



Semi-Annual Financial Statements

December 31, 2025

Semi-Annual Financial Statements

Six months ended December 31, 2025

North Carolina Housing Finance Agency

**NORTH CAROLINA HOUSING FINANCE AGENCY
FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025**

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NORTH CAROLINA HOUSING FINANCE AGENCY

STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2025

(Unaudited)

(in thousands)

ASSETS

Current assets:

Cash and cash equivalents	\$ 214,502
Restricted cash and cash equivalents	830,608
Restricted investments	200,000
Accrued interest receivable on investments	18,287
Mortgage loans receivable, net	46,059
Mortgage loans held for sale	8,530
Accrued interest receivable on mortgage loans	936
State receivables	157
Other assets	5,420
TOTAL CURRENT ASSETS	<u>\$ 1,324,499</u>

Noncurrent assets:

Restricted investments	\$ 3,388,750
Mortgage loans receivable, net	209,452
Hedging derivatives asset	5,730
Capital assets, net	1,165
Other assets, net	17
TOTAL NONCURRENT ASSETS	<u>\$ 3,605,114</u>
TOTAL ASSETS	<u>\$ 4,929,613</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows for pensions	\$ 4,716
Deferred outflows for other postemployment benefits	6,220
Accumulated decrease in fair value of hedging derivatives	354
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 11,290</u>

LIABILITIES

Current liabilities:

Bonds payable	\$ 67,935
Accrued interest payable	79,684
Accounts payable	1,761
Unearned revenues	2,973
Lease liabilities	653
Other liabilities	1,375
TOTAL CURRENT LIABILITIES	<u>\$ 154,381</u>

Noncurrent liabilities:

Bonds payable, net	\$ 3,646,168
Hedging derivatives liability	354
Unearned revenues	28,388
Pension liability	8,828
Other postemployment benefits	17,443
Lease liabilities	465
Other liabilities	9,972
TOTAL NONCURRENT LIABILITIES	<u>\$ 3,711,618</u>
TOTAL LIABILITIES	<u>\$ 3,865,999</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows for pensions	\$ 26
Deferred inflows for other postemployment benefits	2,517
Accumulated increase in fair value of hedging derivatives	5,730
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 8,273</u>

NET POSITION

Net investment in capital assets	\$ 1,165
Restricted net position	860,683
Unrestricted net position	204,783
TOTAL NET POSITION	<u>\$ 1,066,631</u>

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

NORTH CAROLINA HOUSING FINANCE AGENCY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

SIX MONTHS ENDED DECEMBER 31, 2025

(Unaudited)

(in thousands)

OPERATING REVENUES

Interest on investments	\$ 110,041
Net increase (decrease) in fair value of investments	60,353
Interest on mortgage loans	5,887
Federal program awards received	152,853
Nonfederal program awards received	1,255
Program income/fees	47,207
Other revenues	<u>24</u>
TOTAL OPERATING REVENUES	\$ 377,620

OPERATING EXPENSES

Interest on bonds	\$ 75,332
Lease interest expense	20
Mortgage servicing expense	283
Federal program expense	152,206
Nonfederal program expense	38,546
General and administrative expense	16,567
Other expenses	<u>13</u>
TOTAL OPERATING EXPENSES	\$ 282,967

OPERATING INCOME (LOSS) \$ 94,653

NON-OPERATING REVENUES (EXPENSES)

State appropriations received	\$ 5,330
State grants received	47,838
State program expense	<u>(60,983)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ (7,815)

CHANGE IN NET POSITION \$ 86,838

TOTAL NET POSITION - BEGINNING \$ 979,793

TOTAL NET POSITION - ENDING \$ 1,066,631

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

NORTH CAROLINA HOUSING FINANCE AGENCY

STATEMENT OF CASH FLOWS

SIX MONTHS ENDED DECEMBER 31, 2025

(Unaudited)

(in thousands)

Cash flows from operating activities:	
Interest on mortgage loans	\$ 5,916
Principal payments on mortgage loans	25,986
Purchase of mortgage loans	(9,555)
Sale of mortgage loans held for sale	150,795
Purchase of mortgage loans held for sale	(158,777)
Federal program awards received	152,893
Nonfederal program awards received	(34,148)
Federal program expense	(153,115)
Nonfederal program expense	(3,143)
Federal grant administration income	5,351
Program income/fees	40,739
Other expenses	(13,393)
Other revenues	373
Net cash provided by (used in) operating activities	\$ 9,922
Cash flows from non-capital financing activities:	
Issuance of bonds	\$ 99,000
Proceeds of refunding bonds	200,000
Principal repayments on bonds	(94,745)
Payment to refunded bonds escrow agent	(200,000)
Interest paid on bonds	(55,037)
Bond issuance costs paid	(1,814)
State appropriations received	5,330
State grants received	47,838
State program expense	(61,463)
Net cash provided by (used in) non-capital financing activities	\$ (60,891)
Cash flows from investing activities:	
Proceeds from sales or maturities of investments	\$ 88,055
Purchase of investments	(430,496)
Earnings on investments	107,795
Net cash provided by (used in) investing activities	\$ (234,646)
Net increase (decrease) in cash and cash equivalents, unrestricted and restricted	\$ (285,615)
Cash and cash equivalents, unrestricted and restricted, at beginning of year	1,330,725
Cash and cash equivalents, unrestricted and restricted, at end of year	\$ 1,045,110
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 94,653
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Interest on investments	(110,041)
Decrease (increase) in fair value of investments	(60,353)
Interest on bonds	75,332
Non-operating mortgage loan adjustment	480
Change in operating assets and liabilities:	
Decrease (increase) in mortgage loans receivable	15,968
Decrease (increase) in mortgage loans held for sale	(7,982)
Decrease (increase) in accrued interest receivable on mortgage loans	74
Decrease (increase) in other assets	(2,644)
Decrease (increase) in deferred outflows of resources	193
Increase (decrease) in accounts payable and other liabilities	1,983
Increase (decrease) in deferred inflows of resources	2,368
Increase (decrease) in unearned revenues	(109)
Total adjustments	\$ (84,731)
Net cash provided by (used in) operating activities	\$ 9,922

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

NOTES TO FINANCIAL STATEMENTS *(Unaudited)*

- A. **BASIS OF PRESENTATION** The accompanying financial statements of the North Carolina Housing Finance Agency (Agency) have been prepared in accordance with generally accepted accounting principles in the United States of America as applicable to governments. The Governmental Accounting Standards Board establishes standards of financial accounting and reporting for state and local government entities. For full note disclosure, refer to the June 30, 2025 financial statements posted on the Agency's website at www.nchfa.com.

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

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

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

Housing Trust Fund Programs The North Carolina Housing Trust and Oil Overcharge Act created the HTF and the North Carolina Housing Partnership (Housing Partnership). The purpose of the HTF is to increase the supply of decent, affordable, and energy-efficient housing for residents of the State with low and moderate incomes. The Housing Partnership is responsible for developing policy for the operation of several programs within the HTF. The Agency staff provides services to the Housing Partnership and administers the HTF programs. State appropriations are reported in *Non-Operating Revenues (Expenses)* in the accompanying financial statements, and include a recurring appropriation that is used to make loans and grants under the HTF programs.

Federal and State Programs The Agency administers several federal programs including Section 8 Project-Based Contract Administration, the combined HOME Investment Partnerships Program (HOME) and the HOME Investment Partnerships American Rescue Plan Program, Emergency Rental Assistance, National Housing Trust Fund, and Community Development Block Grant Disaster Recovery, which represent 75%, 13%, 7%, 4% and 1% of federal expenditures, respectively. The Agency receives a fee for administering these programs. The HOME program is matched with State funds of up to \$3 million annually as appropriated by the North Carolina General Assembly.

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

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

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

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

B. BONDS PAYABLE

Bonds payable activity for the six months ended December 31, 2025, was as follows (*in thousands*):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Bonds Payable				
Home Ownership	\$ 3,611,425	\$ 299,000	\$ (294,745)	\$ 3,615,680
Unamortized Bond Premium/Discount	91,736	12,598	(5,911)	98,423
Total Bonds Payable, Net	\$ 3,703,161	\$ 311,598	\$ (300,656)	\$ 3,714,103

Bonds payable as of December 31, 2025, are as follows (*in thousands*):

<u>Issue</u>	<u>Stated Rates (%)</u>	<u>Final Maturity</u>	<u>Principal Amount</u>
Home Ownership Revenue Bonds			
(1998 Housing Revenue Bonds Trust Agreement)			
Series 35	2.870	7/1/2032	\$ 265
Series 37	2.450 – 3.500	7/1/2039	12,785
Series 38	2.650 – 4.000	7/1/2047	71,790
Series 39	2.900 – 4.000	7/1/2048	29,745
Series 40	4.250	7/1/2047	8,480
Series 41	2.250 – 4.000	1/1/2050	69,765
Series 42	1.550 – 4.000	1/1/2050	78,960
Series 43	1.750 – 4.000	7/1/2050	83,875
Series 44	1.750 – 4.000	7/1/2050	79,050
Series 45	0.875 – 3.000	7/1/2051	128,870
Series 46	0.650 – 3.000	7/1/2051	113,910
Series 47	0.550 – 3.000	7/1/2051	128,175
Series 48	2.150 – 5.000	7/1/2052	170,770
Series 49	3.450 – 6.000	7/1/2053	163,125
Series 50	2.750 – 5.500	1/1/2054	167,110
Series 51	3.250 – 5.750	1/1/2054	187,070
Series 52 A/B	3.700 – 6.500	1/1/2055	296,045
Series 52 C	Variable	7/1/2049	40,000
Series 53	3.150 – 6.250	1/1/2055	293,315
Series 54	3.450 – 6.500	1/1/2055	296,370
Series 55 A	3.000 – 6.250	7/1/2055	219,205
Series 55 B	Variable	1/1/2050	80,000
Series 57	4.385 – 6.250	1/1/2056	299,000
Series 58	4.442 – 6.500	1/1/2056	299,000
Series 59 A	2.850 – 6.250	1/1/2057	200,000
Series 59 B	Variable	1/1/2057	99,000
Total Bonds Outstanding			\$ 3,615,680
Plus Unamortized Bond Premium & Discount			\$ 98,423
Total Bonds Payable, Net			\$ 3,714,103

In-Substance Defeasance On November 18, 2025, the Agency issued \$200,000,000 Series 59-A bonds to advance refund its outstanding Series 55-C bonds, originally issued in October 8, 2024. Proceeds from the refunding bonds were irrevocably placed in escrow to redeem the Series 55-C bonds on January 15, 2026. As a result, the refunded bonds are considered defeased, and have been removed from the Agency's financial statements. As of December 31, 2025, \$200,000,000 Series 55-C remain outstanding.

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

Bonds payable as of December 31, 2025 for special facilities are as follows (*in thousands*):

<u>Issue</u>	<u>Bond Type</u>	<u>Bonds Outstanding</u>
Series 2022 (S. Emerson Hills Apt. Homes)*	Multifamily Housing Revenue Bonds	\$ 36,361
Series 2024 (Fitch Irick Portfolio)	Multifamily Housing Revenue Bonds	43,251
Series 2024 (Cabarrus Arms Apartments)**	Multifamily Housing Revenue Bonds	12,144
Series 2024 (Weaver-PPM Portfolio)	Multifamily Housing Revenue Bonds	15,200
Series 2025 (Landura Portfolio)	Multifamily Housing Revenue Bonds	48,474
		\$ 155,430

* The bonds were issued as “draw down” bonds, in which the principal amount of the bonds will increase from time to time as the bond proceeds are advanced to pay for eligible construction expenses up to an amount not to exceed \$37,515,000. As of December 31, 2025, \$36,361,000 has been advanced.

** The bonds were issued for a total of \$12,325,000. As of December 31, 2025, a total of \$181,000 scheduled principal payments of have been made.

North Carolina Housing Finance Agency

Additional Information

NORTH CAROLINA HOUSING FINANCE AGENCY

COMBINING STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2025

(Unaudited)

(in thousands)	AGENCY	GRANT		HOME OWNERSHIP	Total
	PROGRAMS	Housing Trust Fund Programs	Federal and State Programs	BOND PROGRAMS	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 214,502	\$ -	\$ -	\$ -	\$ 214,502
Restricted cash and cash equivalents	62,194	198,904	88,660	480,850	830,608
Restricted investments	-	-	-	200,000	200,000
Accrued interest receivable on investments	-	-	-	18,287	18,287
Mortgage loans receivable, net	6,666	9,896	7,223	22,274	46,059
Mortgage loans held for sale	-	-	-	8,530	8,530
Accrued interest receivable on mortgage loans	1	5	11	919	936
State receivables	150	-	7	-	157
Other assets	292	-	3,342	1,786	5,420
Interprogram receivable (payable)	2,654	-	(3,228)	574	-
TOTAL CURRENT ASSETS	\$ 286,459	\$ 208,805	\$ 96,015	\$ 733,220	\$ 1,324,499
Noncurrent assets:					
Restricted investments	\$ -	\$ -	\$ -	\$ 3,388,750	\$ 3,388,750
Mortgage loans receivable, net	1,265	8,735	71,668	127,784	209,452
Hedging derivatives asset	-	-	-	5,730	5,730
Capital assets, net	1,165	-	-	-	1,165
Other assets, net	17	-	-	-	17
TOTAL NONCURRENT ASSETS	\$ 2,447	\$ 8,735	\$ 71,668	\$ 3,522,264	\$ 3,605,114
TOTAL ASSETS	\$ 288,906	\$ 217,540	\$ 167,683	\$ 4,255,484	\$ 4,929,613
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows for pensions	\$ 4,716	\$ -	\$ -	\$ -	\$ 4,716
Deferred outflows for other postemployment benefits	6,220	-	-	-	6,220
Accumulated decrease in fair value of hedging derivatives	-	-	-	354	354
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 10,936	\$ -	\$ -	\$ 354	\$ 11,290
LIABILITIES					
Current liabilities:					
Bonds payable	\$ -	\$ -	\$ -	\$ 67,935	\$ 67,935
Accrued interest payable	-	-	-	79,684	79,684
Accounts payable	24	-	651	1,086	1,761
Unearned revenues	2,973	-	-	-	2,973
Lease liabilities	653	-	-	-	653
Other liabilities	1,375	-	-	-	1,375
TOTAL CURRENT LIABILITIES	\$ 5,025	\$ -	\$ 651	\$ 148,705	\$ 154,381
Noncurrent liabilities:					
Bonds payable, net	\$ -	\$ -	\$ -	\$ 3,646,168	\$ 3,646,168
Hedging derivatives liability	-	-	-	354	354
Unearned revenues	28,388	-	-	-	28,388
Pension liability	8,828	-	-	-	8,828
Other postemployment benefits	17,443	-	-	-	17,443
Lease liabilities	465	-	-	-	465
Other liabilities	8,260	-	-	1,712	9,972
TOTAL NONCURRENT LIABILITIES	\$ 63,384	\$ -	\$ -	\$ 3,648,234	\$ 3,711,618
TOTAL LIABILITIES	\$ 68,409	\$ -	\$ 651	\$ 3,796,939	\$ 3,865,999
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows for pensions	\$ 26	\$ -	\$ -	\$ -	\$ 26
Deferred inflows for other postemployment benefits	2,517	-	-	-	2,517
Accumulated increase in fair value of hedging derivatives	-	-	-	5,730	5,730
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 2,543	\$ -	\$ -	\$ 5,730	\$ 8,273
NET POSITION					
Net investment in capital assets	\$ 1,165	\$ -	\$ -	\$ -	\$ 1,165
Restricted net position	22,942	217,540	167,032	453,169	860,683
Unrestricted net position	204,783	-	-	-	204,783
TOTAL NET POSITION	\$ 228,890	\$ 217,540	\$ 167,032	\$ 453,169	\$ 1,066,631

NORTH CAROLINA HOUSING FINANCE AGENCY

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

SIX MONTHS ENDED DECEMBER 31, 2025

(Unaudited)

(in thousands)	AGENCY	GRANT		HOME OWNERSHIP	Total
	PROGRAMS	Housing Trust	Federal and	BOND PROGRAMS	
		Fund Programs	State Programs		
OPERATING REVENUES					
Interest on investments	\$ 5,195	\$ 4,127	\$ 1,024	\$ 99,695	\$ 110,041
Net increase (decrease) in fair value of investments	-	-	-	60,353	60,353
Interest on mortgage loans	506	297	435	4,649	5,887
Federal program awards received	-	11,348	141,505	-	152,853
Nonfederal program awards received	1,000	255	-	-	1,255
Program income/fees	24,756	2,770	9,760	9,921	47,207
Other revenues	-	-	-	24	24
TOTAL OPERATING REVENUES	\$ 31,457	\$ 18,797	\$ 152,724	\$ 174,642	\$ 377,620
OPERATING EXPENSES					
Interest on bonds	\$ -	\$ -	\$ -	\$ 75,332	\$ 75,332
Lease interest expense	20	-	-	-	20
Mortgage servicing expense	-	-	-	283	283
Federal program expense	-	7,690	144,516	-	152,206
Nonfederal program expense	3,143	-	-	35,403	38,546
General and administrative expense	12,447	-	3,335	785	16,567
Other expenses	4	5	-	4	13
TOTAL OPERATING EXPENSES	\$ 15,614	\$ 7,695	\$ 147,851	\$ 111,807	\$ 282,967
OPERATING INCOME (LOSS)	\$ 15,843	\$ 11,102	\$ 4,873	\$ 62,835	\$ 94,653
NON-OPERATING REVENUES (EXPENSES)					
Transfers in (out)	\$ 5,002	\$ (334)	\$ (4,499)	\$ (169)	\$ -
State appropriations received	-	3,830	1,500	-	5,330
State grants received	-	-	47,838	-	47,838
State program expense	-	(32,446)	(28,537)	-	(60,983)
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 5,002	\$ (28,950)	\$ 16,302	\$ (169)	\$ (7,815)
CHANGE IN NET POSITION	\$ 20,845	\$ (17,848)	\$ 21,175	\$ 62,666	\$ 86,838
TOTAL NET POSITION - BEGINNING	\$ 208,045	\$ 235,388	\$ 145,857	\$ 390,503	\$ 979,793
TOTAL NET POSITION - ENDING	\$ 228,890	\$ 217,540	\$ 167,032	\$ 453,169	\$ 1,066,631

NORTH CAROLINA HOUSING FINANCE AGENCY

COMBINING STATEMENT OF CASH FLOWS

SIX MONTHS ENDED DECEMBER 31, 2025

(Unaudited)

(in thousands)	AGENCY	GRANT		HOME OWNERSHIP	Total
	PROGRAMS	Housing Trust Fund Programs	Federal and State Programs	BOND PROGRAMS	
Cash flows from operating activities:					
Interest on mortgage loans	\$ 506	\$ 298	\$ 433	\$ 4,679	\$ 5,916
Principal payments on mortgage loans	4,913	5,896	3,373	11,804	25,986
Purchase of mortgage loans	(2,602)	(3,818)	(3,135)	-	(9,555)
Sale of mortgage loans held for sale	-	-	-	150,795	150,795
Purchase of mortgage loans held for sale	-	-	-	(158,777)	(158,777)
Federal program awards received	-	11,348	141,545	-	152,893
Nonfederal program awards received	1,000	255	-	(35,403)	(34,148)
Federal program expense	-	(7,690)	(145,425)	-	(153,115)
Nonfederal program expense	(3,143)	-	-	-	(3,143)
Federal grant administration income	-	-	5,351	-	5,351
Program income/fees	26,402	865	3,551	9,921	40,739
Other expenses	(9,397)	-	(2,989)	(1,007)	(13,393)
Other revenues	(545)	17	814	87	373
Net cash provided by (used in) operating activities	\$ 17,134	\$ 7,171	\$ 3,518	\$ (17,901)	\$ 9,922
Cash flows from non-capital financing activities:					
Issuance of bonds	\$ -	\$ -	\$ -	\$ 99,000	\$ 99,000
Proceeds of refunding bonds	-	-	-	200,000	200,000
Principal repayments on bonds	-	-	-	(94,745)	(94,745)
Payment to refunded bonds escrow agent	-	-	-	(200,000)	(200,000)
Interest paid on bonds	-	-	-	(55,037)	(55,037)
Bond issuance costs paid	-	-	-	(1,814)	(1,814)
Net transfers	5,002	(334)	(4,499)	(169)	-
State appropriations received	-	3,830	1,500	-	5,330
State grants received	-	-	47,838	-	47,838
State program expense	-	(32,926)	(28,537)	-	(61,463)
Net cash provided by (used in) non-capital financing activities	\$ 5,002	\$ (29,430)	\$ 16,302	\$ (52,765)	\$ (60,891)
Cash flows from investing activities:					
Proceeds from sales or maturities of investments	\$ -	\$ -	\$ -	\$ 88,055	\$ 88,055
Purchase of investments	-	-	-	(430,496)	(430,496)
Earnings on investments	5,195	4,127	1,024	97,449	107,795
Net cash provided by (used in) investing activities	\$ 5,195	\$ 4,127	\$ 1,024	\$ (244,992)	\$ (234,646)
Net increase (decrease) in cash and cash equivalents, unrestricted and restricted	\$ 27,331	\$ (18,132)	\$ 20,844	\$ (315,658)	\$ (285,615)
Cash and cash equivalents, unrestricted and restricted, at beginning of year	249,365	217,036	67,816	796,508	1,330,725
Cash and cash equivalents, unrestricted and restricted, at end of year	\$ 276,696	\$ 198,904	\$ 88,660	\$ 480,850	\$ 1,045,110
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 15,843	\$ 11,102	\$ 4,873	\$ 62,835	\$ 94,653
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Interest on investments	(5,195)	(4,127)	(1,024)	(99,695)	(110,041)
Decrease (increase) in fair value of investments	-	-	-	(60,353)	(60,353)
Interest on bonds	-	-	-	75,332	75,332
Non-operating mortgage loan adjustment	-	480	-	-	480
Change in operating assets and liabilities:					
Decrease (increase) in mortgage loans receivable	2,313	1,603	323	11,729	15,968
Decrease (increase) in mortgage loans held for sale	-	-	-	(7,982)	(7,982)
Decrease (increase) in accrued interest receivable on mortgage loans	-	1	(2)	75	74
Decrease (increase) in other assets	(382)	17	(4)	(2,275)	(2,644)
Decrease (increase) in deferred outflows of resources	-	-	-	193	193
Increase (decrease) in accounts payable and other liabilities	2,759	-	(648)	(128)	1,983
Increase (decrease) in deferred inflows of resources	-	-	-	2,368	2,368
Increase (decrease) in unearned revenues	1,796	(1,905)	-	-	(109)
Total adjustments	\$ 1,291	\$ (3,931)	\$ (1,355)	\$ (80,736)	\$ (84,731)
Net cash provided by (used in) operating activities	\$ 17,134	\$ 7,171	\$ 3,518	\$ (17,901)	\$ 9,922



**NORTH
CAROLINA
HOUSING**
FINANCE AGENCY

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

A self-supporting public agency.