

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

**Financial Statements
For the Years Ended September 30, 2025 and 2024
With Independent Auditor's Report**



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Financial Statements
For the Years Ended September 30, 2025 and 2024

TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1–4
REQUIRED SUPPLEMENTARY INFORMATION	
Management’s Discussion and Analysis (Unaudited)	5–10
BASIC FINANCIAL STATEMENTS	
Statements of Net Position	11–13
Statements of Revenues, Expenses and Changes in Net Position	14
Statements of Cash Flows	15–16
Notes to Financial Statements	17–47
SUPPLEMENTARY INFORMATION	
Combining Statements of Net Position	48–51
Combining Statements of Revenues, Expenses and Changes in Net Position	52–53
Combining Statements of Cash Flows	54–56
Schedules of Cash/Cash Equivalents, Investments and Mortgage-Backed Securities by Program	57–72
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	73–74



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
District of Columbia Housing Finance Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the District of Columbia Housing Finance Agency (the Agency), a component unit of the Government of the District of Columbia, as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as of September 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Agency's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

80 Pine Street
New York, NY 10005
T +1 212 709 4500
F +1 212 709 4680
mitchelltitus.com



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The combining statements of net position, combining statements of revenues, expenses and changes in net position, combining statements of cash flows, and schedules of cash/cash equivalents, investments and mortgage-backed securities by program (the "supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Mitchell Titus, LLP

December 16, 2025

REQUIRED SUPPLEMENTARY INFORMATION

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Management's Discussion and Analysis

September 30, 2025 and 2024 (Unaudited)

Our discussion and analysis of the District of Columbia Housing Finance Agency's financial performance provides an overview of the Agency's financial activities for the years ended September 30, 2025, and 2024. The financial statements, accompanying notes, and additional information should be read in conjunction with the following discussion.

OVERVIEW

The District of Columbia Housing Finance Agency (the Agency) was established in 1979 to stimulate and expand homeownership and rental housing opportunities for low- and moderate-income families in the District of Columbia (the District). The Agency primarily issues taxable and tax-exempt mortgage revenue bonds to lower the financing costs for single family homebuyers and multifamily developers acquiring, constructing, and rehabilitating rental housing in the District of Columbia. The amount of tax-exempt bonds the Agency can issue each year is prescribed in a formula embedded in Federal legislation. In addition, the Agency administers the issuance of 4% low-income housing tax credits on behalf of the District of Columbia Department of Housing and Community Development (DHCD), to achieve its affordable housing preservation, rehabilitation, and development objectives. The Agency is self-sustaining, and its budget, finances, procurement, and personnel system are independent of the District of Columbia Government.

The Agency accounts for its financial activities using program revenues and funds, through housing revenue bonds financing, mortgage enhancements and lending programs, for its single family and multifamily loan programs and its general operations. The Agency's General Fund is used to record the receipt of income not directly pledged for repayment of debt securities and to pay expenses related to the Agency's administrative functions and operations, including bond program administration, mortgage servicing, the United States Department of Housing and Urban Development ("HUD") Risk-Sharing insurance program and the McKinney Act loan program. The Agency's active bond programs include (i) single family mortgage revenue bonds, (ii) multifamily housing revenue bonds (conduit financing), and (iii) multifamily development program bonds, for acquisition, construction, rehabilitation of multifamily residential rental projects, and refinancing of existing debt. In conjunction with the Agency's multifamily revenue bonds, developers may be entitled to 4% Low Income Housing Tax Credits under the Internal Revenue Code.

The Agency also operates programs that include down payment and closing cost assistance, pre-development loans, construction monitoring services, multifamily mortgage loan servicing and a wide range of other technical assistance services that are available to prospective homeowners, developers and to the District of Columbia at large.

The Single Family and Multifamily program funds are used to account for:

- Proceeds of bonds, notes, debentures or other financial indebtedness of the Agency;
- Cash and investments held under the bond indenture revenue fund;
- Debt service reserve fund, rebate fund, redemption fund and program subsidy fund; and
- Mortgage loans held pursuant to the bond indenture, and repayments and prepayments collected from mortgage loans originated under the bond indenture.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Management's Discussion and Analysis (*continued*)

September 30, 2025 and 2024 (Unaudited)

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED SEPTEMBER 30, 2025, AND COMPARATIVE FINANCIAL HIGHLIGHTS FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023

Significant Macroeconomic Factors and Program Updates

Fiscal year 2025 (FY2025) reflected relatively flat volume for the Agency's Single-Family and Multifamily programs. Economic data during FY2025 remained mixed leading the Federal Reserve to move cautiously in lowering interest rates. For the fiscal year, the Single-Family program generated just under \$16 million of new first trust DC Open Door loans versus just under \$20 million in FY2024. The Multifamily program volume slightly increased to \$240 million from \$200 million in FY2024.

In March 2017, the Agency entered into a grant agreement with DHCD as the sub-recipient in the administration of the homebuyer assistance programs that included Home Purchase Assistance Program (HPAP) funded by a variety of sources to include the Community Development Block Grant (CDBG) funds. During FY2025, the Agency expanded programs to include the Employer Assisted Housing Program (EAHP) funded by local, District of Columbia, sources. The Agency continued to be one of two program administrators for the HPAP program in FY2025 and has been selected for FY2026, as well. The Agency processed 141 HPAP and three EAHP loans in FY2025 on behalf of the DC Government and DHCD. The Agency maintains a \$10,000,000 line of credit with Industrial Bank to serve as a facility to fund HPAP/EAHP loans. The line is paid down upon receipt of reimbursements from DHCD. As of September 30, 2025, the outstanding balance on the line was \$400,000.

BASIC FINANCIAL STATEMENTS

The accompanying financial statements include statements of net position, statements of revenues, expenses and changes in net position and statements of cash flows. The statements of net position show the financial position of the Agency and its programs as of the end of the reporting period, while the statements of revenues, expenses and changes in net position show the results of operations for the reporting period. The statements of cash flows show sources and uses of cash in the operating, investing, and financing activities of the Agency and its programs.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Management's Discussion and Analysis (*continued*)
September 30, 2025 and 2024 (Unaudited)

FINANCIAL STATEMENT ANALYSIS

The following information is an analysis of the Agency's financial statements as of and for the year ended September 30, 2025, compared to the financial statements as of and for the years ended September 30, 2024, and 2023:

	2025	Net Change	2024	Net Change	2023
ASSETS					
Current assets	\$ 215,324,042	11.6%	\$ 192,921,223	(4.8)%	\$ 202,717,321
Non-current other assets	526,253,087	6.4%	494,719,402	5.9%	467,107,560
Non-current capital assets, net	1,994,812	17.6%	1,696,373	(16.4)%	2,029,902
Total assets	<u>\$ 743,571,941</u>	7.9%	<u>\$ 689,336,998</u>	2.6%	<u>\$ 671,854,783</u>
LIABILITIES					
Current liabilities	\$ 132,748,179	15.2%	\$ 115,202,940	(25.4)%	\$ 154,352,914
Non-current liabilities	399,299,430	9.0%	366,375,863	12.0%	327,066,057
Total liabilities	<u>532,047,609</u>	10.5%	<u>481,578,803</u>	0.0%	<u>481,418,971</u>
NET POSITION					
Net investment in capital assets	1,956,687	20.9%	1,617,835	(15.4)%	1,912,141
<i>Restricted for</i>					
Bond fund, collateral and Risk Share Program	38,293,013	8.7%	35,222,814	4.4%	33,729,290
McKinney Act Program	10,677,628	4.5%	10,219,074	7.1%	9,545,342
Total restricted	<u>48,970,641</u>	7.8%	<u>45,441,888</u>	5.0%	<u>43,274,632</u>
Unrestricted	160,597,004	(.1)%	160,698,472	10.6%	145,249,039
Total net position	211,524,332	1.8%	207,758,195	9.1%	190,435,812
Total liabilities and net position	<u>\$ 743,571,941</u>	7.9%	<u>\$ 689,336,998</u>	2.6%	<u>\$ 671,854,783</u>

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Management's Discussion and Analysis (continued)
September 30, 2025 and 2024 (Unaudited)

FINANCIAL STATEMENT ANALYSIS (continued)

	2025	Net Change	2024	Net Change	2023
OPERATING REVENUES					
Investment interest income	\$ 7,662,492	19.3%	\$ 6,425,390	30.6%	\$ 4,919,657
Mortgage-backed security interest income	396,236	(10.2)%	441,378	(8.5)%	482,451
Interest on mortgage and construction loans	8,323,373	15.9%	7,183,948	14.2%	6,293,299
Construction and development admin fees	3,291,201	(30.6)%	4,744,386	16.3%	4,078,138
Financing fee income	4,751,200	17.1%	4,057,198	(68.6)%	12,927,765
Tax credit fee income	1,210,549	20.8%	1,002,312	(69.2)%	3,251,154
Bond administration fee income	9,267,080	9.4%	8,471,544	(5.8)%	8,997,570
McKinney Act interest revenue	457,234	-8.1%	497,356	13.0%	439,962
Application and commitment fees	190,655	81.7%	104,945	(84.9)%	693,024
Bond counsel fees	270,000	20.0%	225,000	(71.6)%	792,208
Gain on sale of single family loans	312,974	14.0%	274,602	(31.8)%	402,682
Mortgage prepayment income	-	(100.0)%	937,991	N/A	-
Project revenue	6,807,726	287.6%	1,756,542	(40.2)%	2,938,856
Other	950,258	(42.4)%	1,650,189	47.8%	1,116,844
Total operating revenues	43,890,978	16.2%	37,772,781	(20.2)%	47,333,610
OPERATING EXPENSES					
General and administrative	4,066,438	(.5)%	4,085,951	(5.6)%	4,329,223
Personnel and related costs	11,131,489	16.2%	9,581,685	16.5%	8,223,552
Interest expense	13,412,005	13.2%	11,843,438	39.3%	8,499,265
Depreciation and amortization	322,637	(16.8)%	387,770	(29.3)%	548,119
Trustee fees and other expenses	493,217	(24.3)%	651,488	2541.7%	24,662
Total operating expenses	29,425,786	10.8%	26,550,332	22.8%	21,624,821
Operating income	14,465,192	28.9%	11,222,449	(56.3)%	25,708,789
Non-operating revenues (expenses)	(10,699,055)	(275.4)%	6,099,934	2880.6%	204,657
Change in net position	3,766,137	(78.3)%	17,322,383	(33.2)%	25,913,446
Net position, beginning of year	207,758,195	9.1%	190,435,812	15.8%	164,522,366
Net position, end of year	\$ 211,524,332	1.8%	\$ 207,758,195	9.1%	\$ 190,435,812

Operating Results

During FY2025, the Agency's combined net position increased by \$3.8 million, which comprises operating income of \$14.5 million and a non-operating expense of \$10.7 million reflecting deployment of the Portfolio Stabilization Grants.

Total assets increased by \$54.2 million, or 7.9%, primarily attributed to a new multifamily HUD risk share transaction.

FY2025 operating income of \$14.5 million was up 28.9% compared to FY2024 operating income of \$11.2 million, primarily attributed to higher project revenue, related to construction timing, as well as a higher interest income related to a continued higher interest rate environment.

Combined operating expenses in FY2025 were \$2.9 million, or 10.8%, higher than FY2024, primarily as a result of slightly higher interest expense and personnel expenses, which include annual compensation adjustments.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Management's Discussion and Analysis (*continued*)

September 30, 2025 and 2024 (Unaudited)

DEBT MANAGEMENT

Debt activity and mortgage revenue bonds issued for the years ended September 30, 2025, 2024 and 2023 was as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 374,802,451	\$ 339,008,947	\$ 280,782,284
New issuance/draws	59,356,438	49,360,733	72,103,880
Redemptions/maturities	(31,071,078)	(13,568,550)	(13,868,991)
Amortization of premium	<u>14,869</u>	<u>1,321</u>	<u>(8,226)</u>
Ending balance	<u>\$ 403,102,680</u>	<u>\$ 374,802,451</u>	<u>\$ 339,008,947</u>

The outstanding debt numbers represent the Agency's risk share portfolio where it takes financial risk along with the Department of Housing and Urban Development in a portfolio of 22 multifamily projects.

The overall outstanding debt position increased in FY2025 from \$374.8 million on September 30, 2024 to \$403.1 million on September 30, 2025, primarily due to one new risk share deal that was added during FY2025.

In March 2017, the Agency established a line of credit with Industrial Bank for the purpose of funding HPAP loans. As of September 30, 2025, there was an outstanding balance on the Industrial credit line of \$400,000.

During FY2025, the Agency financed six new multifamily projects for approximately \$240 million.

During FY2024, the Agency financed four new multifamily projects and supplemental bonds for one existing deal for approximately \$200 million.

KEY BOND PROGRAMS

Multifamily Development Program (MFDP)

The Agency desired to implement a program that provides flexible financing options for loans made to finance housing projects through the issuance of bonds, notes, or other obligations by the Agency. In spring 2017, the Agency established a new multifamily bonds indenture to issue its multifamily mortgage revenue bonds, for the purpose of (i) providing funds to finance, among other things, the acquisitions, construction, rehabilitation and equipping and/or permanent financing or refinancing of housing projects in the District of Columbia for occupancy by low- and moderate-income persons and (ii) refunding bonds previously issued by the Agency. The MFDP includes other indentures used prior to the 2017 indenture for the same purposes.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Management's Discussion and Analysis (*continued*)

September 30, 2025 and 2024 (Unaudited)

KEY BOND PROGRAMS (*continued*)

Single-Family Bond Program

Due to the executive management decision several years ago, the Agency changed its single-family business model from bond financing to a purchase and sale of the mortgage-backed securities approach. These purchase and sale transactions are accounted for under the Agency's General Activities and not under the Single-Family Program Funds.

At the beginning of 2021, the Agency had three outstanding Single-Family indentures: 1988, 1996 and 2009. During FY2022, the Agency consolidated the 1996 and 2009 indenture into the 1988 indenture to concentrate assets and reduce administrative costs. The Agency did not issue any new Mortgage Revenue Bonds in FY2025 but is always analyzing the market for possible financial benefits versus the existing strategy of leveraging the "To Be Announced"/MBS execution. The total bonds outstanding in the now consolidated Single-Family indenture is \$0.17 million on September 30, 2025.

HUD Risk-Sharing Program and Agency General Activities

The Agency has two risk-sharing agreements with HUD where HUD pays 100% of the amount needed to retire bonds issued in connection with a defaulted project at the time of the initial claim. Both agreements provide loss sharing in the event of default. The most recent program enhancement allows the Agency to share premiums and losses 50% between the Federal Housing Administration (FHA) and the Agency whereas the older program splits premiums and losses between FHA at 90% and the Agency at 10%. Due to the Agency's 'AA-' S&P rating, HUD does not require that the Agency hold reserves against its risk-sharing portfolio of multifamily loans. The Agency has or will have permanent mortgages of approximately \$262.7 million when all current projects complete construction. The risk-sharing portfolio contains eight (8) projects with permanent mortgages of approximately \$18.9 million, which have 10% risk share exposure to the Agency. The remaining 14 projects totaling approximately \$243.8 million in permanent mortgages or commitments of permanent mortgages when construction is complete have a 50% risk share exposure to the Agency.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation and amortization, were \$2.0 million and \$1.7 million as of September 30, 2025 and 2024, respectively. The detailed analysis of changes in capital assets is in Note 5.

CONCLUSION

Management's discussion and analysis is presented to provide additional information regarding the activities of the Agency and to meet the disclosure requirements of the Governmental Accounting Standards Board (GASB). If you have questions about the report or need additional financial information, contact the Chief Financial Officer, Melissa Lee, District of Columbia Housing Finance Agency, (202) 777-1620, 815 Florida Avenue, N.W. Washington DC 20001, mlee@DCHFA.org or go to our website at www.DCHFA.org.

BASIC FINANCIAL STATEMENTS

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Statements of Net Position

As of September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
<i>Unrestricted current assets</i>		
Cash and cash equivalents	\$ 21,373,069	\$ 31,852,698
Investments	60,322,614	54,363,940
Other receivables	5,260,906	5,005,537
Accrued interest receivable	1,696,192	1,418,429
Prepaid expenses	374,404	325,404
Total unrestricted current assets	<u>89,027,185</u>	<u>92,966,008</u>
<i>Restricted current assets</i>		
Cash and cash equivalents	82,270,966	55,147,068
Investments	36,755,756	40,581,903
Mortgage-backed securities at fair value	5,545	6,981
Other receivables	1,567,441	461,012
Accounts receivable - HPAP program	789,567	401,868
McKinney Act loans receivable, net	4,076,678	2,641,615
Accrued interest receivable	830,904	714,768
Total restricted current assets	<u>126,296,857</u>	<u>99,955,215</u>
Total current assets	<u>215,324,042</u>	<u>192,921,223</u>
NON-CURRENT ASSETS		
<i>Unrestricted non-current assets</i>		
Investments	64,141,755	63,021,081
Mortgage-backed securities at fair value	4,062,647	4,389,471
Mortgage and construction loans receivable, net	6,958,346	6,548,907
Total unrestricted non-current assets	<u>75,162,748</u>	<u>73,959,459</u>
<i>Restricted non-current assets</i>		
Investments held in trust	161,646,834	161,385,586
Investments in joint ventures	2,814,486	2,300,000
Mortgage-backed securities at fair value	4,894,824	5,869,268
Mortgage and construction loans receivable, net	281,734,195	251,149,360
Loans receivable	<u>-</u>	<u>55,729</u>
Total restricted non-current assets	<u>451,090,339</u>	<u>420,759,943</u>

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

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

As of September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CAPITAL ASSETS		
Land	\$ 573,000	\$ 573,000
Depreciable and amortizable capital assets	7,380,268	6,791,069
Less: Accumulated depreciation and amortization	<u>(5,958,456)</u>	<u>(5,667,696)</u>
Total capital assets, net	<u>1,994,812</u>	<u>1,696,373</u>
Total non-current assets	<u>528,247,899</u>	<u>496,415,775</u>
Total assets	<u><u>\$ 743,571,941</u></u>	<u><u>\$ 689,336,998</u></u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
<i>Current liabilities payable from unrestricted assets</i>		
Accounts payable and accrued liabilities	\$ 607,061	\$ 389,320
Accrued salary and vacation payable	791,026	685,178
Lease liability	38,125	40,412
Unearned income	<u>8,501,647</u>	<u>11,582,477</u>
Total current liabilities payable from unrestricted assets	<u>9,937,859</u>	<u>12,697,387</u>
<i>Current liabilities payable from restricted assets</i>		
Accounts payable and accrued liabilities	44,032	42,571
Project funds held for borrower and other liabilities	117,540,989	92,893,023
Interest payable	1,422,049	1,105,246
Current portion of loan payable	400,050	250,400
Current portion of bonds payable	<u>3,403,200</u>	<u>8,214,313</u>
Total current liabilities payable from restricted assets	<u>122,810,320</u>	<u>102,505,553</u>
Total current liabilities	<u>132,748,179</u>	<u>115,202,940</u>

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

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

As of September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
NON-CURRENT LIABILITIES		
<i>Non-current liabilities payable from unrestricted assets</i>		
Lease liability	\$ -	\$ 38,125
Total non-current liabilities payable from unrestricted assets	<u>-</u>	<u>38,125</u>
<i>Non-current liabilities payable from restricted assets</i>		
Bonds payable - less current portion	<u>399,299,430</u>	<u>366,337,738</u>
Total non-current liabilities payable from restricted assets	<u>399,299,430</u>	<u>366,337,738</u>
Total non-current liabilities	<u>399,299,430</u>	<u>366,375,863</u>
Total liabilities	<u>532,047,609</u>	<u>481,578,803</u>
NET POSITION		
Net investment in capital assets	<u>1,956,687</u>	<u>1,617,835</u>
<i>Restricted for</i>		
Bond Fund, collateral and Risk Share Program	38,293,013	35,222,814
McKinney Act Program	<u>10,677,628</u>	<u>10,219,074</u>
Total restricted net position	<u>48,970,641</u>	<u>45,441,888</u>
Unrestricted net position	<u>160,597,004</u>	<u>160,698,472</u>
Total net position	<u>211,524,332</u>	<u>207,758,195</u>
Total liabilities and net position	<u><u>\$ 743,571,941</u></u>	<u><u>\$ 689,336,998</u></u>

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

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Investment interest income	\$ 7,662,492	\$ 6,425,390
Mortgage-backed security interest income	396,236	441,378
Interest on mortgage and construction loans	8,323,373	7,183,948
Construction and development admin fees	3,291,201	4,744,386
Financing fee income	4,751,200	4,057,198
Tax credit fee income	1,210,549	1,002,312
Bond administration fee income	9,267,080	8,471,544
McKinney Act interest revenue	457,234	497,356
Application and commitment fees	190,655	104,945
Bond counsel fees	270,000	225,000
Gain on sale of single family loans	312,974	274,602
Mortgage prepayment income	-	937,991
Project revenue	6,807,726	1,756,542
Other	950,258	1,650,189
Total operating revenue	<u>43,890,978</u>	<u>37,772,781</u>
OPERATING EXPENSES		
General and administrative	4,066,438	4,085,951
Personnel and related costs	11,131,489	9,581,685
Interest expense	13,412,005	11,843,438
Depreciation and amortization	322,637	387,770
Trustee fees and other expenses	493,217	651,488
Total operating expenses	<u>29,425,786</u>	<u>26,550,332</u>
Operating income	<u>14,465,192</u>	<u>11,222,449</u>
NON-OPERATING REVENUES (EXPENSES)		
<i>Federal and city grant programs</i>		
Grant program revenue	20,253,278	23,966,242
Grant program expenses	(20,358,064)	(23,965,698)
Program subsidy grants	(9,836,329)	-
(Decrease) increase in fair value of mortgage-backed securities and investments	<u>(757,940)</u>	<u>6,099,390</u>
Total non-operating revenues (expenses)	<u>(10,699,055)</u>	<u>6,099,934</u>
Change in net position	3,766,137	17,322,383
Net position, beginning of year	<u>207,758,195</u>	<u>190,435,812</u>
Net position, end of year	<u><u>\$ 211,524,332</u></u>	<u><u>\$ 207,758,195</u></u>

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

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Statements of Cash Flows
For the Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received on loans	\$ 8,323,373	\$ 7,183,948
Administrative and financing cash receipts	16,007,557	14,459,688
Other cash receipts	8,353,398	4,854,989
Payments to vendors	(4,384,725)	(4,757,748)
Payments to employees	(11,025,641)	(9,498,509)
Net mortgage and construction loans principal receipts (disbursements)	(32,100,703)	(19,442,782)
Principal received on loans receivable	55,729	32,971
Principal and interest received on mortgage-backed securities	1,604,153	1,435,895
Principal and interest received on McKinney Act loans	261,421	193,430
Principal advances on McKinney Act loans	(1,461,411)	(1,742,390)
Net cash receipts (disbursements) projects funds held for borrower	<u>22,391,890</u>	<u>(34,198,877)</u>
Net cash provided by (used in) operating activities	<u>8,025,041</u>	<u>(41,479,385)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Interest paid on bonds and loans	(13,080,333)	(11,452,377)
Proceeds from bond issuances and loans	59,356,438	49,360,733
Principal payments on issued debt and loans	(31,071,078)	(13,568,550)
Grant program cash receipts	19,232,508	43,452,812
Grant program cash disbursements	(20,358,064)	(23,965,698)
Program subsidy grant disbursements	<u>(9,836,329)</u>	<u>-</u>
Net cash provided by non-capital financing activities	<u>4,243,142</u>	<u>43,826,920</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(638,244)	(64,906)
Principal payments on lease from operations	<u>(40,412)</u>	<u>(39,224)</u>
Net cash used in capital and related financing activities	<u>(678,656)</u>	<u>(104,130)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in joint ventures	(514,486)	(391,546)
Interest received on investments	7,131,980	7,185,484
Maturities and sales of investments	96,291,019	82,172,582
Purchase of investments	<u>(97,853,771)</u>	<u>(94,485,325)</u>
Net cash provided by (used in) investing activities	<u>5,054,742</u>	<u>(5,518,805)</u>
Net increase (decrease) in cash and cash equivalents	16,644,269	(3,275,400)
Cash and cash equivalents, beginning of year	<u>86,999,766</u>	<u>90,275,166</u>
Cash and cash equivalents, end of year	<u>\$ 103,644,035</u>	<u>\$ 86,999,766</u>

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

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Statements of Cash Flows *(continued)*
For the Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents	\$ 21,373,069	\$ 31,852,698
Restricted cash and cash equivalents	82,270,966	55,147,068
Total cash, cash equivalents and restricted cash	<u>\$ 103,644,035</u>	<u>\$ 86,999,766</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income	\$ 14,465,192	\$ 11,222,449
<i>Adjustments to reconcile operating income to net cash provided by (used in) operating activities</i>		
Depreciation and amortization	322,637	387,770
Loss on disposal of capital assets	12,440	10,665
Computers donated	4,728	-
Bond premium amortization/discount accretion	14,869	1,321
Interest received on investments	(7,546,356)	(7,279,383)
Interest paid on bonds/loans	13,080,333	11,452,377
McKinney Act receivable bad debt recovery	-	(149,225)
Loans receivable written off	-	1,538,681
<i>Effects of changes in operating assets and liabilities</i>		
<i>Asset/(liability) adjustment</i>		
<i>Decrease (increase) in assets</i>		
Other receivables	(1,361,798)	(1,989,600)
Accrued interest receivable	(338,297)	699,292
Prepaid expenses	(49,000)	(58,497)
McKinney Act receivable	(1,435,063)	(1,742,390)
Mortgage and construction loans	(30,994,274)	(18,981,770)
Mortgage-backed securities	1,207,917	994,517
Loan receivable	55,729	32,971
<i>Increase (decrease) in liabilities</i>		
Accounts payable and accrued liabilities	219,202	38,188
Accrued salary and vacation payable	105,848	83,176
Unearned income	(2,447,759)	(3,930,790)
Project funds held for borrower and other liabilities	22,391,890	(34,198,877)
Interest payable	316,803	389,740
Net cash provided by (used in) operating activities	<u>\$ 8,025,041</u>	<u>\$ (41,479,385)</u>

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

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

NOTE 1 ORGANIZATION AND PURPOSE

The District of Columbia Housing Finance Agency (the Agency or DCHFA) was created as a corporate body which has a legal existence separate from the Government of the District of Columbia (the District) but which is an instrumentality of the District, created to effectuate certain public purposes. The Agency is empowered to, among other activities, generate funds from public and private sources to increase the supply and lower the cost of funds available for residential mortgages and notes and for the construction of permanent multifamily rental properties.

In 1991, the Governmental Accounting Standards Board (GASB) issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the Agency considered whether its officials appoint a voting majority of an organization's governing body and the Agency is either able to impose its will on that organization or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Agency. The Agency also considered whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the Agency.

These financial statements present only financial information about the Agency. The Agency qualifies for inclusion in the District's reporting entity pursuant to GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. These financial statements do not purport to, and do not, present fairly the financial position of the District and the changes in its financial position and its cash flows, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Agency is included in the District's Annual Comprehensive Financial Report as a discretely presented component unit.

The accompanying combined financial statements include DCHFA's General Activities and Revenue Obligation Programs: Single Family Program and Multifamily Program. Within each Revenue Obligation Program are separate accounts maintained for each obligation in accordance with the respective indentures.

The bonds and notes issued by the Agency are special obligations of the Agency payable principally from revenue and repayments of mortgage loans and mortgage-backed securities and investments, financed by or purchased from the proceeds of such bonds under applicable indentures and are not a debt of the District. Neither the faith and credit nor the taxing power of the District is pledged for the repayment of the bonds.

The Agency's line of credit is backed by the Agency's unrestricted assets and constitutes the Agency's general obligation.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

NOTE 1 ORGANIZATION AND PURPOSE *(continued)*

The following is a description of the activities and programs maintained by the Agency:

General Activities

The general activities record the receipt and accrual of income not directly pledged for repayment of debt securities under the Revenue Obligation Programs, to pay expenses related to the Agency's administrative functions and operations, including mortgage servicing, HUD Risk-Share Insurance Program, McKinney Act Loan Program and purchase and sale of single-family, mortgage-backed securities.

Single-Family Program

The Single-Family Program is used to account for the proceeds of single-family mortgage revenue bond issues, investments, mortgage loans and mortgage-backed securities held pursuant to the indentures authorizing the issuance of the bonds, the debt service requirements on the bonds, and debt service collected from mortgage loans purchased for the financing of owner-occupied single-family residences in the District. The Single-Family Program includes the 1988 Collateralized Single-Family Mortgage Revenue Bonds, which consolidated the 1996 and 2009 indentures into the 1988 indenture to concentrate assets and reduce administrative costs in 2021.

Multifamily Program

The Multifamily Program is used to account for proceeds of bonds, notes, debentures or other financial indebtedness of the Agency issued under the Multifamily Development Program Indenture (MFDP) and smaller indentures under the multifamily HUD Risk-Share Insurance Program (the "Indentures"), cash and investments held under the Indentures' revenue funds, debt service reserve funds, rebate funds, redemption funds and program subsidy funds, mortgage loans held pursuant to the Indentures, and repayments and prepayments collected from mortgage loans originated to finance multifamily residential rental facilities within the District for persons or families of limited income.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the Agency's significant accounting policies:

Basis of Accounting and Measurement Focus

For financial reporting purposes only, the Agency is a component unit of the District. The Agency's General Activities and Revenue Obligation Programs are accounted as enterprise funds. Accordingly, the accompanying financial statements have been prepared using the accrual basis of accounting following U.S. GAAP.

Operating Revenues and Expenses

The Agency distinguishes operating revenues and expenses from non-operating items in conformity with GASB Statement No. 34. Operating revenues and expenses are identified with those activities that are directly related to financing affordable housing in the District. Operating revenue primarily consists of interest on mortgage-backed securities, interest on mortgage and construction loans and investment of bond proceeds, issuer fees, construction monitoring fees, servicing fees and other revenue. Operating expenses primarily consist of bond interest, personnel costs, bond issuance costs, bond administrative fees, trustee, legal and financial advisory fees, accretion of discounts and amortization of premiums and other operating expenses.

Non-Operating Revenues and Expenses

Non-operating revenue and expenses mainly consist of changes in fair value of mortgage-backed securities and other investments and of federal and city grant program related transactions. Federal and city grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, demand deposits, money market funds and investments in highly liquid short-term instruments with original maturities of three months or less at the time of purchase.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments

Investments consist of debt obligations of the U.S. Treasury and U.S. Government agencies, U.S. Government-sponsored enterprises (GSEs), corporate and municipal debt securities, certificates of deposit and investment agreements. Investments are reported at fair value as determined by financial services providers, except for certificates of deposit and certain non-participating fixed interest investment contracts, which are valued using cost-based measures. Debt securities are stated at fair value, based on the quoted market prices. General activities' investments are made in accordance with the Agency's investment policy. Investments in the Revenue Obligation Programs follow the Agency investment policy and consist of those permitted by the respective trust indentures adopted by the Agency providing for the issuance of notes and bonds. Investments reported at fair value in the statements of net position report changes in the fair value of investments in the statements of revenues, expenses and changes in net position as part of non-operating revenues.

Mortgage-Backed Securities

Mortgage-backed securities represent certificates issued by the Government National Mortgage Association (Ginnie Mae or GNMA), the Federal National Mortgage Association (Fannie Mae or FNMA) and the Federal Home Loan Mortgage Corporation (Freddie Mac or FHLMC). These securities are stated at fair value as determined by financial services providers or financial publications. These guaranteed securities are issued in connection with single family mortgage loans and mortgage loans on multifamily projects. Each of these securities is generally intended to be held to maturity or optional par redemption date for the underlying bonds or until the payoff of the related loans. The repayment and prepayments of the mortgage-backed securities are at par value based on the guarantees embedded in these securities. Mortgage-backed securities are reported at fair value on the statements of net position and unrealized changes in the fair value of mortgage-backed securities are recognized in the statements of revenues, expenses and changes in net position as part of non-operating revenues.

Mortgage and Construction Loans Receivable

Mortgage loans are carried at their unpaid principal balances, and construction loans are carried at amounts advanced, net of collections and allowances for potential loan losses. The Agency's allowance for doubtful accounts policy is to charge expenses for estimated probable losses which are established as an allowance for loan losses. The allowance is an amount that management believes will be adequate to absorb losses inherent in existing loans based on evaluations of collectability and prior loss experience as well as a competitive benchmarking study.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital Assets

Capital asset purchases are recorded as general activities, capitalized at cost and depreciated using the straight-line method over the estimated useful lives. Depreciable capital assets are depreciated over five to 40 years. Software is amortized over five years. Right-to-use lease assets are amortized over 63 months.

Bond Discounts and Premiums

Bond discounts or premiums arising from the sale of serial or term bonds are accreted/amortized using the straight-line method, which approximates the effective yield method, over the life of the bond issue.

Net Position

The Agency first applies restricted resources when an expense is incurred, for purposes for which both restricted and unrestricted net position is available. Net position is reported in three separate categories:

- *Net investment in capital assets* - Capital assets, net of accumulated depreciation/amortization and outstanding principal balances of debt and lease liabilities attributable to the acquisition, construction or improvement of those assets.
- *Restricted* - Net position whose use by the Agency is subject to externally imposed stipulations (such as bond covenants, grantors, contributors, or laws or regulations of other governments; or are imposed by law through constitutional provisions or enabling legislation) that can be fulfilled by actions of the Agency pursuant to those stipulations or that expire with the passage of time. Such net assets include all Revenue Obligation Programs, Home Purchase Assistance Program and DC Open Doors Program funds under the Single-Family Program, certain holdings under General Activities including the McKinney Act Program funds, HUD Risk-Share Reserve, and assets used as collateral for the credit line draws or as warehouse securities for future bond issues.
- *Unrestricted* - Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financing and Other Fee Revenue

The Agency originates single-family mortgage loans that are pooled into mortgage-backed securities used as direct collateral for the respective bonds. As part of this securitization, the Agency earns servicing release fees net of originating lender fees.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GASB Pronouncements

The Agency adopted the following GASB pronouncements that were effective for the year ended September 30, 2025.

- Statement No. 101 *Compensated Absences* issued June 2022, effective for fiscal years beginning after December 15, 2023.
- Statement No. 102 *Certain Risk Disclosures* issued December 2023, effective for fiscal years beginning after June 15, 2024.

The adoption of these pronouncements did not have a material effect on the Agency's financial statements for the year ended September 30, 2025.

NOTE 3 CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES

Bond proceeds and revenues from mortgages, mortgage-backed securities and investments are invested in authorized investments as defined in the respective indentures and, for General Activities, in accordance with the Agency's Investment Policy, until required for purchasing mortgage-backed securities or originating mortgage loans, funding reserves, paying debt service or redeeming outstanding bonds and notes, and funding program and administrative and operating expenses.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Notes to Financial Statements
For the Years Ended September 30, 2025 and 2024

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

The following assets, held at September 30, 2025, were evaluated in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures* for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Assets	General Activities	Single Family Program	Multifamily FHA - Insured		Total
		1988 Collateralized Single Family Mortgage Revenue Bonds	Pass-Through Revenue Refunding Bonds (MFDP)	Multifamily Program	
<i>Cash and cash equivalents</i>					
Non-money market deposits	\$ 12,616,550	\$ -	\$ -	\$ -	\$ 12,616,550
Demand money market deposits	21,832,868	-	-	1,468,590	23,301,458
Money market funds	6,616,942	13,683,019	47,180,198	245,868	67,726,027
Total cash and cash equivalents	41,066,360	13,683,019	47,180,198	1,714,458	103,644,035
<i>Investments</i>					
Certificate of deposit	20,422,339	-	-	-	20,422,339
U.S. Treasury obligations	24,602,748	-	67,721,743	-	92,324,491
Investment agreements	-	10,000,000	119,985,558	-	129,985,558
Corporate obligations	79,202,359	-	-	-	79,202,359
GSE obligations	236,923	-	695,289	-	932,212
Total investments	124,464,369	10,000,000	188,402,590	-	322,866,959
<i>Mortgage-backed securities</i>					
Ginnie Mae	355,612	1,212,497	-	-	1,568,109
Fannie Mae	868,274	1,272,223	-	-	2,140,497
Freddie Mac	2,838,761	2,415,649	-	-	5,254,410
Total mortgage-backed securities	4,062,647	4,900,369	-	-	8,963,016
Total cash, investments and mortgage-backed securities	\$ 169,593,376	\$ 28,583,388	\$ 235,582,788	\$ 1,714,458	\$ 435,474,010

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Notes to Financial Statements
For the Years Ended September 30, 2025 and 2024

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

The following assets, held at September 30, 2024, were evaluated in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures* for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Under the Revenue Obligation Programs, the terms of the investments are set to allow for no market value loss at the time the invested funds are drawn for uses authorized under the indentures. As a means of limiting its exposure to fair value losses from rising interest rates for general activities, the Agency's investment policy requires that the maturities of the investment portfolio are structured to be concurrent with cash needs in order to minimize losses that may be incurred from sale of investments prior to maturity. The money market funds operate in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. These funds can reasonably be expected to have a fair value that will be unaffected by interest rate changes because the interest rates are variable, and the principal can be recovered on demand. The cost of the money market mutual funds approximated fair value.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Notes to Financial Statements
For the Years Ended September 30, 2025 and 2024

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

Interest Rate Risk *(continued)*

As of September 30, 2025, the amortized cost, carrying value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for general activities are as follows:

General Activities as of September 30, 2025:

Assets	Cost	Carrying Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<i>Cash and cash equivalents</i>							
Non-money market deposits	\$ 12,616,550	\$ 12,616,550	\$ 12,616,550	\$ -	\$ -	\$ -	\$ -
Demand money market deposits	21,832,868	21,832,868	21,832,868	-	-	-	-
Money market funds	6,616,942	6,616,942	6,616,942	-	-	-	-
Total cash and cash equivalents	41,066,360	41,066,360	41,066,360	-	-	-	-
<i>Investments</i>							
Certificate of deposit	20,422,339	20,422,339	18,202,464	2,219,875	-	-	-
U.S. Treasury obligations	24,575,552	24,602,748	19,313,460	5,289,288	-	-	-
Corporate obligations	78,884,070	79,202,359	22,657,615	56,284,770	259,974	-	-
GSE obligations	265,192	236,923	149,075	-	87,848	-	-
Total investments	124,147,153	124,464,369	60,322,614	63,793,933	347,822	-	-
<i>Mortgage-backed securities</i>							
Ginnie Mae	375,083	355,612	-	-	-	-	-
Fannie Mae	907,264	868,274	-	-	-	-	-
Freddie Mac	3,488,818	2,838,761	-	-	-	-	-
Total mortgage-backed securities	4,771,165	4,062,647	-	-	-	-	-
General activities total cash, investments and mortgage-backed securities	\$ 169,984,678	\$ 169,593,376	\$ 101,388,974	\$ 63,793,933	\$ 347,822	\$ -	\$ -

As of September 30, 2024, the amortized cost, carrying value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for general activities were as follows:

General Activities as of September 30, 2024:

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

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Notes to Financial Statements
For the Years Ended September 30, 2025 and 2024

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

Interest Rate Risk *(continued)*

Combined Revenue Obligation Programs as of September 30, 2025:

As of September 30, 2025, the amortized cost, carrying value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the Combined Revenue Obligation Programs are as follows:

Assets	Cost	Carrying Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<i>Cash and cash equivalents</i>							
Demand money market deposits	\$ 1,468,590	\$ 1,468,590	\$ 1,468,590	\$ -	\$ -	\$ -	\$ -
Money market funds	61,109,085	61,109,085	61,109,085	-	-	-	-
Total cash and cash equivalents	62,577,675	62,577,675	62,577,675	-	-	-	-
<i>Investments</i>							
U.S. Treasury obligations	66,029,164	67,721,743	2,255,198	64,516,745	-	-	949,800
Investment agreements	129,985,558	129,985,558	34,500,558	95,485,000	-	-	-
GSE obligations	689,822	695,289	-	695,289	-	-	-
Total investments	196,704,544	198,402,590	36,755,756	160,697,034	-	-	949,800
<i>Mortgage-backed securities</i>							
Ginnie Mae	1,251,749	1,212,497	5,545	12,283	348,953	-	845,716
Fannie Mae	1,260,904	1,272,223	-	-	-	1,109,293	162,930
Freddie Mac	2,301,347	2,415,649	-	-	-	2,415,649	-
Total mortgage-backed securities	4,814,000	4,900,369	5,545	12,283	348,953	3,524,942	1,008,646
Combined revenue obligation programs total cash, investments and mortgage-backed securities	\$ 264,096,219	\$ 265,880,634	\$ 99,338,976	\$ 160,709,317	\$ 348,953	\$ 3,524,942	\$ 1,958,446

Combined Revenue Obligation Programs as of September 30, 2024:

As of September 30, 2024, the amortized cost, carrying value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the Combined Revenue Obligations were as follows:

Assets	Cost	Carrying Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<i>Cash and cash equivalents</i>							
Non-money market deposits	\$ 1,022,419	\$ 1,022,419	\$ 1,022,419	\$ -	\$ -	\$ -	\$ 12
Demand money market deposits	1,484,154	1,484,154	1,484,154	-	-	-	-
Money market funds	32,633,930	32,633,930	32,633,930	-	-	-	-
Total cash and cash equivalents	35,140,503	35,140,503	35,140,503	-	-	-	12
<i>Investments</i>							
U.S. Treasury obligations	65,683,089	68,004,006	2,231,902	65,182,304	-	-	589,800
Investment agreements	133,270,558	133,270,558	38,350,000	47,340,558	47,580,000	-	-
GSE obligations	689,822	692,925	-	692,925	-	-	-
Total investments	199,643,469	201,967,489	40,581,902	113,215,787	47,580,000	-	589,800.00
<i>Mortgage-backed securities</i>							
Ginnie Mae	1,458,577	1,440,855	6,981	70,560	418,990	-	944,324
Fannie Mae	1,550,638	1,574,195	-	-	-	1,403,614	170,581
Freddie Mac	2,724,457	2,861,199	-	-	-	2,779,866	81,333
Total mortgage-backed securities	5,733,672	5,876,249	6,981	70,560	418,990	4,183,480	1,196,238
Combined revenue obligation programs total cash, investments and mortgage-backed securities	\$ 240,517,644	\$ 242,984,241	\$ 75,729,386	\$ 113,286,347	\$ 47,998,990	\$ 4,183,480	\$ 1,786,050

As of September 30, 2025 and 2024, the amortized cost, carrying value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for each Revenue Obligation Program are included as supplemental information to these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits or investments may not be returned. The Agency does not have a policy for custodial credit risk.

As of September 30, 2025, \$55,340,347 of the Agency's bank balances of \$56,340,347 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,897,402
Uninsured and collateral held by pledging bank	52,442,945
Total	\$ 55,340,347

In addition, investments (excluding certificates of deposit which are included above as deposits) including U.S. Treasury obligations, corporate obligations, municipal obligations, GSE obligations, and mortgage-backed securities are not subject to custodial credit risk since they are held at the Federal Reserve or DTC in the Agency's name.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. All general activity cash and investments are either collateralized, FDIC-insured, or invested in the U.S. Government, U.S. Government agency or GSEs or highly rated corporate debt securities. In general, all investment securities under the Revenue Obligation Programs must be at a rating not adversely affecting the rating of the respective bonds; and financial institutions who are counterparty to the Agency must be rated at least comparable to the existing rating on the Agency's bonds, unless counterparty ratings lower than the bond ratings are permitted in a specific indenture and do not affect the ratings on the bonds as determined at the time the investment securities are acquired or investment agreements are executed. The ratings on the 1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2025 and 2024, were 'AA+' by Standard & Poor's Global Ratings. All multifamily bond indentures under the Multifamily Development and Multifamily Programs were rated by Moody's Investor Service or Standard & Poor's Global Ratings at various levels depending on the credit quality of the underlying collateral or were unrated private placements where investment ratings conformed to the specific bond investor requirements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Notes to Financial Statements
For the Years Ended September 30, 2025 and 2024

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

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

As of September 30, 2025, the credit quality and percentages of the total portfolio of cash equivalents and investments under the Agency's general activities are as follows:

General Activities as of September 30, 2025

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<i>Cash and cash equivalents</i>					
Non-money market deposits	\$ 12,616,550	7.4%	Not Rated		Third Party-Held Aaa Collateral
Demand money market deposits	20,404,056	12.0%	Not Rated		Federal Reserve-Held Aaa Collateral
Demand money market deposits	1,428,812	0.8%	P-1	Moody's	
Money market funds	<u>6,616,942</u>	<u>3.9%</u>	Aaa-mf	Moody's	
Total cash and cash equivalents	<u>41,066,360</u>	<u>24.2%</u>			
<i>Investments</i>					
Certificate of deposit	20,422,339	12.0%	Not Rated		Federal Reserve-Held Aaa Collateral
U.S. Treasury obligations	24,602,748	14.5%	Aaa	Moody's	
Corporate obligations	232,311	0.1%	Aaa	Moody's	
Corporate obligations	2,044,960	1.2%	Aa1	Moody's	
Corporate obligations	5,043,259	3.0%	Aa2	Moody's	
Corporate obligations	13,373,810	7.9%	Aa3	Moody's	
Corporate obligations	19,669,681	11.6%	A1	Moody's	
Corporate obligations	21,172,661	12.5%	A2	Moody's	
Corporate obligations	16,671,737	9.8%	A3	Moody's	
Corporate obligations	993,940	0.6%	Baa1	Moody's	
GSE obligations	<u>236,923</u>	<u>0.1%</u>	Aaa	Moody's	
Total investments	<u>124,464,369</u>	<u>73.4%</u>			
<i>Mortgage-backed securities</i>					
Ginnie Mae	355,612	0.2%	Aaa	Moody's	
Fannie Mae	868,274	0.5%	Aaa	Moody's	
Freddie Mac	<u>2,838,761</u>	<u>1.7%</u>	Aaa	Moody's	
Total investments	<u>4,062,647</u>	<u>2.4%</u>			
General activities total cash, investments and mortgage-backed securities	<u>\$ 169,593,376</u>	<u>100.0%</u>			

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Notes to Financial Statements
For the Years Ended September 30, 2025 and 2024

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

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

As of September 30, 2024, the credit quality and percentages of the total portfolio of cash equivalents and investments under the Agency's general activities were as follows:

General Activities as of September 30, 2024

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

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Notes to Financial Statements
For the Years Ended September 30, 2025 and 2024

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

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

As of September 30, 2025, the credit quality and percentages of the total portfolio of cash equivalents, investments and mortgage-backed securities under the Revenue Obligation Programs are as follows:

Combined Revenue Obligation Programs as of September 30, 2025

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
<i>Cash and cash equivalents</i>					
Demand money market deposits	\$ 1,468,590	0.6%	P-1	Moody's	
Money market funds	61,109,085	23.0%	Aaa-mf	Moody's	
Total cash and cash equivalents	62,577,675	23.5%			
<i>Investments</i>					
U.S. Treasury obligations	67,721,743	25.5%	Aa1	Moody's	
Investment agreements	129,985,558	48.9%	Aa3	Moody's	
GSE obligations	695,289	0.3%	Aa1	Moody's	
Total investments	198,402,590	74.6%			
<i>Mortgage-backed securities</i>					
Ginnie Mae	1,212,497	0.5%	Aa1	Moody's	
Fannie Mae	1,272,223	0.5%	Aa1	Moody's	
Freddie Mac	2,415,649	0.9%	Aa1	Moody's	
Total mortgage-backed securities	4,900,369	1.8%			
Combined revenue obligation programs total cash, investments and mortgage-backed securities	\$ 265,880,634	100.0%			

As of September 30, 2024, the credit quality and percentages of the total portfolio of cash equivalents, investments and mortgage-backed securities under the Revenue Obligation Programs were as follows:

Combined Revenue Obligation Programs as of September 30, 2024

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

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

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

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

The cash and cash equivalents, investment and mortgage-backed security portfolio with breakdown by credit quality and percentage of total portfolio for each of the Revenue Obligation Programs at September 30, 2025 and 2024, are listed as supplemental information to these financial statements.

Cash and Cash Equivalents

The Agency's combined cash and cash equivalents balance as of September 30, 2025 and 2024, consists primarily of amounts held in fully collateralized demand deposit bank accounts for general activities and in highly rated money market fund trust accounts set up for each revenue bond indenture and administered by the Agency's bond trustees. The collateral for the demand deposits is held by either the Federal Reserve Bank or a third-party, as a collateral agent under the third-party agreements.

Investments

The Agency follows the investment policy guidelines with regards to its general activities' financial assets and Revenue Obligation Program indentures. The policy states that the Agency financial assets shall be held in cash and cash equivalents or invested and managed with the intention of obtaining the highest possible total return consistent with the Agency's liquidity needs and a prudent level of investment risk. Under the bond programs, the permitted investments are stipulated in the respective covenants of the indentures of trust.

Investments of proceeds from bond issuances in investment agreements are governed by the covenants of the respective indentures of trust entered between the Agency, the trustee and the investment agreement provider. All investment agreements are fixed interest rate investment contracts with rated financial institutions. In case of a downgrade beyond a preset threshold, the investment providers are required to collateralize both principal and interest with qualifying securities to be held by a designated collateral agent with mark to market and undervalue cure provisions.

Investments in money market funds are short-term in nature and are held by bond trustees for the benefit of the respective indentures. They carry the highest short-term credit ratings by nationally recognized statistical rating agencies, such as Standard & Poor's Global Ratings and Moody's Investors Service. Investments in the U.S. Treasury securities are guaranteed by the full faith and credit of the United States Government.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

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

Mortgage-backed Securities

Ginnie Mae mortgage-backed securities are guaranteed by the Government National Mortgage Association (Ginnie Mae or GNMA), an instrument of the United States Government. GNMA securities are “fully modified pass-through” mortgage-backed securities which require monthly payments by an FHA lender, as the issuer of the Guaranteed Security to the Agency. GNMA guarantees timely payment of principal and interest on Guaranteed Securities.

Fannie Mae and Freddie Mac mortgage-backed pass-through securities are top-rated by Standard & Poor’s and Moody’s Investors Service. The principal and interest payment on these mortgage-backed securities are guaranteed by Fannie Mae and Freddie Mac, accordingly. Though there is no explicit guarantee that Fannie Mae and Freddie Mac mortgage-backed securities are backed by the full faith and credit of the U.S. Government, there is, however, an implicit guarantee, as government-sponsored enterprises are chartered by the U.S. Congress. In 2008 both Freddie Mac and Fannie Mae were placed into the U.S. Government conservatorship. The rating agencies continue to assign high credit ratings to both of these entities.

Ginnie Mae, Fannie Mae and Freddie Mac mortgage-backed securities are reported at their fair values in accordance with GASB Statement No. 31. It is the intention of the Agency and the indentures to hold these mortgage-backed securities until the underlying loans are paid in full, or, if allowed, until the respective bonds become optionally redeemable and the sale of these securities does not negatively affect the indenture cash flows.

For the years ended September 30, 2025 and 2024, under the Agency’s Single-Family Program, \$(56,207) and \$381,650, respectively, of non-operating (expenses) revenues was recorded in the statements of revenues, expenses and changes in net position to record the unrealized gain (loss) in the fair value of the program’s mortgage-backed security and investment portfolio.

For the years ended September 30, 2025 and 2024, under the Agency’s Multifamily Program, \$(625,975) and \$2,150,836, respectively, of non-operating (expenses) revenues was recorded in the statements of revenue, expenses and changes in net position to record the unrealized gain (loss) in the fair value of the program’s mortgage-backed security and investment portfolio.

For the years ended September 30, 2025 and 2024, for the Agency’s General Activities, \$(75,758) and \$3,566,904, respectively, of non-operating revenues (expenses) was recorded in the statements of revenue, expenses and changes in net position to record the unrealized gain (loss) in the fair value of the general activity’s mortgage-backed security and investment portfolio.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

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

DCHFA established the Housing Investment Platform (HIP) in June 2017 to make innovative investments in support of the District of Columbia housing market outside of its traditional bond and tax credit financing. The investments are targeted towards developing workforce housing by partnering with emerging developers. DCHFA is the sole member of the DCHFA HIP Manager, LLC, which is the general partner of DC Housing Investment Platform, LP. DC Housing Investment Platform, LP is the limited partner in the ultimate development entity. As of September 30, 2025 and 2024, the investment in joint ventures totaled \$2,814,486 and \$2,300,000, respectively.

Fair Value of Investments

The Agency has adopted GASB No. 72, *Fair Value Measurement and Application*. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value:

Level 1: Quoted market prices in active markets.

Level 2: Inputs other than quoted market prices that are observable either directly or indirectly.

Level 3: Unobservable inputs.

The following tables present the investments that the Agency measured at fair value as of September 30, 2025 and 2024. Certificates of deposit of \$20,422,339 and \$14,666,892 and Investment Agreements of \$129,985,558 and \$133,270,558, as of September 30, 2025 and 2024, respectively, are included in Investments on the statements of net position but are not included in the following schedule since they are not carried at fair value.

<u>2025</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate obligations	\$ 79,202,359	\$ -	\$ 79,202,359	\$ -
GSE obligations	932,212	-	932,212	-
U.S. Treasury obligations	92,324,491	92,324,491	-	-
Mortgage-backed securities	8,963,016	-	8,963,016	-
Total investments and mortgage-backed securities	\$ 181,422,078	\$ 92,324,491	\$ 89,097,587	\$ -

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

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

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

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

- Amounts invested in U.S. treasury securities are comprised of securities valued using quoted market prices (Level 1) which are then allocated to position holders.
- Amounts invested in corporate obligations, municipal obligations, GSE obligations and mortgage-backed securities are comprised of securities which are priced by industry standard vendors, using observable inputs such as benchmark yields, reported trades broker/dealer quotes, and issuer spreads (Level 2) which are then allocated to position holders at a per unit value.

NOTE 4 MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE

Multifamily mortgage and construction loans receivable are assets primarily under the Multifamily Development Program secured by deeds of trust evidencing first mortgage liens on related real property. These loans are insured by the FHA, and the Agency through the Risk-Share Program. Fixed interest rates on these mortgage and construction loans as of September 30, 2025, range from 3.1% to 6.9% with a loan repayment period of up to 40 years.

The Agency offers a deferred second-lien loan that will become immediately due and payable upon the occurrence of specific events as defined in the Loan Disclosure document(s) of the DC Open Doors Down Payment Assistance Loan program. The amount of the deferred loans under this program as of September 30, 2025 and 2024, was \$6,958,346 and \$6,548,907, respectively.

Combined restricted mortgage and construction loans as of September 30, 2025 and 2024 were \$281,734,195 and \$251,149,360, respectively. For the years ended September 30, 2025 and 2024, there was no allowance for bond program loan losses under the Agency Revenue Obligation Programs.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

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

As part of its General Activity operations, the Agency performs loan servicing under the risk-sharing agreement with HUD, where HUD pays 100% of the amount needed to retire bonds issued in connection with a defaulted risk-share loan at the time of the initial claim. Any loss at the time of final claim on a defaulted multifamily project is risk-shared between FHA at 90% and the Agency at 10%. The most recent program enhancement allows the Agency to share losses on a 50%/50% basis with FHA. As of September 30, 2025, the Agency had 21 loans, with a balance of \$282 million. As of September 30, 2024, the Agency had 22 loans, with a balance of \$251 million.

In addition to its bond programs, as a General Activity the Agency administers the McKinney Act Program. Under its McKinney Act Program, the Agency originates predevelopment McKinney Act bridge loans to finance acquisition, predevelopment and rehabilitation costs associated with multifamily housing developments applying for bond financing with the Agency. These loans are typically unenhanced loans repaid at the time the bond financing is put in place. At September 30, 2025, the balance of total loans outstanding, before the allowance for uncollectible loans, was \$4,576,678, including \$500,000 in loans at various stages of default process. At September 30, 2024, the balance of total loans outstanding, before the allowance for uncollectible loans, was \$3,141,615, including \$500,000 in loans at various stages of default process.

The Agency had an allowance for uncollectible McKinney Act Program loans as of September 30, 2025 and 2024 in the amount of \$500,000. The Agency recorded a net change in the allowance for uncollectible McKinney Act Program loans of \$0 and \$(175,057) for the years ended September 30, 2025 and 2024, respectively.

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 500,000	\$ 675,057
Net decrease in allowance for uncollectible loans	<u>-</u>	<u>(175,057)</u>
Ending balance	<u><u>\$ 500,000</u></u>	<u><u>\$ 500,000</u></u>

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Notes to Financial Statements
For the Years Ended September 30, 2025 and 2024

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

The Agency's allowance for uncollectible accounts policy is to charge expenses for estimated probable losses, which are established as an allowance for loan losses. The allowance is an amount that management believes will be adequate to absorb losses inherent in existing loans based on evaluations of collectability and prior loss experience as well as a competitive benchmarking study.

NOTE 5 CAPITAL ASSETS

The following is the detail of changes in capital assets during the year ended September 30, 2025:

	September 30, 2024	Additions	Dispositions	September 30, 2025
<i>Non-depreciable assets</i>				
Land	\$ 573,000	\$ -	\$ -	\$ 573,000
Total non-depreciable assets	573,000	-	-	573,000
<i>Depreciable and amortizable capital assets</i>				
Building and improvements	3,760,488	-	-	3,760,488
Furniture and equipment	906,903	100,417	(49,045)	958,275
Software	1,918,064	537,827	-	2,455,891
Right-to-use leased assets	205,614	-	-	205,614
Total depreciable and amortizable capital assets	6,791,069	638,244	(49,045)	7,380,268
<i>Less: Accumulated depreciation and amortization</i>				
Building and improvements	(3,164,993)	(81,155)	-	(3,246,148)
Furniture and equipment	(608,810)	(119,852)	31,877	(696,785)
Software	(1,766,608)	(82,466)	-	(1,849,074)
Right to use leased assets	(127,285)	(39,164)	-	(166,449)
Total accumulated depreciation/amortization	(5,667,696)	(322,637)	31,877	(5,958,456)
Total depreciable/amortizable capital assets, net	1,123,373	315,607	(17,168)	1,421,812
Total capital assets	\$ 1,696,373	\$ 315,607	\$ (17,168)	\$ 1,994,812

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Notes to Financial Statements
For the Years Ended September 30, 2025 and 2024

NOTE 5 CAPITAL ASSETS (continued)

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

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

Depreciation and amortization expense for fiscal years 2025 and 2024 was \$322,637 and \$387,770, respectively.

NOTE 6 BONDS PAYABLE AND OTHER DEBT OBLIGATIONS

The loans, bonds and notes issued by the Agency are special obligations of the Agency and are payable from the revenue and special funds of the applicable indentures. The bonds and notes do not constitute debt of and are not guaranteed by the District or any other program of the District. All mortgage revenue bond multifamily projects financed to date have been issued by the Agency as stand-alone pass-through financings with no direct economic recourse to the Agency as the issuer.

The provisions of the various bond indentures require or allow for the special redemption of bonds at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans and mortgage-backed securities. All outstanding bonds are subject to redemption at the option of the Agency or the borrower, in whole or in part at any time, after certain dates, as specified in the respective bond indentures and bond resolutions, at prescribed redemption prices.

Under the Multifamily Programs, this option generally cannot be exercised until the bonds have been outstanding for 10 years as provided in the various indentures. Term bonds are generally subject to redemption, without premium, from mandatory sinking fund payments.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

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

Bonds issued to provide financing for the Agency's housing programs are collateralized by:

- Mortgage-backed securities made in connection with underlying loans.
- Mortgage loans made on the related multifamily developments or single-family residential mortgage loans purchased.
- Investments of bond proceeds, debt service reserves and escrow accounts, all revenues, mortgage payments, and recovery payments received by the Agency from investments, mortgage loans and mortgage-backed securities made on the related developments and pledged to the respective trust indentures.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Notes to Financial Statements
For the Years Ended September 30, 2025 and 2024

NOTE 6 BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (continued)

The following is a summary of the debt activity for the year ended September 30, 2025 and the debt outstanding as of September 30, 2025:

General Activities	Range of Interest Rates	Range of Maturities	Debt	Debt Activity			Debt	Premium (+)/ Discount (-)	Debt	Due Within One Year	
			Outstanding Balance at 9/30/2024	New Obligations	Scheduled Maturity Payments	Obligations Paid	Outstanding Balance at 9/30/2025		Outstanding Balance at 9/30/2025		
Industrial Bank Credit Line	Variable	2025	\$ 250,400	\$ 11,091,438	\$ -	\$ 10,941,788	\$ 400,050	\$ -	\$ 400,050	\$ 400,050	
Total			\$ 250,400	\$ 11,091,438	\$ -	\$ 10,941,788	\$ 400,050	\$ -	\$ 400,050	\$ 400,050	
	Range of Interest Rates	Range of Maturities	Bond Payable at 9/30/2024	Bond Activity			Bond Payable at 9/30/2025	Premium (+)/ Discount (-)	Bond Payable at 9/30/2025	Due Within One Year	
				New Bonds Issued	Scheduled Maturity Payments	Bond Redeemed					
1988 Single Family Mortgage											
Revenue Bonds											
1988 Series E-4	6.38%	2026	\$ 325,000	\$ -	\$ -	\$ 155,000	\$ 170,000	\$ -	\$ 170,000	\$ 170,000	
Total Single Family Indenture			\$ 325,000	\$ -	\$ -	\$ 155,000	\$ 170,000	\$ -	\$ 170,000	\$ 170,000	
Project Name	Range of Interest Rates	Range of Maturities	Bonds Payable at 9/30/2024	Bond Activity			Bonds Payable at 9/30/2025	Premium (+)/ Discount (-)	Bonds Payable at 9/30/2025	Due Within One Year	
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed/ Adjustment					
MF Development Program											
Series 2017	Pass Through Refunding (Taxable)	3.24%	2049	\$ 16,594,161	\$ -	\$ -	\$ 517,398	\$ 16,076,763	\$ -	\$ 16,076,763	\$ -
Series 2018 A	Woodmont Crossing Apartments	3.05%-4.35%	2023-2058	23,595,000	-	330,000	-	23,265,000	-	23,265,000	340,000
Series 2018 B-2	Delta Towers and Capitol Vista	3.00%-4.10%	2023-2039	39,050,000	-	415,000	-	38,635,000	-	38,635,000	430,000
Series 2022A	Delta Towers and Capitol Vista	4.05%	2023-2039	3,315,000	-	35,000	-	3,280,000	-	3,280,000	40,000
Series 2019 A-1 and A-2	Petworth	2.30%-3.40%	2023-2040	8,980,000	-	110,000	-	8,870,000	-	8,870,000	110,000
Series 2019 B-1 and B-2	Randle Hills	1.95%-3.00%	2023-2039	16,915,000	-	310,000	-	16,605,000	-	16,605,000	300,000
Series 2021 A-1	Hill East	1.75%-2.05%	2031-2033	2,505,000	-	-	-	2,505,000	-	2,505,000	-
Series 2021 A-2	Hill East	2.20%	2034-2036	2,890,000	-	-	-	2,890,000	-	2,890,000	-
Series 2021 A-3	Hill East	2.50%	2034-2036	44,080,000	-	-	-	44,080,000	-	44,080,000	-
Series 2021 B-1	Hill East	1.20%-2.05%	2024-2030	4,350,000	-	755,000	-	3,595,000	-	3,595,000	765,000
Series 2021 B-2	Hill East	2.15%	2030-2031	590,000	-	-	-	590,000	-	590,000	-
Series 2021 B-1	1530 First	.75%-2.10%	2025-2033	3,550,000	-	370,000	-	3,180,000	-	3,180,000	370,000
Series 2021 B-2	1530 First	2.25%	2034-2036	1,355,000	-	-	-	1,355,000	-	1,355,000	-
Series 2021 B-3	1530 First	2.55%	2037-2042	20,240,000	-	-	-	20,240,000	-	20,240,000	-
Series 2021 B-4	1530 First	0.50%	2027	8,205,000	-	-	8,205,000	-	-	-	-
Series 2021 B-5	1530 First	0.90%	2024	5,000,000	-	5,000,000	-	-	-	-	-
Series 2022 B-1	Terrace Manor	2.80%-4.25%	2026-2043	13,190,000	-	-	-	13,190,000	-	13,190,000	60,000
Series 2022 B-2	Terrace Manor	3.00%	2028	24,105,000	-	-	-	24,105,000	22,146	24,127,146	-
Series 2023 A-1	Carl F. West	4.10-5.13%	2028-2045	18,415,000	-	-	-	18,415,000	(87,596)	18,327,404	-
Series 2023 A-2	Carl F. West	4.40%	2025-2045	46,280,000	-	-	-	46,280,000	-	46,280,000	-
	NoMa Union Market	3.800%-4.200%	2029-2036	1,460,000	-	-	-	1,460,000	-	1,460,000	-
	NoMa Union Market	4.125%-4.750%	2037-2046	19,260,000	-	-	-	19,260,000	(362,620)	18,897,380	-
	NoMa Union Market	4.10%	2040-2046	27,835,000	-	-	-	27,835,000	-	27,835,000	-
	Harvard Court	3.40%-4.65%	2040-2046	-	965,000	-	-	965,000	-	965,000	-
	Harvard Court	4.85%-5.20%	2040-2046	-	10,985,000	-	-	10,985,000	-	10,985,000	-
	Harvard Court	3.60%	2040-2046	-	36,315,000	-	-	36,315,000	-	36,315,000	-
Total			351,759,161	48,265,000	7,325,000	8,722,398	383,976,763	(428,070)	383,548,693	2,415,000	
MF Program											
	DCCH Pool: Euclid Street	5.75%	2023-2039	1,050,000	-	65,000	-	985,000	-	985,000	40,000
	DCCH Pool: Chapin Street	5.75%	2023-2039	890,000	-	65,000	-	825,000	-	825,000	30,000
	DCHFA Pass-Through Refunding	3.88%	2023-2045	20,970,829	-	752,265	3,044,627	17,173,937	-	17,173,937	748,200
Total			22,910,829	-	882,265	3,044,627.00	18,983,937	-	18,983,937	818,200	
Combined MF Program											
Bonds total			374,669,990	48,265,000	8,207,265	11,767,025	402,960,700	(428,070)	402,532,630	3,233,200	
Bonds total			\$ 374,994,990	\$ 48,265,000	\$ 8,207,265	\$ 11,922,025	\$ 403,130,700	\$ (428,070)	\$ 402,702,630	\$ 3,403,200	

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Notes to Financial Statements
For the Years Ended September 30, 2025 and 2024

NOTE 6 BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (continued)

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

General Activities	Range of Interest Rates	Range of Maturities	Debt Outstanding Balance at 9/30/2023	Debt Activity			Debt Outstanding Balance at 9/30/2024	Premium (+)/ Discount (-)	Debt Outstanding Balance at 9/30/2024	Due Within One Year
				New Obligations	Scheduled Maturity Payments	Obligations Paid				
Industrial Bank Credit Line	Variable	2024	\$ 9,956,367	\$ 1,190,933	\$ -	\$ 10,896,900	\$ 250,400	\$ -	\$ 250,400	\$ 250,400
Total			\$ 9,956,367	\$ 1,190,933	\$ -	\$ 10,896,900	\$ 250,400	\$ -	\$ 250,400	\$ 250,400
	Range of Interest Rates	Range of Maturities	Bond Payable at 9/30/2023	Bond Activity			Bond Payable at 9/30/2024	Premium (+)/ Discount (-)	Bond Payable at 9/30/2024	Due Within One Year
				New Bonds Issued	Scheduled Maturity Payments	Bond Redeemed				
1988 Single Family Mortgage Revenue Bonds	6.38%	2026	\$ 455,000	\$ -	\$ -	\$ 130,000	\$ 325,000	\$ -	\$ 325,000	\$ -
1988 Series E-4										
Total Single Family Indenture			\$ 455,000	\$ -	\$ -	\$ 130,000	\$ 325,000	\$ -	\$ 325,000	\$ -
Project Name	Range of Interest Rates	Range of Maturities	Bonds Payable at 9/30/2023	Bond Activity			Bonds Payable at 9/30/2024	Premium (+)/ Discount (-)	Bond Payable at 9/30/2024	Due Within One Year
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed/ Adjustment				
MF Development Program										
Series 2017	Pass Through Refunding (Taxable)	3.24%	2049	\$ 17,083,560	\$ -	\$ -	\$ 489,399	\$ 16,594,161	\$ -	\$ -
Series 2018 A	Woodmont Crossing Apartments	2.55%-4.35%	2023-2058	23,915,000	-	320,000	-	23,595,000	-	330,000
Series 2018 B-2	Delta Towers and Capitol Vista	2.50%-4.10%	2023-2039	39,445,000	-	395,000	-	39,050,000	-	415,000
Series 2022A	Delta Towers and Capitol Vista	4.05%	2023-2039	3,345,000	-	30,000	-	3,315,000	-	35,000
Series 2019 A-1 and A-2	Petworth	Variable	2023-2040	9,090,000	-	110,000	-	8,980,000	-	110,000
Series 2019 B-1 and B-2	Randle Hills	Variable	2023-2039	17,230,000	-	315,000	-	16,915,000	-	310,000
Series 2021 A-1	Hill East	1.75%-2.05%	2031-2033	2,505,000	-	-	-	2,505,000	-	-
Series 2021 A-2	Hill East	2.20%	2034-2036	2,890,000	-	-	-	2,890,000	-	-
Series 2021 A-3	Hill East	2.50%	2034-2036	44,080,000	-	-	-	44,080,000	-	-
Series 2021 B-1	Hill East	.95%-2.05%	2024-2030	4,410,000	-	60,000	-	4,350,000	-	755,000
Series 2021 B-2	Hill East	2.15%	2030-2031	590,000	-	-	-	590,000	-	-
Series 2021 B-1	1530 First	.55%-2.10%	2025-2033	3,550,000	-	-	-	3,550,000	-	370,000
Series 2021 B-1	1530 First	2.25%	2034-2036	1,355,000	-	-	-	1,355,000	-	-
	1530 First	2.55%	2037-2042	20,240,000	-	-	-	20,240,000	-	-
	1530 First	0.50%	2027	8,205,000	-	-	-	8,205,000	-	-
	1530 First	0.90%	2024	5,000,000	-	-	-	5,000,000	-	5,000,000
Series 2021 B-2	Terrace Manor	2.80%-4.25%	2026-2043	13,190,000	-	-	-	13,190,000	-	-
Series 2021 B-3	Terrace Manor	3.00%	2028	24,105,000	-	-	-	24,105,000	29,739	-
Series 2021 B-4	Carl F. West	4.10-5.13%	2028-2045	18,415,000	-	-	-	18,415,000	(91,994)	-
Series 2022 B-1	Carl F. West	4.40%	2025-2045	46,280,000	-	-	-	46,280,000	-	-
Series 2022 B-2	NoMa Union Market	3.800%-4.200%	2029-2036	-	1,460,000	-	-	1,460,000	-	-
Series 2023 A-1	NoMa Union Market	4.125%-4.750%	2037-2046	-	19,260,000	-	-	19,260,000	(380,684)	-
Series 2023 A-2	NoMa Union Market	4.100%-4.100%	2040-2046	-	27,835,000	-	-	27,835,000	-	-
Total			304,923,560	48,555,000	1,230,000	489,399	351,759,161	(442,939)	351,316,222	7,325,000
MF Program										
	DCCH Pool: Euclid Street	5.75%	2023-2039	1,080,000	-	30,000	-	1,050,000	-	35,000
	DCCH Pool: Chapin Street	5.75%	2023-2039	920,000	-	30,000	-	890,000	-	30,000
	DCHFA Pass-Through Refunding	3.88%	2023-2045	21,733,080	-	762,251	-	20,970,829	-	824,313
Total			23,733,080	-	822,251	-	22,910,829	-	22,910,829	889,313
Combined MF Program			328,656,640	48,555,000	2,052,251	489,399	374,669,990	(442,939)	374,227,051	8,214,313
Bonds total			\$ 329,111,640	\$ 48,555,000	\$ 2,052,251	\$ 619,399	\$ 374,994,990	\$ (442,939)	\$ 374,552,051	\$ 8,214,313

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

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

The required principal and interest payments for all Agency debt outstanding as of September 30, 2025 (including mandatory sinking fund payments but excluding special and optional redemptions) for each of the next five years and in five-year increments thereafter are as follows:

For the Year Ending September 30,	1988 Collateralized Single Family Mortgage Revenue Bonds			
	Interest		Principal	
2026	\$	10,838	\$	170,000
Totals	\$	10,838		170,000
Bonds payable			\$	170,000

For the Year Ending September 30,	Multifamily Development Program		Multifamily Program	
	Interest	Principal	Interest	Principal
2026	\$ 14,258,859	\$ 2,415,000	\$ 755,418	\$ 818,200
2027	14,038,664	2,540,000	721,565	865,755
2028	13,981,679	26,765,000	686,307	882,940
2029	13,191,018	2,970,000	649,915	935,894
2030	13,107,413	3,135,000	611,022	989,421
2031-2035	64,078,289	16,645,000	2,374,858	6,041,576
2036-2040	59,374,276	72,015,000	977,636	6,975,344
2041-2045	42,932,970	137,145,000	138,446	1,474,807
2046-2050	7,071,992	111,686,763	-	-
2051-2055	1,368,509	5,435,000	-	-
2056-2060	213,694	3,225,000	-	-
Totals	<u>\$ 243,617,363</u>	383,976,763	<u>\$ 6,915,167</u>	18,983,937
Unamortized Premium/(Discount)		(428,070)		-
Bonds payable		<u>\$ 383,548,693</u>		<u>\$ 18,983,937</u>

The interest calculations on outstanding variable rate bonds under the Multifamily Development Programs are based on the variable rates in effect on September 30, 2025, and are not indicative of the actual interest expense that will be incurred in future years. As rates vary, variable rate bond interest payments will vary.

In March 2017, DCHFA entered into a grant agreement with the DC DHCD as the sub-recipient in the administration of Community Development Block Grant funds. Accordingly, the Agency established a line of credit with Industrial Bank to serve as a facility to fund Home Purchase Assistance Program loans. The credit line is paid down upon receipt of reimbursements for DHCD on a monthly basis. During the fiscal year 2025, the Agency maintained a \$10,000,000 line of credit. As of September 30, 2025 and 2024, the total outstanding balance of the credit line totaled \$400,000 and \$250,000, respectively.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

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

The Agency is the lessee of equipment under lease agreements expiring through 2026. As a lessee, the Agency recognizes a lease liability at the present value of the payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Right-to-use leased assets are initially recorded as the sum of 1) the amount of the initial measurement of the lease liability, 2) lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, 3) initial direct costs that are ancillary charges necessary to place the asset into service. Right-to-use leased assets are amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying assets.

Included in capital assets are right-to-use assets under these leases with a cost of \$205,614 as of September 30, 2025 and 2024. Amortization expense related to the leases was \$39,164 for both the years ended September 30, 2025 and 2024. Accumulated amortization relating to the leases was \$166,449 and \$127,285 as of September 30, 2025 and 2024, respectively.

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

For the Year Ending September 30,	Principal	Interest
2026	\$ 38,125	\$ 574
Total minimum lease payments	\$ 38,125	\$ 574

Lease Liability

The following is a summary of changes in lease liability for the year ended September 30, 2025:

	Balance October 1, 2024	Increase	Decrease	Balance September 30, 2025	Due Within One Year
Lease liability	\$ 78,537	\$ -	\$ (40,412)	\$ 38,125	\$ 38,125
Total	\$ 78,537	\$ -	\$ (40,412)	\$ 38,125	\$ 38,125

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

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

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

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

NOTE 7 REBATE LIABILITY

In accordance with the Internal Revenue Service Code (the Code), the Agency has recorded a rebate liability for excess investment earnings in connection with tax-exempt bonds and notes issued after 1981. The excess investment earnings arise due to actual investment yields permitted to be retained by the indentures under the Code. The Code requires 90.0% of such excess investment earnings to be remitted to the United States Treasury every five years and in full at the final redemption of the bonds. Interest income on the statements of revenue, expenses and changes in net position is reduced by the rebate liability due to excess investment earnings. The increase/decrease in fair value of investments on the statements of revenue, expenses and changes in net position is adjusted by the change in the estimated rebate liability due to the change in fair value of investments. The Revenue Obligation Programs had no rebate liability from interest income or from unrealized gains on investments. For the years ended September 30, 2025 and 2024, the rebate liability in the single-family program was \$40,095.

NOTE 8 PROJECT FUNDS HELD FOR BORROWER AND OTHER LIABILITIES

The project funds held for borrower and other liabilities include funds contributed by the owners of the projects and/or funds received from low-income housing tax credit equity providers, District agencies, and the Department of Housing and Community Development. The Agency includes in the financial statements, funds received from these providers to the extent of unexpended monies in the project accounts.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

NOTE 8 PROJECT FUNDS HELD FOR BORROWER AND OTHER LIABILITIES *(continued)*

Under the 1996 Single Family Mortgage Revenue Bonds, the Agency administers grant funds received from the District's DHCD under the U.S. Department of Housing and Urban Development's Home Investment Partnership Program (HOME). These funds were either blended with the bond proceeds to yield interest rate subsidy on mortgage loans securitized into mortgage-backed securities or were used to help homebuyers with closing costs, including down-payment assistance. Under the respective grant agreements, the Agency may recycle repayments of HOME funds into its bond programs. There was no transfer by the Agency of HOME funds back to DHCD during fiscal year 2025. As of September 30, 2025 and 2024, total HOME Program-restricted assets were \$1,100,773, for both years.

NOTE 9 UNEARNED INCOME

Unearned income includes funds related to non-refundable construction monitoring fees and bond issuer fees associated with multifamily financing activities. The income is recognized over each project's anticipated construction period.

NOTE 10 NET POSITION

Net Investment in Capital Assets

Net investment in capital assets includes capital assets, net of related accumulated amortization and related debt (*i.e.*, lease liability). Net investment in capital assets at September 30, 2025 and 2024, was \$1,956,687 and \$1,617,835, respectively.

Revenue Obligations Programs

The Revenue Obligation Programs net position is restricted through debt covenants as collateral for the respective bond issues. Combined restricted net position related to the Revenue Obligation Programs as of September 30, 2025 and 2024, was \$38,293,013 and \$35,222,814, respectively.

McKinney Act Program

The Agency qualified for 50.0% of the savings resulting from Financing Adjustment Factors (FAF) on Section (11)(b) bond refunding transactions. These funds are programmatically restricted as they are only to be used to benefit very low-income people. As a result, the Agency established a revolving loan fund to provide credit enhancement or loan guarantees. Restricted net position related to the McKinney Act Program as of September 30, 2025 and 2024, was \$10,677,628 and \$10,219,074, respectively.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

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

As of September 30, 2025 and 2024, unrestricted net position for General Activities amounted to \$160,597,004 and \$160,698,472, respectively. The unrestricted net position is used to support the Agency's issuer credit rating.

NOTE 11 RETIREMENT PLAN

The Agency established a 457(b) deferred compensation plan (the 457(b) Plan) for the benefit of its eligible employees, effective October 1, 1997. The Plan was amended and changed recordkeepers, effective October 1, 2015. The amended Plan allows the Agency to match an employee's salary at a discretionary percentage. The match amount was 10% for the years ended September 30, 2025 and 2024, respectively. Plan expense for the years ended September 30, 2025 and 2024, was \$451,387 and \$414,637, respectively.

NOTE 12 OTHER INCOME

The Agency's other income for fiscal year 2025 and 2024 is comprised of the following:

<u>Description</u>	<u>General Activities</u>	
	<u>2025</u>	<u>2024</u>
MIP Risk Share Program	\$ 171,250	\$ 290,214
Interest income advances - HPAP	102,015	209,077
Portfolio asset management fees	223,500	267,250
Insurance proceeds water damage	40,007	-
Other	413,486	883,648
Total	\$ 950,258	\$ 1,650,189

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Notes to Financial Statements

For the Years Ended September 30, 2025 and 2024

NOTE 13 FEDERAL AND CITY PROGRAMS

On March 1, 2017, DCHFA signed a Subrecipient Grant Agreement with the District of Columbia Department of Housing and Community Development to administer \$5.7 million of Community Development Block Grant funds, allocated to the District of Columbia by the U.S. Department of HUD under Title 1 of the U.S. Housing and Community Development Act of 1974. During 2020, the Subrecipient Grant Agreement was amended to include HOME Grant Funds. The Community Development Block and HOME Grant funds were used to fund down payment assistance activities and services. During the years ended September 30, 2025 and 2024, respectively, the DCHFA received a funding extension under the program in the total amounts of \$21.5 million and \$24.9 million, which includes \$6.6 million and \$5.7 million, to be funded from federal funds and \$14.9 million and \$19.2 million, to be funded from local funds. For the years ended September 30, 2025 and 2024, the Agency incurred program expenses, and recorded a corresponding amount of revenues, of \$19.7 million and \$23.4 million, included in grant program revenues and expenses on the statement of revenues, expenses and change in net position. Of the program expenses incurred during the years ended September 30, 2025 and 2024, \$4.8 million and \$5.6 million, respectively, were funded by federal funds and \$14.9 million and \$17.8 million, respectively, were funded by local funds.

In fiscal year 2019, DCHFA, by enactment by the Council of the District of Columbia, established an 18-month pilot program, Reverse Mortgage Insurance and Tax Payment (ReMIT), that allows qualified homeowners to apply for and receive up to \$25,000 in financial assistance for payment of past due property taxes and property insurance debts that have put qualified homeowners at risk of foreclosure. The program was extended during fiscal year 2020. DCHFA records a lien on the subject property in the amount of the financial assistance provided to the qualified homeowner, which is subordinate to the reverse mortgage lender in the first position. During fiscal year 2025 the Council of the District of Columbia amended the program, including an increase to \$40,000 in financial assistance.

NOTE 14 COMMITMENTS AND CONTINGENCIES

As of September 30, 2025, the Agency had total mortgage commitments in the amount of \$174.7 million on projects under construction in the Multifamily Development Program, of which \$67.8 million has been drawn and \$106.9 million remains to be drawn.

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

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**Notes to Financial Statements**

For the Years Ended September 30, 2025 and 2024

NOTE 15 CONDUIT DEBT OBLIGATIONS

The Agency has issued bonds that provide mortgage loan financing for newly constructed or rehabilitated multifamily rental housing developments in the District. No individual conduit multifamily project's assets are available to collateralize other project's debt obligations. Neither the faith and credit of the Agency nor the assets of any other Program have been pledged as security for these bonds. The developments financed are pledged as collateral, and the bonds are payable solely from payments received from the mortgages on the underlying promissory notes. As of September 30, 2025 and 2024, the bonds have an aggregate outstanding principal amount payable of \$2,249,710,949 and \$2,121,597,473, respectively.

NOTE 16 SUBSEQUENT EVENTS

The events that occur after the date of the Statement of Net Position but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the Statement of Net Position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the date of the Statement of Net Position require disclosure in the accompanying notes. Management evaluated the activity of DCHFA through December 16, 2025 (the date the financial statements were available to be issued), and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTARY INFORMATION

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Combining Statements of Net Position

September 30, 2025

(With Comparative Totals For 2024)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2025</u>	<u>2024</u>
ASSETS					
CURRENT ASSETS					
<i>Unrestricted current assets</i>					
Cash and cash equivalents	\$ 21,373,069	\$ -	\$ -	\$ 21,373,069	\$ 31,852,698
Investments	60,322,614	-	-	60,322,614	54,363,940
Other receivables	5,260,906	-	-	5,260,906	5,005,537
Accrued interest receivable	1,696,192	-	-	1,696,192	1,418,429
Prepaid expenses	374,404	-	-	374,404	325,404
Total unrestricted current assets	<u>89,027,185</u>	<u>-</u>	<u>-</u>	<u>89,027,185</u>	<u>92,966,008</u>
<i>Restricted current assets</i>					
Cash and cash equivalents	19,693,291	13,683,019	48,894,656	82,270,966	55,147,068
Investments held in trust	-	10,000,000	26,755,756	36,755,756	40,581,903
Mortgage backed securities	-	5,545	-	5,545	6,981
Other receivables	-	-	1,567,441	1,567,441	461,012
Accounts receivable - HPAP Program	789,567	-	-	789,567	401,868
McKinney Act loans receivable, net	4,076,678	-	-	4,076,678	2,641,615
Accrued interest receivable	-	242,474	588,430	830,904	714,768
Total restricted current assets	<u>24,559,536</u>	<u>23,931,038</u>	<u>77,806,283</u>	<u>126,296,857</u>	<u>99,955,215</u>
Total current assets	<u>113,586,721</u>	<u>23,931,038</u>	<u>77,806,283</u>	<u>215,324,042</u>	<u>192,921,223</u>
NON-CURRENT ASSETS					
<i>Unrestricted non-current assets</i>					
Investments	64,141,755	-	-	64,141,755	63,021,081
Mortgage-backed securities at fair value	4,062,647	-	-	4,062,647	4,389,471
Mortgage and construction loans receivable, net	6,958,346	-	-	6,958,346	6,548,907
Due from (to) other programs	181,655	-	(181,655)	-	-
Total unrestricted non-current assets	<u>75,344,403</u>	<u>-</u>	<u>(181,655)</u>	<u>75,162,748</u>	<u>73,959,459</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Combining Statements of Net Position *(continued)*

September 30, 2025

(With Comparative Totals For 2024)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2025</u>	<u>2024</u>
NON-CURRENT ASSETS <i>(continued)</i>					
<i>Restricted non-current assets</i>					
Investments held in trust	\$ -	\$ -	\$ 161,646,834	\$ 161,646,834	\$ 161,385,586
Investments in joint ventures	2,814,486	-	-	2,814,486	2,300,000
Mortgage-backed securities at fair value	-	4,894,824	-	4,894,824	5,869,268
Mortgage and construction loans receivable, net	-	265,000	281,469,195	281,734,195	251,149,360
Loans receivable	-	-	-	-	55,729
Total restricted non-current assets	<u>2,814,486</u>	<u>5,159,824</u>	<u>443,116,029</u>	<u>451,090,339</u>	<u>420,759,943</u>
<i>Capital assets</i>					
Land	573,000	-	-	573,000	573,000
Depreciable and amortizable capital assets	7,380,268	-	-	7,380,268	6,791,069
Less: Accumulated depreciation and amortization	<u>(5,958,456)</u>	<u>-</u>	<u>-</u>	<u>(5,958,456)</u>	<u>(5,667,696)</u>
Total capital assets, net	<u>1,994,812</u>	<u>-</u>	<u>-</u>	<u>1,994,812</u>	<u>1,696,373</u>
Total non-current assets	<u>80,153,701</u>	<u>5,159,824</u>	<u>442,934,374</u>	<u>528,247,899</u>	<u>496,415,775</u>
Total assets	<u>\$ 193,740,422</u>	<u>\$ 29,090,862</u>	<u>\$ 520,740,657</u>	<u>\$ 743,571,941</u>	<u>\$ 689,336,998</u>
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES					
<i>Current liabilities payable from unrestricted assets</i>					
Accounts payable and accrued liabilities	\$ 607,061	\$ -	\$ -	\$ 607,061	\$ 389,320
Accrued salary and vacation payable	791,026	-	-	791,026	685,178
Lease liability	38,125	-	-	38,125	40,412
Unearned income	<u>8,501,647</u>	<u>-</u>	<u>-</u>	<u>8,501,647</u>	<u>11,582,477</u>
Total current liabilities payable from unrestricted assets	<u>9,937,859</u>	<u>-</u>	<u>-</u>	<u>9,937,859</u>	<u>12,697,387</u>

See Accompanying Independent Auditor's Report.

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

September 30, 2025

(With Comparative Totals For 2024)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2025</u>	<u>2024</u>
LIABILITIES AND NET POSITION <i>(continued)</i>					
CURRENT LIABILITIES <i>(continued)</i>					
<i>Current liabilities payable from restricted assets</i>					
Accounts payable and accrued liabilities	\$ 3,937	\$ 40,095	\$ -	\$ 44,032	\$ 42,571
Project funds held for borrower and other liabilities	10,167,257	1,100,773	106,272,959	117,540,989	92,893,023
Interest payable	-	3,612	1,418,437	1,422,049	1,105,246
Current portion of loans payable	400,050	-	-	400,050	250,400
Current portion of bonds payable	-	170,000	3,233,200	3,403,200	8,214,313
Total current liabilities payable from restricted assets	10,571,244	1,314,480	110,924,596	122,810,320	102,505,553
Total current liabilities	20,509,103	1,314,480	110,924,596	132,748,179	115,202,940
NON-CURRENT LIABILITIES					
<i>Non-current liabilities payable from unrestricted assets</i>					
Lease liability	-	-	-	-	38,125
Total non-current liabilities payable from unrestricted assets	-	-	-	-	38,125
<i>Non-current liabilities payable from restricted assets</i>					
Bonds payable - less current portion	-	-	399,299,430	399,299,430	366,337,738
Total non-current liabilities payable from restricted assets	-	-	399,299,430	399,299,430	366,337,738
Total non-current liabilities	-	-	399,299,430	399,299,430	366,375,863
Total liabilities	20,509,103	1,314,480	510,224,026	532,047,609	481,578,803

See Accompanying Independent Auditor's Report.

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

September 30, 2025

(With Comparative Totals For 2024)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2025</u>	<u>2024</u>
NET POSITION					
Net investment in capital assets	<u>\$ 1,956,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,956,687</u>	<u>\$ 1,617,835</u>
<i>Restricted for</i>					
Bond fund, collateral and Risk Share Program	<u>-</u>	<u>27,776,382</u>	<u>10,516,631</u>	<u>38,293,013</u>	<u>35,222,814</u>
McKinney Act Program	<u>10,677,628</u>	<u>-</u>	<u>-</u>	<u>10,677,628</u>	<u>10,219,074</u>
Total restricted net position	<u>10,677,628</u>	<u>27,776,382</u>	<u>10,516,631</u>	<u>48,970,641</u>	<u>45,441,888</u>
Unrestricted net position	<u>160,597,004</u>	<u>-</u>	<u>-</u>	<u>160,597,004</u>	<u>160,698,472</u>
Total net position	<u>173,231,319</u>	<u>27,776,382</u>	<u>10,516,631</u>	<u>211,524,332</u>	<u>207,758,195</u>
Total liabilities and net position	<u>\$ 193,740,422</u>	<u>\$ 29,090,862</u>	<u>\$ 520,740,657</u>	<u>\$ 743,571,941</u>	<u>\$ 689,336,998</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Combining Statements of Revenues, Expenses and Changes in Net Position

Year Ended September 30, 2025

(With Comparative Totals for 2024)

	General Activities	Single Family Program	Multifamily Program	2025	2024
OPERATING REVENUES					
Investment interest income	\$ 5,479,305	\$ 1,144,644	\$ 1,038,543	\$ 7,662,492	\$ 6,425,390
Mortgage-backed security interest income	124,591	271,645	-	396,236	441,378
Interest on mortgage and construction loans	-	-	8,323,373	8,323,373	7,183,948
Construction and development admin fees	3,291,201	-	-	3,291,201	4,744,386
Financing fee income	4,751,200	-	-	4,751,200	4,057,198
Tax credit fee income	1,210,549	-	-	1,210,549	1,002,312
Bond administration fee income	9,206,167	-	60,913	9,267,080	8,471,544
McKinney Act interest revenue	457,234	-	-	457,234	497,356
Application and commitment fees	190,655	-	-	190,655	104,945
Bond counsel fees	270,000	-	-	270,000	225,000
Gain on sale of single family loans	312,974	-	-	312,974	274,602
Mortgage prepayment income	-	-	-	-	937,991
Project revenue	-	-	6,807,726	6,807,726	1,756,542
Other	950,258	-	-	950,258	1,650,189
Total operating revenues	<u>26,244,134</u>	<u>1,416,289</u>	<u>16,230,555</u>	<u>43,890,978</u>	<u>37,772,781</u>
OPERATING EXPENSES					
General and administrative	4,066,192	246	-	4,066,438	4,085,951
Personnel and related costs	11,131,489	-	-	11,131,489	9,581,685
Interest expense	1,789	15,034	13,395,182	13,412,005	11,843,438
Depreciation and amortization	322,637	-	-	322,637	387,770
Trustee fees and other expenses	9,216	1,750	482,251	493,217	651,488
Total operating expenses	<u>15,531,323</u>	<u>17,030</u>	<u>13,877,433</u>	<u>29,425,786</u>	<u>26,550,332</u>
Operating income	<u>10,712,811</u>	<u>1,399,259</u>	<u>2,353,122</u>	<u>14,465,192</u>	<u>11,222,449</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCYCombining Statements of Revenues, Expenses and Changes in Net Position (*continued*)

Year Ended September 30, 2025

(With Comparative Totals for 2024)

	General Activities	Single Family Program	Multifamily Program	2025	2024
NON-OPERATING REVENUES (EXPENSES)					
<i>Federal and city programs</i>					
Grant program revenue	\$ 20,253,278	\$ -	\$ -	\$ 20,253,278	\$ 23,966,242
Grant program expenses	(20,358,064)	-	-	(20,358,064)	(23,965,698)
Program subsidy grants	(9,836,329)	-	-	(9,836,329)	-
Increase (decrease) in fair value of mortgage-backed securities and investments	(75,758)	(56,207)	(625,975)	(757,940)	6,099,390
Total non-operating revenues/(expenses)	(10,016,873)	(56,207)	(625,975)	(10,699,055)	6,099,934
Change in net position	695,938	1,343,052	1,727,147	3,766,137	17,322,383
Net position, beginning of year	172,535,381	26,433,330	8,789,484	207,758,195	190,435,812
Net position, end of year	\$ 173,231,319	\$ 27,776,382	\$ 10,516,631	\$ 211,524,332	\$ 207,758,195

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Combining Statements of Cash Flows

Year Ended September 30, 2025

(With Comparative Totals for 2024)

	General Activities	Single Family Program	Multifamily Program	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received on loans	\$ -	\$ -	\$ 8,323,373	\$ 8,323,373	\$ 7,183,948
Administrative and financing cash receipts	15,946,644	-	60,913	16,007,557	14,459,688
Other cash receipts	1,545,672	-	6,807,726	8,353,398	4,854,989
Payments to vendors	(3,900,477)	(1,997)	(482,251)	(4,384,725)	(4,757,748)
Payments to employees	(11,025,641)	-	-	(11,025,641)	(9,498,509)
Net mortgage and construction loans principal receipts (disbursements)	(409,439)	10,000	(31,701,264)	(32,100,703)	(19,442,782)
Principal received on loans receivable	55,729	-	-	55,729	32,971
Principal and interest received on mortgage-backed securities	412,835	1,191,318	-	1,604,153	1,435,895
Principal and interest received on McKinney Act loans	261,421	-	-	261,421	193,430
Principal advances on McKinney Act loans	(1,461,411)	-	-	(1,461,411)	(1,742,390)
Net cash receipts (disbursements) projects funds held for borrower	<u>1,481,753</u>	<u>-</u>	<u>20,910,137</u>	<u>22,391,890</u>	<u>(34,198,877)</u>
Net cash provided by (used in) operating activities	<u>2,907,086</u>	<u>1,199,321</u>	<u>3,918,634</u>	<u>8,025,041</u>	<u>(41,479,385)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Interest paid on bonds and loans	(1,789)	(18,327)	(13,060,217)	(13,080,333)	(11,452,377)
Proceeds from bond issuances and loans	11,091,438	-	48,265,000	59,356,438	49,360,733
Principal payments on issued debt and loans	(10,941,788)	(155,000)	(19,974,290)	(31,071,078)	(13,568,550)
Grant program cash receipts	19,232,508	-	-	19,232,508	43,452,812
Grant program cash disbursements	(20,358,064)	-	-	(20,358,064)	(23,965,698)
Program subsidy grant disbursements	<u>(9,836,329)</u>	<u>-</u>	<u>-</u>	<u>(9,836,329)</u>	<u>-</u>
Net cash (used in) provided by non-capital financing activities	<u>(10,814,024)</u>	<u>(173,327)</u>	<u>15,230,493</u>	<u>4,243,142</u>	<u>43,826,920</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Combining Statements of Cash Flows *(continued)*

Year Ended September 30, 2025

(With Comparative Totals for 2024)

	General Activities	Single Family Program	Multifamily Program	2025	2024
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	\$ (638,244)	\$ -	\$ -	\$ (638,244)	\$ (64,906)
Principal payments on lease from operations	(40,412)	-	-	(40,412)	(39,224)
Net cash used in capital and related financing activities	(678,656)	-	-	(678,656)	(104,130)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in joint ventures	(514,486)	-	-	(514,486)	(391,546)
Interest received on investments	5,064,929	1,143,317	923,734	7,131,980	7,185,484
Maturities and sales of investments	42,831,019	-	53,460,000	96,291,019	82,172,582
Purchase of investments	(49,588,771)	-	(48,265,000)	(97,853,771)	(94,485,325)
Net cash (used in) provided by investing activities	(2,207,309)	1,143,317	6,118,734	5,054,742	(5,518,805)
Net increase (decrease) in cash and cash equivalents	(10,792,903)	2,169,311	25,267,861	16,644,269	(3,275,400)
Cash and cash equivalents, beginning of year	51,859,263	11,513,708	23,626,795	86,999,766	90,275,166
Cash and cash equivalents, end of year	\$ 41,066,360	\$ 13,683,019	\$ 48,894,656	\$ 103,644,035	\$ 86,999,766
CASH, CASH EQUIVALENTS AND RESTRICTED CASH					
Cash and cash equivalents	\$ 21,373,069	\$ -	\$ -	\$ 21,373,069	\$ 31,852,698
Restricted cash and cash equivalents	19,693,291	13,683,019	48,894,656	82,270,966	55,147,068
Total cash, cash equivalents and restricted cash	\$ 41,066,360	\$ 13,683,019	\$ 48,894,656	\$ 103,644,035	\$ 86,999,766

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Combining Statements of Cash Flows *(continued)*

Year Ended September 30, 2025

(With Comparative Totals for 2024)

	<u>General Activities</u>	<u>Single Family Program</u>	<u>Multifamily Program</u>	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 10,712,811	\$ 1,399,259	\$ 2,353,122	\$ 14,465,192	\$ 11,222,449
<i>Adjustments to reconcile operating income to net cash provided by (used in) operating activities</i>					
Depreciation and amortization	322,637	-	-	322,637	387,770
Loss on disposal of capital assets	12,440	-	-	12,440	10,665
Computers donated	4,728	-	-	4,728	-
Bond premium amortization/discount accretion	-	-	14,869	14,869	1,321
Interest received on investments	(5,479,305)	(1,143,317)	(923,734)	(7,546,356)	(7,279,383)
Interest paid on bonds/loans	1,789	18,327	13,060,217	13,080,333	11,452,377
McKinney Act receivable bad debt recovery	-	-	-	-	(149,225)
Loans receivable written off	-	-	-	-	1,538,681
<i>Effects of changes in operating assets and liabilities</i>					
<i>Decrease (increase) in assets</i>					
Other receivables	(255,369)	-	(1,106,429)	(1,361,798)	(1,989,600)
Accrued interest receivable	(222,161)	(1,327)	(114,809)	(338,297)	699,292
Prepaid expenses	(49,000)	-	-	(49,000)	(58,497)
McKinney Act receivable	(1,435,063)	-	-	(1,435,063)	(1,742,390)
Mortgage and construction loans	(409,439)	10,000	(30,594,835)	(30,994,274)	(18,981,770)
Mortgage-backed securities	288,244	919,673	-	1,207,917	994,517
Loan receivable	55,729	-	-	55,729	32,971
<i>(Decrease) increase in liabilities</i>					
Accounts payable and accrued liabilities	219,203	(1)	-	219,202	38,188
Accrued salary and vacation payable	105,848	-	-	105,848	83,176
Unearned income	(2,447,759)	-	-	(2,447,759)	(3,930,790)
Project funds held for borrower and other liabilities	1,481,753	-	20,910,137	22,391,890	(34,198,877)
Interest payable	-	(3,293)	320,096	316,803	389,740
Net cash provided by (used in) operating activities	<u>\$ 2,907,086</u>	<u>\$ 1,199,321</u>	<u>\$ 3,918,634</u>	<u>\$ 8,025,041</u>	<u>\$ (41,479,385)</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and

Mortgage-Backed Securities By Program

September 30, 2025 and 2024

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2025

Assets	Cost	Carrying Value	Maturities (in years)				
			Less Than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
CASH AND CASH EQUIVALENTS							
Money market funds	\$ 13,683,019	\$ 13,683,019	\$ 13,683,019	\$ -	\$ -	\$ -	\$ -
Total cash and cash equivalents	13,683,019	13,683,019	13,683,019	-	-	-	-
INVESTMENTS							
Investment agreements	10,000,000	10,000,000	10,000,000	-	-	-	-
Total investments	10,000,000	10,000,000	10,000,000	-	-	-	-
MORTGAGE-BACKED SECURITIES							
Ginnie Mae	1,251,749	1,212,497	5,545	12,283	348,953	-	845,716
Fannie Mae	1,260,904	1,272,223	-	-	-	1,109,293	162,930
Freddie Mac	2,301,347	2,415,649	-	-	-	2,415,649	-
Total mortgage-backed securities	4,814,000	4,900,369	5,545	12,283	348,953	3,524,942	1,008,646
1988 Collateralized Single Family Mortgage Revenue Bonds total cash and investments							
	\$ 28,497,019	\$ 28,583,388	\$ 23,688,564	\$ 12,283	\$ 348,953	\$ 3,524,942	\$ 1,008,646

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and

Mortgage-Backed Securities By Program *(continued)*

September 30, 2025 and 2024

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

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

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and
Mortgage-Backed Securities By Program *(continued)*
September 30, 2025 and 2024

Multifamily Development Program (MFDP) as of September 30, 2025

Assets	Cost	Carrying Value	Maturities (in years)				
			Less Than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
CASH AND CASH EQUIVALENTS							
Money market funds	\$ 47,180,198	\$ 47,180,198	\$ 47,180,198	\$ -	\$ -	\$ -	\$ -
Total cash and cash equivalents	47,180,198	47,180,198	47,180,198	-	-	-	-
INVESTMENTS							
U.S. Treasury obligations	66,029,164	67,721,743	2,255,198	64,516,745	-	-	949,800
Investment agreements	119,985,558	119,985,558	24,500,558	95,485,000	-	-	-
GSE obligations	689,822	695,289	-	695,289	-	-	-
Total investments	186,704,544	188,402,590	26,755,756	160,697,034	-	-	949,800
Multifamily MFDP Program total cash and investments	\$ 233,884,742	\$ 235,582,788	\$ 73,935,954	\$ 160,697,034	\$ -	\$ -	\$ 949,800

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Schedules of Cash/Cash Equivalents, Investments and
Mortgage-Backed Securities By Program *(continued)*
September 30, 2025 and 2024

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

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

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
Schedules of Cash/Cash Equivalents, Investments and
Mortgage-Backed Securities By Program (*continued*)
September 30, 2025 and 2024

Multifamily Program as of September 30, 2025

Assets	Cost	Carrying Value	Maturities (in years)				
			Less Than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
CASH AND CASH EQUIVALENTS							
Demand money market deposits	\$ 1,468,590	\$ 1,468,590	\$ 1,468,590	\$ -	\$ -	\$ -	\$ -
Money market funds	245,868	245,868	245,868	-	-	-	-
Total cash and cash equivalents	1,714,458	1,714,458	1,714,458	-	-	-	-
Multifamily Program total cash	\$ 1,714,458	\$ 1,714,458	\$ 1,714,458	\$ -	\$ -	\$ -	\$ -

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and

Mortgage-Backed Securities By Program *(continued)*

September 30, 2025 and 2024

Multifamily Program as of September 30, 2024

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

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and

Mortgage-Backed Securities By Program *(continued)*

September 30, 2025 and 2024

Combined Revenue Obligation Programs and General Activities as of September 30, 2025

Assets	Cost	Carrying Value	Maturities (in years)				
			Less Than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
CASH AND CASH EQUIVALENTS							
Non-money market deposits	\$ 12,616,550	\$ 12,616,550	\$ 12,616,550	\$ -	\$ -	\$ -	\$ -
Demand money market deposits	23,301,458	23,301,458	23,301,458	-	-	-	-
Money market funds	67,726,027	67,726,027	67,726,027	-	-	-	-
Total cash and cash equivalents	103,644,035	103,644,035	103,644,035	-	-	-	-
INVESTMENTS							
Certificates of deposits	20,422,339	20,422,339	18,202,465	2,219,874	-	-	-
U.S. Treasury obligations	90,604,716	92,324,491	21,568,658	69,806,033	-	-	949,800
Investment agreements	129,985,558	129,985,558	34,500,558	95,485,000	-	-	-
Corporate obligations	78,884,070	79,202,359	22,657,614	56,284,770	259,975	-	-
GSE obligations	955,014	932,212	149,075	695,289	87,848	-	-
Total investments	320,851,697	322,866,959	97,078,370	224,490,966	347,823	-	949,800
MORTGAGE-BACKED SECURITIES							
Ginnie Mae	1,626,831	1,568,109	5,545	12,283	348,953	-	1,201,328
Fannie Mae	2,168,168	2,140,497	-	-	-	1,109,293	1,031,204
Freddie Mac	5,790,165	5,254,410	-	-	-	2,415,649	2,838,761
Total mortgage-backed securities	9,585,164	8,963,016	5,545	12,283	348,953	3,524,942	5,071,293
Combined General Activities and Revenue Obligation Programs total cash, investments and Mortgage-Backed Securities							
	\$ 434,080,896	\$ 435,474,010	\$ 200,727,950	\$ 224,503,249	\$ 696,776	\$ 3,524,942	\$ 6,021,093

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and

Mortgage-Backed Securities By Program *(continued)*

September 30, 2025 and 2024

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

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

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and
Mortgage-Backed Securities By Program *(continued)*
September 30, 2025 and 2024

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2025

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
CASH AND CASH EQUIVALENTS					
Money market funds	\$ 13,683,019	47.9%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total cash and cash equivalents	13,683,019	47.9%			
INVESTMENTS					
Investment agreements	10,000,000	35.0%	Aa3	Moody's	
Total investments	10,000,000	35.0%			
MORTGAGE-BACKED SECURITIES					
Ginnie Mae	1,212,497	4.2%	Aa1	Moody's	
Fannie Mae	1,272,223	4.5%	Aa1	Moody's	
Freddie Mac	2,415,649	8.5%	Aa1	Moody's	
Total mortgage-backed securities	4,900,369	17.1%			
1988 Collateralized Single Family Mortgage Revenue Bonds total cash, investments and Mortgage-Backed Securities	\$ 28,583,388	100.0%			

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and
Mortgage-Backed Securities By Program *(continued)*
September 30, 2025 and 2024

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

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

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and
Mortgage-Backed Securities By Program *(continued)*
September 30, 2025 and 2024

Multifamily Development Program (MFDP) as of September 30, 2025

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
CASH AND CASH EQUIVALENTS					
Money market funds	\$ 47,180,198	20.0%	Aaa-mf	Moody's	
Total cash and cash equivalents	47,180,198	20.0%			
INVESTMENTS					
U.S. Treasury obligations	67,721,743	28.7%	Aa1	Moody's	
Investment agreements	119,985,558	50.9%	Aa3	Moody's	
GSE obligations	695,289	0.3%	Aa1	Moody's	
Total investments	188,402,590	80.0%			
Multifamily MFDP Program total cash and investments	\$ 235,582,788	100.0%			

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and

Mortgage-Backed Securities By Program (*continued*)

September 30, 2025 and 2024

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

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

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and
Mortgage-Backed Securities By Program *(continued)*
September 30, 2025 and 2024

Multifamily Program as of September 30, 2025

<u>Asset</u>	<u>Carrying Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating/Supporting Collateral</u>
CASH AND CASH EQUIVALENTS					
Demand money market deposits	\$ 1,468,590	85.7%	P-1	Moody's	
Money market funds	245,868	14.3%	Aaa-mf	Moody's	
Total cash and cash equivalents	1,714,458	100.0%			
Multifamily Program total cash and investments	\$ 1,714,458	100.0%			

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and
Mortgage-Backed Securities By Program (*continued*)
September 30, 2025 and 2024

Multifamily Program as of September 30, 2024

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

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and
Mortgage-Backed Securities By Program *(continued)*
September 30, 2025 and 2024

Combined Revenue Obligation Programs and General Activities as of September 30, 2025

Asset	Carrying Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating/Supporting Collateral
CASH AND CASH EQUIVALENTS					
Non-money market deposits	\$ 12,616,550	2.9%	Not Rated	Moody's	Third Party-Held Aaa Collateral
Demand money market deposits	20,404,056	4.7%	Not Rated	Moody's	Federal Reserve-Held Aaa Collateral
Demand money market deposits	2,897,402	0.7%	P-1	Moody's	
Money market funds	67,726,027	15.6%	Aaa-mf	Moody's	
Total cash and cash equivalents	103,644,035	23.8%			
INVESTMENTS					
Certificates of deposits	20,422,339	4.7%	Not Rated	Moody's	Federal Reserve-Held Aaa Collateral
U.S. Treasury obligations	92,324,491	21.2%	Aa1	Moody's	
Investment agreements	129,985,558	29.8%	Aa3	Moody's	
Corporate obligations	232,312	0.1%	Aaa	Moody's	
Corporate obligations	2,044,960	0.5%	Aa1	Moody's	
Corporate obligations	5,043,259	1.2%	Aa2	Moody's	
Corporate obligations	13,373,810	3.1%	Aa3	Moody's	
Corporate obligations	19,669,681	4.5%	A1	Moody's	
Corporate obligations	21,172,661	4.9%	A2	Moody's	
Corporate obligations	16,671,737	3.8%	A3	Moody's	
Corporate obligations	993,940	0.2%	Baa2	Moody's	
GSE obligations	932,211	0.2%	Aaa	Moody's	
Total investments	322,866,959	74.1%			
MORTGAGE-BACKED SECURITIES					
Ginnie Mae	1,568,109	0.4%	Aa1	Moody's	
Fannie Mae	2,140,497	0.5%	Aa1	Moody's	
Freddie Mac	5,254,410	1.2%	Aa1	Moody's	
Total mortgage-backed securities	8,963,016	2.1%			
Combined general activities and revenue obligation programs total cash, investments and mortgage-backed securities					
	\$ 435,474,010	100.0%			

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Schedules of Cash/Cash Equivalents, Investments and
Mortgage-Backed Securities By Program *(continued)*
September 30, 2025 and 2024

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

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

See Accompanying Independent Auditor's Report.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
District of Columbia Housing Finance Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the District of Columbia Housing Finance Agency (the "Agency"), a component unit of the Government of the District of Columbia, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 16, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

80 Pine Street
New York, NY 10005
T +1 212 709 4500
F +1 212 709 4680
mitchelltitus.com



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mitchell Titus, LLP

December 16, 2025

