

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2023 and 2022

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

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Independent Auditor's Report

To the Board of Directors
Georgia Housing and Finance Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Georgia Housing and Finance Authority (the Authority), a component unit of the State of Georgia, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the index.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities of the Authority, as of June 30, 2023 and 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information on pages 56 to 60 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information on pages 56 to 60 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The accompanying verification of required insurance and adjusted net worth calculation are presented for purposes of additional analysis as required by the Government National Mortgage Association (Ginnie Mae or GNMA) and are also not a required part of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Atlanta, Georgia
September 27, 2023

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

**Management's Discussion and Analysis
June 30, 2023 and 2022**

As management of the Georgia Housing and Finance Authority, ("GHFA" or the "Authority"), we offer readers of GHFA's financial statements this narrative overview and analysis of the financial activities of GHFA for the fiscal years ended June 30, 2023 and 2022. We encourage readers to read the information presented here in conjunction with additional information we have furnished in the Authority's financial statements, which follow this narrative.

Affordable, quality housing builds strong communities, and a strong economy provides the cornerstone of family life. This statement is management's belief and as the State of Georgia's housing agency, GHFA works to ensure that Georgians have the housing they need. GHFA is charged with the responsibility for financing affordable housing development, providing homeownership education and financing for home buyers, and providing financial assistance to local governments for housing activities designed to benefit low and moderate-income Georgians. In addition, through multiple housing programs, GHFA provides funding to nonprofit organizations and local governments to enable them to provide supportive housing shelter and other essential services to the difficult to house and homeless. Funding for single-family loans program is through the issuance of tax-exempt revenue bonds. The affordable housing initiatives and supportive housing programs are funded primarily by federal and state grants.

During the year ended June 30, 2023, GHFA awards and expenditures that benefited residents of Georgia included:

- GHFA's "Georgia Dream" first mortgage program provided \$110,817,654 in single family first mortgages along with \$5,652,500 in down payment assistance allowing 584 households to achieve homeownership, most of them for the first time. Over half of the down payment assistance went to PEN (Protectors, Educators and Healthcare workers) and CHOICE (disabled) recipients. The average FICO score of the Georgia Dream loans purchased in this fiscal year is 715. Standard and Poor's Global Ratings ("S&P") assigned its 'AAA' rating to GHFA's Series 2023 Series A single-family mortgage bonds. At the same time, Standard and Poor's affirmed its 'AAA' rating on all debt under GHFA's single-family mortgage bond resolution (the 1976 general resolution). The outlook is stable. There have been no credit watches, downgrades, or other actions by S&P or any other rating agency with respect to any of GHFA's Outstanding Bonds. The Authority's bond issuance capacity increased from \$1.3 billion to \$3 billion in April 2016.
- GHFA's Housing Counseling Program provided \$1,019,963 in HUD grants, supporting 9,155 Georgians receiving housing counseling services and education. Additionally, GHFA provided on-line prepurchase counseling to 1,937 families. Also, GHFA's Housing Stability Counseling Program provided \$684,545 in NeighborWorks grants, supporting 5,256 Georgians receiving foreclosure prevention counseling services and education.
- GHFA allocated \$30,166,680 in 9% Housing Tax Credits during FY23. These credits will provide financing to support the development of 1,821 affordable apartment homes for Georgia families throughout the State. Eleven (11) of these properties will be in Rural communities. Twelve (12) of the properties will provide housing for Georgia seniors.
- GHFA allocated \$58,610,816 in 4% Housing Tax Credits to be used to develop and preserve 4,810 homes in 33 properties across Georgia.

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

**Management's Discussion and Analysis
June 30, 2023 and 2022**

- In 2023, GHFA awarded \$4,800,000 in grants to 11 local communities around the State to build new affordable single-family homes and help existing homeowners rehabilitate their homes. Grant amounts range from \$400,000 to \$600,000. The awards were made through the Community HOME Investment Program (CHIP).
- GHFA awarded \$12,967,367 in HOME Investment Partnerships Program funds and \$8,832,900 in National Housing Trust Fund (NHTF) funds to finance the development of six 9% and 4% Housing Tax Credit developments. These developments will provide 568 affordable apartment homes.
- The U.S. Department of Housing and Urban Development ("HUD") awarded GHFA \$87,655,165 in HOME - American Rescue Plan (ARP) funds to build affordable rental housing and noncongregate shelters for homeless individuals and families and those at risk for homelessness. Plans are underway for statewide program implementation, and performance will be reported annually through the September 30, 2030, fund expenditure deadline.
- GHFA, through the Emergency Solutions Grant and State Housing Trust Fund for the Homeless, awarded \$5,428,646 in Federal and State funding for 222 programs to providers of shelter, homeless management information systems, rapid re-housing, homelessness prevention, and supportive services for the homeless. In response to the COVID-19 pandemic, the Emergency Solutions Grant program was awarded and disbursed an additional \$45,418,452 in funding under the Coronavirus Aid, Relief and Economic Security Act (CARES Act).
- GHFA distributed \$5,107,577 through the Housing Opportunities for Persons with AIDS ("HOPWA") program for 13 projects to provide rental assistance to individuals living with HIV/AIDS and their families. In response to the COVID-19 pandemic, the HOPWA program received and awarded additional funding of \$562,987 under the Coronavirus Aid, Relief and Economic Security Act (CARES Act). HOPWA CARES Act funding ended May 30, 2023.
- GHFA's Permanent Supportive Housing (formerly Shelter plus Care) program expended \$18,703,649 in funding that provided rental assistance for nearly 1,800 units to enable individuals who are homeless and have a disability to obtain permanent housing with supportive services.

Fiscal year 2023 financial highlights

- Total assets increased \$35,471,503
- Investments decreased \$19,989,617
- Program loans decreased by \$8,095,003
- Mortgage loans, net of premiums and discounts increased by \$39,272,215
- Mortgage bonds, net of premiums and discounts increased by \$3,744,868
- Total net position increased \$12,394,462

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

**Management's Discussion and Analysis
June 30, 2023 and 2022**

Overview of the financial statements

The Georgia Housing and Finance Authority, a corporate body and instrumentality of the State of Georgia, is a public purpose financial enterprise and uses enterprise fund accounting. These annual financial statements consist of two parts: Management's Discussion and Analysis, (this section) and the basic financial statements. The financial statements of GHFA report information using methods similar to those used by private-sector companies. These statements provide both long-term and short-term information about the Authority's overall financial status. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. Financial statements by program are presented as supplementary information.

Required financial statements

The *Statements of Net Position* presents information on all of GHFA's assets and liabilities, with the difference between the two reported as net position. This statement provides information about the nature and amounts of investments in resources (assets) and the obligations to the Authority's creditors (liabilities). It provides one way to measure the financial health of GHFA by providing the basis for evaluating the capital structure and assessing the liquidity and financial flexibility. However, one will need to consider other nonfinancial factors such as changes in economic conditions and new or changed government legislation.

All of the current year's revenue and expenses are accounted for in the *Statements of Revenues, Expenses, and Changes in Net Position*. This statement measures the success of GHFA's operations over the past year and can be used to determine whether the Authority has successfully recovered its cost as well as assessing credit worthiness.

The final required financial statement is the *Statements of Cash Flows*. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities. The statement provides answers to such questions as "where did the cash come from, what was the cash used for, and what was the change in cash balance during the reporting period?"

Management believes that the Authority's financial condition is stable. GHFA's strength is also reflected in the continued AAA rating assigned by Standard and Poor's Rating Services, a division of McGraw Hill Companies. Federal Housing Administration ("FHA") has recognized GHFA for distinction in loss mitigation and HUD has assigned the Authority a Tier 1 rating in loss mitigation efforts. GHFA is operating well within financial policies and guidelines set by the Board. Adequate liquid asset levels and good mortgage portfolio performance at June 30, 2023 exhibit GHFA's financial strength.

Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)

Management's Discussion and Analysis
June 30, 2023 and 2022

Financial analysis

During fiscal year 2023, the Authority's total net position increased by \$12.4 million or 4.9%. The following table summarizes the changes in combined net position between June 30, 2023 and 2022:

	Net Position (Dollars in Millions)		Increase (Decrease) Amount	Increase (Decrease) %
	2023	2022		
Cash and investments	\$ 511.8	\$ 504.8	\$ 7.0	1.4%
Accrued interest receivable	8.8	9.1	(0.3)	(3.3)%
Other current assets	225.0	262.7	(37.7)	(14.4)%
Total current assets	745.6	776.6	(31.0)	(4.0)%
Mortgage loans receivable, net	1,206.0	1,167.2	38.8	3.3%
Investments	324.1	298.8	25.3	8.5%
Capital assets, net	2.7	3.0	(0.3)	(10.0)%
Other assets, net	689.9	687.2	2.7	0.4%
Total assets	2,968.3	2,932.8	35.5	1.2%
Accounts payable and accrued expenses	23.7	10.0	13.7	137.0%
Other current liabilities	560.1	550.7	9.4	1.7%
Total current liabilities	583.8	560.7	23.1	4.1%
Bonds payable	1,422.3	1,418.4	3.9	0.3%
Refundable grants	667.0	675.0	(8.0)	(1.2)%
Revenue received in advance	29.8	25.7	4.1	16.0%
Total liabilities	2,702.9	2,679.8	23.1	0.9%
Net position				
Net investment in capital assets	2.7	3.0	(0.3)	(10.0)%
Unrestricted	262.7	250.0	12.7	5.1%
Total net position	\$ 265.4	\$ 253.0	\$ 12.4	4.9%

Mortgage loan activity increased by 3.3% during the 2023 fiscal year. Bonds totaling \$100,000,000 were issued during the fiscal year 2023 as compared to \$213,205,000 in fiscal year 2022.

The allowance for possible losses on single family mortgage loans receivable portfolio for fiscal year 2023 remained a balance of \$4,500,000. The allowance for possible losses on other loans receivable, included in other assets above, remained a balance of \$4,736,392 in 2023.

**Georgia Housing and Finance Authority
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**Management's Discussion and Analysis
June 30, 2023 and 2022**

During fiscal year 2022, the Authority's total net position decreased by \$6.1 million or 2.4%. The following table summarizes the changes in combined net position between June 30, 2022 and 2021:

	Net Position (Dollars in Millions)		Increase (Decrease) Amount	Increase (Decrease) %
	2022	2021		
Cash and investments	\$ 504.8	\$ 352.7	\$ 152.1	43.1%
Accrued interest receivable	9.1	9.7	(0.6)	(6.2)%
Other current assets	262.7	289.5	(26.8)	(9.3)%
Total current assets	776.6	651.9	124.7	19.1%
Mortgage loans receivable, net	1,167.2	1,278.1	(110.9)	(8.7)%
Investments	298.8	259.9	38.9	15.0%
Capital assets, net	3.0	3.1	(0.1)	(3.2)%
Other assets, net	687.2	714.5	(27.3)	(3.8)%
Total assets	2,932.8	2,907.5	25.3	0.9%
Accounts payable and accrued expenses	10.0	6.9	3.1	44.9%
Other current liabilities	550.7	421.2	129.5	30.7%
Total current liabilities	560.7	428.1	132.6	31.0%
Bonds payable	1,418.4	1,496.6	(78.2)	(5.2)%
Refundable grants	675.0	700.9	(25.9)	(3.7)%
Revenue received in advance	25.7	22.8	2.9	12.7%
Total liabilities	2,679.8	2,648.4	31.4	1.2%
Net position				
Net investment in capital assets	3.0	3.1	(0.1)	(3.2)%
Unrestricted	250.0	256.0	(6.0)	(2.3)%
Total net position	\$ 253.0	\$ 259.1	\$ (6.1)	(2.4)%

Mortgage loan activity decreased by 8.7% during the 2022 fiscal year. Bonds totaling \$213,205,000 were issued during the fiscal year 2022 as compared to \$110,850,000 in fiscal year 2021.

The allowance for possible losses on single family mortgage loans receivable portfolio for fiscal year 2022 remained a balance of \$4,500,000. The allowance for possible losses on other loans receivable, included in other assets above, remained a balance of \$4,736,392 in 2022.

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

**Management's Discussion and Analysis
June 30, 2023 and 2022**

The following table shows a summary of changes in revenues, expenses and changes in net position between June 30, 2023 and 2022:

	Changes in Net Position (Dollars in Millions)			
	2023	2022	Increase (Decrease) Amount	Increase (Decrease) %
Revenues:				
Interest on loans	\$ 53.7	\$ 56.1	\$ (2.4)	(4.3)%
Interest income (loss) on investments	6.8	(22.6)	29.4	(130.1)%
State assistance and bond sales	71.9	51.5	20.4	39.6%
Federal and state grants	685.1	411.9	273.2	66.3%
Other	1.8	1.7	0.1	5.9%
	<hr/>			
Total revenues	819.3	498.6	320.7	64.3%
Expenses:				
Interest on bonds	45.0	46.8	(1.8)	(3.8)%
Mortgage servicing	6.4	6.7	(0.3)	(4.5)%
Administrative	64.3	42.7	21.6	50.6%
Federal and state grant expense	676.6	399.8	276.8	69.2%
Professional fees	5.3	2.1	3.2	152.4%
Other	9.3	6.6	2.7	40.9%
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Total expenses	806.9	504.7	302.2	59.9%
	<hr/>			
Change in net position	12.4	(6.1)	18.5	(303.3)%
Net position at beginning of year	253.0	259.1	(6.1)	(2.4)%
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Net position at end of year	\$ 265.4	\$ 253.0	\$ 12.4	4.9%

Interest on investments increased from the prior year's level due to higher short-term market interest rates during fiscal year 2023. Interest on bonds decreased from the prior year's level due to a decrease in the amount of bonds issued and the reduction of average bond coupon during fiscal year 2023. Federal and state grant revenue and expense increased from prior year's level due to increased funding and spending in the GRA, GRA 2, HAF, and REBA programs.

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

**Management's Discussion and Analysis
June 30, 2023 and 2022**

The following table shows a summary of changes in revenues, expenses and changes in net position between June 30, 2022 and 2021:

	Changes in Net Position (Dollars in Millions)		Increase (Decrease) Amount	Increase (Decrease) %
	2022	2021		
Revenues:				
Interest on loans	\$ 56.1	\$ 62.3	\$ (6.2)	(10.0)%
Interest (loss) income on investments	(22.6)	7.2	(29.8)	(413.9)%
State assistance and bond sales	51.5	35.2	16.3	46.3%
Federal and state grants	411.9	84.6	327.3	386.9%
Other	1.7	6.7	(5.0)	(74.6)%
Total revenues	498.6	196.0	302.6	154.4%
Expenses:				
Interest on bonds	46.8	51.5	(4.7)	(9.1)%
Mortgage servicing	6.7	8.3	(1.6)	(19.3)%
Administrative	42.7	30.6	12.1	39.5%
Federal and state grant expense	399.8	86.3	313.5	363.3%
Professional fees	2.1	2.6	(0.5)	(19.2)%
Other	6.6	5.8	0.8	13.8%
Total expenses	504.7	185.1	319.6	172.7%
Change in net position	(6.1)	10.9	(17.0)	(156.0)%
Net position at beginning of year	259.1	248.2	10.9	4.4%
Net position at end of year	\$ 253.0	\$ 259.1	\$ (6.1)	(2.4)%

Interest on investments decreased from the prior year's level due to lower short-term market interest rates during fiscal year 2022. Interest on bonds decreased from the prior year's level due to a decrease in the amount of bonds outstanding during fiscal year 2022. Federal and state grant revenue and expense increased from prior year's level due to increased funding and spending in the GRA, HAF, and REBA programs.

Capital assets and long-term debt activity

At June 30, 2023, the Authority had \$2.7 million invested in capital assets consisting primarily of an office building, capital and leasehold improvements to the building, computer equipment and vehicles. Depreciation expense for fiscal year 2023 totaled \$309,374.

During fiscal year 2023, GHFA issued approximately \$100 million in serial and term bonds at rates between 2.45% and 4.60%. During fiscal year 2023, bonds in the amount of approximately \$94.9 million either matured, called, or amortized for a net increase of \$3.7 million of bonds outstanding. At June 30, 2023, \$1,465.7 million in revenue bonds was outstanding. Debt service schedules extend to fiscal year 2053.

**Georgia Housing and Finance Authority
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**Management's Discussion and Analysis
June 30, 2023 and 2022**

During fiscal year 2022, GHFA issued approximately \$213.2 million in serial and term bonds at rates between 0.15% and 5.00%. During fiscal year 2022, bonds in the amount of approximately \$290.2 million either matured, called, or amortized for a net decrease of \$77.0 million of bonds outstanding. At June 30, 2022, \$1,461.9 million in revenue bonds was outstanding.

Contacting GHFA's financial management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of GHFA's finances and to demonstrate accountability for the money it receives. If you have questions about this report or need additional information, contact:

Georgia Housing and Finance Authority
Attn: Finance Division
60 Executive Park South NE
Atlanta, Georgia 30329

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

Statements of Net Position

	June 30,	
	2023	2022
Assets		
Current assets		
Cash and cash equivalents and equity in pooled cash - unrestricted	\$ 63,346,680	\$ 63,815,169
Cash and cash equivalents and equity in pooled cash - restricted	448,472,720	441,018,454
Short-term investments	70,544,886	115,789,491
Mortgage loans receivable, current portion	40,591,996	40,164,368
Accrued interest receivable	8,797,003	9,123,602
Mortgage escrow deposits	91,264,035	84,731,772
Other current assets	22,604,902	21,955,847
	745,622,222	776,598,703
Total current assets		
Noncurrent assets		
Long-term investments	324,092,367	298,837,379
Mortgage loans receivable, net	1,206,018,338	1,167,173,751
Program loans receivable	666,932,171	675,027,174
Other loans receivable, net	22,920,654	12,167,868
Capital assets, net	2,705,433	3,014,807
	2,222,668,963	2,156,220,979
Total noncurrent assets		
Total assets	\$ 2,968,291,185	\$ 2,932,819,682

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

Statements of Net Position

	June 30,	
	2023	2022
Liabilities		
Current liabilities		
Mortgage bonds payable, current maturities	\$ 43,330,000	\$ 43,480,000
Accrued interest on bonds	3,905,135	4,034,655
Accounts payable and accrued expenses	23,738,302	10,041,877
Mortgage escrow deposits held	91,264,035	84,731,772
Revenue received in advance, current maturities	3,079,434	3,100,756
Program funds received in advance	418,470,137	415,272,075
	583,787,043	560,661,135
Total current liabilities		
Noncurrent liabilities		
Mortgage bonds payable, net	1,422,334,895	1,418,440,027
Refundable program grants	666,932,171	675,027,174
Revenue received in advance	29,833,673	25,682,405
	2,119,100,739	2,119,149,606
Total noncurrent liabilities		
Total liabilities	2,702,887,782	2,679,810,741
Net position		
Net investment in capital assets	2,705,433	3,014,807
Unrestricted	262,697,970	249,994,134
	265,403,403	253,008,941
Total net position		
Total liabilities and net position	\$ 2,968,291,185	\$ 2,932,819,682

See Notes to Financial Statements.

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

Statements of Revenues, Expenses, and Changes in Net Position

	Years ended June 30,	
	2023	2022
Operating revenues		
Interest on loans	\$ 53,649,908	\$ 56,066,122
Interest income (loss) on investments	13,704,376	(1,006,822)
Net decrease in fair value of investments	(6,962,602)	(21,618,464)
Administrative fees		
Federal and state assistance programs	69,846,416	49,743,198
Single family trustee	2,138,080	1,829,982
Federal and state grant income	685,173,237	411,860,057
Other miscellaneous income	1,766,430	1,712,188
Total operating revenues	819,315,845	498,586,261
Operating expenses		
Interest on bonds	44,968,636	46,813,520
Mortgage servicing	6,375,769	6,626,627
Administrative	64,364,507	42,660,923
Federal and state grant expense	676,630,616	399,798,829
Professional fees	5,294,014	2,182,852
Other	9,287,841	6,602,654
Total operating expenses	806,921,383	504,685,405
Change in net position	12,394,462	(6,099,144)
Net position at beginning of year	253,008,941	259,108,085
Net position at end of year	\$ 265,403,403	\$ 253,008,941

See Notes to Financial Statements.

Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)

Statements of Cash Flows

	Years ended June 30,	
	2023	2022
Cash flows from operating activities		
Receipts from loans and investments	\$ 140,829,722	\$ 293,629,302
Payments to purchase and service mortgage loans	(119,123,422)	(135,217,330)
Interest payments to bond holders	(46,503,288)	(48,981,721)
Payments to employees and suppliers	(63,953,095)	(42,513,853)
Federal and state grants	685,173,237	411,860,057
Other payments	(603,969,141)	(249,242,442)
Purchases of other loans	(53,713,163)	(45,849,747)
Principal repayments on other loans	51,055,380	73,144,040
Net cash (used in) provided by operating activities	<u>(10,203,770)</u>	<u>256,828,306</u>
Cash flows from investing activities		
Purchases of investments	(251,978,394)	(99,150,014)
Proceeds from sales and maturities of investments	265,005,409	74,961,888
Net cash provided by (used in) investing activities	<u>13,027,015</u>	<u>(24,188,126)</u>
Cash flows from noncapital financing activities		
Proceeds from issuance of bonds, net of premium	100,000,000	213,205,000
Principal repayments of bonds, net of discount	(94,850,000)	(291,235,000)
Cost of bonds issued	(987,468)	(2,288,967)
Net cash provided by (used in) noncapital financing activities	<u>4,162,532</u>	<u>(80,318,967)</u>
Cash flows from capital and related financing activities		
Cash payments for purchase of capital assets	-	(173,238)
Net cash used in capital and related financing activities	<u>-</u>	<u>(173,238)</u>
Net increase in cash and cash equivalents	6,985,777	152,147,975
Cash and cash equivalents at beginning of year	<u>504,833,623</u>	<u>352,685,648</u>
Cash and cash equivalents at end of year	<u>\$ 511,819,400</u>	<u>\$ 504,833,623</u>

Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)

Statements of Cash Flows

	Years ended June 30,	
	2023	2022
Reconciliation of change in net position to net cash (used in) provided by operating activities		
Change in net position	\$ 12,394,462	\$ (6,099,144)
Adjustments to reconcile change in net position to net cash (used in) provided by operating activities		
Depreciation	309,374	300,794
Amortization of mortgage loan premiums and discounts	(1,405,132)	(2,115,402)
Net decrease in fair value of investments	6,962,602	21,618,464
Net (increase) decrease in unamortized bond premium (discount)	(1,405,132)	1,063,565
Bond issuance costs on retired bonds	2,392,600	4,404,369
Change in assets and liabilities:		
Issuance of mortgage loans	(112,747,653)	(128,590,703)
Principal repayments of mortgage loans	73,475,438	238,570,002
Issuance of other loans	(53,713,163)	(45,849,747)
Principal repayments on other loans	51,055,380	73,144,040
Accrued interest receivable	326,599	590,587
Other current assets	(649,055)	(4,321,766)
Accounts payable, accrued expenses, and other liabilities	13,696,425	3,163,848
Accrued interest on bonds	(129,520)	(52,799)
Program funds received in advance	3,198,062	124,024,984
Refundable program grants	(8,095,003)	(25,900,390)
Revenue received in advance	4,129,946	2,877,604
	<u>\$ (10,203,770)</u>	<u>\$ 256,828,306</u>
Net cash (used in) provided by operating activities	<u>\$ (10,203,770)</u>	<u>\$ 256,828,306</u>

See Notes to Financial Statements.

**Georgia Housing and Finance Authority
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**Notes to Financial Statements
June 30, 2023 and 2022**

Note 1 - Organization and activities

The Georgia Housing and Finance Authority ("GHFA" or the "Authority") was created in 1991 as a body corporate and politic and is deemed an instrumentality of the State of Georgia (the "State") and a public corporation performing an essential governmental function. The Authority was created to replace the Georgia Residential Finance Authority and to assume all operations, rights, powers, duties, obligations and liabilities of the Georgia Residential Finance Authority, which was created in 1974. Under the Authority's enabling legislation (the "Act"), the purposes of the Authority, among others, are the provision of public financing and financial assistance for (i) work designed or financed for the primary purpose of providing safe, decent, energy efficient, appropriate, and affordable dwelling accommodations for persons and families of low or moderate income and (ii) the financing of mortgage loans made for the purposes described in clause (i) or participations therein and the underwriting, servicing and administration of mortgage loans made for the purposes described in clause (i) or participations therein.

The Authority has the power, among others, to purchase notes evidencing loans which are secured by mortgages, to make loans, to acquire and contract to acquire mortgages, to service mortgages, and to make and execute contracts for the servicing of mortgages made or acquired by the Authority, to borrow money and to issue notes, bonds and other obligations subject to the approval of the Georgia State Financing and Investment Commission, to make investments, and to do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted to the Authority by the Act.

The Act provides, for administrative purposes only, that the Authority is assigned to the Department of Community Affairs ("DCA"), which is a legislatively created executive branch department of the State. The members of the Authority's board are the same persons who comprise the DCA board, who are appointed by the Governor. Except for the authorization of the issuance of bonds, the Authority may delegate to its executive director such powers and duties as it may deem proper. The commissioner of DCA is the executive director of the Authority. The Authority may contract with DCA for professional, technical, clerical and administrative support and for any purpose necessary or incidental to carrying out the duties, responsibilities or functions of the Authority. No funds or assets of the Authority will be distributed to DCA or any other department, authority or agency of the State unless otherwise provided by law, except that the Authority may pay reasonable compensation for services rendered and may reimburse expenses incurred and except as may be deemed necessary or desirable by the Authority to fulfill its purposes under the Act.

The powers of the Authority are vested in nineteen members who also comprise the board of DCA. Board members are appointed by the Governor and are composed of one member from each United States Congressional District in the State (currently fourteen) plus five additional members from the State at large, and include elected officials of counties or municipalities, individuals with an interest or expertise in community or economic development, environmental issues, housing development or finance or citizens who in the judgment and discretion of the Governor would enhance the board.

**Georgia Housing and Finance Authority
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**Notes to Financial Statements
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Note 2 - Housing programs

The following business-type activities of the Authority are classified as proprietary:

Administrative Program

The Administrative Program activities include income not directly related to the repayment of specific notes or bonds and includes expenses related to the Authority's administrative functions. Administrative Program activities include, but are not limited to, services related to the State's allocation and monitoring of Federal and State low-income housing tax credits ("LIHTC"). The Administrative Activities program includes the following programs:

Low-Income State Housing Tax Credit

In 1986, the Authority was designated by the Governor as the State's allocating agency for the Low-Income Housing Tax Credit ("LIHTC") program. The program was established to promote the development of low-income rental housing through tax incentives, rather than direct subsidies. The LIHTC program is a ten-year Federal tax credit against a taxpayer's ordinary income tax liability which is available (directly or through partnerships) to individuals and corporations who acquire or develop and own qualified low-income rental housing.

Single-Family Mortgage Revenue Program

The Single-Family Mortgage Revenue Program accounts for proceeds of single-family mortgage bonds issued to finance the purchase of single-family mortgage loans for eligible persons and families of low and moderate income within the State of Georgia.

Substantially all single-family mortgage loans made or purchased by the Authority are insured under programs offered by the Federal Housing Administration ("FHA") or Veteran's Administration ("VA"). The Authority also makes or purchases loans with conventional insurance and has a small group of uninsured loans. The Single-Family Mortgage Revenue Program includes the Georgia Dream Program described below:

The Georgia Dream Program

The Georgia Dream Program enables the Authority to finance the purchase of housing by Georgia families of low or moderate income. The Authority is authorized to issue tax-exempt revenue bonds to raise funds, the proceeds of which are used to make qualified mortgage loans for eligible persons and families. The bonds are to be repaid from collections of scheduled repayments and prepayments of mortgage loans. The bonds are direct obligations of the Authority and not a debt of the State or any political subdivision thereof. The Authority's bond issuance capacity at June 30, 2023 was \$3,000,000,000 in connection with the Georgia Dream Program.

Hospital Finance Authority Program

The Hospital Equipment Financing Authority ("HEFA") was established in 1984 by the Georgia General Assembly under the provisions of the Hospital Equipment Financing Act (the "Hospital Act"). The Hospital Act empowered HEFA, among other authorized activities, to finance the purchase of hospital equipment by not-for-profit Georgia hospitals. During 1990, the Hospital Act was amended such that HEFA was empowered to finance the acquisition and construction of hospital facilities as well as hospital equipment, and the name of HEFA was also changed to the Hospital Financing Authority ("HFA"). HFA issued low interest rate, tax-exempt revenue bonds to raise funds which are used to provide below market interest rate loans to eligible hospitals. HFA has no taxing power.

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Effective April 9, 1993, the Georgia General Assembly amended the Hospital Act which governs the operations of HFA. This amendment dissolved HFA as a separate legal entity and merged its operations into the Authority. As of April 9, 1993, all assets and liabilities of HFA were transferred to the Authority. The Authority's bond issuance capacity at June 30, 2023 was \$30,000,000 in connection with the Hospital Finance Authority Program. During 2023 and 2022, there was no activity in the Hospital Finance Authority Program.

Blended Component Units

Blended component units have governing bodies substantively the same as the Authority, provide services entirely or almost entirely to the primary government or have total debt outstanding, including leases, that is expected to be paid entirely, or almost entirely, with resources of the Authority. As such, although they are legally separate entities, they are, in substance, part of the government's operations. GASB standards require this type of component unit to be reported as part of the primary government and blended into the appropriate funds.

The Authority's blended component units are as follows:

Georgia Housing and Finance Authority Affordable Housing, Inc.

The Georgia Housing and Finance Authority Affordable Housing, Inc. ("AHI") was organized to promote nonprofit affordable housing and a system of affordable housing financing for persons in Georgia of low and moderate income or of special housing needs including, but not limited to, the elderly and the mentally and physically disabled. The program provides financial assistance in the form of low interest rate loans and limited assistance to qualified sponsors in the form of grants.

The following programs are included in AHI:

Loan Program

The Board of Directors may authorize the disbursement of available money from AHI for residential housing projects sponsored by a qualified organization. AHI may consult, as appropriate, with persons with interests in housing in order to acquaint them with AHI and to solicit information relating to housing needs, residential housing projects, and criteria for the selection of residential housing projects. The criteria for making disbursement decisions include, but are not limited to, the following:

- a. The number of persons assisted;
- b. The leveraging of money or in-kind services by a qualified sponsor;
- c. The geographic distribution of residential housing projects;
- d. The availability of other forms of assistance; and
- e. Any and all other factors bearing upon the advisability and necessity of the residential housing project.

Funds may also be disbursed from AHI to pay expenses of the Board of Directors, to pay any and all operating expenses, and to pay for professional, technical, and clerical services provided to the Board of Directors.

**Georgia Housing and Finance Authority
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**Notes to Financial Statements
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Hardest Hit Fund Program

In 2011, AHI received an award from the U.S. Treasury in the amount of \$339,255,819 for the Hardest Hit Fund ("HHF") program of which \$47,410,693 could be used for administrative expenses. In 2016, AHI received an additional award from the U.S. Treasury in the amount of \$30,880,575 for the HHF program of which \$441,423 could be used for administrative expenses. In 2018, AHI received an additional award from the U.S. Treasury in the amount of \$437,866 for the down payment assistance program. Total funding for the program was \$370,574,260 consisting of administrative expense of \$47,852,116 and program funding of \$322,722,144. AHI's HHF program provided loans to unemployed and substantially under-employed homeowners to help them remain in their homes and prevent avoidable foreclosures despite loss of income due to involuntary job loss. The HHF program funded loans to be used to pay mortgage payments, including escrowed items, while the homeowner sought employment or completed training for a new career. Loans are forgiven over a 5 year period from the date of the last monthly payment.

The HHF funds were also used to provide down payment assistance to eligible borrowers purchasing eligible existing single family residences financed by a Georgia Dream Program first mortgage loan originally in 10 selected Georgia counties. However, as of November 1, 2018, the number of eligible counties was reduced to 7.

Any amounts remaining and recaptured from program activities were to be remitted back to the U.S. Treasury upon termination of the program. The U.S. Treasury's oversight ended on May 28, 2021, and AHI returned \$12,614,817. The original program funding and recaptured funds provided assistance in the amount of \$332,436,552 to 17,186 homeowners. At the termination of the program, recaptured funds are used to fund other housing initiatives.

Georgia Rental Assistance Program

In March 2021, AHI launched the Georgia Rental Assistance ("GRA") program on behalf of the State of Georgia's Emergency Rental Assistance program. The funding provides rental and utility assistance for eligible applicants, tenants and landlords, who have been impacted directly or indirectly due to the COVID-19 pandemic. The program is funded from appropriations from the federal government's American Rescue Plan in the amount of \$552,302,716 for phase one of the program. Applicants are eligible for up to twelve months of past due payment relief and additional three months of future rent, if needed. To be eligible for assistance, applicants must qualify for unemployment or have experienced financial hardship due to COVID-19, demonstrate a risk of experiencing homelessness or housing instability and have household income at or below 80 percent of area median income (AMI). For the years ended June 30, 2023 and 2022, payments to landlords and tenants totaled \$11,540,611 and \$207,525,118, respectively, and incurred administrative expenses of \$15,900,817 and \$20,843,359, respectively. Any funds remaining may be returned to the U.S. Treasury.

In September 2021, AHI launched the Georgia Rental Assistance 2 Program on behalf of the State of Georgia's Emergency Rental Assistance 2 Program. The funding provides rental and utility assistance for eligible applicants, tenants and landlords, who have been impacted directly or indirectly during the COVID-19 pandemic. The program is funded from appropriations from the federal government's American Rescue Plan in the amount of \$443,011,291 for phase two of the program. Applicants are eligible for up to twelve months of past due payment relief and additional three months of future rent, if needed. To be eligible for assistance, applicants must qualify for unemployment or have experienced financial hardship due to COVID-19, demonstrate a risk of experiencing homelessness or housing instability and have household

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income at or below 80 percent of area median income ("AMI"). For the years ended June 30, 2023 and 2022, payments to landlords and tenants totaled \$302,412,945 and \$22,906,939, respectively, and incurred administrative expenses of \$21,594,854 and \$273,747, respectively. The program will end no later than September 30, 2025, unless otherwise extended.

Homeowner Assistance Fund Program

In late fiscal year 2021, on behalf of the State of Georgia, AHI received funding to launch the Homeowner Assistance Fund Program to mitigate financial hardship for eligible homeowners impacted by the COVID-19 pandemic for the purpose of preserving homeownership. The program is funded from appropriations from the federal government's American Rescue Plan in the amount of \$354,185,231. For the years ended June 30, 2023 and 2022, payments to eligible homeowners totaled \$81,585,681 and \$11,525,179, respectively, and incurred administrative expenses of \$8,273,422 and \$2,217,288, respectively.

Georgia Housing and Finance Authority Economic Development Financing, Inc.

The Georgia Housing and Finance Authority Economic Development Financing, Inc. ("EDFI") was organized to administer various loan programs, which offer financial assistance to businesses in Georgia.

The following program is included in EDFI:

State Small Business Credit Initiative (Small Business Jobs Act)

In fiscal year 2012, the Authority implemented the State Small Business Credit Initiative ("SSBCI") which is a small business loan program created by the Small Business Jobs Act of 2010. The State of Georgia was allocated \$47,808,507 in federal funds to increase access to capital for small businesses in Georgia. On December 12, 2016, the State of Georgia was allocated an additional \$216,241 in federal funds from the U.S. Treasury. The four Georgia SSBCI programs and the dollar amounts allocated to each is as follows: 1) Georgia Capital Access Program ("GCAP"), a portfolio insurance program - \$2 million; 2) Georgia Small Business Credit Guarantee ("SBCG"), a loan guarantee program with a conversion option to a risk reserve pool - \$17,808,507; 3) Georgia Funding for CDFIs, a loan participation program which provides financing to underserved businesses through Community Development Financial Institutions ("CDFIs") - \$20 million; and 4) Georgia Loan Participation Program ("GA LPP"), a loan program where the State purchases a participation of up to 25% of an approved loan ranging from \$100,000 to \$5 million.

All participating lenders in the Georgia SSBCI program must submit an application to be vetted and approved, prior to enrolling loans in the program. Approved lenders then sign a Program Participation Agreement. Although eligibility requirements vary slightly between the four programs, the Georgia SSBCI is primarily designed to serve businesses with 500 or fewer employees, and the target participation amount for SSBCI funds is \$250,000 or less. Eligible loan uses include start-up costs, working capital, business acquisition and expansions; franchise financing; equipment; inventory financing; commercial real estate acquisitions, etc.

The U.S. Treasury's direct oversight ended on March 31, 2017 with the expiration of the Allocation Agreements between the U.S. Treasury and each state. Effective June 1, 2017, the two remaining SSBCI programs are SBCG and GA LPP. Georgia SBCG is a loan guarantee program. Each loan covered under the SBCG Program will stand alone with a maximum

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guarantee of 50% up to \$200,000. Under the new agreement, GA LPP is a loan program where the State purchases a participation of up to 25 percent of an approved loan ranging from \$100,000 to \$1 million.

State Small Business Credit Initiative 2.0 (The American Rescue Plan)

The Small Business Jobs Act of 2010 (the Act) became law in the fall of 2010. The Act created the State Small Business Credit Initiative to strengthen state lending programs that support small businesses and manufacturers.

During fiscal year 2023, the Authority implemented the Small Business Credit Initiative 2.0 program under The American Rescue Plan Act of 2021 ("ARPA") which reauthorized the Small Business Jobs Act of 2010 as a response to the economic effects of the COVID-19 pandemic.

The State of Georgia's application to the U.S. Treasury was approved and the allocation agreement was executed in November 2022. GHFA EDFI/Georgia Department of Community Affairs is the administrator of the program.

The State of Georgia's total potential allocation amount of \$199,616,860 will be allocated among the following five programs:

1. Georgia Loan Participation Program ("GA LPP"), a loan purchase program - \$70 million.
2. Georgia CDFI Program ("GA CDFI"), a loan participation program between the CFDIs and private lending institutions - \$60 million.
3. Georgia Venture Capital Program, a small business venture capital investment program - \$30 million.
4. Georgia Equity Direct Program, a startup investment program - \$20 million.
5. Georgia Small Business Credit Guarantee Program ("SBCG"), a loan purchase guarantee program - \$19,616,860.

These funds will address the following requirements:

1. Outreach to support business enterprises owned and controlled by socially and economically disadvantaged individuals.
2. Outreach to very small businesses (less than 10 employees).
3. Reasonable expectation to achieve 10:1 leverage of private funds.
4. Ability to deploy funds in a timely manner.

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Other Programs

Federal Assistance Programs

The Federal Assistance Programs account for revenue and expenditures of the following assistance programs:

Emergency Solutions Grant Program

The Authority receives an annual allocation of federal Emergency Solutions Grant Program funds to provide shelter and essential services to eligible homeless individuals and families. The Authority utilizes these federal funds to provide grants to eligible nonprofit and local government providers serving the 152 counties.

Permanent Supportive Housing Program

The Authority competes annually for an award of funds under the Permanent Supportive Housing Program (formerly Shelter Plus Care) that can provide housing and supportive services on a long-term basis for homeless persons and their families. The federal award of funds may be used for rental assistance by specific project sponsors that, in return, match the federal rental assistance with service funding for the beneficiaries. Upon award of the federal funds to GHFA, the Authority enters into grant agreements with each project sponsor to implement the program.

HOME Investment Partnerships Program

The Authority administers the HOME Investment Partnerships Program ("HOME") for the State. Under the HOME Program, the Authority receives and approves applications for federal affordable housing funds available under the federal HOME Program provisions of the 1990 National Affordable Housing Act. The Authority receives federal grant HOME Program proceeds, for the purpose of funding loans and grants to qualified applicants. The Authority is responsible for each HOME loan and grant recipient maintaining compliance with affordability requirements of the HOME Program. The HOME loans are to be repaid out of a portion of the borrowers net cash flow, as defined.

Housing Opportunities for Persons with AIDS Program

The Authority receives an annual allocation of federal Housing Opportunities for Persons with AIDS Program funds to provide supportive housing and services to persons living with AIDS and related diseases. The Authority utilizes these funds to provide grants within the State's 126 county entitlement jurisdiction to eligible nonprofit organizations whose mission incorporates the provision of housing and supportive services to persons with AIDS and related diseases.

Homelessness Prevention and Rapid Re-Housing Program

The Authority implemented the Homelessness Prevention and Rapid Re-Housing Program ("HPRP"). This program provides financial and other assistance to prevent individuals and families becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. The Authority enters into grant agreements with each project sponsor to implement the program.

Tax Credit Assistance Program

The Authority implemented the Tax Credit Assistance Program ("TCAP"). This program provides assistance to eligible low-income housing tax credit projects which are subject to the same limitations as required by the State housing credit agency with respect to an award of low-income housing credits under section 42 of the IRC of 1986.

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Neighborhood Stabilization Program

The Authority implemented the Neighborhood Stabilization Program. This program assists in the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for low and moderate-income Georgians.

Tax Credit Exchange Program

The Authority implemented the Tax Credit Exchange Program ("TCEP") which is administered by the U.S. Treasury and is designed to help stalled LIHTC programs move forward. This program allows the Authority to exchange up to 40% of their 2009 LIHTC allocation for cash grants from the U.S. Treasury.

State Assistance Programs

The State Assistance Programs account for revenue and expenditures of the following assistance programs:

Downtown Development Revolving Loan

The purpose of the Downtown Development Revolving Loan Fund ("DDRLF") is to assist cities, counties and development authorities in their efforts to revitalize and enhance downtown areas by providing below-market rate financing to fund capital projects in core historic downtown areas and adjacent historic neighborhoods where DDRLF will spur commercial redevelopment.

Eligible applicants under this program are municipalities with a population of 100,000 or less, counties with a population of 100,000 or less proposing projects in a core historic commercial area, and development authorities proposing projects in a core historic commercial area in municipalities or counties with a population of 100,000 or less.

The ultimate user of funds may be a private business or a public entity such as a city or development authority. Applicants must demonstrate that they have a viable downtown development project and clearly identify the proposed uses of the loan proceeds. The maximum loan is \$250,000 per project, which must leverage private and/or other public financing. Funds for the DDRLF Program were authorized by the Georgia General Assembly beginning in fiscal year 2000. The program has been sustained by loan repayments and interest income.

Housing Trust Fund

The purpose of the State Housing Trust Fund ("HTF") is to support the efforts of organizations that embrace the goal of ending homelessness in Georgia. These organizations, through State appropriated dollars, provide housing and essential services for individuals and families. These organizations include nonprofits, faith-based organizations, community homeless provider networks, and public programs.

Regional Economic Business Assistance

Regional Economic Business Assistance ("REBA") is an incentive program that is used to help "close the deal" when companies are considering Georgia and another state or country for their location or expansion. REBA funds may be used to finance various fixed-asset needs of a company including infrastructure, real estate acquisition, construction, or machinery and equipment. A local development authority must be the applicant for a REBA application and the application must be supported by a recommendation letter from a state agency, typically the Georgia Department of Economic Development. The funds for the program are appropriated

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annually by the Georgia General Assembly. REBA funds may be specified as a grant or a loan, depending upon the letter of recommendation. The recommendation will also authorize the amount of REBA funds available for the project.

Life Sciences Facilities Fund

Life Sciences Facilities Fund ("LSFF") is an incentive program that provides low-cost loan assistance for the purchase of fixed assets to assist with the expansion, retention or relocation of life-science companies targeted by Georgia. The Facilities Fund is intended to be used as an incentive when needed to retain or recruit life-science companies in and to Georgia, or to fill a financing gap that is unmet by the private sector. Funds for the LSFF Program were authorized by the Georgia General Assembly in fiscal year 2005.

State Home Mortgage

State Home Mortgage was created by the Authority in 1994 to provide in-house loan servicing capabilities for Authority financed single-family and multifamily mortgage loans. As of June 30, 2023 and 2022, State Home Mortgage was servicing approximately 12,450 and 13,395 loans, respectively, or 99% and 99%, respectively, of the Authority's outstanding principal balance of the single-family mortgage loan portfolio, and 100% of the outstanding principal balance of the multifamily mortgage loan portfolio.

Investment in Georgia HAP Administrators, Inc.

The Authority has a 9% investment interest in Georgia HAP Administrators Inc. ("Georgia HAP"). The Authority accounts for its investment using the cost method. Under the cost method, the Authority recognizes income on its investment as cash is received. In addition, the Authority earns incentive management fees from Georgia HAP. Total earnings received from Georgia HAP during 2023 and 2022 were \$1,394,909 and \$1,403,242, respectively, which is included in administrative fees-state assistance programs on the statements of revenues, expenses, and changes in net position.

Note 3 - Summary of significant account policies

The following summarizes the significant accounting policies of the Authority:

Financial statement presentation

As defined by accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board ("GASB"), the criteria for determining the programs, organizations, and functions of government included in the accompanying basic financial statements are as follows: oversight responsibility, including selection of governing authority, designation of management, and ability to significantly influence operations; accountability for fiscal matters, including budgets, surplus and deficits, debt, fiscal management, and revenue characteristics; scope of public service; and special financing relationships.

For financial reporting purposes, the Authority is a component unit of the State of Georgia. The financial statements of the Authority include the blended component units AHI and EDFI which are reported in the Supplementary Schedule of Program Net Position and Schedule of Program Revenues, Expenses, and Changes in Net Position.

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**Notes to Financial Statements
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Basis of accounting

The accounting and reporting policies of the Authority conform to generally accepted accounting principles of the Governmental Accounting Standards Board ("GASB"). The Authority maintains its accounting records and prepares its financial statements using the accrual basis of accounting. The Authority's proprietary activities are accounted for on the flow of economic resources measurement focus. This measurement focus emphasizes the determination of changes in net position. Under this method, revenue is recorded when earned, and expenses, including compensated absences, are recognized when the liability is incurred.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents and equity in pooled cash and investment securities

Cash and cash equivalents and equity in pooled cash, as reported in the statements of net position include short-term investment securities with original maturities of three months or less, local government investment pools, repurchase agreements, money market accounts, mutual funds, and investment agreements under which funds can be withdrawn at any time without penalty. Amounts reported as cash and cash equivalents and equity in pooled cash include amounts that are restricted for use under state grants, federal programs, and bond resolutions as shown in Note 4. Investment securities are carried at fair value based on quoted market prices. The Authority's Board of Directors approves the Investment Policies which allow the Authority to utilize valuation pricing provided by custodians. See Note 4 for discussion of fair value measurements.

Short-term investments securities include investment securities with maturities less than twelve months. Long-term investments securities include investment securities with maturities greater than twelve months.

The low credit risk associated with the Authority's investments is primarily due to its strong reliance on securities issued by the U.S. Government and its agencies. As with any fixed income portfolio, there exists market price risk in a changing interest rate environment, and some of the Authority's investments are subject to change in fair value as interest rates fluctuate. This exposure is focused largely within certain classes of agency mortgage-backed securities ("MBS"), such as collateralized mortgage obligations. These securities are based on cash flows from payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a change in interest rates. The mortgage-backed securities are reported in aggregate as mortgage-backed securities in the disclosure of investments.

Equity in pooled cash

Equity in pooled cash relates to pooled investments with State Treasury. GHFA follows Governmental Accounting Standards Board ("GASB") Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires marketable securities to be carried at fair value. Additionally, GHFA adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. GHFA maintains an investment in the Georgia Fund 1 ("GF1") investment pool, which is managed by the Local Government Investment Pool Trust whom The Office of the State Treasurer manages. The GF1's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal. The GF1 is

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managed as a stable Net Asset Value ("NAV") pool. The pool operates and reports to participants on an amortized cost basis. The income, gain and losses, net of administration fees of the pool are allocated to participants monthly on the ratio of the participant's share of total funds in the pool based on the participant's average daily balance. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the pooled investments. For financial reporting purposes, the pool is reported at fair market value. For cash flow financial statement reporting purposes, amounts reported in the Pooled Investments with State Treasury are considered cash equivalents.

Mortgage loans receivable

Mortgage loans receivable are stated at their unpaid principal balance less loan discounts. The discounts are amortized using a method approximating a level yield over the estimated average life of the loans. Purchased servicing costs associated with mortgage loans are amortized over the expected average life of the outstanding mortgage loan, which is estimated to be seven years.

Mortgage loans are classified as foreclosures (nonperforming loans) when collection of principal and accrued interest in accordance with the stated terms of the agreement is unlikely. Interest income recognition is discontinued once a loan is considered nonperforming which occurs when the loan is placed in foreclosure.

Mortgage escrow deposits

In connection with the mortgage loans, the Authority holds various trustee bank accounts on behalf of the mortgagors which consist of escrow deposits for taxes and insurance, replacement reserves, and operating deficit reserves. A corresponding liability is recorded upon receipt by the Authority of the mortgagors' escrow deposits and is included in mortgage escrow deposits held on the Statements of Net Position.

Real estate owned

Real estate owned represents real estate acquired through foreclosure or deeds-in-lieu and is stated at the lower of cost or fair value less estimated costs to sell. Expenses incurred related to real estate owned are reported on the Statements of Revenue, Expenses, and Changes in Net Position.

HOME loans

HOME loans are recorded at amounts drawn from the federal HOME program and subsequently loaned to the borrower. A liability is recorded to reflect the Authority's obligation to either re-loan or return to the federal government any HOME loan repayments. Because the obligation amount is dependent on the actual HOME loan repayments, no valuation reserve is recorded.

American Recovery and Reinvestment Act loans

American Recovery and Reinvestment Act ("ARRA") loans are recorded at amounts drawn from the TCAP, TCEP, and HPRP programs and subsequently loaned to the borrower. Loans made to borrowers under such programs are subject to certain compliance regulations, which must be maintained during the term of the loan. A liability is recorded to reflect the Authority's obligation to return to the federal government any loan repayments which is included in refundable program grants on the Statements of Net Position.

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Other loans receivable, net

Other loans receivable includes loans to various nonprofits and municipalities as well as advances from loan service agreements and miscellaneous receivables.

Provision for possible loan losses

Approximately 94% of the Authority's mortgage loans are FHA insured, VA guaranteed, or USDA/RD guaranteed, and the remainder is largely covered by mortgage insurance and/or pool insurance. A small group of loans in the amount of approximately \$47,800,000 and \$68,900,000 are uninsured and dependent on the value of underlying real estate collateral as of June 30, 2023 and 2022, respectively. A provision for possible losses on delinquent loans is made when, in the opinion of management, the loan balance exceeds the net realizable value of the underlying collateral, including federal and mortgage pool insurance. Based on the Authority's experience, insured loans have not resulted in any significant losses to the Authority beyond the administrative costs of foreclosure. Collateralized loans historically have not resulted in significant losses. The allowance for possible losses on mortgage loans receivable as of June 30, 2023 and 2022 totaled \$4,500,000 and \$4,500,000, respectively. The allowance includes a provision for accrued interest on foreclosed loans. The allowance for possible losses on other loans receivable as of June 30, 2023 and 2022 totaled \$4,736,392 and \$4,736,392, respectively. The provision for possible losses recognized during the years ended June 30, 2023 and 2022 totaled \$19,849 and \$45,040, respectively.

Capital assets

Capital assets are stated at cost. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. Repairs and maintenance are expensed as incurred. In accordance with the Authority's capitalization policy, capital assets under \$25,000 are expensed.

Building	40 years
Capital improvements	10 years
Vehicles	4 years
Equipment, computers, and software	2 - 5 years

Impairment of long-lived assets

The Authority reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Management evaluates possible impairment events on whether the service utility or use of the long-lived assets decline significantly and unexpectedly. No impairment loss has been recognized during the years ended June 30, 2023 and 2022, respectively.

Bond premiums, discounts, and issuance costs and amortization

Bond premiums and discounts are amortized over the term of the obligations using a method which approximates the effective interest method. Bond premiums and discounts are included in the net balance for bonds payable. Issuance costs are expensed when incurred. Accretion income for the years ended June 30, 2023 and 2022 was \$1,405,132 and \$2,115,402, respectively. Estimated accretion income for each of the next five ensuing years is approximately \$1,760,000.

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Arbitrage

The Authority periodically monitors for the existence of any rebatable arbitrage interest, in accordance with IRS regulations, associated with its tax-exempt debt. The rebate is based on the differential between the interest earnings from the investment of tax-exempt bond proceeds as compared to the interest expense associated with the respective bonds. Arbitrage rebates are expensed when paid or when, upon determination by management, an arbitrage rebate liability is estimated.

Revenue received in advance

Revenue received in advance represents fees received in connection with the LIHTC and Multi-Family ("MF") program for compliance monitoring and asset management. The Authority, on behalf of the IRS, is responsible for monitoring compliance with IRS Section 42 by Georgia participants in the LIHTC and MF program. Such monitoring includes performing periodic site visits, property inspections, and tenant eligibility verifications, which are required to be performed annually over the compliance period. Participants are required to maintain compliance with Section 42 for a minimum of 15 years for the LIHTC program and a minimum of 30 years for the MF program. Participants are required to pay the entire amount of compliance monitoring fees at inception. The prepaid amount of fees received are deferred and amortized into income using the straight-line method over the applicable compliance periods.

Participants who receive ARRA funds are also required to pay an asset management fee to the Authority at inception for oversight services in connection with administering the funds over a 14.5-year term. These fees will be amortized into income, using the straight-line method over the service period.

Estimated amortization of all revenue received in advance over the next five years and thereafter is as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 3,079,434
2025	3,028,876
2026	2,949,993
2027	2,829,956
2028	2,636,524
Thereafter	<u>18,388,324</u>
Total	<u>\$ 32,913,107</u>

Program funds received in advance

The Authority has a liability for program funds received in advance as of June 30, 2023 and 2022 of \$418,470,137 and \$415,272,075, respectively. The program funds received in advance are included in the balance of cash and cash equivalents and investments as shown on the Statements of Net Position. The liability will be recognized as revenue as the Authority expends the funds in accordance with the applicable programs requirements. Any program funds received in advance may be required to be returned to the granting authority under terms of the programs.

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As of June 30, 2023 and 2022, the program funds received in advance are as follows:

Program	Source	June 30,	
		2023	2022
Emergency Rental Assistance Phase II	US Department of Treasury	\$ 132,287,694	\$ 22,948,508
REBA	State of Georgia	97,379,076	223,559,627
State Small Business Credit Initiative 2.0	US Department of Treasury	56,645,121	332
Home Investment Partnerships Program	HUD	33,944,850	35,165,069
Emergency Rental Assistance Phase I	US Department of Treasury	24,997,646	58,107,401
Tax Credit Assistance Program	State of Georgia	24,458,910	24,037,736
Homeowner Assistance Fund	US Department of Treasury	12,139,003	7,306,083
Housing Trust Fund	State of Georgia	10,889,009	10,031,488
Downtown Development	State of Georgia	9,789,452	9,789,452
Life Science	State of Georgia	4,169,835	4,169,835
CARES - Emergency Shelter	US Department of Treasury	5,474	2,304,530
Other	State of Georgia	11,764,067	17,852,014
		<u>\$ 418,470,137</u>	<u>\$ 415,272,075</u>

Net position

Net position is the amount of total assets that exceed total liabilities. Net position is classified and displayed in three categories in the financial statements.

Net investment in capital assets, consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position consists of other net position that do not meet the definition of restricted or net investment in capital assets.

As of June 30, 2023 and 2022, the Authority's net position is classified into two categories which are net investment in capital assets and unrestricted net position.

Program revenues and expenses

HOME loan program revenue and a corresponding expense are recognized at the time the HOME loan is closed.

Purchased servicing rights are related to mortgage loans and are received in advance and recognized over the estimated seven-year term that the mortgages are expected to be outstanding.

Program funds received under grant awards are not recognized as revenue until the related program expenditures and eligibility requirements are incurred.

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Income taxes

Income received or generated by the Authority is not subject to federal income tax, pursuant to Internal Revenue Code Section 115. The Authority is exempt from state and local property taxes. Interest paid on obligations issued by the Authority is excludable from the gross income of the recipients, pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended. Contributions to the Authority are tax deductible contributions, pursuant to Sections 170(b)(1)(A)(v) and 170 (c)(1) of the Internal Revenue Code of 1986, as amended.

Reclassifications

Reclassifications have been made to the prior year balances to conform to the current year presentation.

Note 4 - Cash and cash equivalents and equity in pooled cash and investment securities

Investment of funds

The Act authorizes the Authority to invest any accumulation of its funds. GHFA invests its funds under the guidance of the GHFA investment policies that are adopted by the Board annually. The investment policies authorize the Authority to invest in specific types of securities such as money market mutual funds, certificates of deposit of financial institutions insured by federal depository insurance, interest-bearing time deposits, repurchase agreements, or other similar banking arrangements and any other obligations of investment grade quality, as defined in the applicable GHFA investment policy.

The following assets, reporting at fair value and held by the Authority at June 30, 2023 and 2022, were evaluated in accordance with GASB Statement No. 40 for interest rate risk, custodial credit risk, credit risk and concentration of credit risk. All cash and cash equivalents are stated at their actual bank balance values and may differ from book balances.

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Cash and cash equivalents, equity in pooled cash, and investment securities as of June 30, 2023 and 2022 are presented in the financial statements as follows:

	June 30,	
	2023	2022
Cash and cash equivalents and equity in pooled cash		
Cash	\$ 55,123,911	\$ 62,048,102
Money market accounts - unrestricted	678,803	652,714
Georgia Fund 1 - unrestricted	7,543,966	1,114,353
Money market accounts - restricted	72,021,059	7,525,600
Georgia Fund 1 - restricted	186,205,228	249,932,120
Cash restricted under State grant programs	22,825,321	22,359,444
Assets restricted under revenue bond resolutions		
Cash	685,046	71,780
U.S. Government and agency securities	17,940,870	-
Investment agreements	2,659,905	-
Georgia Fund 1	112,137,385	113,116,814
Money market accounts	33,997,906	48,001,353
GNMA MBS	-	11,343
	<u>511,819,400</u>	<u>504,833,623</u>
Short-term investment securities		
U.S. Government and agency securities	18,739,400	17,733,206
Corporate bonds	5,321,227	8,951,389
Foreign bonds	-	1,339,354
Bank CDs	481,180	2,193,021
Corporate MBS/ABS	-	1,795
Non-purpose investments	46,003,079	85,570,726
	<u>70,544,886</u>	<u>115,789,491</u>
Long-term investment securities		
Mortgage-backed securities	28,335,012	32,782,070
U.S. Government and agency securities	93,950,271	92,978,886
Corporate MBS/ABS	9,967,134	11,151,980
Foreign bonds	994,676	2,840,976
Bank CDs	3,290,843	1,401,278
Corporate bonds	41,049,250	38,586,895
Municipal bonds	-	95,913
Fixed income fund	10,763,928	14,121,067
Strategic income opportunities fund	55,378,887	35,599,618
Securitized investors fund	7,928,610	8,497,888
Global credit opportunities II fund	10,721,799	-
Assets restricted under revenue bond resolutions		
Investment agreements	9,169,642	11,829,547
Agency mortgage-backed securities	29,604,941	32,044,899
GNMA MBS	19,947,399	13,785,671
Agency debentures	2,989,975	3,120,691
	<u>324,092,367</u>	<u>298,837,379</u>
Total cash and cash equivalents, equity in pooled cash, and investment securities	<u>\$ 906,456,653</u>	<u>\$ 919,460,493</u>

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Investment fair value measurements

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

- Level 1 - quoted market prices in active markets
- Level 2 - inputs other than quoted market prices that are observable either directly or indirectly
- Level 3 - unobservable inputs

The Authority has investments in securities that are measured at fair value on a recurring basis in the financial statements. The Authority uses a three-level hierarchy for determining fair value and a financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table presents the financial assets that the Authority measured at fair value:

2023	Level			Total
	1	2	3	
U.S. Government and agency securities	\$ 115,679,646	\$ -	\$ -	\$ 115,679,646
Mortgage-backed securities	77,887,352	-	-	77,887,352
Corporate MBS/ABS	9,967,134	-	-	9,967,134
Foreign bonds	994,676	-	-	994,676
Investment agreements	-	-	9,169,642	9,169,642
Non-purpose investments	-	46,003,079	-	46,003,079
Fixed income fund	-	-	10,763,928	10,763,928
Strategic income opportunities fund	55,378,887	-	-	55,378,887
Securitized investors fund	-	-	7,928,610	7,928,610
Global credit opportunities II fund	-	-	10,721,799	10,721,799
Bank CDs	3,772,023	-	-	3,772,023
Municipal bonds	-	-	-	-
Corporate bonds	46,370,477	-	-	46,370,477
	<u>\$ 310,050,195</u>	<u>\$ 46,003,079</u>	<u>\$ 38,583,979</u>	394,637,253
		Investments measured at amortized cost:		
				106,697,768
				<u>305,886,579</u>
		Total investments		<u>\$ 807,221,600</u>

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2022	Level			Total
	1	2	3	
U.S. Government and agency securities	\$ 113,832,783	\$ -	\$ -	\$ 113,832,783
Mortgage-backed securities	78,612,640	-	-	78,612,640
Corporate MBS/ABS	11,153,775	-	-	11,153,775
Foreign bonds	4,180,330	-	-	4,180,330
Investment agreements	-	-	11,829,547	11,829,547
Non-purpose investments	-	85,570,726	-	85,570,726
Fixed income fund	-	-	14,121,067	14,121,067
Strategic income opportunities fund	35,599,618	-	-	35,599,618
Securitized investors fund	-	-	8,497,888	8,497,888
Global credit opportunities II fund	-	-	-	-
Bank CDs	3,594,299	-	-	3,594,299
Municipal bonds	95,913	-	-	95,913
Corporate bonds	47,538,284	-	-	47,538,284
	<u>\$ 294,607,642</u>	<u>\$ 85,570,726</u>	<u>\$ 34,448,502</u>	414,626,870
		Investments measured at amortized cost:		
				56,179,667
				364,163,287
				<u>\$ 834,969,824</u>

Non-purpose investments classified in Level 2 of the fair value hierarchy are valued based on significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates), or other market corroborated inputs.

Securities valued at Level 3 are based on significant unobservable inputs based on all information available in the circumstances to the extent observable inputs are not available. The fair value of investment agreements and fixed income funds in Level 3 represent the value of unit positions in funds that are not publicly traded on an exchange. Fair value of these securities can be impacted by redemption restrictions imposed by the fund managers.

The fair value of the financial assets listed below was determined by using level 3 inputs (inputs that are unobservable, uninsured and unregistered investment for which the securities are held by the broker, dealer, or their agent but not in the Authority's name) as of June 30, 2023 and 2022.

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The following table sets forth a summary of changes in the fair value of the Authority's Level 3 assets for the years ended June 30, 2023 and 2022:

2023	Investment Agreements	Fixed Income Fund	Securitized Investors Fund	Global Credit Opportunities II Fund	Total
Balance, beginning of year	\$ 11,829,547	\$ 14,121,067	\$ 8,497,888	\$ -	\$ 34,448,502
Realized gains (losses)	-	-	-	-	-
Unrealized gains (losses) relating to instruments still held at the reporting date	-	(652,097)	236,277	582,555	166,735
Purchases	-	-	-	10,139,244	10,139,244
Sales	-	(2,705,042)	(805,555)	-	(3,510,597)
Transfers in and/or out of level 3	(2,659,905)	-	-	-	(2,659,905)
Balance, end of year	<u>\$ 9,169,642</u>	<u>\$ 10,763,928</u>	<u>\$ 7,928,610</u>	<u>\$ 10,721,799</u>	<u>\$ 38,583,979</u>

2022	Investment Agreements	Fixed Income Fund	Securitized Investors Fund	Total
Balance, beginning of year	\$ 11,829,547	\$ 16,989,750	\$ 7,801,083	\$ 36,620,380
Realized gains (losses)	-	-	-	-
Unrealized gains (losses) relating to instruments still held at the reporting date	-	(2,868,683)	(291,606)	(3,160,289)
Purchases	-	-	988,411	-
Sales	-	-	-	-
Transfers in and/or out of level 3	-	-	-	-
Balance, end of year	<u>\$ 11,829,547</u>	<u>\$ 14,121,067</u>	<u>\$ 8,497,888</u>	<u>\$ 34,448,502</u>

Interest rate risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Authority manages interest rate risk by attempting to match investment maturities and interest payment terms with expected cash requirements and maturities of the related bond series. Negative amounts represent net short position for securities purchased, but not yet settled. During the years ended June 30, 2023 and 2022, net interest income from investments totals \$6,741,774 and \$-, respectively, and net interest loss from investments totals \$- and \$22,625,286, respectively, during the years ended June 30, 2023 and 2022. Accrued interest outstanding totals \$1,466,176 and \$1,335,086, respectively, as of June 30, 2023 and 2022.

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The maturities of investments as of June 30, 2023 and 2022 are as follows:

	Total Fair Value	Investment maturities as of June 30, 2023				
		Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	More than 10 Years
Cash and cash equivalents and equity in pooled cash:						
Cash	\$ 55,123,911	\$ 55,123,911	\$ -	\$ -	\$ -	\$ -
Money market accounts	72,699,862	72,699,862	-	-	-	-
Georgia Fund 1	193,749,194	193,749,194	-	-	-	-
Cash restricted under State grant programs	22,825,321	22,825,321	-	-	-	-
Assets restricted under revenue bond resolutions:						
Cash	685,046	685,046	-	-	-	-
U.S. Government and agency securities	17,940,870	17,940,870	-	-	-	-
Investment agreements	2,659,905	-	2,659,905	-	-	-
Georgia Fund 1	112,137,385	112,137,385	-	-	-	-
Money market accounts	33,997,906	33,997,906	-	-	-	-
GNMA MBS	-	-	-	-	-	-
Total cash and cash equivalents and equity in pooled cash	\$ 511,819,400	\$ 509,159,495	\$ 2,659,905	\$ -	\$ -	\$ -
Short-term investment securities:						
U.S. Government and agency securities	\$ 18,739,400	\$ 4,974,300	\$ 13,765,100	\$ -	\$ -	\$ -
Corporate bonds	5,321,227	35,013	5,286,214	-	-	-
Foreign bonds	-	-	-	-	-	-
Bank CDs	481,180	-	481,180	-	-	-
Corporate MBS/ABS	-	-	-	-	-	-
Non-purpose investments	46,003,079	-	46,003,079	-	-	-
Total short-term investment securities	\$ 70,544,886	\$ 5,009,313	\$ 65,535,573	\$ -	\$ -	\$ -
Long-term investment securities:						
Mortgage-backed securities	\$ 28,335,012	\$ -	\$ -	\$ 15,976	\$ 991,134	\$ 27,327,902
U.S. Government and agency securities	93,950,271	-	-	82,505,668	9,689,199	1,755,404
Corporate MBS/ABS	9,967,134	-	-	3,365,451	1,850,375	4,751,308
Foreign bonds	994,676	-	-	712,673	223,502	58,501
Bank CDs	3,290,843	-	-	3,290,843	-	-
Corporate bonds	41,049,250	-	-	33,865,993	6,647,993	535,264
Municipal bonds	-	-	-	-	-	-
Fixed income fund	10,763,928	-	-	10,763,928	-	-
Strategic income opportunities fund	55,378,887	-	-	55,378,887	-	-
Securitized investors fund	7,928,610	-	-	7,928,610	-	-
Global credit opportunities II fund	10,721,799	-	-	10,721,799	-	-
Assets restricted under revenue bond resolutions:						
Investment agreements	9,169,642	-	-	2,354,083	6,815,559	-
Agency mortgage-backed securities	29,604,941	-	-	-	-	29,604,941
GNMA MBS	19,947,399	-	-	-	-	19,947,399
Agency debentures	2,989,975	-	-	-	2,989,975	-
Total long-term investment securities	\$ 324,092,367	\$ -	\$ -	\$ 210,903,911	\$ 29,207,737	\$ 83,980,719

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	Total Fair Value	Investment maturities as of June 30, 2022				
		Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	More than 10 Years
Cash and cash equivalents and equity in pooled cash						
Cash	\$ 62,048,102	\$ 62,048,102	\$ -	\$ -	\$ -	\$ -
Money market accounts	8,178,314	8,178,314	-	-	-	-
Georgia Fund 1	251,046,473	251,046,473	-	-	-	-
Cash restricted under State grant programs	22,359,444	22,359,444	-	-	-	-
Assets restricted under revenue bond resolutions						
Cash	71,780	71,780	-	-	-	-
U.S. Government and agency securities	-	-	-	-	-	-
Investment agreements	-	-	-	-	-	-
Georgia Fund 1	113,116,814	113,116,814	-	-	-	-
Money market accounts	48,001,353	48,001,353	-	-	-	-
GNMA MBS	11,343	803	10,540	-	-	-
Total cash and cash equivalents and equity in pooled cash	\$ 504,833,623	\$ 504,823,083	\$ 10,540	\$ -	\$ -	\$ -
Short-term investment securities						
U.S. Government and agency securities	\$ 17,733,206	\$ -	\$ 17,733,206	\$ -	\$ -	\$ -
Corporate bonds	8,951,389	393,112	8,558,277	-	-	-
Foreign bonds	1,339,354	76,000	1,263,354	-	-	-
Bank CDs	2,193,021	245,098	1,947,923	-	-	-
Corporate MBS/ABS	1,795	-	1,795	-	-	-
Non purpose investments	85,570,726	-	85,570,726	-	-	-
Total short-term investment securities	\$ 115,789,491	\$ 714,210	\$ 115,075,281	\$ -	\$ -	\$ -
Long-term investment securities						
Mortgage-backed securities	\$ 32,782,070	\$ -	\$ -	\$ 30,501	\$ 1,297,212	\$ 31,454,357
U.S. Government and agency securities	92,978,886	-	-	79,579,846	11,385,624	2,013,416
Corporate MBS/ABS	11,151,980	-	-	2,104,802	1,486,800	7,560,378
Foreign bonds	2,840,976	-	-	1,261,224	1,252,884	326,868
Bank CDs	1,401,278	-	-	1,401,278	-	-
Corporate bonds	38,586,895	-	-	28,807,003	8,842,709	937,183
Municipal bonds	95,913	-	-	-	87,229	8,684
Fixed income fund	14,121,067	-	-	14,121,067	-	-
Strategic income opportunities fund	35,599,618	-	-	35,599,618	-	-
Securitized investor fund	8,497,888	-	-	8,497,888	-	-
Global credit opportunities II fund	-	-	-	-	-	-
Assets restricted under revenue bond resolutions:						
Investment agreements	11,829,547	-	-	5,013,988	4,394,317	2,421,242
Agency mortgage-backed securities	32,044,899	-	-	-	-	32,044,899
GNMA MBS	13,785,671	-	-	-	3,120,691	10,664,980
Agency debentures	3,120,691	-	-	2,724	-	3,117,967
Total long-term investment securities	\$ 298,837,379	\$ -	\$ -	\$ 176,419,939	\$ 31,867,466	\$ 90,549,974

Custodial credit risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2023 and 2022, all of the Authority's investments were insured, registered, collateralized, or were held by the Authority or its agent in the Authority's name.

Credit risk and concentration of credit risk

Credit quality risk is the risk that the issuer or other guarantor of an investment will not fulfill its payment obligations. Some investments, such as U.S. Treasuries and GNMA securities, are backed by the full faith and credit of the United States government and are considered to have minimal credit risk. Other investments are in government agency, corporate, money market funds and bank debt securities, which have been categorized based on the fund's or issuer's credit rating by a Nationally Recognized Statistical Rating Organization. These debt securities are not typically collateralized except in the case of asset-backed and mortgage-backed securities. The Authority has selected high quality debt investments in order to minimize its exposure to loss due to credit risk. The Authority maintains its cash in bank deposit accounts at Federal Deposit Insurance Corporation (FDIC) insured financial institutions. Any deposits in excess of federally insured limits are collateralized by U.S. Government and Agency securities held by the Georgia Bankers

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Association in the State Treasurer's collateral pool for that institution, as defined in O.C.G.A. §45-8-13. As of June 30, 2023 and 2022, all of the Authority's deposits were either covered by federal depository insurance or were covered by collateral held by the Authority's agent in the Authority's name. The amount of the Authority's deposits collateralized as of June 30, 2023 and 2022 were \$123,449,051 and \$128,223,907, respectively. The Authority has not experienced any losses in connection with its investments as a result of credit risk.

The exposure of the Authority's debt securities to credit quality risk as of June 30, 2023 and 2022 is as follows:

	Total Fair Value	Government securities	Standard & Poor's Credit Rating as of June 30, 2023						Not Rated	
			AAA	AA	A	BBB	BB	CCC		
Cash and cash equivalents and equity in pooled cash:										
Cash	\$ 55,123,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,123,911
Money market accounts	72,699,862	-	69,691,356	-	-	-	-	-	-	3,008,506
Georgia Fund 1	193,749,194	-	193,749,194	-	-	-	-	-	-	-
Cash restricted under State grant programs	22,825,321	-	22,825,321	-	-	-	-	-	-	-
Assets restricted under revenue bond resolutions:										
Cash	685,046	-	-	-	685,046	-	-	-	-	-
U.S. Government and agency securities	17,940,870	-	-	17,940,870	-	-	-	-	-	-
Investment agreements	2,659,905	-	2,659,905	-	-	-	-	-	-	-
Georgia Fund 1	112,137,385	-	112,137,385	-	-	-	-	-	-	-
Money market accounts	33,997,906	-	33,997,906	-	-	-	-	-	-	-
GNMA MBS	-	-	-	-	-	-	-	-	-	-
Total cash and cash equivalents and equity in pooled cash	\$ 511,819,400	\$ -	\$ 435,061,067	\$ 17,940,870	\$ 685,046	\$ -	\$ -	\$ -	\$ -	\$ 58,132,417
Short-term investment securities:										
U.S. Government and agency securities	\$ 18,739,400	\$ -	\$ -	\$ 13,838,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,901,000
Corporate bonds	5,321,227	-	-	4,964,400	68,965	287,862	-	-	-	-
Foreign bonds	-	-	-	-	-	-	-	-	-	-
Bank CDs	481,180	-	-	-	-	-	-	-	-	481,180
Corporate MBS/ABS	-	-	-	-	-	-	-	-	-	-
Non-purpose investments	46,003,079	-	-	-	-	-	-	-	-	46,003,079
Total short-term investment securities	\$ 70,544,886	\$ -	\$ -	\$ 18,802,800	\$ 68,965	\$ 287,862	\$ -	\$ -	\$ -	\$ 51,385,259
Long-term investment securities:										
Mortgage-backed securities	\$ 28,335,012	\$ -	\$ -	\$ 28,335,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government and agency securities	93,950,271	-	16,629,585	77,320,686	-	-	-	-	-	-
Corporate MBS/ABS	9,967,134	-	8,466,170	1,125,232	149,793	-	-	-	-	225,939
Foreign bonds	994,676	-	-	-	686,813	185,358	122,505	-	-	-
Bank CDs	3,290,843	-	-	-	-	-	-	-	-	3,290,843
Corporate bonds	41,049,250	-	129,904	18,808,310	13,669,136	8,184,616	227,619	29,665	-	-
Municipal bonds	-	-	-	-	-	-	-	-	-	-
Fixed income fund	10,763,928	-	-	-	-	-	-	-	-	10,763,928
Strategic income opportunities fund	55,378,887	-	-	-	-	-	-	-	-	55,378,887
Securitized investors fund	7,928,610	-	-	-	-	-	-	-	-	7,928,610
Global credit opportunities II fund	10,721,799	-	-	-	-	-	-	-	-	10,721,799
Assets restricted under revenue bond resolutions:										
Investment agreements	9,169,642	-	2,608,159	-	-	6,561,483	-	-	-	-
Agency mortgage-backed securities	29,604,941	-	-	29,604,941	-	-	-	-	-	-
GNMA MBS	19,947,399	-	-	19,947,399	-	-	-	-	-	-
Agency debentures	2,989,975	-	-	1,220,452	-	-	-	-	-	1,769,523
Total long-term investment securities	\$ 324,092,367	\$ -	\$ 27,833,818	\$ 176,362,032	\$ 14,505,742	\$ 14,931,457	\$ 350,124	\$ 29,665	\$ -	\$ 90,079,529

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	Total Fair Value	Government securities	Standard & Poor's Credit Rating as of June 30, 2022						
			AAA	AA	A	BBB	BB	CCC	Not Rated
Cash and cash equivalents and equity in pooled cash:									
Cash	\$ 62,048,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,048,102
Georgia Fund 1	8,178,314	-	8,178,314	-	-	-	-	-	-
Money market accounts	251,046,473	-	248,497,334	-	-	-	-	-	2,549,139
Cash restricted under State grant programs	22,359,444	-	22,359,444	-	-	-	-	-	-
Assets restricted under revenue bond resolutions:									
Cash	71,780	-	-	-	-	-	-	-	71,780
U.S. Government and agency securities	-	-	-	-	-	-	-	-	-
Investment agreements	-	-	-	-	-	-	-	-	-
Georgia Fund 1	113,116,814	-	113,116,814	-	-	-	-	-	-
Money market accounts	48,001,353	-	48,001,353	-	-	-	-	-	-
GNMA MBS	11,343	-	-	11,343	-	-	-	-	-
Total cash and cash equivalents and equity in pooled cash	\$ 504,833,623	\$ -	\$ 440,153,259	\$ 11,343	\$ -	\$ -	\$ -	\$ -	\$ 64,669,021
Short-term investment securities:									
U.S. Government and agency securities	\$ 17,733,206	\$ -	\$ 569,024	\$ 12,205,682	\$ -	\$ -	\$ -	\$ -	\$ 4,958,500
Corporate bonds	8,951,389	-	-	7,788,118	114,937	1,048,334	-	-	-
Foreign bonds	1,339,354	-	-	-	1,139,573	199,781	-	-	-
Bank CDs	2,193,021	-	-	-	-	-	-	-	2,193,021
Corporate MBS/ABS	1,795	-	-	-	1,795	-	-	-	-
Non-purpose investments	85,570,726	-	-	-	-	-	-	-	85,570,726
Total short-term investment securities	\$ 115,789,491	\$ -	\$ 569,024	\$ 19,993,800	\$ 1,256,305	\$ 1,248,115	\$ -	\$ -	\$ 92,722,247
Long-term investment securities:									
Mortgage-backed securities	\$ 32,782,070	\$ -	\$ -	\$ 32,782,070	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government and agency securities	32,978,886	-	31,675,204	56,403,182	-	-	-	-	4,900,500
Corporate MBS/ABS	11,151,980	-	9,341,411	1,379,032	-	-	-	-	297,915
Foreign bonds	2,840,976	-	-	-	92,735	40,887	-	-	-
Bank CDs	1,401,278	-	-	-	1,473,161	1,248,128	119,687	-	-
Corporate bonds	38,586,895	-	138,932	11,302,205	15,433,274	11,389,561	322,923	-	1,401,278
Municipal bonds	95,913	-	-	87,229	-	8,684	-	-	-
Fixed income fund	14,121,067	-	-	-	-	-	-	-	14,121,067
Strategic income opportunities fund	35,599,618	-	-	-	-	-	-	-	35,599,618
Securitized investors fund	8,497,888	-	-	-	-	-	-	-	8,497,888
Global credit opportunities II fund	-	-	-	-	-	-	-	-	-
Assets restricted under revenue bond resolutions:									
Investment agreements	11,829,547	-	5,268,063	-	-	6,561,484	-	-	-
Agency mortgage-backed securities	32,044,899	-	-	32,044,899	-	-	-	-	-
GNMA MBS	13,785,671	-	-	13,785,671	-	-	-	-	-
Agency debentures	3,120,691	-	-	3,120,691	-	-	-	-	-
Total long-term investment securities	\$ 298,837,379	\$ -	\$ 46,423,610	\$ 150,904,979	\$ 16,999,170	\$ 19,248,744	\$ 442,610	\$ -	\$ 64,818,266

Note 5 - Mortgage loans receivable

The Authority's single-family bond programs are designed to provide mortgage loans to qualified home-buyers within the State of Georgia. The Authority's guidelines generally require the mortgage loans to be either FHA insured, guaranteed by the Department of Veterans Affairs or conventionally financed with traditional primary mortgage insurance; and, in the case of pre-1987 single-family programs, insured with mortgage pool policies. A small portion of the Authority's mortgage loans are uninsured. However, uninsured loans are collateralized with a first mortgage on the underlying real estate. Interest on mortgage loans receivable range from 2.125% to 8.400% per annum as of June 30, 2023. During the years ended June 30, 2023 and 2022, interest income from mortgage loans receivable totals \$53,649,908 and \$56,066,122, respectively, and accrued interest outstanding totals \$7,330,827 and \$7,788,516, respectively, as of June 30, 2023 and 2022.

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Mortgage loans receivable, net consist of the following at June 30, 2023 and 2022:

	June 30,	
	2023	2022
Single-family mortgage loans (2.125% to 8.400%)		
FHA insured	\$ 1,164,399,662	\$ 1,113,416,362
Conventional insured	32,067,445	25,276,097
VA insured	7,446,518	6,322,613
Conventional uninsured	47,777,030	68,879,062
	1,251,690,655	1,213,894,134
Less allowance for loan losses	(4,500,000)	(4,500,000)
	1,247,190,655	1,209,394,134
Less current portion of mortgage loan receivable	(40,591,996)	(40,164,368)
	1,206,598,659	1,169,229,766
Less real estate owned	(580,321)	(2,056,015)
Long-term portion of mortgage loans receivable, net	\$ 1,206,018,338	\$ 1,167,173,751

In connection with the mortgage loans, the Authority holds various trustee bank accounts on behalf of the mortgagors which consist of escrow deposits for taxes and insurance, replacement reserves, and operating deficit reserves. A corresponding liability is recorded upon receipt by the Authority of the mortgagors' escrow deposits. As of June 30, 2023 and 2022, amount held in such escrows total \$37,323,566 and \$35,715,515, respectively, which are included in mortgage escrow deposits on the Statements of Net Position. As of June 30, 2023 and 2022, real estate owned properties in the amount of \$580,321 and \$2,056,015, respectively, are included in other current assets on the Statements of Net Position.

Note 6 - HOME loans receivable and refundable home grant proceeds

The Authority acts as an intermediary on behalf of the federal government under the HOME Program provisions of the 1990 National Affordable Housing Act. Applicants include entities developing multifamily low-income housing properties. Qualified applicants are issued loans using grant proceeds the Authority receives from the federal government. These loans generally do not have required scheduled payments of principal or interest. Instead, the loans require payment of interest to the extent of a portion of net cash flows, as defined, of the borrowers. These loans generally are nonrecourse and are collateralized by a subordinated mortgage on the underlying property of the borrower. Any repayments the Authority receives on these loans are required to be repaid to the federal government or used to fund new HOME loans. The Authority accounts for the loans receivable at the face value of the loans. A corresponding liability is recorded in the same amount to reflect the Authority's obligation to the federal government. In the event the loans receivable is not repaid, the Authority will not incur any loss and the refundable grant proceeds liability will not be required to be repaid. In the event the borrower fails to comply with the affordability requirements of the HOME Program, any HOME funds invested must be repaid. During the years ended June 30, 2023 and 2022, the Authority made HOME loans to applicants totaling \$53,713,163 and \$45,849,747, respectively, which are included with the Federal and State grant

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income and expense on the statements of revenues, expenses, and changes in net position. HOME loans and the corresponding refundable HOME grant proceeds obligation outstanding as of June 30, 2023 and 2022, totaled \$606,403,400 and \$579,748,878, respectively.

In connection with the mortgage loans, the Authority holds various trustee bank accounts on behalf of the mortgagors which consist of escrow deposits for taxes and insurance, replacement reserves, and operating deficit reserves. A corresponding liability is recorded upon receipt by the Authority of the mortgagors' escrow deposits. As of June 30, 2023 and 2022, amount held in such escrows total \$53,940,469 and \$49,016,257, respectively, which are included in mortgage escrow deposits on the Statements of Net Position.

ARRA loans receivable

The Authority has received a total of \$56,481,680 under the TCAP funding award from HUD pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA). By statute, projects eligible to receive TCAP assistance are rental housing projects that received an award of LIHTCs under Section 42(h) of the Internal Revenue Code of 1986, as amended, ("IRC") (26 U.S.C. 42), during the period from October 1, 2006 to September 30, 2009 (federal fiscal years 2007, 2008 or 2009). The Authority expended 100% of TCAP funds by February 16, 2012. As of June 30, 2023, no committed funds are undrawn.

TCAP loan payments are based on projected cash flow, as defined. The permanent loans are nonrecourse and collateralized by a subordinated mortgage on the underlying property of the borrower. Per HUD guidance, any program income earned after the grant period must be used to develop or operate affordable housing.

GHFA will utilize the repayment of the originally expended funds, program income, for matching HOME loans with TCAP construction loans, providing revolving funds for Community Development Financial Institution ("CDFI"), Portfolio Asset Management (PAM) and for high priority preservation of affordable housing. For each activity, funds will be utilized to aid in the acquisition, construction, and, or continued operation of affordable properties aimed at serving households whose annual incomes do not exceed 80% area median income for the applicable area.

The Authority has also received a total of \$195,011,506 in TCEP grant awards from the U.S. Treasury under Section 1602 of the Act. The TCEP funds are to finance construction or acquisition and rehabilitation of qualified low-income projects. The Authority disbursed grant funds to subawardees in 2010 and 2011. Any funds not disbursed to the subawardee by December 31, 2011 had to be returned to the U.S. Treasury on January 1, 2012. The Authority spent \$194,985,130 by December 31, 2011 and \$26,376 was returned to U.S. Treasury. As of June 30, 2023, no committed funds are undrawn.

There is no principal and interest payment on TCEP funds. However, a compliance reserve account will be established for each TCEP subaward by generally requiring each subawardee to contribute 50% of a project's annual net cash flow, as defined, throughout the 15-year compliance period. Such compliance reserve will be used to pay the U.S. Treasury if a recapture event occurs or to replenish the operating deficit reserve and/or replacement reserve account. Any funds remaining in the compliance reserve account will be returned to the subawardee after the compliance period ends.

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The subawards are not required to be repaid unless a recapture event occurs during the 15-year compliance period with respect to a qualified low-income building. In the event of a recapture event, the debt is owed to the U.S. Treasury.

Hardest Hit Fund loans receivable

In 2011, AHI received an award from the U.S. Treasury in the amount of \$339,255,819 for the HHF program of which \$47,410,693 could be used for administrative expenses. In 2016, AHI received an additional award from the U.S. Treasury in the amount of \$30,880,575 for the HHF program of which \$441,423 could be used for administrative expenses. In 2018, AHI received an additional award from the U.S. Treasury in the amount of \$437,866 for the down payment assistance program. Loans made under the HHF program bore no interest and were secured by a deed on the property. The loans were forgivable 20 percent a year, until maturity, five years from date of the last monthly payment. The unforgiven portion of the loan was required to be repaid if the borrower sold or refinanced the property before the five year period. At maturity, the loan was considered satisfied and the lien was released. If the property was sold before maturity, and did not generate net proceeds sufficient to repay the remaining loan balance, the unpaid portion was forgiven. Any amounts remaining and recaptured from the program activities were to be remitted back to the U.S. Treasury upon termination of the program. Accordingly, AHI did not bear the risk of loss in connection with the HHF program lending activities and as such, recorded loans receivable, which were fully offset by a corresponding liability of the same amount payable to the U.S. Treasury. The U.S. Treasury oversight of the program ended on May 28, 2021, and remaining and recaptured funds were returned on that date. During the years ended June 30, 2023 and 2022, HHF loans funded were \$- and \$-, and repayments received were \$- and \$300, respectively. As of June 30, 2023 and 2022, HHF loans receivable were \$61,171,271 and \$95,278,296, respectively. As of June 30, 2023 and 2022, HHF loan principal reserves were \$60,528,771 and \$95,278,296, respectively, of which \$- and \$- are payable to the U.S. Treasury, respectively.

Note 7 - Capital assets

Capital assets consisted of the following as of June 30, 2023 and 2022:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>
Land	\$ 800,000	\$ -	\$ -	\$ 800,000
Building	3,865,000	-	-	3,865,000
Capital improvements	5,155,878	-	-	5,155,878
Vehicles	378,755	-	-	378,755
Equipment, computers and software	<u>438,177</u>	<u>-</u>	<u>-</u>	<u>438,177</u>
	10,637,810	-	-	10,637,810
Less accumulated depreciation				
Building	(2,789,353)	(96,625)	-	(2,885,978)
Capital improvements	(4,016,718)	(212,749)	-	(4,229,467)
Vehicles	(378,755)	-	-	(378,755)
Equipment, computers and software	<u>(438,177)</u>	<u>-</u>	<u>-</u>	<u>(438,177)</u>
Capital assets, net	<u>\$ 3,014,807</u>	<u>\$ (309,374)</u>	<u>\$ -</u>	<u>\$ 2,705,433</u>

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	<u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2022</u>
Land	\$ 800,000	\$ -	\$ -	\$ 800,000
Building	3,865,000	-	-	3,865,000
Capital improvements	4,982,640	173,238	-	5,155,878
Vehicles	378,755	-	-	378,755
Equipment, computers and software	438,177	-	-	438,177
	<u>10,464,572</u>	<u>173,238</u>	<u>-</u>	<u>10,637,810</u>
Less accumulated depreciation				
Building	(2,692,728)	(96,625)	-	(2,789,353)
Capital improvements	(3,812,549)	(204,169)	-	(4,016,718)
Vehicles	(378,755)	-	-	(378,755)
Equipment, computers and software	(438,177)	-	-	(438,177)
Capital assets, net	<u>\$ 3,142,363</u>	<u>\$ (127,556)</u>	<u>\$ -</u>	<u>\$ 3,014,807</u>

Note 8 - Credit facility

The Authority has a credit facility with the Federal Home Loan Bank of Atlanta ("FHLB Atlanta"), which allows collateralized borrowings up to \$200,000,000. Borrowings, or advances under the facility are typically used to warehouse single-family mortgage loans in between bond issues. These warehouse advances are repayable from the proceeds of single-family mortgage bonds issued by the Authority. Each advance bears a fixed rate of interest dependent upon the length and the amount of the advance, as determined by FHLB Atlanta. Outstanding warehouse advances under the facility are set to mature on the expected closing date of the next issuance of single-family mortgage bonds. Advances are collateralized by the market value of pledged investment securities held in safekeeping at FHLB Atlanta. During the years ended June 30, 2023 and 2022, the Authority utilized advances from the FHLB Atlanta which totaled \$- and \$54,605,606, respectively. As of June 30, 2023 and 2022, there were no advances outstanding, respectively.

Note 9 - Mortgage bonds payable

The principal long-term obligations of the Authority are single-family mortgage bonds payable out of the Authority's revenue, monies, or assets legally available there from. The bonds are issued to finance the purchase of single-family mortgage loans for eligible persons and families of low and moderate income within the State of Georgia. As of June 30, 2023 and 2022, accrued interest on bonds was \$3,905,135 and \$4,034,655, respectively.

As provided in the bond resolutions, the bonds are secured by certain assets authorized for that purpose and any interest earned thereon. These assets include mortgage loans purchased and certain cash and cash equivalents and investment securities in mortgage bond accounts restricted in prescribed amounts as required by Revenue Bond Resolutions.

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Reserve balances included in the assets restricted under revenue bond resolutions investment accounts which are included in investments on the Statements of Net Position were as follows at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Capital reserve for debt service	\$ 66,298,079	\$ 65,329,613
Mortgage reserve for debt service and potential loan losses	<u>1,372,039</u>	<u>1,340,496</u>
Total	<u><u>\$ 67,670,118</u></u>	<u><u>\$ 66,670,109</u></u>

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Tables reflecting mortgage bond activity during fiscal years 2023 and 2022 as well as general information about each bond issue follow:

	Net bonds outstanding June 30, 2021	Less Matured called, or redeemed	Issued	Net change unamortized bond premium (discount)	Net bonds outstanding June 30, 2022	Less Matured called, or redeemed	Issued	Net change unamortized bond premium (discount)	Net bonds outstanding June 30, 2023
Resolution 1 Series:									
1999A	\$ (9,415)	\$ -	\$ -	\$ -	\$ (9,415)	\$ -	\$ -	\$ -	\$ (9,415)
1999B	9,413	-	-	-	9,413	-	-	-	9,413
2010B	22,938,838	22,840,000	-	(98,838)	-	-	-	-	-
2011A	17,212,361	17,150,000	-	(62,361)	-	-	-	-	-
2011B	22,583,873	4,555,000	-	(16,505)	18,012,368	2,425,000	-	(9,401)	15,577,967
2011C	27,406,251	5,425,000	-	(10,199)	21,971,052	3,015,000	-	(5,907)	18,950,145
2012A	40,705,000	40,705,000	-	-	-	-	-	-	-
2013A	111,432,534	27,770,000	-	(85,491)	83,577,043	8,640,000	-	(31,305)	74,905,738
2014A	46,122,824	22,105,000	-	-	24,017,824	13,630,000	-	(127,350)	10,260,474
2014B	88,105,000	2,800,000	-	(176,700)	85,128,300	2,755,000	-	-	82,373,300
2015A	76,071,344	23,025,000	-	(306,020)	52,740,324	11,350,000	-	(145,407)	41,244,917
2015B	67,678,489	31,565,000	-	(298,260)	35,815,229	4,685,000	-	(48,941)	31,081,288
2016A	84,938,462	6,345,000	-	(153,217)	78,440,245	4,360,000	-	(118,727)	73,961,518
2016B	92,243,577	6,780,000	-	(131,249)	85,332,328	5,465,000	-	(106,228)	79,761,100
2017A	42,477,043	22,205,000	-	(321,756)	19,950,287	3,690,000	-	(58,229)	16,202,058
2017B	81,524,078	5,050,000	-	(179,193)	76,294,885	4,815,000	-	(162,549)	71,317,336
2017C	82,950,000	-	-	-	82,950,000	-	-	-	82,950,000
2018A	85,180,000	16,535,000	-	-	68,645,000	9,955,000	-	-	58,690,000
2018B	51,320,000	26,060,000	-	-	25,260,000	4,425,000	-	-	20,835,000
2019A	110,570,000	1,570,000	-	-	109,000,000	850,000	-	-	108,150,000
2019B	138,690,000	-	-	-	138,690,000	-	-	-	138,690,000
2020A	137,886,790	6,560,000	-	-	131,326,790	8,310,000	-	(257,418)	122,759,372
2020B	110,850,000	-	-	-	110,850,000	1,180,000	-	-	109,670,000
2021A	-	2,190,000	101,235,000	(245,013)	98,799,987	1,245,000	-	-	97,554,987
2022A	-	-	111,970,000	3,148,367	115,118,367	4,055,000	-	(333,670)	110,729,697
2023A	-	-	-	-	-	-	100,000,000	-	100,000,000
Total Resolution 1	\$ 1,538,886,462	\$ 291,235,000	\$ 213,205,000	\$ 1,063,565	\$ 1,461,920,027	\$ 94,850,000	\$ 100,000,000	\$ (1,405,132)	\$ 1,465,664,895
Total all series	\$ 1,538,886,462	\$ 291,235,000	\$ 213,205,000	\$ 1,063,565	\$ 1,461,920,027	\$ 94,850,000	\$ 100,000,000	\$ (1,405,132)	\$ 1,465,664,895

**Georgia Housing and Finance Authority
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**Notes to Financial Statements
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Original issue amounts, interest rates, and amounts outstanding as of June 30, 2023 and 2022 follow:

	Original issue amount	Interest rates	2023 Amount outstanding	2022 Amount outstanding
Resolution 1 Series:				
2011B	\$ 98,000,000	0.3000 - 4.000%	\$ 15,530,000	\$ 17,955,000
2011C	116,200,000	0.3500 - 4.125%	18,920,000	21,935,000
2013A	149,395,000	0.2000 - 3.900%	74,735,000	83,375,000
2014A	156,110,000	0.2000 - 4.700%	8,435,000	22,065,000
2014B	103,000,000	0.2000 - 3.650%	82,550,000	85,305,000
2015A	103,445,000	0.3500 - 3.800%	40,625,000	51,975,000
2015B	111,555,000	0.5000 - 3.875%	31,835,000	36,520,000
2016A	107,400,000	0.6500 - 3.500%	71,835,000	76,195,000
2016B	117,600,000	1.0000 - 3.500%	79,500,000	84,965,000
2017A	80,000,000	0.9400 - 4.100%	15,815,000	19,505,000
2017B	94,670,000	0.8000 - 4.000%	71,390,000	76,205,000
2017C	90,000,000	2.8500 - 3.750%	82,950,000	82,950,000
2018A	110,000,000	1.8000 - 4.000%	58,690,000	68,645,000
2018B	125,330,000	1.9000 - 4.200%	20,835,000	25,260,000
2019A	111,310,000	2.1250 - 3.700%	108,150,000	109,000,000
2019B	138,690,000	1.6500 - 3.250%	138,690,000	138,690,000
2020A	139,150,000	1.0000 - 4.000%	120,530,000	128,840,000
2020B	110,850,000	0.3000 - 2.500%	109,670,000	110,850,000
2021A	101,235,000	0.1500 - 2.700%	97,800,000	99,045,000
2022A	111,970,000	1.6000 - 5.000%	107,915,000	111,970,000
2023A	100,000,000	2.4500 - 4.600%	100,000,000	-
Total Resolution 1	<u>2,375,910,000</u>		<u>1,456,400,000</u>	<u>1,451,250,000</u>
Total Bonds	<u>\$ 2,375,910,000</u>		1,456,400,000	1,451,250,000
Plus Unamortized Premium (Discount)			<u>9,264,895</u>	<u>10,670,027</u>
Net Bonds Payable			<u>\$ 1,465,664,895</u>	<u>\$ 1,461,920,027</u>

**Georgia Housing and Finance Authority
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**Notes to Financial Statements
June 30, 2023 and 2022**

Future debt service requirements are set forth below:

Year ending June 30,	Future Debt Service Required		
	Resolution 1		Total
	Principal	Interest	
2024	\$ 43,330,000	\$ 46,613,250	\$ 89,943,250
2025	43,155,000	45,608,501	88,763,501
2026	44,085,000	44,493,137	88,578,137
2027	43,940,000	43,303,768	87,243,768
2028	43,555,000	42,101,944	85,656,944
2029-2033	228,125,000	191,107,032	419,232,032
2034-2038	269,125,000	153,811,792	422,936,792
2039-2043	328,935,000	102,678,195	431,613,195
2044-2048	289,280,000	49,152,871	338,432,871
2049-2054	122,870,000	8,047,781	130,917,781
Total	<u>\$ 1,456,400,000</u>	<u>\$ 726,918,271</u>	<u>\$ 2,183,318,271</u>

Interest is payable on all bonds on June 1 and December 1 of each year. Various issues of bonds outstanding are all subject to mandatory redemptions. All bonds are callable by the Authority without penalty prior to their scheduled maturity under certain conditions. The Authority's management believes that they are in compliance as of June 30, 2023 and 2022.

Note 10 - Related party transactions

The Authority leases office space to DCA, a related party. This leasing agreement is renewable every year and is applicable for the date of July 1 through June 30. Rental income for the years ended June 30, 2023 and 2022 were \$1,442,977 and \$1,442,977, respectively.

Costs incurred by DCA for the administration of all Authority programs are reimbursed monthly by the Authority. The Authority has no employees and contracts DCA for all staffing needs. The Authority reimburses DCA for the services provided that include the cost of salaries, related benefits including pension, and other program expenses. For the years ended June 30, 2023 and 2022, reimbursement to DCA for the above described costs incurred on behalf of the Authority totaled \$71,647,230 and \$46,554,781, respectively.

Note 11 - Commitments and contingencies

Compliance requirements

The Authority participated in a number of Federal and State financial assistance programs. These programs are subject to independent financial and compliance audits by grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

In addition to specific program compliance requirements, the Authority is also required to comply with general compliance requirements and is subject to the provisions of Uniform Guidance.

Georgia Housing and Finance Authority
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Notes to Financial Statements
June 30, 2023 and 2022

Bond resolution

The Georgia Housing and Finance Authority is empowered to issue tax-exempt bonds under the 1976 General Resolution. The Authority's debt is serviced by the cash flow streams generated by the mortgages held in its portfolio, or if necessary, the Authority's revenues, money or assets legally available. The use of assets of the program is restricted by the resolution. Certain amounts in the program are restricted to the financing of housing or to the retirement of bonds according to established agreements. Bonds issued by GHFA do not constitute a debt of the State or a pledge of the faith or credit of the State and are solely the obligations of the Authority. GHFA's bond rating on the 1976 Resolution is currently AAA.

Financial contingencies

The Authority's business operations include significant lending and borrowing arrangements. Borrowings are made in the form of bonds. Proceeds from these bonds are mainly used to finance home mortgage loans to qualifying borrowers. The ultimate source of repayment of these borrowings and the related interest is return of principal and interest on the loans. The Authority invests proceeds from borrowings prior to their use. It also invests funds from repayments received on its loans. These investments usually consist of money market funds and various debt securities. The Authority generally does not invest in equity securities. Approximately 94% of the Authority's loans are insured and approximately 6% are uninsured. The Authority is subject to credit risks related to its cash balances and its investments in debt securities. It is also subject to the risk that the underlying value of the collateral on its uninsured loans declines. The Authority maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. Any deposits in excess of federally insured limits are collateralized by U.S. Government and Agency securities held by GBA Services Inc., a subsidiary of the Georgia Bankers Association in the State of Georgia Pledging Pool, in the State Treasurer's collateral pool for that institution, as defined in O.C.G.A. §45-8-13. As of June 30, 2023, the Authority has not experienced any losses associated with these deposits. If the Authority were to incur significant losses in connection with the above cash balances and debt investments, it would impair the Authority's ability to service its debt obligations as they become due.

Additionally, as described above, the Authority has uninsured single-family mortgage loans of approximately \$47,800,000 and \$68,900,000 as of June 30, 2023 and 2022, respectively. All of these loans are for home mortgages in the State of Georgia. Current economic conditions in Georgia have a direct impact on foreclosures and the higher rate of loss on foreclosed loans. If the economy declines, one impact of these conditions could be a decline in housing values and an increase in unemployment and underemployment. The Authority could incur a higher rate of foreclosure and a higher rate of loss on foreclosed loans as a result of the impact of their economic factors and the decline in the value of its underlying collateral on uninsured loans. If the economy declines and, as a result, the Authority could experience a dramatic increase in foreclosures, it is possible that the combination of such an increase combined with lower housing prices could result in increased losses of loan assets that could have adverse impacts on the Authority's ability to repay its outstanding bonds.

GHFA adopted a Resolution in 1992 authorizing the creation of a Rating Agency Reserve in order to facilitate the availability of monies of the Authority to cover costs and losses relating to GHFA's obligations for its mortgage loans and bonds portfolios. The Rating Agency Reserve was established to satisfy the Rating Agency's requirements for maintaining the existing rating on the Bonds and obtaining a rating for new bonds. The Rating Agency Reserve can include cash, cash equivalents or investment securities. GHFA reviews Rating Agency requirements and, from time to time, if necessary, activates the Rating Agency Reserve. Amounts on deposit in the Rating Agency

**Georgia Housing and Finance Authority
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**Notes to Financial Statements
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Reserve account, if any, are released by GHFA from such account if not necessary to meet the requirements of the then-existing rating on outstanding Bonds. For the years ended June 30, 2023 and 2022, GHFA did not activate the Rating Agency Reserve.

Note 12 - Segment information

The Authority issued revenue bonds to finance the purchase of single-family mortgage loans for eligible persons and families of low and moderate income within the State. Investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment. Summary financial information for the single-family program is included in the Supplementary Information.

Note 13 - Insured mortgages and net worth requirement

A significant portion of the Authority's mortgage loans are insured by FHA/VA. The Authority acts as a nonsupervised mortgagee in connection with these loans and, as such, is required to comply with certain mortgage lending guidelines as set forth in the applicable HUD regulations. Included in these guidelines is the requirement to maintain a minimum net worth requirement of \$2,500,000 plus 0.35% of the total effective outstanding obligations. As of June 30, 2023 and 2022, the Authority was in compliance with these requirements.

**Georgia Housing and Finance Authority
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**Notes to Financial Statements
June 30, 2023 and 2022**

Note 14 - Condensed financial statements - blended component units

The blended component units as of June 30, 2023 and 2022 are presented below:

Condensed financial statements for blended component units as of June 30, 2023

	GHFA	AHI (Blended Component Unit)	EDFI (Blended Component Unit)	Total
Assets				
Current assets	\$ 493,221,347	\$ 188,478,686	\$ 63,922,189	\$ 745,622,222
Noncurrent assets	2,154,825,800	62,774,164	2,363,566	2,219,963,530
Capital assets, net	2,705,433	-	-	2,705,433
Total assets	2,650,752,580	251,252,850	66,285,755	2,968,291,185
Liabilities				
Current liabilities	347,545,826	172,870,582	63,370,635	583,787,043
Noncurrent liabilities	2,057,929,468	61,171,271	-	2,119,100,739
Total liabilities	2,405,475,294	234,041,853	63,370,635	2,702,887,782
Net position				
Net investment in capital assets	2,705,433	-	-	2,705,433
Unrestricted	242,571,853	17,210,997	2,915,120	262,697,970
Total net position	245,277,286	17,210,997	2,915,120	265,403,403
Total liabilities and net position	\$ 2,650,752,580	\$ 251,252,850	\$ 66,285,755	\$ 2,968,291,185
	GHFA	AHI (Blended Component Unit)	EDFI (Blended Component Unit)	Total
Operating revenues				
Interest on loans	\$ 52,830,283	\$ -	\$ 819,625	\$ 53,649,908
Interest (loss) income on investments	13,105,128	212,934	386,314	13,704,376
Net decrease in fair value of investments	(6,942,127)	(15,524)	(4,951)	(6,962,602)
Administrative fees:				
Federal and state assistance programs	23,947,711	45,874,712	23,993	69,846,416
Single family trustee	2,138,080	-	-	2,138,080
Federal and state grant income	279,995,561	399,846,752	5,330,924	685,173,237
Other miscellaneous income	1,766,430	-	-	1,766,430
Total operating revenues	366,841,066	445,918,874	6,555,905	819,315,845
Operating expenses				
Interest on bonds	44,968,636	-	-	44,968,636
Mortgage servicing	6,375,144	625	-	6,375,769
Administrative	26,143,444	37,717,074	503,989	64,364,507
Federal and state grant expense	275,760,456	395,539,236	5,330,924	676,630,616
Professional fees	1,765,524	3,528,490	-	5,294,014
Other	4,390,672	4,859,887	37,282	9,287,841
Total operating expenses	359,403,876	441,645,312	5,872,195	806,921,383
Change in net position	7,437,190	4,273,562	683,710	12,394,462
Net position at beginning of year	237,840,096	12,937,435	2,231,410	253,008,941
Operating transfers	-	-	-	-
Net position at end of year	\$ 245,277,286	\$ 17,210,997	\$ 2,915,120	\$ 265,403,403

**Georgia Housing and Finance Authority
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**Notes to Financial Statements
June 30, 2023 and 2022**

	GHFA	AHI (Blended Component Unit)	EDFI (Blended Component Unit)	Total
Cash flows (used in) provided by operating activities	\$ (148,184,667)	\$ 83,663,461	\$ 54,317,436	\$ (10,203,770)
Cash flows (used in) provided by investing activities	10,911,861	458,454	1,656,700	13,027,015
Cash flows (used in) provided by noncapital financing activities	4,162,532	-	-	4,162,532
Cash flows used in capital and related financing activities	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(133,110,274)	84,121,915	55,974,136	6,985,777
Cash and cash equivalents at beginning of year	397,611,999	99,303,010	7,918,614	504,833,623
Cash and cash equivalents at end of year	<u>\$ 264,501,725</u>	<u>\$ 183,424,925</u>	<u>\$ 63,892,750</u>	<u>\$ 511,819,400</u>
Reconciliation of change in net position to net cash provided by (used in) operating activities				
Change in net position	\$ 7,437,190	\$ 4,273,562	\$ 683,710	\$ 12,394,462
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities	(126,169,313)	79,389,899	53,633,726	6,854,312
Change in assets and liabilities	<u>(29,452,544)</u>	<u>-</u>	<u>-</u>	<u>(29,452,544)</u>
Net cash provided by operating activities	<u>\$ (148,184,667)</u>	<u>\$ 83,663,461</u>	<u>\$ 54,317,436</u>	<u>\$ (10,203,770)</u>

Condensed financial statements for blended component units as of June 30, 2022

	GHFA	AHI (Blended Component Unit)	EDFI (Blended Component Unit)	Total
Assets				
Current assets	\$ 662,052,050	\$ 102,939,332	\$ 11,607,321	\$ 776,598,703
Noncurrent assets	2,056,063,314	97,142,858	-	2,153,206,172
Capital assets, net	3,014,807	-	-	3,014,807
Total assets	<u>2,721,130,171</u>	<u>200,082,190</u>	<u>11,607,321</u>	<u>2,932,819,682</u>
Liabilities				
Current liabilities	459,418,765	91,866,459	9,375,911	560,661,135
Noncurrent liabilities	2,023,871,310	95,278,296	-	2,119,149,606
Total liabilities	<u>2,483,290,075</u>	<u>187,144,755</u>	<u>9,375,911</u>	<u>2,679,810,741</u>
Net position				
Net investment in capital assets	3,014,807	-	-	3,014,807
Unrestricted	234,825,289	12,937,435	2,231,410	249,994,134
Total net position	<u>237,840,096</u>	<u>12,937,435</u>	<u>2,231,410</u>	<u>253,008,941</u>
Total liabilities and net position	<u>\$ 2,721,130,171</u>	<u>\$ 200,082,190</u>	<u>\$ 11,607,321</u>	<u>\$ 2,932,819,682</u>

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Notes to Financial Statements
June 30, 2023 and 2022

	GHFA	AHI (Blended Component Unit)	EDFI (Blended Component Unit)	Total
Operating revenues				
Interest on loans	\$ 55,269,830	\$ -	\$ 796,292	\$ 56,066,122
Interest (loss) income on investments	(1,090,822)	39,177	44,823	(1,006,822)
Net decrease in fair value of investments	(21,385,922)	(81,374)	(151,168)	(21,618,464)
Administrative fees:				
Federal and state assistance programs	26,130,874	23,612,324	-	49,743,198
Single family trustee	1,829,982	-	-	1,829,982
Federal and state grant income	156,818,743	250,951,698	4,089,616	411,860,057
Other miscellaneous income	1,712,188	-	-	1,712,188
Total operating revenues	219,284,873	274,521,825	4,779,563	498,586,261
Operating expenses				
Interest on bonds	46,813,520	-	-	46,813,520
Mortgage servicing	6,617,884	8,743	-	6,626,627
Administrative	22,201,965	20,017,438	441,520	42,660,923
Federal and state grant expense	153,751,977	241,957,236	4,089,616	399,798,829
Professional fees	1,754,852	428,000	-	2,182,852
Other	3,351,401	3,210,726	40,527	6,602,654
Total operating expenses	234,491,599	265,622,143	4,571,663	504,685,405
Change in net position	(15,206,726)	8,899,682	207,900	(6,099,144)
Net position at beginning of year	253,046,822	4,037,753	2,023,510	259,108,085
Operating transfers	-	-	-	-
Net position at end of year	\$ 237,840,096	\$ 12,937,435	\$ 2,231,410	\$ 253,008,941
	GHFA	AHI (Blended Component Unit)	EDFI (Blended Component Unit)	Total
Cash flows provided by (used in) operating activities	\$ 195,913,958	\$ 60,397,424	\$ 516,924	\$ 256,828,306
Cash flows (used in) provided by investing activities	(22,447,546)	779,392	(2,519,972)	(24,188,126)
Cash flows used in noncapital financing activities	(80,318,967)	-	-	(80,318,967)
Cash flows provided by (used in) capital and related financing activities	(173,238)	-	-	(173,238)
Net (decrease) increase in cash and cash equivalents	92,974,207	61,176,816	(2,003,048)	152,147,975
Cash and cash equivalents at beginning of year	304,637,792	38,126,194	9,921,662	352,685,648
Cash and cash equivalents at end of year	\$ 397,611,999	\$ 99,303,010	\$ 7,918,614	\$ 504,833,623
Reconciliation of change in net position to net cash provided by (used in) operating activities				
Change in net position	\$ (15,206,726)	\$ 8,899,682	\$ 207,900	\$ (6,099,144)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities	(26,534,976)	51,497,742	309,024	25,271,790
Change in assets and liabilities	237,655,660	-	-	237,655,660
Net cash provided by (used in) operating activities	\$ 195,913,958	\$ 60,397,424	\$ 516,924	\$ 256,828,306

**Georgia Housing and Finance Authority
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**Notes to Financial Statements
June 30, 2023 and 2022**

Note 15 - Subsequent events

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through September 27, 2023 (the date the financial statements were available to be issued) and concluded that the following subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

The Authority is currently in the process of issuing GHFA 2023 Series B Single Family Mortgage Bonds. The issue is estimated to be \$130,140,000 and is expected to close on November 2, 2023.

Supplementary Information

**Georgia Housing and Finance Authority
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Supplementary Information

**Schedule of Program Net Position
June 30, 2023**

	Administrative Program	Single Family Mortgage Revenue Programs	AHI	EDFI	Federal & State Assistance Programs	Total
Assets						
Current assets						
Cash and cash equivalents and equity in pooled cash	\$ 21,637,521	\$ 167,421,112	\$ 183,424,925	\$ 63,892,750	\$ 75,443,092	\$ 511,819,400
Short-term investments	24,541,807	46,003,079	-	-	-	70,544,886
Mortgage loans receivable, current portion	-	40,591,996	-	-	-	40,591,996
Accrued interest receivable	321,217	7,682,953	6,355	29,439	757,039	8,797,003
Mortgage escrow deposits	91,264,035	-	-	-	-	91,264,035
Interfund receivable (payable)	(15,937,871)	-	638,654	-	15,299,217	-
Other current assets	17,607,579	580,321	4,408,752	-	8,250	22,604,902
Total current assets	139,434,288	262,279,461	188,478,686	63,922,189	91,507,598	745,622,222
Noncurrent assets						
Long-term investments	159,220,720	61,711,957	852,893	2,363,566	99,943,231	324,092,367
Mortgage loans receivable, net	1,060,296	1,204,464,425	-	-	493,617	1,206,018,338
Program loans receivable	-	-	61,921,271	-	605,010,900	666,932,171
Other loans receivable, net	4,621,159	-	-	-	18,299,495	22,920,654
Capital assets, net	2,705,433	-	-	-	-	2,705,433
Total noncurrent assets	167,607,608	1,266,176,382	62,774,164	2,363,566	723,747,243	2,222,668,963
Total assets	\$ 307,041,896	\$ 1,528,455,843	\$ 251,252,850	\$ 66,285,755	\$ 815,254,841	\$ 2,968,291,185

**Georgia Housing and Finance Authority
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Supplementary Information

**Schedule of Program Net Position
June 30, 2023**

	Administrative Program	Single Family Mortgage Revenue Programs	AHI	EDFI	Federal & State Assistance Programs	Total
Liabilities						
Current liabilities						
Mortgage bonds payable, current maturities	\$ -	\$ 43,330,000	\$ -	\$ -	\$ -	\$ 43,330,000
Accrued interest on bonds	-	3,905,135	-	-	-	3,905,135
Accounts payable and accrued expenses	6,925,002	785,100	4,088,740	196,017	11,743,443	23,738,302
Interfund payable (receivable)	(79,045)	74,052	-	4,993	-	-
Mortgage escrow deposits held	91,264,035	-	-	-	-	91,264,035
Revenue received in advance, current maturities	3,079,434	-	-	-	-	3,079,434
Program funds received in advance	3,777,346	-	168,781,842	63,169,625	182,741,324	418,470,137
Total current liabilities	104,966,772	48,094,287	172,870,582	63,370,635	194,484,767	583,787,043
Noncurrent liabilities						
Mortgage bonds payable, net	-	1,422,334,895	-	-	-	1,422,334,895
Refundable program grants	4,562,501	-	61,171,271	-	601,198,399	666,932,171
Revenue received in advance	29,833,673	-	-	-	-	29,833,673
Total noncurrent liabilities	34,396,174	1,422,334,895	61,171,271	-	601,198,399	2,119,100,739
Total liabilities	139,362,946	1,470,429,182	234,041,853	63,370,635	795,683,166	2,702,887,782
Net position						
Net investment in capital assets	2,705,433	-	-	-	-	2,705,433
Unrestricted	164,973,517	58,026,661	17,210,997	2,915,120	19,571,675	262,697,970
Total net position	167,678,950	58,026,661	17,210,997	2,915,120	19,571,675	265,403,403
Total liabilities and net position	\$ 307,041,896	\$ 1,528,455,843	\$ 251,252,850	\$ 66,285,755	\$ 815,254,841	\$ 2,968,291,185

See Independent Auditor's Report.

**Georgia Housing and Finance Authority
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Supplementary Information

**Schedule of Program Revenues, Expenses, and Changes In Net Position
Year Ended June 30, 2023**

	Administrative Program	Single Family Mortgage Revenue Programs	AHI	EDFI	Federal & State Assistance Programs	Total
Operating revenues						
Interest on loans	\$ 38,832	\$ 52,607,255	\$ -	\$ 819,625	\$ 184,196	\$ 53,649,908
Interest income on investments	843,293	8,158,307	212,934	386,314	4,103,528	13,704,376
Net increase (decrease) in fair value of investments	1,099,420	(6,485,445)	(15,524)	(4,951)	(1,556,102)	(6,962,602)
Administrative fees:						
Federal and state assistance programs	23,878,998	38,589	45,874,712	23,993	30,124	69,846,416
Single family trustee	2,138,080	-	-	-	-	2,138,080
Federal and state grant income	4,200,767	-	399,846,752	5,330,924	275,794,794	685,173,237
Other miscellaneous income	1,766,430	-	-	-	-	1,766,430
Total operating revenues	33,965,820	54,318,706	445,918,874	6,555,905	278,556,540	819,315,845
Operating expenses						
Interest on bonds	-	44,968,636	-	-	-	44,968,636
Mortgage servicing	1,741,398	4,633,746	625	-	-	6,375,769
Administrative	23,775,324	2,138,080	37,717,074	503,989	230,040	64,364,507
Federal and state grant expense	-	-	395,539,236	5,330,924	275,760,456	676,630,616
Professional fees	634,493	1,131,031	3,528,490	-	-	5,294,014
Other	4,389,177	-	4,859,887	37,282	1,495	9,287,841
Total operating expenses	30,540,392	52,871,493	441,645,312	5,872,195	275,991,991	806,921,383
Change in net position	3,425,428	1,447,213	4,273,562	683,710	2,564,549	12,394,462
Net position at beginning of year	164,253,522	56,579,448	12,937,435	2,231,410	17,007,126	253,008,941
Operating transfers	-	-	-	-	-	-
Net position at end of year	\$ 167,678,950	\$ 58,026,661	\$ 17,210,997	\$ 2,915,120	\$ 19,571,675	\$ 265,403,403

See Independent Auditor's Report.

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

Supplementary Information

**Schedule of Adjusted Net Worth and
Ginnie Mae Required Net Worth
June 30, 2023**

Adjusted net worth calculation:

Total net position per financial statements at June 30, 2023	\$ 265,403,403
Less unacceptable assets for computation of adjusted net worth as set forth in Attachment A of the Audit Guide	<u>-</u>
Adjusted net worth at June 30, 2023 as defined by the Audit Guide	<u><u>\$ 265,403,403</u></u>

Required net worth calculation:

Unpaid principal balance and securities outstanding	\$ 19,510,392
Outstanding balance and commitments authority issued and requested	<u>-</u>
Total outstanding portfolio and authority	19,510,392
Required net worth	<u><u>2,568,286</u></u>
Total required net worth	<u><u>\$ 2,568,286</u></u>

Excess (deficit) net worth (Adjusted net worth - required net worth)	<u><u>\$ 262,835,117</u></u>
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See Independent Auditor's Report.

**Georgia Housing and Finance Authority
(A Component Unit of the State of Georgia)**

Supplementary Information

**Schedule of Required Insurance Calculation
June 30, 2023**

Identification of Affiliated Ginnie Mae Issuers

Affiliated Ginnie Mae Issuers:
Georgia Housing and Finance Authority 58-1222605

Affiliated Issuers on same Insurance Policies:
None

Required Insurance Calculation

Servicing portfolio:	
Ginnie Mae	\$ -
Fannie Mae	56,929,850
Conventional (other)	1,193,690,985
Ginnie Mae subservicing	-
	-
Total servicing portfolio	\$ 1,250,620,835

Required Fidelity Bond Coverage	\$ 1,775,621
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Required Mortgage Servicing Errors and Omissions Coverage	\$ 1,775,621
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Verification of Insurance Coverage

Fidelity Bond Coverage	\$ 2,500,000
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Mortgage Servicing Errors and Omissions Coverage	\$ 2,530,000
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Excess Insurance Coverage

Fidelity Bond Coverage	\$ 724,379
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Mortgage Servicing Errors and Omissions Coverage	\$ 754,379
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Ginnie Mae Loss Payable Endorsement

Fidelity Bond Coverage	YES
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Mortgage Servicing Errors and Omissions Coverage	YES
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