INFLOWS OF RESOURCES

Deferred inflows for pensions	\$ 71
Deferred inflows for other postemployment benefits	3,873
Accumulated increase in fair value of hedging derivatives	4,455

**TOTAL DEFERRED INFLOWS OF RESOURCES** \$ 8,399

### NET POSITION

Net investment in capital assets	\$ 1,758
Restricted net position	758,875
Unrestricted net position	179,531

**TOTAL NET POSITION** \$ 940,164

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

# NORTH CAROLINA HOUSING FINANCE AGENCY

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

SIX MONTHS ENDED DECEMBER 31, 2024

(Unaudited)

(in thousands)

### OPERATING REVENUES

Interest on investments	\$	89,293
Net increase (decrease) in fair value of investments		12,755
Interest on mortgage loans		6,176
Federal program awards received		119,820
Program income/fees		42,126
Other revenues		<u>152</u>
<b>TOTAL OPERATING REVENUES</b>	<b>\$</b>	<b><u>270,322</u></b>

### OPERATING EXPENSES

Interest on bonds	\$	52,896
Lease interest expense		20
Mortgage servicing expense		322
Federal program expense		124,920
Nonfederal program expense		36,036
General and administrative expense		15,582
Other expenses		<u>71</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$</b>	<b><u>229,847</u></b>

**OPERATING INCOME (LOSS)** **\$ 40,475**

### NON-OPERATING REVENUES (EXPENSES)

State appropriations received	\$	50,330
State grants received		50,651
State program expense		<u>(58,285)</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>\$</b>	<b><u>42,696</u></b>

**CHANGE IN NET POSITION** **\$ 83,171**

**TOTAL NET POSITION - BEGINNING** **\$ 856,993**

**TOTAL NET POSITION - ENDING** **\$ 940,164**

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

# NORTH CAROLINA HOUSING FINANCE AGENCY

## STATEMENT OF CASH FLOWS

SIX MONTHS ENDED DECEMBER 31, 2024

(Unaudited)

(in thousands)

**Cash flows from operating activities:**

Interest on mortgage loans	\$ 6,130
Principal payments on mortgage loans	17,036
Purchase of mortgage loans	(5,063)
Sale of mortgage loans held for sale	161,557
Purchase of mortgage loans held for sale	(166,520)
Federal program awards received	119,404
Federal program expense	(125,545)
Nonfederal program expense	(36,036)
Federal grant administration income	5,204
Program income/fees	37,994
Other expenses	(15,188)
Other revenues	(1,696)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (2,723)</u>

**Cash flows from non-capital financing activities:**

Issuance of bonds	\$ 560,000
Principal repayments on bonds	(72,505)
Interest paid on bonds	(35,099)
Bond issuance costs paid	(2,351)
State appropriations received	50,330
State grants received	50,651
State program expense	(58,285)
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>\$ 492,741</u>

**Cash flows from investing activities:**

Proceeds from sales or maturities of investments	\$ 67,263
Purchase of investments	(701,494)
Earnings on investments	85,747
<b>Net cash provided by (used in) investing activities</b>	<u>\$ (548,484)</u>

Net increase (decrease) in cash and cash equivalents, unrestricted and restricted	\$ (58,466)
Cash and cash equivalents, unrestricted and restricted, at beginning of year	1,157,436
<b>Cash and cash equivalents, unrestricted and restricted, at end of year</b>	<u>\$ 1,098,970</u>

**Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:**

Operating income (loss)	\$ 40,475
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**Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:**

Interest on investments	(89,293)
Decrease (increase) in fair value of investments	(12,755)
Interest on bonds	52,896

**Change in operating assets and liabilities:**

Decrease (increase) in mortgage loans receivable	11,714
Decrease (increase) in mortgage loans held for sale	(4,963)
Decrease (increase) in accrued interest receivable on mortgage loans	4
Decrease (increase) in other assets	(5,885)
Decrease (increase) in deferred outflows of resources	391
Increase (decrease) in accounts payable and other liabilities	(656)
Increase (decrease) in deferred inflows of resources	4,455
Increase (decrease) in unearned revenues	894

<b>Total adjustments</b>	<u>\$ (43,198)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (2,723)</u>

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

## 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, 2024 financial statements posted on the Agency's website at [www.nchfa.com](http://www.nchfa.com).

**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. Among the most active programs are the federal Low-Income Housing Tax Credit (LIHTC) program and the State Home Foreclosure Prevention Project (SHFPP). The Agency administers LIHTC for the State of North Carolina (State), evaluating applications for the tax credits and monitoring the rental properties for the compliance period to ensure that they meet federal program requirements, among other responsibilities. The Agency earns fees related to the applications and monitoring of LIHTC properties.

In 2008, the State authorized the formation of SHFPP in response to the foreclosure crisis. State statute requires that all parties who wish to initiate a foreclosure against a home in North Carolina remit a \$75 fee to the Agency. The fees collected are used to counsel and/or provide legal assistance to homeowners at risk of foreclosure. Any excess funds are allocated to the North Carolina Housing Trust Fund (HTF) annually.

Housing Trust Fund Programs The North Carolina Housing Trust and Oil Overcharge Act created the 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 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. State appropriations are reported in *Non-Operating Revenues (Expenses)* in the accompanying financial statements, and include a recurring appropriation that is used to make loans and grants under the HTF programs and nonrecurring appropriations for the Workforce Housing Loan Program, Victims of Human Trafficking program, and Homeless Veterans program.

The Agency periodically receives funds from the North Carolina Department of Health and Human Services (DHHS) for the Community Living Housing Fund when unspent Transition to Community Living funds are available at DHHS at the end of the fiscal year. In October 2022, SL 2022-180 established a recurring appropriation for such funds, not to exceed \$3.8 million. Any funds received by the Agency up to this amount are reported in *State grants received*. Any funds received in excess of \$3.8 million are reported in *Deferred state grants* until appropriated by the North Carolina General Assembly (General Assembly), at which time they are moved to *State grants received*.

Federal and State Programs The Agency administers several federal programs including Section 8 Project-Based Contract Administration, the combined HOME Investment Partnerships Program (HOME) and the HOME Investment Partnerships American Rescue Plan Program, and Community Development Block Grant Disaster Recovery, which represent 84%, 11%, and 4% of federal expenditures, respectively. The Agency receives a fee for administering these programs. The

HOME program is matched with State funds of up to \$3 million annually as appropriated by the General Assembly.

The Agency receives funds from DHHS for the Transitions to Community Living Voucher program (TCLV), the Key Rental Assistance (Key) program and other housing programs. TCLV is a tenant-based, rental assistance program, which also provides assistance with security deposits, holding fees and risk mitigation claims. The Key program provides assistance and services to low-income individuals with disabilities and those who are homeless. These funds are reported in *State grants received*.

Home Ownership Bond Programs The Home Ownership Bond Programs were created through single-family trust agreements and are restricted as to their use. The proceeds of individual bond issues are used to purchase qualifying mortgage loans for single-family residential units.

The Agency's former FirstHome program was funded with tax-exempt mortgage revenue bonds, and the mortgage loans are reported in *Mortgage loans receivable* and *Mortgage loans receivable, net* in the 1998 Home Ownership Bond Program. Mortgage loan interest income related to the Home Ownership Bond Programs is reported in *Interest on mortgage loans*.

The operations for the NC Home Advantage Mortgage (HomeAd) program are financed through the issuance of taxable and tax-exempt mortgage revenue bonds as well as the sale of mortgage-backed securities (MBS). The production related to the HomeAd program is reported in the 1998 Home Ownership Bond Program. In contrast to the FirstHome program, in which the Agency owns the mortgage loans, all HomeAd production is pooled into MBS, regardless of the method of financing. For HomeAd loans funded through the sale of MBS, the related program income is recorded in *Program income/fees*. The MBS funded with bond proceeds are reported in *Investments*, which also include US Agency securities held by the Agency. The corresponding earnings from the bond-funded MBS are reported in *Interest on investments*. The down payment assistance loans and lender compensation incurred by the HomeAd program are reported in *Nonfederal program expense*, regardless of the method of financing.

**B. BONDS PAYABLE**

Bonds payable activity for the six months ended December 31, 2024, was as follows (*in thousands*):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>Bonds Payable</b>				
Home Ownership	\$ 2,665,315	\$ 560,000	\$ (72,505)	\$ 3,152,810
Unamortized Bond Premium/Discount	70,134	11,832	(8,285)	73,681
<b>Total Bonds Payable, Net</b>	<b>\$ 2,735,449</b>	<b>\$ 571,832</b>	<b>\$ (80,790)</b>	<b>\$ 3,226,491</b>



Bonds payable as of December 31, 2024, are as follows (*in thousands*):

<u>Issue</u>	<u>Stated Rates (%)</u>	<u>Final Maturity</u>	<u>Principal Amount</u>
<b>Home Ownership Revenue Bonds</b>			
(1998 Housing Revenue Bonds Trust Agreement)			
Series 34	2.812	7/1/2035	\$ 425
Series 35	2.870	7/1/2032	1,635
Series 36	3.432 – 3.482	7/1/2025	1,470
Series 37	2.250 – 3.500	7/1/2039	20,570
Series 38	2.375 – 4.000	7/1/2047	82,505
Series 39	2.750 – 4.000	7/1/2048	36,740
Series 40	4.250	7/1/2047	12,655
Series 41	2.100 – 4.000	1/1/2050	76,970
Series 42	1.500 – 4.000	1/1/2050	88,115
Series 43	1.600 – 4.000	7/1/2050	93,295
Series 44	1.600 – 4.000	7/1/2050	87,180
Series 45	0.650 – 3.000	7/1/2051	143,660
Series 46	0.550 – 3.000	7/1/2051	127,610
Series 47	0.400 – 3.000	7/1/2051	140,555
Series 48	1.950 – 5.000	7/1/2052	185,110
Series 49	3.200 – 6.000	7/1/2053	173,530
Series 50	2.700 – 5.500	1/1/2054	175,735
Series 51	3.250 – 5.750	1/1/2054	195,825
Series 52 A/B	3.600 – 6.500	1/1/2055	309,725
Series 52 C	Variable	7/1/2049	40,000
Series 53	3.100 – 6.250	1/1/2055	300,000
Series 54	3.400 – 6.500	1/1/2055	299,500
Series 55	3.000 – 6.250	7/1/2056	500,000
Series 56	3.375	7/1/2048	60,000
<b>Total Bonds Outstanding</b>			<u>\$ 3,152,810</u>
<b>Plus Unamortized Bond Premium &amp; Discount</b>			<u>\$ 73,681</u>
<b>Total Bonds Payable, Net</b>			<u><b>\$ 3,226,491</b></u>

**Special Facilities (Conduits)** The Agency issued Multifamily Housing Revenue Bonds which are not presented in the financial statements of the Agency. These bonds are limited obligations of the Agency, secured solely by the revenues and other assets pledged for their payment. These bonds do not constitute a debt of and are not guaranteed by the State or any political subdivision thereof. Accordingly, these obligations are excluded from the Agency's financial statements.

Bonds payable as of December 31, 2024 for special facilities are as follows (*in thousands*):

<u>Issue</u>	<u>Bond Type</u>	<u>Bonds Outstanding</u>
Series 2022 (S. Emerson Hills Apt. Homes)*	Multifamily Housing Revenue Bonds	\$ 36,361
Series 2024 (Fitch Irick Portfolio)	Multifamily Housing Revenue Bonds	43,251
Series 2024 (Cabarrus Arms Apartments)**	Multifamily Housing Revenue Bonds	12,261
Series 2024 (Weaver-PPM Portfolio)	Multifamily Housing Revenue Bonds	<u>15,200</u>
<b>Total</b>		<b><u>\$ 107,073</u></b>

\* The bonds were issued as “draw down” bonds, in which the principal amount of the bonds will increase from time to time as the bond proceeds are advanced to pay for eligible construction expenses up to an amount not to exceed \$37,515,000. As of December 31, 2024, \$36,361,000 has been advanced.

\*\* The bonds were issued for a total of \$12,325,000. As of December 31, 2024, scheduled principal payments of \$64,000 have been made.

Bonds related to special facilities that were fully redeemed during the first six months of fiscal year 2025 are as follows:

<u>Issue</u>	<u>Bond Type</u>	<u>Redemption Date</u>
Series 2022 (Five Points Crossing, LP)	Multifamily Housing Revenue Bonds	12/18/2024

# **North Carolina Housing Finance Agency**

## **Additional Information**

# NORTH CAROLINA HOUSING FINANCE AGENCY

## COMBINING STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2024

(Unaudited)

(in thousands)	AGENCY	GRANT		HOME OWNERSHIP	Total
	PROGRAMS	Housing Trust Fund Programs	Federal and State Programs	BOND PROGRAMS	
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 183,048	\$ -	\$ -	\$ -	\$ 183,048
Restricted cash and cash equivalents	53,086	216,125	89,039	557,672	915,922
Restricted investments	-	-	-	260,596	260,596
Accrued interest receivable on investments	-	-	-	15,057	15,057
Mortgage loans receivable	9,646	1,124	6,993	24,748	42,511
Mortgage loans held for sale	-	-	-	14,619	14,619
Accrued interest receivable on mortgage loans	2	6	12	1,119	1,139
State receivables	-	-	6	-	6
Other assets	264	-	5,791	1,948	8,003
Interprogram receivable (payable)	7,030	-	(7,526)	496	-
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 253,076</b>	<b>\$ 217,255</b>	<b>\$ 94,315</b>	<b>\$ 876,255</b>	<b>\$ 1,440,901</b>
<b>Noncurrent assets:</b>					
Restricted investments	\$ -	\$ -	\$ -	\$ 2,604,255	\$ 2,604,255
Mortgage loans receivable, net	1,115	9,394	75,395	147,436	233,340
Hedging derivatives asset	-	-	-	4,455	4,455
Capital assets, net	1,758	-	-	-	1,758
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 2,873</b>	<b>\$ 9,394</b>	<b>\$ 75,395</b>	<b>\$ 2,756,146</b>	<b>\$ 2,843,808</b>
<b>TOTAL ASSETS</b>	<b>\$ 255,949</b>	<b>\$ 226,649</b>	<b>\$ 169,710</b>	<b>\$ 3,632,401</b>	<b>\$ 4,284,709</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows for pensions	\$ 6,175	\$ -	\$ -	\$ -	\$ 6,175
Deferred outflows for other postemployment benefits	3,463	-	-	-	3,463
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 9,638</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,638</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Bonds payable	\$ -	\$ -	\$ -	\$ 55,875	\$ 55,875
Accrued interest payable	-	-	-	58,830	58,830
Accounts payable	13	-	1,658	616	2,287
Unearned revenues	2,731	-	-	-	2,731
Lease liabilities	635	-	-	-	635
Other liabilities	1,207	-	1	-	1,208
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 4,586</b>	<b>\$ -</b>	<b>\$ 1,659</b>	<b>\$ 115,321</b>	<b>\$ 121,566</b>
<b>Noncurrent liabilities:</b>					
Bonds payable, net	\$ -	\$ -	\$ -	\$ 3,170,616	\$ 3,170,616
Unearned revenues	23,906	-	-	-	23,906
Pension liability	9,660	-	-	-	9,660
Other postemployment benefits	13,365	-	-	-	13,365
Lease liabilities	1,118	-	-	-	1,118
Other liabilities	4,803	-	-	750	5,553
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 52,852</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,171,366</b>	<b>\$ 3,224,218</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 57,438</b>	<b>\$ -</b>	<b>\$ 1,659</b>	<b>\$ 3,286,687</b>	<b>\$ 3,345,784</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows for pensions	\$ 71	\$ -	\$ -	\$ -	\$ 71
Deferred inflows for other postemployment benefits	3,873	-	-	-	3,873
Accumulated increase in fair value of hedging derivatives	-	-	-	4,455	4,455
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 3,944</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,455</b>	<b>\$ 8,399</b>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 1,758	\$ -	\$ -	\$ -	\$ 1,758
Restricted net position	22,916	226,649	168,051	341,259	758,875
Unrestricted net position	179,531	-	-	-	179,531
<b>TOTAL NET POSITION</b>	<b>\$ 204,205</b>	<b>\$ 226,649</b>	<b>\$ 168,051</b>	<b>\$ 341,259</b>	<b>\$ 940,164</b>

# NORTH CAROLINA HOUSING FINANCE AGENCY

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

SIX MONTHS ENDED DECEMBER 31, 2024

(Unaudited)

(in thousands)	AGENCY	GRANT		HOME OWNERSHIP	Total
	PROGRAMS	Housing Trust Fund Programs	Federal and State Programs	BOND PROGRAMS	
<b>OPERATING REVENUES</b>					
Interest on investments	\$ 5,281	\$ 4,934	\$ 1,191	\$ 77,887	\$ 89,293
Net increase (decrease) in fair value of investments	-	-	-	12,755	12,755
Interest on mortgage loans	125	229	469	5,353	6,176
Federal program awards received	-	-	119,820	-	119,820
Program income/fees	20,870	3,214	9,432	8,610	42,126
Other revenues	-	152	-	-	152
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 26,276</b>	<b>\$ 8,529</b>	<b>\$ 130,912</b>	<b>\$ 104,605</b>	<b>\$ 270,322</b>
<b>OPERATING EXPENSES</b>					
Interest on bonds	\$ -	\$ -	\$ -	\$ 52,896	\$ 52,896
Lease interest expense	20	-	-	-	20
Mortgage servicing expense	-	-	-	322	322
Federal program expense	-	-	124,920	-	124,920
Nonfederal program expense	544	-	-	35,492	36,036
General and administrative expense	11,549	-	3,460	573	15,582
Other expenses	1	-	32	38	71
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 12,114</b>	<b>\$ -</b>	<b>\$ 128,412</b>	<b>\$ 89,321</b>	<b>\$ 229,847</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 14,162</b>	<b>\$ 8,529</b>	<b>\$ 2,500</b>	<b>\$ 15,284</b>	<b>\$ 40,475</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Transfers in (out)	\$ 5,702	\$ (37)	\$ (5,512)	\$ (153)	\$ -
State appropriations received	-	48,830	1,500	-	50,330
State grants received	-	3,367	47,284	-	50,651
State program expense	(1)	(33,836)	(24,448)	-	(58,285)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>\$ 5,701</b>	<b>\$ 18,324</b>	<b>\$ 18,824</b>	<b>\$ (153)</b>	<b>\$ 42,696</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 19,863</b>	<b>\$ 26,853</b>	<b>\$ 21,324</b>	<b>\$ 15,131</b>	<b>\$ 83,171</b>
<b>TOTAL NET POSITION - BEGINNING</b>	<b>\$ 184,342</b>	<b>\$ 199,796</b>	<b>\$ 146,727</b>	<b>\$ 326,128</b>	<b>\$ 856,993</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 204,205</b>	<b>\$ 226,649</b>	<b>\$ 168,051</b>	<b>\$ 341,259</b>	<b>\$ 940,164</b>

**NORTH CAROLINA HOUSING FINANCE AGENCY**

**COMBINING STATEMENT OF CASH FLOWS**

SIX MONTHS ENDED DECEMBER 31, 2024

(Unaudited)

(in thousands)	AGENCY PROGRAMS	GRANT PROGRAMS		HOME OWNERSHIP BOND PROGRAMS	Total
		Housing Trust Fund Programs	Federal and State Programs		
<b>Cash flows from operating activities:</b>					
Interest on mortgage loans	\$ 124	\$ 229	\$ 473	\$ 5,304	\$ 6,130
Principal payments on mortgage loans	1,053	705	3,461	11,817	17,036
Purchase of mortgage loans	(2,280)	-	(2,783)	-	(5,063)
Sale of mortgage loans held for sale	-	-	-	161,557	161,557
Purchase of mortgage loans held for sale	-	-	-	(166,520)	(166,520)
Federal program awards received	-	-	119,404	-	119,404
Federal program expense	-	-	(125,545)	-	(125,545)
Nonfederal program expense	(544)	-	-	(35,492)	(36,036)
Federal grant administration income	-	-	5,204	-	5,204
Program income/fees	22,254	3,214	3,916	8,610	37,994
Other expenses	(11,909)	-	(1,943)	(1,336)	(15,188)
Other revenues	(2,001)	130	3	172	(1,696)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 6,697</b>	<b>\$ 4,278</b>	<b>\$ 2,190</b>	<b>\$ (15,888)</b>	<b>\$ (2,723)</b>
<b>Cash flows from non-capital financing activities:</b>					
Issuance of bonds	\$ -	\$ -	\$ -	\$ 560,000	\$ 560,000
Principal repayments on bonds	-	-	-	(72,505)	(72,505)
Interest paid on bonds	-	-	-	(35,099)	(35,099)
Bond issuance costs paid	-	-	-	(2,351)	(2,351)
Net transfers	5,702	(37)	(5,512)	(153)	-
State appropriations received	-	48,830	1,500	-	50,330
State grants received	-	3,367	47,284	-	50,651
State program expense	(1)	(33,836)	(24,448)	-	(58,285)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>\$ 5,701</b>	<b>\$ 18,324</b>	<b>\$ 18,824</b>	<b>\$ 449,892</b>	<b>\$ 492,741</b>
<b>Cash flows from investing activities:</b>					
Proceeds from sales or maturities of investments	\$ -	\$ -	\$ -	\$ 67,263	\$ 67,263
Purchase of investments	-	-	-	(701,494)	(701,494)
Earnings on investments	5,281	4,934	1,191	74,341	85,747
<b>Net cash provided by (used in) investing activities</b>	<b>\$ 5,281</b>	<b>\$ 4,934</b>	<b>\$ 1,191</b>	<b>\$ (559,890)</b>	<b>\$ (548,484)</b>
Net increase (decrease) in cash and cash equivalents, unrestricted and restricted	\$ 17,679	\$ 27,536	\$ 22,205	\$ (125,886)	\$ (58,466)
Cash and cash equivalents, unrestricted and restricted, at beginning of year	218,455	188,589	66,834	683,558	1,157,436
<b>Cash and cash equivalents, unrestricted and restricted, at end of year</b>	<b>\$ 236,134</b>	<b>\$ 216,125</b>	<b>\$ 89,039</b>	<b>\$ 557,672</b>	<b>\$ 1,098,970</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 14,162	\$ 8,529	\$ 2,500	\$ 15,284	\$ 40,475
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>					
Interest on investments	(5,281)	(4,934)	(1,191)	(77,887)	(89,293)
Decrease (increase) in fair value of investments	-	-	-	(12,755)	(12,755)
Interest on bonds	-	-	-	52,896	52,896
<b>Change in operating assets and liabilities:</b>					
Decrease (increase) in mortgage loans receivable	(1,227)	553	584	11,804	11,714
Decrease (increase) in mortgage loans held for sale	-	-	-	(4,963)	(4,963)
Decrease (increase) in accrued interest receivable on mortgage loans	(1)	-	4	1	4
Decrease (increase) in other assets	(1,347)	130	(385)	(4,283)	(5,885)
Decrease (increase) in deferred outflows of resources	-	-	-	391	391
Increase (decrease) in accounts payable and other liabilities	(843)	-	1,018	(831)	(656)
Increase (decrease) in deferred inflows of resources	-	-	-	4,455	4,455
Increase (decrease) in unearned revenues	1,234	-	(340)	-	894
<b>Total adjustments</b>	<b>\$ (7,465)</b>	<b>\$ (4,251)</b>	<b>\$ (310)</b>	<b>\$ (31,172)</b>	<b>\$ (43,198)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 6,697</b>	<b>\$ 4,278</b>	<b>\$ 2,190</b>	<b>\$ (15,888)</b>	<b>\$ (2,723)</b>



**NORTH  
CAROLINA  
HOUSING**  
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Our mission is to provide safe, affordable housing opportunities to enhance the quality of life of North Carolinians.

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