



BASIC FINANCIAL STATEMENTS (UNAUDITED)

THREE MONTHS ENDED SEPTEMBER 30, 2024

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Basic Financial Statements (unaudited)

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## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

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### **Management's Discussion and Analysis**

#### **Introduction**

The discussion and analysis provided herein is designed to furnish an objective and easily understandable review of the financial activities of the Pennsylvania Housing Finance Agency ("Agency"). Readers are encouraged to consider the information presented in conjunction with the basic financial statements as a whole, which follow this section.

#### **Understanding the Basic Financial Statements**

The basic financial statements are designed to provide a broad overview of the Agency's finances, and include three required statements: The Balance Sheet, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

The Balance Sheet presents financial information respective of all of the Agency's assets, liabilities and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position reflect revenue and expenses within a given period in order to measure the success of the Agency's operations during that period and to illustrate how the Agency has funded its costs of operations.

The Statement of Cash Flows is presented using the direct method, which reports cash receipts and cash payments in four major classes of activities: Operating, Noncapital Financing, Capital Financing and Investing. Cash receipts and disbursements are presented within this statement in order to illustrate the net increase or decrease in cash and cash equivalents within a given period.

The basic financial statements are accompanied by a set of notes. The notes to the basic financial statements provide additional information necessary to acquire a full understanding of the data presented in the basic financial statements and a means to obtain a more comprehensive assessment of factors affecting the Agency's financial condition.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

**Condensed Summary Balance Sheet** *(In thousands)*

	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>Increase/(Decrease)</b>	
<b>Assets:</b>				
Mortgage loans receivable, net	\$ 5,923,035	\$ 5,546,908	\$ 376,127	6.8%
Capital assets, net	54,268	55,285	(1,017)	(1.8%)
Other assets	1,979,111	1,853,896	125,215	6.8%
<b>Total Assets</b>	<b>7,956,414</b>	<b>7,456,089</b>	<b>500,325</b>	<b>6.7%</b>
Deferred Outflows of Resources	44,765	40,550	4,215	10.4%
<b>Total Assets and</b>				
Deferred Outflows of Resources	<b>\$ 8,001,179</b>	<b>\$ 7,496,639</b>	<b>\$ 504,540</b>	<b>6.7%</b>
<b>Liabilities:</b>				
Current liabilities	523,683	538,068	(14,385)	(2.7%)
Noncurrent liabilities	6,572,025	6,076,751	495,274	8.2%
<b>Total Liabilities</b>	<b>7,095,708</b>	<b>6,614,819</b>	<b>480,889</b>	<b>7.3%</b>
Deferred Inflows of Resources	54,299	55,191	(892)	(1.6%)
<b>Net Position</b>				
Net Investment in Capital Assets	22,477	23,168	(691)	(3.0%)
Restricted	216,260	201,980	14,280	7.1%
Unrestricted	612,435	601,481	10,954	1.8%
<b>Total Net Position</b>	<b>851,172</b>	<b>826,629</b>	<b>24,543</b>	<b>3.0%</b>
<b>Total Liabilities, Deferred Inflows</b>				
<b>of Resources and Net Position</b>	<b>\$ 8,001,179</b>	<b>\$ 7,496,639</b>	<b>\$ 504,540</b>	<b>6.7%</b>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

**Condensed Summary of Revenues, Expenses and Changes in Net Position** *(In thousands)*

	Three months ended September 30,		Increase/(Decrease)	
	2024	2023		
Revenues:				
Mortgage loan interest	\$ 60,017	\$ 42,218	\$ 17,799	42.2%
Other operating revenues	66,680	36,146	30,534	84.5%
Federal program awards	173,111	170,206	2,905	1.7%
Total Revenues	299,808	248,570	51,238	20.6%
Expenses:				
Interest and financing expenses	58,652	39,365	19,287	49.0%
Other operating expenses	43,502	46,266	(2,764)	(6.0%)
Federal program expenses	173,111	170,206	2,905	1.7%
Total Expenses	275,265	255,837	19,428	7.6%
Change in Net Position	24,543	(7,267)	31,810	437.7%
Net Position - Beginning of Year	826,629	746,296	80,333	10.8%
Net Position - End of Period	\$ 851,172	\$ 739,029	\$ 112,143	15.2%

**Analysis of Overall Financial Position and Results of Operations**

*The balance sheet at September 30, 2024 is compared to the balance sheet at June 30, 2024, the prior audited period.*

*The results of operations for the three-month period ended September 30, 2024 is compared to the three-month period ended September 30, 2023.*

- **Assets**

Total assets in the preceding condensed summary balance sheet increased by approximately \$504 million from \$7.497 billion to \$8.001 billion. Mortgage loans receivable increased by \$376 million from \$5.547 billion to \$5.923 billion as a result of the Agency utilizing its mortgage revenue bond program to purchase single family mortgages to further increase its single family program loan portfolio and its balance sheet. Other assets increased by \$125 million from \$1.854 billion to \$1.979 billion primarily as a result of the increase in cash and cash equivalents due to cash held for the purchases of single family mortgages from the issuance of single family mortgage revenue bond series 146 on August 29, 2024. Capital assets decreased \$1.0 million from \$55 million to \$54 million regular depreciation and the amortization of subscription based information technology arrangements offset by normal operational purchases.

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

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- **Liabilities**

Total liabilities increased by \$481 million from \$6.615 billion to \$7.096 billion. The net increase was primarily due to an increase in bonds and notes payable of \$499 million, which came as a result of the issuance of single family mortgage revenue bond series 146. This issuance furthers the Agency's efforts to increase the size of its single family loan portfolio and its balance sheet by purchasing and holding mortgage loans receivable by utilizing capital provided by the single family mortgage revenue bonds. The remaining net decrease of \$18 million in total liabilities can be explained by a decrease in escrow deposits and development reserve and a decrease in other liabilities due to the disbursement of federal and state grant funds off-set by an increase in accrued interest payable, derivative instrument – interest rate swaps, and the total OPEB liability.

- **Net Position**

For the three months ended September 30, 2024, the Agency's net position increased \$25 million compared to a decrease of \$7 million in net position for the same three-month period ending one year prior.

Mortgage loan interest income earned increased by \$18 million when compared to the same three-month period ending one year prior due to the increase in the Agency's single family portfolio of mortgage loans which includes mortgage with higher interest rates. Other operating revenues increased by \$31 million when compared to the same three-month period ending one year prior, due to an increase in program income and fees, investment income, and the net increase in fair value of investments, offset by a decrease the gain on early extinguishment of debt. Program income and fees increased by \$12 million due to the increase in grant funds disbursed by the Agency when compared to the same three-month period ending one year prior and an increase in Multifamily program revenue due to the change in the timing of the application round. The net increase in fair value of investments increased by \$18 million resulting from fair valuation of the portfolio at the September 30, 2024 compared to September 30, 2023.

Interest and financing expenses increased by \$19 million when compared to the same three-month period ending one year prior due to the increase in interest rates on newly issued mortgage revenue bonds. Other operating expenses decreased by \$3 million.

Federal program revenue and expenses increased by \$3 million due to increased disbursement of federal funds for grants administered by the Agency.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

**Analysis of Capital Asset Activity** *(In thousands)*

	<b>Balances at</b>		<b>Increase/ (Decrease)</b>
	<b>September 30, 2024</b>	<b>June 30, 2024</b>	
<b>Nondepreciable Capital Assets:</b>			
Land	\$ 2,454	\$ 2,454	\$ -
Total nondepreciable capital assets	<u>2,454</u>	<u>2,454</u>	<u>-</u>
<b>Depreciable Capital Assets:</b>			
Building	60,685	60,685	-
Furniture, fixtures and equipment	12,610	13,283	(673)
Subscription based information technology arrangements	10,183	10,183	-
Less accumulated depreciation:			
Building	(15,454)	(15,110)	(344)
Furniture, fixtures and equipment	(11,122)	(11,745)	623
Subscription based information technology arrangements	<u>(5,088)</u>	<u>(4,465)</u>	<u>(623)</u>
Total depreciable capital assets, net	<u>51,814</u>	<u>52,831</u>	<u>(1,017)</u>
<b>Total Capital Assets, net</b>	<u>\$ 54,268</u>	<u>\$ 55,285</u>	<u>\$ (1,017)</u>

The Agency's capital assets decreased in the three months ended September 30, 2024 due to regular depreciation and the amortization of subscription based information technology arrangements offset by normal operational purchases.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Management’s Discussion and Analysis (amounts rounded)

**Analysis of Long-Term Debt Activity** (In thousands)

<b>Agency Program</b>	<b>Long -Term Debt at</b>		<b>Increase (Decrease)</b>
	<b>September 30, 2024</b>	<b>June 30, 2024</b>	
General Activities	\$ 27,000	\$ 27,000	\$ -
Multifamily Program	-	-	-
Single Family Program	6,074,211	5,575,195	499,016
<b>Total Long-Term Debt</b>	<b>\$ 6,101,211</b>	<b>\$ 5,602,195</b>	<b>\$ 499,016</b>

**Additions**

Additions to Agency bonds and notes payable for the three-month period ended September 30, 2024 included the following:

<b>Date</b>	<b>Single Family Program Bond Series</b>	<b>General Obligation Bond Series</b>	<b>Original Issue Premium</b>	<b>Total Proceeds</b>	<b>New Mortgage Loan Production Proceeds</b>	<b>Refunding Proceeds</b>	<b>Single Family Program Bond Series Refunded</b>
8/29/2024	2024-146	-	6,819	501,029	501,029	-	-
Total Additions:			<u>\$ 6,819</u>	<u>\$ 501,029</u>			

**Reductions**

Reductions to Agency bonds and notes payable for the three-month period ended September 30, 2024 included the following:

<b>Date</b>	<b>Single Family Program Bond Series Refunded</b>	<b>Refunded Amount</b>	<b>Scheduled Debt Service</b>	<b>Advance Debt Service</b>	<b>Original Issue Premium Amortization</b>
Various	-	-	-	-	2,013
Total Reductions:		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,013</u>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

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**Designated Net Position** (in thousands)

The Agency has designated certain amounts of the unrestricted net position of the Agency's various activities and programs for purposes indicated in the following table. These designations of net position are not binding and may be changed by the Agency.

**General Activities:**

Disadvantaged Developers Program	\$ 10,000
Asset building program	2,000
Home4Good	1,000
Homebuyer Counseling for education of first-time homebuyers	2,000
ReCLAIM (statewide)	<u>1,500</u>
Total	<u>\$ 16,500</u>

**Multifamily Housing Program:**

Multifamily Insurance for Agency insured or coinsured developments	\$ 10,000
Preservation from physical deterioration, financial or social distress	<u>1,500</u>
Total	<u>\$ 11,500</u>

**Single Family Mortgage Loan Program:**

Closing Cost Assistance	\$ 2,000
Neighborhood Homeownership Initiative	<u>10,000</u>
Total	<u>\$ 12,000</u>

**Insurance Program:**

Risk Retention to provide single family mortgage insurance	<u>\$ 107,999</u>
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**Additional Information**

This discussion and analysis are intended to provide additional information regarding the activities of the Agency. Additional current or historical audited or unaudited financial information may be found at the Agency's website at [www.phfa.org](http://www.phfa.org).

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Balance Sheets September 30, 2024 and June 30, 2024 (in thousands)

	<b>September 30, 2024</b>	<b>June 30, 2024</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,169,645	\$ 937,121
Restricted cash and cash equivalents	309,390	361,928
Investments	31,709	44,755
Restricted investments	1,000	1,000
Accrued investment interest receivable	2,554	3,972
Mortgage loans receivable, net	146,122	145,909
Accrued mortgage loan interest receivable	26,595	23,630
Mortgages held for sale	52,443	49,214
Other current assets	4,416	4,015
<b>Total Current Assets</b>	<b>1,743,874</b>	<b>1,571,544</b>
<b>Noncurrent Assets:</b>		
Investments	284,013	308,009
Restricted investments	37,496	59,355
Mortgage loans receivable, net	5,776,913	5,400,999
Derivative instrument - interest rate swaps	1,512	2,442
Real estate owned	7,662	10,607
Capital assets, net	54,268	55,285
Other noncurrent assets	50,676	47,848
<b>Total Noncurrent Assets</b>	<b>6,212,540</b>	<b>5,884,545</b>
<b>TOTAL ASSETS</b>	<b>7,956,414</b>	<b>7,456,089</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
OPEB-related deferred outflows	17,361	17,361
Pension-related deferred outflows	14,457	14,457
Accumulated decrease in fair value of hedging derivatives	12,947	8,732
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>44,765</b>	<b>40,550</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 8,001,179</b>	<b>\$ 7,496,639</b>

See accompanying notes to financial statements.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Balance Sheets September 30, 2024 and June 30, 2024 (in thousands)

	<b>September 30, 2024</b>	<b>June 30, 2024</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 3,466	\$ 3,320
Bonds and notes payable, net	158,773	156,803
Accrued interest payable	104,425	48,161
Escrow deposits and development reserves	55,848	92,455
Software-based IT arrangements	2,625	2,625
Other current liabilities	198,546	234,704
<b>Total Current Liabilities</b>	<b>523,683</b>	<b>538,068</b>
<b>Noncurrent Liabilities:</b>		
Bonds and notes payable, net	5,942,438	5,445,392
Derivative instrument - interest rate swaps	12,947	8,732
Development reserves	117,389	114,947
Total OPEB liability	88,462	84,962
Net pension liability	33,540	33,040
Software-based IT arrangements	2,166	2,492
Other noncurrent liabilities	375,083	387,186
<b>Total Noncurrent Liabilities</b>	<b>6,572,025</b>	<b>6,076,751</b>
<b>TOTAL LIABILITIES</b>	<b>7,095,708</b>	<b>6,614,819</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
OPEB-related deferred inflows	49,891	49,891
Pension-related deferred inflows	889	889
Unamortized gains on bond refundings	2,007	1,969
Accumulated increase in fair value of hedging derivatives	1,512	2,442
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>54,299</b>	<b>55,191</b>
<b>NET POSITION</b>		
Net investment in capital assets	22,477	23,168
Restricted	216,260	201,980
Unrestricted	612,435	601,481
<b>TOTAL NET POSITION</b>	<b>851,172</b>	<b>826,629</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 8,001,179</b>	<b>\$ 7,496,639</b>

See accompanying notes to financial statements.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

## Statements of Revenues, Expenses and Changes in Net Position

Three Months Ended September 30, 2024 and 2023 (in thousands)

	<b>Three months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating Revenues:</b>		
Interest income on mortgage loans	\$ 60,017	\$ 42,218
Program income and fees	32,240	20,396
Investment income	16,732	14,833
Net increase in fair value of investments	17,513	-
Gain on early extinguishment of debt	195	917
<b>Total Operating Revenues</b>	<b>126,697</b>	<b>78,364</b>
<b>Operating Expenses:</b>		
Interest expense on bonds and notes	54,741	38,806
Financing expenses	3,911	559
Program expenses	18,899	13,206
Salaries and related benefits	16,239	10,360
General and administrative	7,854	5,744
Net decrease in fair value of investments	-	16,545
Provision for loan loss and real estate owned	510	411
<b>Total Operating Expenses</b>	<b>102,154</b>	<b>85,631</b>
<b>Operating Income (Loss)</b>	<b>24,543</b>	<b>(7,267)</b>
<b>Nonoperating Revenue</b>		
Federal program awards	173,111	170,206
<b>Nonoperating Expense</b>		
Federal program expense	173,111	170,206
<b>Change in Net Position</b>	<b>24,543</b>	<b>(7,267)</b>
<b>Net Position - beginning of year</b>	<b>826,629</b>	<b>779,019</b>
<b>Net Position - end of period</b>	<b>\$ 851,172</b>	<b>\$ 771,752</b>

See accompanying notes to financial statements.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

## Statements of Cash Flows

Three Months Ended September 30, 2024 and 2023 (in thousands)

	<b>Three months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash Flows From Operating Activities</b>		
Receipts of mortgage loan payments	\$ 91,495	\$ 72,640
Receipts of fees and other income	32,240	20,396
Receipts of interest on mortgages	57,051	40,453
Payments of escrow and reserves	(82,496)	(81,744)
Payments for mortgages and purchases	(473,584)	(302,293)
Payments for salaries and related benefits	(11,521)	(9,894)
Payments for goods, services and other	(26,455)	(16,245)
<b>Net Cash Used In Operating Activities</b>	<u>(413,270)</u>	<u>(276,687)</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Proceeds from the issuance of bonds and notes	501,029	-
Payments for retirement of bonds and notes	-	(43,560)
Payments of bonds and notes interest	1,943	1,695
Payments of financing costs	(3,911)	(559)
Receipts of federal program awards	173,111	170,206
Payments of federal program awards	(173,111)	(170,206)
<b>Net Cash Provided By (Used In) Noncapital Financing Activities</b>	<u>499,061</u>	<u>(42,424)</u>
<b>Cash Flows From Capital Financing Activities</b>		
Purchases of capital assets	(145)	(43)
Payments for retirement of capital financing bond	-	-
Interest paid on capital debt	(225)	(233)
<b>Net Cash Used In Capital Financing Activities</b>	<u>(370)</u>	<u>(276)</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from the sale or maturity of investments	83,297	69,885
Investment interest receipts	18,151	15,323
Purchases of investments	(6,883)	(29,226)
<b>Net Cash Provided By Investing Activities</b>	<u>94,565</u>	<u>55,982</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	179,986	(263,405)
<b>Cash and cash equivalents, beginning of year</b>	<u>1,299,049</u>	<u>1,228,729</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 1,479,035</u>	<u>\$ 965,324</u>

See accompanying notes to financial statements.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Statements of Cash Flows (continued)

Three Months Ended September 30, 2024 and 2023 (in thousands)

	Three months ended September 30,	
	<u>2024</u>	<u>2023</u>
<b>Reconciliation of Operating Income to Net Cash Used In Operating Activities:</b>		
Operating Income (Loss)	\$ 24,543	\$ (7,267)
Investment income recognized	(16,732)	(14,833)
Net change in fair value of investments	(17,513)	16,545
Interest expense on bonds and notes	54,741	38,806
Financing expenses	3,911	559
Provision for loan loss and real estate owned	510	411
Depreciation	1,161	1,245
Gain on early extinguishment of debt	(195)	(917)
Changes in Assets and Liabilities:		
Mortgage loans receivable, net	(382,056)	(220,489)
Mortgage loan interest receivable	(2,966)	(1,765)
Real estate owned, net	2,945	2,261
Other assets	(3,568)	(392)
Accounts payable and accrued expenses	146	(156)
Escrow deposits and development reserves	(34,165)	(35,543)
Other liabilities	(44,032)	(55,152)
<b>Net Cash Used In Operating Activities</b>	<u>\$ (413,270)</u>	<u>\$ (276,687)</u>

See accompanying notes to financial statements

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2024 (in thousands)

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### **1. Organization**

The Pennsylvania Housing Finance Agency (“Agency”) was created by the General Assembly of the Commonwealth of Pennsylvania (“Commonwealth”) in 1972 to provide affordable housing for older adults, persons and families of modest means and persons with disabilities. Pursuant to the Housing Finance Agency Law, Act of 1959, P. L. 1688, No. 620 (“Act”), as amended, the Agency is authorized and empowered, among other things, to finance the construction and rehabilitation of housing units for persons and families of low and moderate income, persons with special needs or the elderly, including those who receive assistance from federal government programs.

The Act was amended to authorize the Agency to make or purchase mortgage loans used to finance the purchase, construction, improvement or rehabilitation of owner-occupied single-family residences and to finance the construction and rehabilitation of housing units without requiring the housing units to be subsidized or assisted by a federal government program. The initial legislation and subsequent amendments grant the Agency the power to issue debt in order to finance its programs and operations. Debt obligations issued under the provisions of the Act are not a debt or liability of the Commonwealth or any of its political subdivisions or a pledge of the faith and credit of the Commonwealth or of any of its political subdivisions. Additional powers have been provided by the General Assembly over the years to expand the Agency’s authority and to encourage related community activities.

The Board of the Agency sets policy and oversees the organization's operations. The Board has 14 members. The Secretary of Banking and Securities (chair), the Secretary of Community and Economic Development, the Secretary of Human Services and the State Treasurer serve by virtue of their offices. Four members of the Board serve at the pleasure of the majority and minority leaders of the State Senate and House of Representatives. Six private citizen members are appointed by the Governor, confirmed by the State Senate, and serve for staggered six-year terms or until their successors are appointed.

The Agency is a component unit of the Commonwealth, as defined by the Governmental Accounting Standards Board (“GASB”) – the source of generally accepted accounting principles used by State and Local governments in the United States. The Agency’s financial information is discretely presented in the Commonwealth’s financial statements, but the Agency is not considered part of the Commonwealth’s primary government.

## PENNSYLVANIA HOUSING FINANCE AGENCY

Notes to Financial Statements

September 30, 2024 (in thousands)

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### 2. Summary of Significant Accounting Policies

#### **Basis of Accounting**

The Agency presents its financial statements in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), as established by GASB. For financial reporting purposes, the Agency is considered a special-purpose government engaged in business-type activities. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-Agency transactions have been eliminated.

#### **Description of Programs**

The Agency accounts for its lending and operating activities in various programs based upon management designations and for ease of accountability, summarized as follows:

**General Activities** – Consists of a group of accounts used to record income and expenses that are not directly pledged to or associated with the programs described below, and includes activity related to various Agency programs and initiatives, including loan servicing and the payment of expenses related to the Agency’s administrative functions.

**Multifamily Housing Program (“Multifamily Program”)** – Records the activity related to financing the construction, rehabilitation or operational expenses of multifamily rental housing developments generally designed for persons or families of low and moderate income or the elderly.

**Single Family Mortgage Loan Program (“Single Family Program”)** – Records the activity related to providing capital for the purchase and servicing of mortgage loans for owner-occupied single-family residences for persons or families of low and moderate income.

**Insurance Program** – The Agency provides primary mortgage insurance coverage through this program to cover the risk of mortgage default for certain single-family borrowers.

**Homeowners’ Emergency Mortgage Assistance Program (“HEMAP”)** – Created by Act 91 of 1982 (as later amended) by the Pennsylvania General Assembly to provide emergency mortgage assistance loans to mortgagors facing foreclosure due to circumstances beyond their control. HEMAP’s primary operating revenues are derived from funding received from the Commonwealth and from program repayments and income from investments, and are reported as a component of Program Income and Fees within the Agency’s financial statements.

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2024 (in thousands)

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### **Fair Value Application and Measurement**

Fair value is applied to assets and liabilities that the Agency holds primarily for the purpose of income or profit and that have a present service capacity based solely on their ability to generate cash or to be sold to generate cash. The Agency categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based upon valuation inputs used to measure the fair value of the respective asset or liability. Level 1 inputs include quoted prices in active markets for identical assets; Level 2 inputs include observable inputs other than quoted prices included in Level 1 inputs; Level 3 inputs include unobservable inputs.

### **Cash and Cash Equivalents**

Cash includes currency on hand and currency equivalents that may be accessed immediately or near-immediately. Cash equivalents are defined as short-term investments with original maturities of three months or less that are readily convertible to known amounts of cash. Agency cash and cash equivalents consist of demand deposit checking and savings accounts, cash held in trust and money market funds.

### **Investments**

Investments are reported at fair value, determined by reference to published market prices and quotations. Changes in fair values are recognized separately within the Statement of Revenues, Expenses and Changes in Net Position.

### **Restricted Cash, Cash Equivalents and Investments**

Restricted cash, cash equivalents and investments consist of cash, cash equivalents and investments restricted primarily by escrow agreements, bond resolutions, debt servicing agreements, creditor agreements or other contractual agreements. The Agency collects mortgage payments on behalf of mortgagees for whom the Agency acts as a servicer. The Agency holds monies from multifamily property owners and single-family homeowners for payments of real estate taxes, property insurance and operating reserves, and has recorded a corresponding liability related to these balances. The Agency maintains certain balances of cash, cash equivalents and investments, restricted as to their use, in order to comply with bond debt capital reserve and self-insurance requirements and certain investor or creditor covenants.

### **Mortgage Loans Receivable, Net**

Mortgage loans receivable consist primarily of single family and multifamily loans. The current portion of mortgage loans receivable represents the contractual amount due within the forthcoming year.

Mortgage loans that the Agency has the ability and intent to hold for the foreseeable future are deemed to be held for investment and are valued at amortized cost. Amortized cost includes the balances of principal outstanding, unamortized premiums and discounts and capitalized

## PENNSYLVANIA HOUSING FINANCE AGENCY

Notes to Financial Statements

September 30, 2024 (in thousands)

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origination costs and fees. Mortgage loans held-for-investment also have an allowance for loan loss applied as needed.

Mortgage loans that the Agency has the ability and intent to sell within the foreseeable future are deemed to be held for sale and are reported at the lower of cost or fair value, determined on an individual basis by loan type as of the date of the financial statements. Mortgage loans held for sale include loans subject to investor purchase commitments (committed loans) and loans held on a speculative basis (uncommitted loans). Fair value of committed loans is based upon commitment prices; fair value of uncommitted loans is based upon the market in which the mortgage banking activity operates. Amounts, if any, by which cost exceeds fair value are included within an allowance for loan loss.

The allowance for loan loss represents an adjustment applied to the balances of mortgage loans receivable in order to reflect amounts deemed collectible, using management's best estimate of probable losses inherent in the portfolio and evaluation of the underlying loans and their likelihood of becoming real estate owned. The allowance for loan loss is based upon the Agency's best information available under the circumstances, including the estimated market values of the properties representing collateral, mortgage insurance coverage on the collateral, the financial condition of the respective borrower, government guarantees and the economy as a whole.

Mortgage servicing rights/servicing release premiums are amortized over the life of the related loans using the effective interest method, and include servicing rights associated with both mortgages owned by the Agency and mortgages sold by the Agency for which servicing rights were retained. Mortgage servicing rights retained for underlying loans sold by the Agency are reported at the lower of amortized cost or fair value.

### **Troubled Debt Restructuring**

A troubled debt restructuring occurs when a creditor, for economic or legal reasons related to a debtor's financial difficulties, grants a concession to a debtor experiencing financial difficulties that the creditor would not otherwise consider. Regardless of the form of concession granted by the creditor to the debtor in a troubled debt restructuring, the creditor's objective is to assist the debtor in a difficult situation – the creditor expects to receive a return on investment or increase the probability of receipt of payment by granting the concessions than by not granting them. When conducted in a prudent manner, modifications of problem loans can serve the interests of both the creditor and the debtor and can lead to improved loan performance and reduced credit risk. In some instances, loan modifications are mandated by federal insurance programs. The Agency engages in troubled debt restructuring activities by affording modifications to the terms and interest rates of certain mortgage loans.

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2024 (in thousands)

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### **Real Estate Owned**

Real estate owned represents single-family real estate acquired as a result of foreclosure, acceptance of a deed in lieu of foreclosure or other defaults of nonperforming mortgage loans. Balances of real estate owned approximate net realizable value, based upon actual recoveries for similar asset disposals resulting from anticipated mortgage insurance settlement proceeds or estimated sales prices less costs to sell. Net realizable values of real estate owned also include an allowance for losses attributable to potentially foregone interest and corporate and escrow advances.

### **Capital Assets**

Capital assets are valued at historical cost. The Agency capitalizes assets with an initial cost of \$1 (one-thousand dollars) or more. Depreciation is calculated using the straight-line method over the estimated useful lives, which are 5 years for furniture, fixtures and equipment and 45 years for the Agency's building. When capital assets are disposed, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recorded.

### **Other Assets**

Other assets include federal and Pennsylvania grant and program funding receivable and prepaid expenses.

### **Deferred Outflows of Resources**

Deferred outflows of resources include OPEB-related deferred outflows, which result from the Agency's post-employment healthcare benefits plan ("OPEB Plan"); pension-related deferred outflows, which result from the Agency's Employees' Retirement Plan ("Pension Plan") and Governmental Excess Benefit Plan ("Excess Plan") (collectively "Pensions" or "Pension Plans"); and the accumulated decrease in fair value of hedging derivatives. OPEB-related and Pension-related deferred outflows of resources represent differences between expected and actual experience, changes in assumptions and amounts resulting from contributions made during the Agency's fiscal year subsequent to the OPEB Plan's or Pension Plan's measurement dates. Deferred outflows of resources are recognized over a closed period, and are amortized over the remaining average service life of all active and inactive employees who are provided OPEB or Pensions through the aforementioned plans.

### **Bonds and Notes Payable, Net**

The Agency issues bonds and notes to provide capital for its mortgage programs and other uses consistent with its mission. The resultant debt is a general obligation of the Agency, and is secured and payable by the respective mortgage loans, investments, other assets and revenues within the respective programs or accounts established by the associated bond indentures. Bonds and notes payable are stated at their outstanding balances plus any unamortized premiums less any unamortized discounts. The current portion of bonds and notes payable represents the scheduled principal payable within the forthcoming year.

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2024 (in thousands)

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### **Escrow Deposits and Development Reserves**

Escrow deposits represent balances of receipts from Single Family Program homeowners and Multifamily Program developments for anticipated payments of real estate taxes, property insurance and mortgage insurance. Development reserves represent cash held on behalf of owners of multifamily properties for repairs and replacement, property improvements, supportive services and potential operating deficits experienced by Multifamily Program developments.

### **Derivative Instruments – Interest Rate Swaps**

The Agency enters into interest rate swap agreements (“swaps”) with various counterparties to hedge the interest rate exposure associated with variable rate debt and to reduce overall borrowing costs. Swaps are structured whereby the Agency pays a fixed interest rate to a counterparty in exchange for the same counterparty paying to the Agency a variable interest rate, which is established based upon a common market index.

Swaps are reported at fair value and are classified as either hedging derivatives, amended hedging derivatives or investment derivatives. Hedging derivatives include swaps with critical terms that have not changed since their inception. Amended hedging derivatives include swaps with critical terms that have since been amended. The changes in fair values of hedging derivatives and amended hedging derivatives are reported as accumulated decrease in fair values of hedging derivatives on the Balance Sheet, which equal the values of the corresponding swaps. Investment derivatives include swaps that are not considered to be effective hedges; the changes in fair values of investment derivatives are reported as a net increase or decrease in the fair value of swaps and recognized as a revenue or expense.

### **Total OPEB Liability**

The Agency is required to measure and disclose amounts relating to total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense and the fiduciary net position of the Agency’s OPEB Plan. The Agency does not fund its OPEB liability; rather, the Agency provides health insurance for its retirees on a pay-as-you-go basis, therefore, the OPEB Plan has no fiduciary net position.

### **Net Pension Liability**

Net pension liability represents the portion of the present value of projected benefit payments attributed to past periods of service to be provided through the Agency’s Pensions to current active and inactive employees less the fiduciary net position of the Pensions. It represents the Agency’s total pension liability less the fiduciary net position available to pay that liability. Investments included within fiduciary net position are reported at fair value.

## PENNSYLVANIA HOUSING FINANCE AGENCY

Notes to Financial Statements

September 30, 2024 (in thousands)

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### **Other Liabilities**

Other liabilities consist mainly of unearned revenues, unearned federal funding, amounts due to Pennsylvania State Employees Retirement System (“SERS”) and accrued expenses.

### **Deferred Inflows of Resources**

Deferred inflows of resources include net unamortized gains (losses) on bond refundings, which are amortized over the shorter of the remaining life of the old debt or the life of the new debt; OPEB Plan-related and Pension Plan-related deferred Inflows, which represent the difference between projected and actual earnings on investments within the Agency’s Pensions, are recognized over a closed period and are amortized over a 5-year period, the difference between expected and actual experience, and changes in assumptions are recognized over a closed period and are amortized over the remaining average service life of all active and inactive employees who are provided OPEB or Pensions through the aforementioned plans; and the accumulated increase in fair value of hedging derivatives, which represents the anticipated future utilization of the value of interest rate swap agreements deemed to be effective hedging derivatives.

### **Net Position**

Net position is classified in the following three components:

**Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt attributable to the acquisition, construction or improvement of those assets.

**Restricted** – Consists of assets with constraints placed on their use by laws, regulations, Agency bond resolutions or external groups, such as creditors or grantors.

**Unrestricted** – Consists of assets that do not meet the definition of Net Investment in Capital Assets or Restricted. This component includes assets designated for specific purposes by the actions of the Board.

When both restricted and unrestricted resources are available, it is the Agency’s policy to use restricted resources to the extent allowed and only use unrestricted resources when needed.

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2024 (in thousands)

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### **Classification of Revenues and Expenses**

Operating revenues include all revenue from mortgage and loan activity, mortgage servicing, investment income and gains on the sale of pooled loans via the Government National Mortgage Association (“GNMA”) and the Federal National Mortgage Association (“FNMA”). Operating revenues also include amounts received for the grant programs, which includes administrative fees for the oversight of award distribution, monitoring of subrecipients and reporting to federal and Commonwealth agencies and allocations for the costs of required independent annual audits of federal awards expended. The costs of mortgage loan servicing, investment and grant programs are reported as operating expenses.

Non-operating revenues and expenses include federal program awards and the corresponding direct program costs for which those awards are received and recognized, and consist primarily of pass-through amounts related to the Agency’s role as contract administrator of the U.S. Department of Housing and Urban Development’s (“HUD”) Section 8 subsidy program.

### **Interest Income on Mortgage Loans**

Interest received for mortgage loans is based upon the constant yield method. Interest accrues on performing and nonperforming loans for up to 150 days or until the underlying obligation is satisfied or the associated property is sold, foreclosed-upon or transferred to another entity.

### **Investment Income**

Investment income includes net receipts and payments associated with swaps deemed to be investment derivatives, gains or losses on sales of investments and investment interest income.

The Agency participates in the GNMA and FNMA mortgage backed securities programs, whereby GNMA or FNMA guarantees securities that are issued by the Agency and backed by pools of mortgage loans. Gains on sales of MBSs are recorded at the time of settlement and represent the difference between the sale price of the MBSs and the carrying value of the underlying pool of mortgages backing them.

### **Pension and Other Postemployment Benefits Expense**

Pension expense and other postemployment benefit expense are reported as salaries and related benefits and represent the estimated cost of the benefits earned by employees during the period, with the addition or subtraction of amounts that are deferred and amortized into expense over time as required by GAAP.

### **Compensated Absences**

Employees earn vacation and illness leave benefits. Upon separation of service, employees are compensated for accumulated leave balances, limited by Agency policy. Compensated absence leave is recorded as an accrued expense in the period earned.

## PENNSYLVANIA HOUSING FINANCE AGENCY

Notes to Financial Statements

September 30, 2024 (in thousands)

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### **Debt Issuance Costs, Discounts and Other Related Costs**

Costs related to bond and note issuance are expensed when incurred. Bond discounts and premiums are amortized over the lives of the corresponding bonds using the effective interest method. Net swap agreement payments are recorded as a component of interest expense on bonds and notes.

### **Accounting Standards Issued but Not Yet Adopted**

GASB issued the following Statements that will become effective in future reporting periods. Management is currently evaluating the potential impact on the Agency's financial statements.

- GASB Statement No. 101, *Compensated Absences*, issued June 2022, effective for the Agency's fiscal year ending June 30, 2025.
- GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2023, effective for the Agency's fiscal year ending June 30, 2025.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, effective for the Agency's fiscal year ending June 30, 2025.

### **3. Cash, Cash Equivalents and Investments**

The Agency maintains a policy whereby cash and cash equivalents must be held in insured depositories satisfactory to the Agency.

Commonwealth of Pennsylvania statutes and contractual provisions contained within the Agency's bond trust indentures govern the investment policies of the Agency. The Housing Finance Agency Law, 1959, Dec. 3, P.L. 1688 as amended Dec. 5, 1972, P.L. 1259, No. 282 and bond indentures provide the authority to invest all Agency funds. In compliance with the Act and bond indentures, it is the policy of the Agency to invest in securities that provide suitable returns, preserve principal, meet liquidity needs and further the mission of the Agency.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2024 (in thousands)

**4. Mortgage Loans Receivable**

Amounts reported as mortgage loans receivable at September 30, 2024 and June 30, 2024 consisted of the following:

	<b>September 30, 2024</b>				
	<b>General Activities</b>	<b>Multifamily Program</b>	<b>Single Family Program</b>	<b>HEMAP</b>	<b>Total</b>
Mortgage loans	\$ 10,122	\$ 429,301	\$ 5,578,346	\$ 44,319	\$ 6,062,088
Add:					
Loan premiums	-	-	-	-	-
Less:					
Loan discounts	-	-	-	-	-
Allowance for loan losses	5,753	94,924	14,962	23,414	139,053
Mortgage loans receivable	4,369	334,377	5,563,384	20,905	5,923,035
Current portion	-	2,902	139,328	3,892	146,122
Noncurrent portion	<u>\$ 4,369</u>	<u>\$ 331,475</u>	<u>\$ 5,424,056</u>	<u>\$ 17,013</u>	<u>\$ 5,776,913</u>

	<b>June 30, 2024</b>				
	<b>General Activities</b>	<b>Multifamily Program</b>	<b>Single Family Program</b>	<b>HEMAP</b>	<b>Total</b>
Mortgage loans	\$ 9,571	\$ 440,007	\$ 5,190,771	\$ 45,527	\$ 5,685,876
Add:					
Loan premiums	-	-	-	-	-
Less:					
Loan discounts	-	-	-	-	-
Allowance for loan losses	5,743	94,918	14,707	23,600	138,968
Mortgage loans receivable	3,828	345,089	5,176,064	21,927	5,546,908
Current portion	-	2,752	139,178	3,979	145,909
Noncurrent portion	<u>\$ 3,828</u>	<u>\$ 342,337</u>	<u>\$ 5,036,886</u>	<u>\$ 17,948</u>	<u>\$ 5,400,999</u>

**Securitizations, Gains on the Sale of Mortgage-Backed Securities and Mortgages Held for Sale**

During the three months ended September 30, 2024 and 2023, the Agency securitized mortgage loans with a principal balance of \$2,201 and \$1,964, respectively, into MBSs through GNMA or directly to FNMA through their cash window. MBSs are either sold to private investors or purchased by the Agency. Ongoing revenue for the Agency is generated from servicing the loans pooled into MBSs, which is reported as program income and fees, and by gains derived from the sale price less the value of the underlying mortgages of the MBSs at the time of settlement. Total

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2024 (in thousands)

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gains on the sale of MBSs for the three months ended September 30, 2024 and 2023 equaled \$39 and \$9, respectively, reported in Investment income on the Statement of Revenues, Expenses, and Changes in Net Position. Mortgages held for sale are reported at fair value measured by Level 2 inputs based upon observable quoted prices of similar assets. Mortgages held for sale totaled \$52,443 and \$49,214 at September 30, 2024 and June 30, 2024, respectively.

### **Mortgage Loan Collateral and Insurance Coverage**

General Activity mortgage loans receivable represent amounts disbursed through the Agency's Mixed-Use Facility Financing Initiative ("MUFFI"), Homeownership Choice Program ("HCP") and Revised Community Leveraging Assistance Initiative Mortgage ("ReCLAIM"). The loans are not insured, but they are secured by promissory notes and mortgages on the associated properties.

Multifamily Program mortgage loans receivable are not insured, but are collateralized by mortgages on the related projects. The federal government subsidizes certain projects included in the Multifamily Program mortgage loan portfolio.

Single Family Program mortgage loans are secured by liens on the related real property, and private mortgage insurance is generally required on all mortgage loans where the loan principal amount exceeds 80% of the lesser of the purchase price or the initial appraised value of the property. Private mortgage insurance for Single Family Program mortgage loans is provided by commercial companies, the Agency's Insurance Program, certain federal programs through the Federal Housing Administration ("FHA"), United States Department of Veterans Affairs ("VA") and United States Department of Agriculture – Rural Development ("RD"), FNMA and varying other sources.

### **Mortgage-Backed Security Repurchase Reserve**

Mortgage loans securitized into MBSs through either GNMA or FNMA ("securitized loans") are not included in the Agency's financial statements. If a borrower fails to make a timely payment on a mortgage loan, the Agency must use its own funds to ensure that holders of Agency-issued MBSs receive timely payment. In circumstances of significant borrower delinquency, the Agency will repurchase a securitized loan from its respective MBS. Repurchased mortgage loans are included in the Agency's financial statements; as a result, the risk of loss, net of mortgage insurance, associated with these loans is considered in management's routine evaluation of the allowances for loan losses and the Agency has, therefore, established a repurchase reserve for these securitized loans. Securitized loans repurchased by the Agency totaled \$794 and \$1,844 for the three months ended September 30, 2024 and 2023, respectively, and the Agency's repurchase reserve for securitized loans equaled \$2,356 at September 30, 2024 and June 30, 2024.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2024 (in thousands)

**Allowance for Loan Loss**

The allowances for loan losses at September 30, 2024 and 2023 consisted of the following:

	<b>September 30, 2024</b>				
	<b>General</b>	<b>Multifamily</b>	<b>Single Family</b>	<b>HEMAP</b>	<b>Total</b>
	<b>Activities</b>	<b>Program</b>	<b>Program</b>		
Beginning balance	\$ 5,743	\$ 94,918	\$ 14,707	\$ 23,600	\$ 138,968
Loss provision (recoveries)	-	6	570	(17)	559
Net losses	-	-	(315)	(169)	(484)
Ending balance	<u>\$ 5,743</u>	<u>\$ 94,924</u>	<u>\$ 14,962</u>	<u>\$ 23,414</u>	<u>\$ 139,043</u>

  

	<b>September 30, 2023</b>				
	<b>General</b>	<b>Multifamily</b>	<b>Single Family</b>	<b>HEMAP</b>	<b>Total</b>
	<b>Activities</b>	<b>Program</b>	<b>Program</b>		
Beginning balance	\$ 4,867	\$ 95,685	\$ 14,296	\$ 24,553	\$ 139,401
Loss provision (recoveries)	-	45	358	(36)	367
Net losses	-	(45)	(358)	(120)	(523)
Ending balance	<u>\$ 4,867</u>	<u>\$ 95,685</u>	<u>\$ 14,296</u>	<u>\$ 24,397</u>	<u>\$ 139,245</u>

Amounts reported as provision for loan loss and real estate owned on the statement of revenues, expenses and changes in net position for the three months ended September 30, 2024 and 2023 consisted of the following:

	<b>September 30, 2024</b>				
	<b>General</b>	<b>Multifamily</b>	<b>Single Family</b>	<b>HEMAP</b>	<b>Total</b>
	<b>Activities</b>	<b>Program</b>	<b>Program</b>		
Loss provision (recoveries)	\$ -	\$ 6	\$ 570	\$ (17)	\$ 559
Self-insured losses	-	-	-	-	-
Change in value of REOs	-	-	(255)	-	(255)
Accrued interest losses	-	46	-	-	46
Change in repurchase reserve	-	-	160	-	160
Provision (recoveries) for loan loss and real estate owned	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ 475</u>	<u>\$ (17)</u>	<u>\$ 510</u>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

## Notes to Financial Statements

September 30, 2024 (in thousands)

	September 30, 2023				
	General	Multifamily	Single Family	HEMAP	Total
Activities	Program	Program	Program	Program	Program
Loss provision (recoveries)	\$ -	\$ 45	\$ 358	\$ (36)	\$ 367
Self-insured losses	-	-	-	-	-
Change in value of REOs	-	-	-	-	-
Accrued interest losses	-	-	-	-	-
Change in repurchase reserve	-	-	44	-	44
Provision for loan loss and real estate owned	\$ -	\$ 45	\$ 402	\$ (36)	\$ 411

**5. Real Estate Owned by the Agency**

Real estate owned by the Agency included 90 properties with a net realizable value of \$7,662 at September 30, 2024 and 116 properties with a net realizable value of \$10,607 at June 30, 2024.

**6. Bonds and Notes Payable**

The Agency issues bonds and notes payable to finance its lending programs. Proceeds from long-term debt of the Multifamily Program and Single Family Program are used to fund Multifamily and Single Family mortgage loans. General Activities long-term debt is used to finance the Agency's headquarters in Harrisburg, Pennsylvania.

Interest on bonds and notes payable is payable semi-annually. Interest rates on variable rate debt reset on a quarterly, monthly or weekly basis. Interest paid on indexed floating-rate tax-exempt bonds is closely correlated with the Securities Industry and Financial Markets Association Municipal Swap ("SIFMA") rate. At September 30, 2024, variable interest rates payable ranged from 3.15% to 4.78%. At June 30, 2024, variable interest rates payable ranged from 3.85% to 4.88%.

The aggregate principal amounts of bonds and notes payable outstanding at September 30, 2024 and June 30, 2024, maturity dates and corresponding interest rates at September 30, 2024 are illustrated in the following table.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2024 (in thousands)

Bond Series	Interest rates at		Maturity Date	Amounts outstanding at	
	September 30, 2024			September 30, 2024	June 30, 2024
	Variable	Fixed			
General Activities:					
Headquarters Bonds *	478 bps	-	2037	\$ 27,000	\$ 27,000
Single Family Program:					
Bonds Payable					
Series 2013 - 116	-	3.20-3.45%	2026	4,600	4,600
Series 2015 - 117	-	3.25-3.90%	2040	24,620	24,620
Series 2015 - 118	-	3.10-3.80%	2040	36,600	36,600
Series 2016 - 119	-	2.40-3.50%	2041	78,090	78,090
Series 2016 - 120	-	2.00-3.50%	2046	131,995	131,995
Series 2016 - 121	-	2.00-3.50%	2046	163,930	163,930
Series 2017 - 122	-	2.65-4.00%	2046	69,805	69,805
Series 2017 - 123	-	2.65-4.00%	2039	56,185	56,185
Series 2017 - 124	-	2.10-4.00%	2042	128,790	128,790
Series 2017 - 125	-	2.375-3.70%	2047	140,405	140,405
Series 2018 - 126	-	2.70-4.00%	2048	27,195	27,195
Series 2018 - 127	-	2.65-3.55%	2033	79,550	79,550
Series 2019 - 128	-	2.85-4.75%	2034	51,640	51,640
Series 2019 - 129	-	2.10-3.40%	2049	122,000	122,000
Series 2019 - 130	-	1.45-4.00%	2049	126,465	126,465
Series 2019 - 131	-	1.625-3.50%	2049	107,050	107,050
Series 2020 - 132* **	320 bps	0.95-3.50%	2051	180,270	180,270
Series 2020 - 133	-	1.75-5.00%	2050	184,530	184,530
Series 2021 - 134	-	0.80-5.00%	2049	131,740	131,740
Series 2021 - 135	-	1.57-5.00%	2051	157,770	157,770
Series 2021 - 136	-	1.80-5.00%	2051	266,275	266,275
Series 2021 - 137	-	1.90-5.00%	2051	234,585	234,585
Series 2022 - 138**	-	2.50-5.00%	2052	243,570	243,570
Series 2022 - 139**	-	3.35-5.00%	2052	282,990	282,990
Series 2022 - 140**	-	3.59-5.156%	2052	294,200	294,200

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2024 (in thousands)

Bond Series	Interest Rates at March 31, 2024		Maturity Date	Amounts Outstanding at	
	Variable	Fixed		September 30, 2024	June 30, 2024
Series 2022 - 141* **	315 bps	3.10-5.75%	2053	473,125	473,125
Series 2023 - 142**	-	3.40-5.50%	2053	454,890	454,890
Series 2023 - 143**	-	4.70-6.458%	2053	474,725	474,725
Series 2024 - 144	-	3.75-6.00%	2054	264,680	264,680
Series 2024 - 145	-	3.90-6.00%	2054	449,965	449,965
Series 2024 - 146	-	3.875-6.00%	2054	494,210	-
Total Single Family Program Bonds Payable				<u>5,936,445</u>	<u>5,442,235</u>
Notes Payable from Direct Borrowings					
General Obligation Note	-	2.75%	2034	21,250	21,250
2009 Purchase Agreement	-	2.50%	2024	2,500	2,500
Total Single Family Program Notes Payable from Direct Borrowings				<u>23,750</u>	<u>23,750</u>
Unamortized bond premiums				<u>114,016</u>	<u>109,210</u>
Total bonds and notes payable				<u>6,101,211</u>	<u>5,602,195</u>
Current portion				<u>158,773</u>	<u>156,803</u>
Noncurrent portion				<u>\$ 5,942,438</u>	<u>\$ 5,445,392</u>

bps - basis points

\* – All or a portion of the balances of these bonds payable include variable rate demand obligations. Interest rates on VRDO's reset on a weekly basis.

\*\* - The bond series includes direct placement bonds under the SF Indenture which are secured on parity with all other outstanding bonds under the same SF Indenture and there are no terms of the SF Indenture that are unique to those direct placement bonds.

**7. Restricted Net Position**

The Single Family Program's September 30, 2024 and June 30, 2024 net position restrictions equaling \$184,560 and \$169,733, respectively, are restricted pursuant to the Agency's obligations to its bondholders; provisions are present within the Single Family Program bond indenture. Net position restrictions within HEMAP totaling \$31,700 and \$32,247 at September 30, 2024 and June 30, 2024, respectively, represent amounts restricted for the purpose of making mortgage assistance loans.

**SUPPLEMENTARY INFORMATION**

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Balance Sheet

September 30, 2024 (in thousands)

	General	Multifamily	Single Family	Insurance		Intra-Agency	
	Activities	Housing	Mortgage	Program	HEMAP	Eliminations	Total
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 23,565	\$ 171,667	\$ 880,641	\$ 71,388	\$ 22,384	\$ -	\$ 1,169,645
Restricted cash and cash equivalents	62,867	84,978	161,545	-	-	-	309,390
Investments	20,942	-	7,768	2,999	-	-	31,709
Restricted investments	-	-	1,000	-	-	-	1,000
Accrued investment interest receivable	485	-	2,069	-	-	-	2,554
Mortgage loans receivable, net	-	2,902	139,328	-	3,892	-	146,122
Accrued mortgage loan interest receivable	-	99	26,198	-	298	-	26,595
Mortgages held for sale	-	-	52,443	-	-	-	52,443
Other current assets	4,413	3	-	-	-	-	4,416
<b>Total Current Assets</b>	<b>112,272</b>	<b>259,649</b>	<b>1,270,992</b>	<b>74,387</b>	<b>26,574</b>	<b>-</b>	<b>1,743,874</b>
<b>Noncurrent Assets:</b>							
Investments	98,017	7,207	141,046	37,743	-	-	284,013
Restricted investments	-	-	37,496	-	-	-	37,496
Mortgage loans receivable, net	4,369	331,475	5,424,056	-	17,013	-	5,776,913
Derivative instrument - interest rate swaps	598	-	914	-	-	-	1,512
Real estate owned	-	-	7,662	-	-	-	7,662
Capital assets, net	54,268	-	-	-	-	-	54,268
Intra-agency receivables	284,437	27,701	-	-	-	(312,138)	-
Other noncurrent assets	9,990	-	50,653	-	-	(9,967)	50,676
<b>Total Noncurrent Assets</b>	<b>451,679</b>	<b>366,383</b>	<b>5,661,827</b>	<b>37,743</b>	<b>17,013</b>	<b>(322,105)</b>	<b>6,212,540</b>
<b>TOTAL ASSETS</b>	<b>563,951</b>	<b>626,032</b>	<b>6,932,819</b>	<b>112,130</b>	<b>43,587</b>	<b>(322,105)</b>	<b>7,956,414</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
OPEB-related deferred outflows	17,361	-	-	-	-	-	17,361
Pension-related deferred outflows	14,457	-	-	-	-	-	14,457
Accumulated decrease in fair value of hedging derivatives	-	-	12,947	-	-	-	12,947
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>31,818</b>	<b>-</b>	<b>12,947</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,765</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 595,769</b>	<b>\$ 626,032</b>	<b>\$ 6,945,766</b>	<b>\$ 112,130</b>	<b>\$ 43,587</b>	<b>\$ (322,105)</b>	<b>\$ 8,001,179</b>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Balance Sheet

September 30, 2024 (in thousands)

LIABILITIES	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Intra-Agency Eliminations	Total
<b>Current Liabilities:</b>							
Accounts payable and accrued expenses	\$ 2,410	\$ -	\$ 716	\$ -	\$ 340	\$ -	\$ 3,466
Bonds and notes payable, net	2,000	-	156,773	-	-	-	158,773
Accrued interest payable	71	-	104,354	-	-	-	104,425
Escrow deposits and development reserves	744	28,307	26,797	-	-	-	55,848
Software-based IT arrangements	2,625	-	-	-	-	-	2,625
Other current liabilities	176,919	379	21,248	-	-	-	198,546
<b>Total Current Liabilities</b>	<b>184,769</b>	<b>28,686</b>	<b>309,888</b>	<b>-</b>	<b>340</b>	<b>-</b>	<b>523,683</b>
<b>Noncurrent Liabilities:</b>							
Bonds and notes payable, net	25,000	-	5,917,438	-	-	-	5,942,438
Derivative instruments - interest rate swaps	-	-	12,947	-	-	-	12,947
Development reserves	-	117,389	-	-	-	-	117,389
Intra-agency payables	-	-	312,138	-	-	(312,138)	-
Total OPEB liability	88,462	-	-	-	-	-	88,462
Net pension liability	33,540	-	-	-	-	-	33,540
Software-based IT arrangements	2,166	-	-	-	-	-	2,166
Other noncurrent liabilities	129,887	239,485	-	4,131	11,547	(9,967)	375,083
<b>Total Noncurrent Liabilities</b>	<b>279,055</b>	<b>356,874</b>	<b>6,242,523</b>	<b>4,131</b>	<b>11,547</b>	<b>(322,105)</b>	<b>6,572,025</b>
<b>TOTAL LIABILITIES</b>	<b>463,824</b>	<b>385,560</b>	<b>6,552,411</b>	<b>4,131</b>	<b>11,887</b>	<b>(322,105)</b>	<b>7,095,708</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
OPEB-related deferred inflows	49,891	-	-	-	-	-	49,891
Pension-related deferred inflows	889	-	-	-	-	-	889
Unamortized gains on bond refundings	-	-	2,007	-	-	-	2,007
Accumulated increase in fair value of hedging derivatives	598	-	914	-	-	-	1,512
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>51,378</b>	<b>-</b>	<b>2,921</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,299</b>
<b>NET POSITION</b>							
Net investment in capital assets	22,477	-	-	-	-	-	22,477
Restricted	-	-	184,560	-	31,700	-	216,260
Unrestricted	58,090	240,472	205,874	107,999	-	-	612,435
<b>TOTAL NET POSITION</b>	<b>80,567</b>	<b>240,472</b>	<b>390,434</b>	<b>107,999</b>	<b>31,700</b>	<b>-</b>	<b>851,172</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 595,769</b>	<b>\$ 626,032</b>	<b>\$ 6,945,766</b>	<b>\$ 112,130</b>	<b>\$ 43,587</b>	<b>\$ (322,105)</b>	<b>\$ 8,001,179</b>

## PENNSYLVANIA HOUSING FINANCE AGENCY

### Combining Statement of Revenues, Expenses and Changes in Net Position Three Months Ended September 30, 2024 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Operating Revenues:</b>						
Interest income on mortgage loans	\$ -	\$ 1,905	\$ 58,061	\$ -	\$ 51	\$ 60,017
Program income and fees	28,185	688	-	3,332	35	32,240
Investment income	5,537	809	9,391	717	278	16,732
Net increase in fair value of investments	8,150	376	7,519	1,468	-	17,513
Gain on early extinguishment of debt	-	-	195	-	-	195
<b>Total Operating Revenues</b>	<b>41,872</b>	<b>3,778</b>	<b>75,166</b>	<b>5,517</b>	<b>364</b>	<b>126,697</b>
<b>Operating Expenses:</b>						
Interest expense on bonds and notes	225	-	54,516	-	-	54,741
Financing expenses	28	-	3,883	-	-	3,911
Program expenses	11,060	-	7,839	-	-	18,899
Salaries and related benefits	15,521	-	-	-	718	16,239
General and administrative	5,123	173	2,348	-	210	7,854
Provision (recoveries) for loan loss and real estate owned	-	52	475	-	(17)	510
<b>Total Operating Expenses</b>	<b>31,957</b>	<b>225</b>	<b>69,061</b>	<b>-</b>	<b>911</b>	<b>102,154</b>
<b>Operating (Loss) Income</b>	<b>9,915</b>	<b>3,553</b>	<b>6,105</b>	<b>5,517</b>	<b>(547)</b>	<b>24,543</b>
<b>Nonoperating Revenue</b>						
Federal program awards	26,013	145,094	2,004	-	-	173,111
<b>Nonoperating Expense</b>						
Federal program expense	26,013	145,094	2,004	-	-	173,111
<b>Income (Loss) Before Transfers</b>	<b>9,915</b>	<b>3,553</b>	<b>6,105</b>	<b>5,517</b>	<b>(547)</b>	<b>24,543</b>
Intra-agency transfers	(8,145)	(109)	8,254	-	-	-
<b>Change in Net Position</b>	<b>1,770</b>	<b>3,444</b>	<b>14,359</b>	<b>5,517</b>	<b>(547)</b>	<b>24,543</b>
<b>Net Position - beginning of year</b>	<b>78,797</b>	<b>237,028</b>	<b>376,075</b>	<b>102,482</b>	<b>32,247</b>	<b>826,629</b>
<b>Net Position - end of period</b>	<b>\$ 80,567</b>	<b>\$ 240,472</b>	<b>\$ 390,434</b>	<b>\$ 107,999</b>	<b>\$ 31,700</b>	<b>\$ 851,172</b>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Statement of Cash Flows

Three Months Ended September 30, 2024 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Cash flows from operating activities:</b>						
Receipts of mortgage loan payments	\$ 15	\$ 16,371	\$ 73,420	\$ -	\$ 1,689	\$ 91,495
Receipts of fees and other income	28,185	688	-	3,332	35	32,240
Receipts of interest on mortgages	-	1,874	55,126	-	51	57,051
(Payments) Receipts of escrows and reserves	(48,040)	1,273	(35,729)	-	-	(82,496)
Payments for mortgages and purchases	(556)	(5,607)	(466,828)	-	(593)	(473,584)
Payments for salaries and related benefits	(11,521)	-	-	-	-	(11,521)
Payments for goods, services and other	(15,905)	(175)	(9,669)	-	(706)	(26,455)
<b>Net cash (used in) provided by operating activities</b>	<u>(47,822)</u>	<u>14,424</u>	<u>(383,680)</u>	<u>3,332</u>	<u>476</u>	<u>(413,270)</u>
<b>Cash flows from noncapital financing activities:</b>						
Proceeds from the issuance of bonds and notes	-	-	501,029	-	-	501,029
Payments of bonds and notes interest	-	-	1,943	-	-	1,943
Payments of financing costs	(28)	-	(3,883)	-	-	(3,911)
Receipts (repayments) of program advances	(7,755)	(109)	7,864	-	-	-
Receipts of federal program awards	26,013	145,094	2,004	-	-	173,111
Payments of federal program awards	(26,013)	(145,094)	(2,004)	-	-	(173,111)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(7,783)</u>	<u>(109)</u>	<u>506,953</u>	<u>-</u>	<u>-</u>	<u>499,061</u>
<b>Cash flows from capital financing activities:</b>						
Purchases of capital assets	(145)	-	-	-	-	(145)
Payments for interest on capital financing bond	(225)	-	-	-	-	(225)
<b>Net cash used in capital financing activities</b>	<u>(370)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(370)</u>
<b>Cash flows from investing activities:</b>						
Proceeds from the sale or maturity of investments	73,719	-	9,578	-	-	83,297
Receipts of investment interest	7,019	524	9,612	717	279	18,151
Payments for purchases of investments	(9)	(5)	(7,274)	405	-	(6,883)
<b>Net cash provided by investing activities</b>	<u>80,729</u>	<u>519</u>	<u>11,916</u>	<u>1,122</u>	<u>279</u>	<u>94,565</u>
<b>Net increase in cash and cash equivalents</b>	24,754	14,834	135,189	4,454	755	179,986
<b>Cash and cash equivalents, beginning of year</b>	<u>61,678</u>	<u>241,811</u>	<u>906,997</u>	<u>66,934</u>	<u>21,629</u>	<u>1,299,049</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 86,432</u>	<u>\$ 256,645</u>	<u>\$1,042,186</u>	<u>\$ 71,388</u>	<u>\$ 22,384</u>	<u>\$ 1,479,035</u>

# PENNSYLVANIA HOUSING FINANCE AGENCY

## Combining Statement of Cash Flows

Three Months Ended September 30, 2024 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Reconciliation of Operating Income (Loss) to</b>						
<b>Net Cash (Used In) Provided By Operating Activities:</b>						
Operating Income (Loss)	\$ 9,915	\$ 3,553	\$ 6,105	\$ 5,517	\$ (547)	\$ 24,543
Investment income recognized	(5,537)	(809)	(9,391)	(717)	(278)	(16,732)
Net change in fair value of investments	(8,150)	(376)	(7,519)	(1,468)	-	(17,513)
Interest expense on bonds and notes	225	-	54,516	-	-	54,741
Financing expenses	28	-	3,883	-	-	3,911
(Recoveries) Provision for loan loss and real estate owned	-	52	475	-	17	544
Depreciation	1,161	-	-	-	-	1,161
Gain on early extinguishment of debt	-	-	(195)	-	-	(195)
Changes in Assets and Liabilities:						
Mortgage loans receivable, net	(540)	10,660	(393,215)	-	1,005	(382,090)
Mortgage loans interest receivable	-	(31)	(2,935)	-	-	(2,966)
Real Estate Owned, Net	-	-	2,945	-	-	2,945
Other assets	(735)	(2)	(2,831)	-	-	(3,568)
Accounts payable and accrued expenses	177	-	(5)	-	(26)	146
Escrow deposits and development reserves	58	665	(34,888)	-	-	(34,165)
Other liabilities	(44,424)	712	(625)	-	305	(44,032)
<b>Net Cash (Used In) Provided By Operating Activities</b>	<b>\$ (47,822)</b>	<b>\$ 14,424</b>	<b>\$ (383,680)</b>	<b>\$ 3,332</b>	<b>\$ 476</b>	<b>\$ (413,270)</b>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Balance Sheet

June 30, 2024 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Intra-Agency Eliminations	Total
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ (32,131)	\$ 157,177	\$ 723,512	\$ 66,934	\$ 21,629	\$ -	\$ 937,121
Restricted cash and cash equivalents	93,809	84,634	183,485	-	-	-	361,928
Investments	36,897	-	2,879	4,979	-	-	44,755
Restricted investments	-	-	1,000	-	-	-	1,000
Accrued investment interest receivable	1,967	(285)	2,290	-	-	-	3,972
Mortgage loans receivable, net	-	2,752	139,178	-	3,979	-	145,909
Accrued mortgage loan interest receivable	-	68	23,263	-	299	-	23,630
Mortgages held for sale	-	-	49,214	-	-	-	49,214
Other current assets	4,014	1	-	-	-	-	4,015
<b>Total Current Assets</b>	<b>104,556</b>	<b>244,347</b>	<b>1,124,821</b>	<b>71,913</b>	<b>25,907</b>	<b>-</b>	<b>1,571,544</b>
<b>Noncurrent Assets:</b>							
Investments	147,622	6,826	118,861	34,700	-	-	308,009
Restricted investments	-	-	59,355	-	-	-	59,355
Mortgage loans receivable, net	3,828	342,337	5,036,886	-	17,948	-	5,400,999
Derivative instrument - interest rate swaps	1,312	-	1,130	-	-	-	2,442
Real estate owned	-	-	10,607	-	-	-	10,607
Capital assets, net	55,285	-	-	-	-	-	55,285
Intra-agency receivables	284,827	27,701	-	-	-	(312,528)	-
Other noncurrent assets	9,654	-	47,822	-	-	(9,628)	47,848
<b>Total Noncurrent Assets</b>	<b>502,528</b>	<b>376,864</b>	<b>5,274,661</b>	<b>34,700</b>	<b>17,948</b>	<b>(322,156)</b>	<b>5,884,545</b>
<b>TOTAL ASSETS</b>	<b>607,084</b>	<b>621,211</b>	<b>6,399,482</b>	<b>106,613</b>	<b>43,855</b>	<b>(322,156)</b>	<b>7,456,089</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
OPEB-related deferred outflows	17,361	-	-	-	-	-	17,361
Pension-related deferred outflows	14,457	-	-	-	-	-	14,457
Accumulated decrease (increase) in fair value of hedging derivatives	-	-	8,732	-	-	-	8,732
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>31,818</b>	<b>-</b>	<b>8,732</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,550</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 638,902</b>	<b>\$ 621,211</b>	<b>\$ 6,408,214</b>	<b>\$ 106,613</b>	<b>\$ 43,855</b>	<b>\$ (322,156)</b>	<b>\$ 7,496,639</b>

# PENNSYLVANIA HOUSING FINANCE AGENCY

## Combining Balance Sheet

June 30, 2024 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Intra-Agency Eliminations	Total
<b>LIABILITIES</b>							
<b>Current Liabilities:</b>							
Accounts payable and accrued expenses	\$ 2,233	\$ -	\$ 721	\$ -	\$ 366	\$ -	\$ 3,320
Bonds and notes payable, net	2,000	-	154,803	-	-	-	156,803
Accrued interest payable	71	-	48,090	-	-	-	48,161
Escrow deposits and development reserves	686	30,084	61,685	-	-	-	92,455
Software-based IT arrangements	2,625	-	-	-	-	-	2,625
Other current liabilities	212,205	410	22,089	-	-	-	234,704
<b>Total Current Liabilities</b>	<b>219,820</b>	<b>30,494</b>	<b>287,388</b>	<b>-</b>	<b>366</b>	<b>-</b>	<b>538,068</b>
<b>Noncurrent Liabilities:</b>							
Bonds and notes payable, net	25,000	-	5,420,392	-	-	-	5,445,392
Derivative instruments - interest rate swaps	-	-	8,732	-	-	-	8,732
Development reserves	-	114,947	-	-	-	-	114,947
Intra-agency payables	-	-	312,528	-	-	(312,528)	-
Total OPEB liability	84,962	-	-	-	-	-	84,962
Net pension liability	33,040	-	-	-	-	-	33,040
Software-based IT arrangements	2,492	-	-	-	-	-	2,492
Other noncurrent liabilities	142,699	238,742	-	4,131	11,242	(9,628)	387,186
<b>Total Noncurrent Liabilities</b>	<b>288,193</b>	<b>353,689</b>	<b>5,741,652</b>	<b>4,131</b>	<b>11,242</b>	<b>(322,156)</b>	<b>6,076,751</b>
<b>TOTAL LIABILITIES</b>	<b>508,013</b>	<b>384,183</b>	<b>6,029,040</b>	<b>4,131</b>	<b>11,608</b>	<b>(322,156)</b>	<b>6,614,819</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
OPEB-related deferred inflows	49,891	-	-	-	-	-	49,891
Pension-related deferred inflows	889	-	-	-	-	-	889
Unamortized losses on bond refundings	-	-	1,969	-	-	-	1,969
Accumulated decrease (increase) in fair value of hedging derivatives	1,312	-	1,130	-	-	-	2,442
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>52,092</b>	<b>-</b>	<b>3,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,191</b>
<b>NET POSITION</b>							
Net investment in capital assets	23,168	-	-	-	-	-	23,168
Restricted	-	-	169,733	-	32,247	-	201,980
Unrestricted	55,629	237,028	206,342	102,482	-	-	601,481
<b>TOTAL NET POSITION</b>	<b>78,797</b>	<b>237,028</b>	<b>376,075</b>	<b>102,482</b>	<b>32,247</b>	<b>-</b>	<b>826,629</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 638,902</b>	<b>\$ 621,211</b>	<b>\$ 6,408,214</b>	<b>\$ 106,613</b>	<b>\$ 43,855</b>	<b>\$ (322,156)</b>	<b>\$ 7,496,639</b>

## PENNSYLVANIA HOUSING FINANCE AGENCY

### Combining Statement of Revenues, Expenses and Changes in Net Position Three Months Ended September 30, 2023 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Operating Revenues:</b>						
Interest income on mortgage loans	\$ -	\$ 1,171	\$ 40,999	\$ -	\$ 48	\$ 42,218
Program income and fees	17,945	-	-	2,414	37	20,396
Investment income	5,614	783	7,740	431	265	14,833
Gain on early extinguishment of debt	-	-	917	-	-	917
<b>Total Operating Revenues</b>	<b>23,559</b>	<b>1,954</b>	<b>49,656</b>	<b>2,845</b>	<b>350</b>	<b>78,364</b>
<b>Operating Expenses:</b>						
Interest expense on bonds and notes	237	57	38,512	-	-	38,806
Financing expenses	-	-	559	-	-	559
Program expenses	8,220	-	4,986	-	-	13,206
Salaries and related benefits	9,894	-	-	-	466	10,360
General and administrative	4,072	-	1,396	-	276	5,744
Net decrease in fair value of investments	7,643	488	7,247	1,167	-	16,545
(Recoveries) Provision for loan loss and real estate owned	-	45	402	-	(36)	411
<b>Total Operating Expenses</b>	<b>30,066</b>	<b>590</b>	<b>53,102</b>	<b>1,167</b>	<b>706</b>	<b>85,631</b>
<b>Operating (Loss) Income</b>	<b>(6,507)</b>	<b>1,364</b>	<b>(3,446)</b>	<b>1,678</b>	<b>(356)</b>	<b>(7,267)</b>
<b>Nonoperating Revenue</b>						
Federal program awards	35,321	133,964	921	-	-	170,206
<b>Nonoperating Expense</b>						
Federal program expense	35,321	133,964	921	-	-	170,206
<b>(Loss) Income Before Transfers</b>	<b>(6,507)</b>	<b>1,364</b>	<b>(3,446)</b>	<b>1,678</b>	<b>(356)</b>	<b>(7,267)</b>
Intra-agency transfers	(5,280)	(94)	5,374	-	-	-
<b>Change in Net Position</b>	<b>(11,787)</b>	<b>1,270</b>	<b>1,928</b>	<b>1,678</b>	<b>(356)</b>	<b>(7,267)</b>
<b>Net Position - beginning of year</b>	<b>65,915</b>	<b>235,030</b>	<b>355,527</b>	<b>89,824</b>	<b>32,723</b>	<b>779,019</b>
<b>Net Position - end of period</b>	<b>\$ 54,128</b>	<b>\$ 236,300</b>	<b>\$ 357,455</b>	<b>\$ 91,502</b>	<b>\$ 32,367</b>	<b>\$ 771,752</b>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Statement of Cash Flows

Three Months Ended September 30, 2023 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Cash flows from operating activities</b>						
Receipts of mortgage loan payments	\$ 16	\$ 2,464	\$ 68,604	\$ -	\$ 1,556	\$ 72,640
Receipts from fees and other income	17,945	-	-	2,414	37	20,396
Receipts from interest on mortgages	-	1,176	39,229	-	48	40,453
Receipts (payments) of escrows and reserves	(50,989)	4,966	(35,720)	(1)	-	(81,744)
Payments for mortgage purchases	-	(12,524)	(289,171)	-	(598)	(302,293)
Payments for salaries and related benefits	(9,894)	-	-	-	-	(9,894)
Payments for goods, services and other	(8,337)	(2)	(7,102)	-	(804)	(16,245)
<b>Net cash (used in) provided by operating activities</b>	<u>(51,259)</u>	<u>(3,920)</u>	<u>(224,160)</u>	<u>2,413</u>	<u>239</u>	<u>(276,687)</u>
<b>Cash flows from noncapital financing activities</b>						
Payments for retirement of bonds and notes	-	-	(43,560)	-	-	(43,560)
Payments for bonds and notes interest	-	(1)	1,696	-	-	1,695
Payments of financing costs	-	-	(559)	-	-	(559)
Receipts (repayments) of program advances	(6,851)	(94)	6,945	-	-	-
Receipts of federal program awards	35,321	133,964	921	-	-	170,206
Payments of federal program awards	(35,321)	(133,964)	(921)	-	-	(170,206)
<b>Net cash used in noncapital financing activities</b>	<u>(6,851)</u>	<u>(95)</u>	<u>(35,478)</u>	<u>-</u>	<u>-</u>	<u>(42,424)</u>
<b>Cash flows from capital financing activities</b>						
Purchases of capital assets	(43)	-	-	-	-	(43)
Payments for interest on capital financing bond	(233)	-	-	-	-	(233)
<b>Net cash used in capital financing activities</b>	<u>(276)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(276)</u>
<b>Cash flows from investing activities</b>						
Proceeds from the sale or maturity of investments	68,919	-	966	-	-	69,885
Receipts of investment interest	6,069	1,017	7,542	431	264	15,323
Payments for purchases of investments	(12,908)	(5)	(12,840)	(3,473)	-	(29,226)
<b>Net cash provided by (used in) investing activities</b>	<u>62,080</u>	<u>1,012</u>	<u>(4,332)</u>	<u>(3,042)</u>	<u>264</u>	<u>55,982</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	3,694	(3,003)	(263,970)	(629)	503	(263,405)
<b>Cash and cash equivalents, beginning of year</b>	<u>103,815</u>	<u>226,484</u>	<u>817,681</u>	<u>59,964</u>	<u>20,785</u>	<u>1,228,729</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 107,509</u>	<u>\$ 223,481</u>	<u>\$ 553,711</u>	<u>\$ 59,335</u>	<u>\$ 21,288</u>	<u>\$ 965,324</u>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Statement of Cash Flows

Three Months Ended September 30, 2023 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Reconciliation of Operations (Loss) Income to</b>						
<b>Net Cash (Used In) Provided By Operating Activities:</b>						
Operating (Loss) Income	\$ (6,507)	\$ 1,364	\$ (3,446)	\$ 1,678	\$ (356)	\$ (7,267)
Investment income recognized	(5,605)	(783)	(7,740)	(431)	(265)	(14,824)
Net change in fair value of investments	7,643	488	7,247	1,167	-	16,545
Net change in fair value of swaps	-	-	-	-	-	-
Interest expense on bonds and notes	237	57	38,512	-	-	38,806
Financing expenses	-	-	559	-	-	559
Provision (recoveries) for loan loss and real estate owned	-	45	402	-	(36)	411
Depreciation	1,245	-	-	-	-	1,245
Early extinguishment of debt	-	-	(917)	-	-	(917)
Changes in Assets and Liabilities:						-
Mortgage loans receivable, net	16	(10,060)	(211,403)	-	958	(220,489)
Mortgage loans interest receivable	-	5	(1,770)	-	-	(1,765)
Real Estate Owned, Net	-	-	2,261	-	-	2,261
Other assets	2,611	(2)	(3,001)	-	-	(392)
Accounts payable and accrued expenses	306	-	98	-	(560)	(156)
Escrow deposits and development reserves	62	(1,142)	(34,463)	-	-	(35,543)
Other liabilities	(51,258)	6,108	(10,499)	(1)	498	(55,152)
<b>Net Cash (Used In) Provided By Operating Activities</b>	<b>\$ (51,250)</b>	<b>\$ (3,920)</b>	<b>\$ (224,160)</b>	<b>\$ 2,413</b>	<b>\$ 239</b>	<b>\$ (276,678)</b>