step forward →

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION

(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
JUNE 30, 2020 AND 2019

blumshapiro
accounting • tax • advisory

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
TABLE OF CONTENTS
JUNE 30, 2020 AND 2019

blumshapiro
accounting • tax • advisory

1 Capital Way
Cranston, RI 02910
Tel 401.272.5600
Fax 401.331.4511

blumshapiro.com

Independent Auditors' Report

To the Board of Commissioners
Rhode Island Housing and Mortgage Finance Corporation
Providence, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Rhode Island Housing and Mortgage Finance Corporation (Rhode Island Housing), a component unit of the State of Rhode Island, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise Rhode Island Housing's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Rhode Island Housing as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the OPEB schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rhode Island Housing's basic financial statements. The combining information on pages 55 through 64 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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. In our opinion, the accompanying 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 30, 2020 on our consideration of the Rhode Island Housing'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 Rhode Island Housing'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 Rhode Island Housing's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

Cranston, Rhode Island
September 30, 2020

The accompanying basic financial statements include Rhode Island Housing and Mortgage Finance Corporation (the Corporation) and Affordable Housing Trust Fund (the Trust, a component unit of the Corporation), collectively referred to as Rhode Island Housing.

This section of Rhode Island Housing's financial statements presents Rhode Island Housing's management's discussion and analysis of the Corporation's financial position and performance as of June 30, 2020 and 2019, and for the years then ended. This discussion and analysis are intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements, accompanying notes, and supplementary information should be read in conjunction with the following discussion.

Financial Highlights

The financial highlights (in millions) of the Corporation as of and for the years ended June 30, 2020 and 2019, increased (decreased) from the previous year as follows:

	2020		2019	
	$	%	$	%
Mortgage loans, gross	38.2	2.4	(62.0)	(3.8)
Investments	213.1	75.5	97.8	53.0
Cash and cash equivalents	3.5	1.1	91.0	40.3
Total assets	255.6	11.7	126.3	6.1
Bonds and notes payable	158.8	11.3	105.9	8.2
Total net position	34.5	10.3	9.2	2.8
Total revenues	26.6	21.1	4.8	4.0
Total expenses	(0.2)	(0.2)	9.5	8.9
Operating income	26.8	289.5	(4.7)	(33.7)

Mortgage loans represent the largest category of the Corporation's total assets, 66.7% and 72.7% at June 30, 2020 and 2019, respectively. The increase in 2020 is due to an increase in multi-family development loans. The decrease in 2019 is a result of prepayments of existing single family loans. New single family mortgage production is securitized and categorized as an investment as reflected in the increase in investments.

Bonds and notes payable represent the largest component of liabilities, 75.4% and 75.8% at June 30, 2020 and 2019, respectively. Increases relate to both single family and multi-family bond issuance.

Overview of the Financial Statements

The Corporation engages only in business-type activities; that is, activities that are financed in whole or in part by charges to external parties for services, with funding sources that are primarily external to the Corporation. As a result, the Corporation's basic financial statements include the statement of net position, the statement of revenues, expenses and changes in net position, the statement of cash flows, and the notes to the financial statements. These basic financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner like a private-sector business.

The statement of net position presents information on the Corporation's assets, liabilities, deferred inflows and outflows of resources, and net position. Over time, increases or decreases in the Corporation's net position may serve as an indicator of whether the financial position of the Corporation is improving or deteriorating. Other factors, both internal and external to the Corporation, should be considered when evaluating the Corporation's financial position. The statement of revenues, expenses and changes in net position presents information on how the Corporation's net position changed during the year.

All assets, liabilities, deferred inflows and outflows of resources, and changes in net position are reported using the accrual basis of accounting for governmental entities and are reported as soon as the underlying event giving rise to the asset or liability and resulting change in net position occurs, regardless of the timing of when a corresponding amount of cash is received or paid. Consequently, certain revenues and expenses reported in the statement of revenues, expenses and changes in net position will result in cash flows in future periods.

The Affordable Housing Trust Fund (the "Trust") is a separate legal entity created pursuant to a trust agreement initiated by the Corporation. The Trust is a private-purpose trust established to assist in activities that involve the creation and preservation of affordable housing in the State. All resources of the Trust, including income on investments and other revenues, are held in trust for the benefit of private and not-for-profit organizations. There is no requirement that any portion of the Trust's resources be preserved as capital. The Trust administers its affairs through its trustees, records its assets in segregated accounts and maintains financial records separate from the Corporation.

Operating Activity of the Corporation

The following tables summarize the components of operating income, before the adjustment required to record investments at fair value as required by Governmental Accounting Standards Board (GASB) Statement No. 31:

For the Years Ended June 30, 2020 and 2019 (in thousands)

	2020	2019	% Change
Revenues:			
Interest income on loans	$ 70,651	$ 71,792	(1.6)%
Earnings on investments	15,002	8,396	78.7
Gain on sale of loans	13,660	10,823	26.2
Grant revenue	18,486	14,966	19.5
Other	14,052	13,919	4.7
Total revenues	131,851	119,896	10.0
Expenses:			
Interest expense	43,696	43,977	(0.6)
Provision for loan losses	3,652	3,380	8.0
REO expenditures	155	343	(54.8)
Bond issuance costs	1,356	1,646	(17.6)
Operating expenses	34,617	35,328	(2.0)
Grant expense	18,139	15,524	16.8
Other expenses	15,030	16,635	(9.6)
Total expenses	116,645	116,833	(0.2)
Operating Income, Before Adjusting Investments to Fair Value	$ 15,206	$ 3,062	396.5%

For the Years Ended June 30, 2019 and 2018 (in thousands)

	2019	2018	% Change
Revenues:			
Interest income on loans	$ 71,792	$ 71,727	0.1%
Earnings on investments	8,396	5,094	64.8
Gain on sale of loans	10,823	21,823	(50.4)
Grant revenue	14,966	9,890	51.3
Other	13,919	15,041	(7.5)
Total revenues	119,896	123,575	(3.0)
Expenses:			
Interest expense	43,977	39,952	10.1
Provision for loan losses	3,380	6,032	44.0
REO expenditures	343	(522)	(165.6)
Bond issuance costs	1,646	36	4606.2
Operating expenses	35,328	34,497	2.4
Grant expense	15,524	8,954	(73.4)
Other	16,635	18,382	(9.7)
Total expenses	116,833	107,331	8.9
Operating Income, Before Adjusting Investments to Fair Value	$ 3,063	$ 16,244	(81.1)%

Operating income, after adjusting investments to fair value, was $36.0 million for the year ended June 30, 2020, $9.2 million for the year ended June 30, 2019 and $13.9 million for the year ended June 30, 2018. GASB Statement No. 31, which requires investments to be recorded at fair value, caused an increase in operating income of $20.8 million in 2020 compared to an increase in operating income of $6.2 million in 2019 and a decrease of $2.3 million in 2018. Operating income, excluding the unrealized gains and losses on investments, increased 396.5% in 2020 to $15.2 million from $3.1 million in 2019, which had decreased from $16.2 million in 2018. The 2020 increase is primarily due to earnings on investments and the increase in gain on sale of loans.

Gain on sale of loans was $13.7 million for the year ended June 30, 2020, $10.8 million for the year ended June 30, 2019 and $21.8 million for the year ended June 30, 2018. Fluctuations are a result of different financing strategies to take advantage of changing market conditions. Loans can be sold to Fannie Mae or securitized and sold in the To-Be-Announced market which generates immediate revenue and increases the gain on sale of loans. In 2019 loans were primarily financed through tax-exempt bonds, securitized and held as investments providing stable revenue over the life of the loans. This change in strategy resulted in an increase in investments, yielding increased earnings on investment in 2020 and 2019.

Operating expenses of the Corporation (personnel services, other administrative expenses, and depreciation and amortization of other assets) amounted to $34.6 million for the year ended June 30, 2020, a decrease of 2.0% from $35.3 million for the year ended June 30, 2019, which had increased from $34.5 million for the year ended June 30, 2018.

Real Estate Owned (REO) expenditures are maintenance type costs incurred related to REO properties. Based on a valuation analysis of the underlying properties, the costs are deemed to be non-recoverable. REO expenses were $.2 million, $.3 million and $(.5) million respectively for the years ended June 30, 2020, 2019 and 2018.

Net interest income (interest on loans and investments less interest expense) is the largest component of the Corporation's operating income. Net interest income increased to $42.0 million from $36.2 million in 2019, which was a decrease from $36.9 million in 2018. Earnings on investments increased $6.6 million from 2019 to 2020 and $3.3 million from 2018 to 2019. Net interest income as a percentage of average bonds and notes payable was 2.83% in 2020 and 2.68% in 2019. Interest income on loans as a percentage of total loans was 4.39%in 2020 and 4.43% in 2019, while interest expense on bonds and notes was 2.95% in 2020 and 3.25% in 2019. This caused a total increase in the spread margin (i.e., differential between loans and bonds) to 1.45% in 2020 from 1.18% in 2019.

The Corporation's revenue recognition policy for delinquent loans requires that interest will stop accruing and any accrued interest will be reversed if any loan becomes ninety days past due on the contractual obligation. The Corporation will commence accruing interest income on such loans once the loans are made current.

The provision for loan loss included in the Combining Statements of Revenues, Expenses and Changes in Net Position was $3.7 million in 2020 and $3.4 million in 2019. The adequacy of the allowance is based on a review of the Corporation's loan portfolio and an analysis of its current characteristics. The primary economic factors incorporated into the allowance estimates are: (1) recent performance characteristics of the single-family portfolio and (2) net operating cash flows of the developments associated with multi-family loans.

On March 9, 2020, the Governor of the State of Rhode Island declared a state of emergency to combat a novel coronavirus disease (COVID-19) and on March 12, 2020, the President of the United States declared a national emergency due to the COVID-19 outbreak. The Corporation derives a significant portion of its revenues from loans made to multi-family projects and single-family homeowners which may have both been impacted by business closures and job loss. This has resulted in an increase in delinquency and loans in forbearance as of June 30, 2020.

For single-family loans, an estimate of loss reserve is based on current delinquency, historical loss experience and the last instance of economic softness and real estate depreciation. In addition, loans in forbearance as of June 30, 2020 that resulted from COVID-19 related loss of income have been considered in the calculation of the single-family loan loss. A general percentage was applied as the ultimate impact in not determinable at this time.

For the multi-family portfolios, a specific loan loss reserve analysis is performed for every loan demonstrating signs of financial strain. Cash flow projections are developed from the most recent audited financials for each of the sites which may be experiencing difficulty, and which have a mortgage loan. For each of these sites, an analysis of value is calculated and compared to the loan balance. This methodology is the same as that used in the formulation of the income approach found in standard real estate appraisals. Beyond the specific reserves derived above, a general reserve is also established. The general reserve is based on a range of reserve percentages applicable to each loan portfolio.

The State of Rhode Island requested RI Housing provide financial assistance to the State for its general use. During the year ended June 30, 2020, the Corporation recognized a one-time expense for this transfer to the State in the amount of $1,500,000.

Financial Analysis of the Corporation

The following tables summarize certain financial information regarding the Corporation's financial position:

June 30, 2020 and 2019 (in thousands)

	2020	2019	% Change
Loans receivable, net	$ 1,582,221	$ 1,547,068	2.3%
Investments	495,360	282,258	75.5
Cash and cash equivalents	320,121	316,624	1.1
Other assets	42,810	38,972	9.8
Total assets	2,440,512	2,184,922	11.7
Deferred outflows of resources	2,424	1,245	94.3
Bonds and notes payable	1,562,680	1,403,850	11.3
Other liabilities	510,169	447,603	14.0
Total liabilities	2,072,849	1,851,453	121.0
Deferred inflows of resources	1,531	686	123.3
Net position:			
Net investment in capital assets	9,204	8,909	3.3
Restricted	273,103	238,611	14.5
Unrestricted	86,249	86,511	(0.3)

June 30, 2019 and 2018 (in thousands)

	2019	2018	% Change
Loans receivable, net	$ 1,547,068	$ 1,611,277	(4.0)%
Investments	282,258	184,501	53.0
Cash and cash equivalents	316,624	225,628	40.3
Other assets	38,972	37,265	4.6
Total assets	2,184,922	2,058,671	6.1
Deferred outflows of resources	1,245	4,279	(70.8)
Bonds and notes payable	1,403,850	1,297,944	8.2
Other liabilities	447,603	439,537	1.8
Total liabilities	1,851,453	1,737,481	6.6
Deferred inflows of resources	686	687	(0.2)
Net position:			
Net investment in capital assets	8,909	9,337	(4.6)
Restricted	238,611	221,535	7.7
Unrestricted	86,511	93,909	(7.9)

Total assets of the Corporation increased 11.7% from 2019 to 2020, as compared to 6.1% from 2018 to 2019. Net loans receivable increased $35 million, or 2.3%, from the previous year. The increase in loans is attributable to the issuance of two Single-Family bonds in 2020. Bonds and notes payable increased by $158.8 million, or 11.3%, from 2019, as compared to $105.9 million or 8.2% from 2018 to 2019.

During 2020, the Corporation issued $155.7 million of single-family bonds, and $73.6 million of multi-family bonds to finance new loan production. In addition, $51.2 million of single-family bonds and $40.0 million of multi-family bonds were redeemed prior to maturity under provisions in the bond resolutions that allow mortgage prepayments, excess revenues and refunded amounts to be used for such purpose.

As of June 30, 2020, and 2019, the net position-to-asset ratio was 15.1% and 15.3% while the loan-to-asset ratio was 64.8% and 70.8%, respectively. The reduction in the loan-to-asset ratio is driven by the change in strategy and is offset by a 75.5% increase in Investments 2020 as compared to 2019. These ratios reflect the application of GASB Statement No. 31.

External Influences

Both the economy and the level of unemployment in the State of Rhode Island have a direct impact on the Corporation's delinquency experience within its portfolio. The Rhode Island unemployment rate increased in 2020 to 12.6% from 3.6% in 2019. The Corporation has also experienced an increase in its 90+ delinquency rate to 6.02% in 2020 from 2.08% in 2019. Both increases are a direct result of the COVID-19 pandemic and similar increases are observable on a National level.

Requests for Information

This management's discussion and analysis is designed to provide a general overview of the Corporation's finances. Questions concerning this report may be addressed to the Director of Accounting, Rhode Island Housing and Mortgage Finance Corporation, 44 Washington Street, Providence, Rhode Island, 02903. The Corporation maintains a website at: www.rihousing.com.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	Operating Fund		Single-Family Fund	
	2020	**2019**	**2020**	**2019**
Assets:				
Loans receivable	$ 557,271,471	$ 530,919,418	$ 490,888,338	$ 571,634,309
Less allowance for loan losses	(31,000,000)	(32,000,000)	(14,000,000)	(10,000,000)
Loans receivable, net	526,271,471	498,919,418	476,888,338	561,634,309
Loans held for sale	38,198,031	29,547,594		
Investments	123,695,714	101,959,959	369,275,817	177,384,095
Accrued interest-loans	1,141,610	1,135,118	1,619,610	2,010,201
Accrued interest-investments	20,683	17,981	1,124,456	568,905
Cash and cash equivalents	128,803,844	113,208,275	132,667,462	136,989,379
Accounts receivable, net	11,487,328	11,319,014		
Other assets, net	22,142,053	18,650,512	2,831,241	3,029,558
Interfund receivable (payable)	15,600	(3,750)	(7,800)	(372,025)
Total assets	851,776,334	774,754,121	984,399,124	881,244,422
Deferred Outflows of Resources:				
Loan origination costs			3,542	4,241
Hedging instruments	1,204,900	1,104,116		
Deferred OPEB outflows	1,216,019	139,263		
Total deferred outflows of resources	2,420,919	1,243,379	3,542	4,241
Combined Assets and Deferred Outflows of Resources	$ 854,197,253	$ 775,997,500	$ 984,402,666	$ 881,248,663
Liabilities and Net Position:				
Liabilities:				
Bonds and notes payable	$ 267,930,084	$ 245,710,397	$ 796,125,789	$ 716,656,509
Accrued interest payable on bonds and notes	351,368	193,919	5,760,881	7,499,893
Accounts payable and accrued liabilities	18,545,105	11,594,082		
Fees, net	1,312,042	1,097,948	117,571	133,118
Escrow deposits	465,722,124	419,066,103		
Total liabilities	753,860,723	677,662,449	802,004,241	724,289,520
Deferred Inflows of Resources:				
Deferred OPEB Inflow	1,530,982	685,684		
Net Position:				
Net investment in capital assets	9,204,160	8,909,023		
Restricted by bond resolutions	3,352,366	2,229,025	182,398,425	156,959,143
Unrestricted	86,249,022	86,511,319		
Total net position	98,805,548	97,649,367	182,398,425	156,959,143
Total Liabilities and Net Position	$ 854,197,253	$ 775,997,500	$ 984,402,666	$ 881,248,663

The accompanying notes are an integral part of the financial statements

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	Multi-Family Fund		Total	
	2020	**2019**	**2020**	**2019**
Assets:				
Loans receivable	$ 540,863,643	$ 456,966,992	$ 1,589,023,452	$ 1,559,520,719
Less allowance for loan losses			(45,000,000)	(42,000,000)
Loans receivable, net	540,863,643	456,966,992	1,544,023,452	1,517,520,719
Loans held for sale			38,198,031	29,547,594
Investments	2,388,226	2,913,824	495,359,757	282,257,878
Accrued interest-loans	2,426,039	2,225,294	5,187,259	5,370,613
Accrued interest-investments	16,198	14,880	1,161,337	601,766
Cash and cash equivalents	58,649,731	66,426,198	320,121,037	316,623,852
Accounts receivable, net			11,487,328	11,319,014
Other assets, net			24,973,294	21,680,070
Interfund receivable (payable)	(7,800)	375,775		
Total assets	604,336,037	528,922,963	2,440,511,495	2,184,921,506
Deferred Outflows of Resources:				
Loan origination costs			3,542	4,241
Hedging instruments			1,204,900	1,104,116
Deferred OPEB outflows			1,216,019	139,263
Total deferred outflows of resources	-	-	2,424,461	1,247,620
Combined Assets and Deferred Outflows of Resources	$ 604,336,037	$ 528,922,963	$ 2,442,935,956	$ 2,186,169,126
Liabilities and Net Position				
Liabilities:				
Bonds and notes payable	$ 498,624,182	$ 441,483,052	$ 1,562,680,055	$ 1,403,849,958
Accrued interest payable on bonds and notes	3,181,820	2,733,595	9,294,069	10,427,407
Accounts payable and accrued liabilities	93,609	88,438	18,638,714	11,682,520
Fees, net			1,429,613	1,231,066
Escrow deposits	15,084,688	5,195,653	480,806,812	424,261,756
Total liabilities	516,984,299	449,500,738	2,072,849,263	1,851,452,707
Deferred Inflows of Resources:				
Deferred OPEB Inflow			1,530,982	685,684
Net Position:				
Net investment in capital assets			9,204,160	8,909,023
Restricted by bond resolutions	87,351,738	79,422,225	273,102,529	238,610,393
Unrestricted			86,249,022	86,511,319
Total net position	87,351,738	79,422,225	368,555,711	334,030,735
Total Liabilities and Net Position	$ 604,336,037	$ 528,922,963	$ 2,442,935,956	$ 2,186,169,126

The accompanying notes are an integral part of the financial statements

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Operating Fund		Single-Family Fund	
	2020	2019	2020	2019
Operating Revenues:				
Interest Income on loans	$ 13,471,197	$ 12,118,036	$ 23,147,273	$ 26,171,469
Interest income attributable to internal servicing activities	6,655,100	5,861,338		
Total interest income on loans	20,126,297	17,979,374	23,147,273	26,171,469
Income on investments:				
Earnings on investments	1,406,037	1,427,518	12,631,074	5,653,067
Net increase (decrease) in fair value of investments	35,459	35,265	20,812,693	6,207,317
Fees	11,379,633	10,927,161		
Servicing fee income	2,672,256	2,491,512		
Grant revenue	18,485,966	15,466,608		
Gain on sale of loans	13,660,478	10,822,699		
Total operating revenues	67,766,126	59,150,137	56,591,040	38,031,853
Operating Expenses:				
Interest expense	7,794,969	6,909,343	20,036,485	21,921,545
Personnel services	22,960,906	22,625,074		
Other administrative expenses	9,360,719	10,636,813		
Housing initiatives	4,245,582	6,032,478		
Provision for loan losses	(444,747)	2,973,706	4,096,452	406,784
REO expenditures	53,685	124,331	100,997	218,219
Bad debt expense	(16,425)	36,652		
Arbitrage rebate				
Bond issuance costs	(188,291)	(37,741)	1,059,781	2,059,889
Depreciation and amortization of other assets	2,252,375	2,025,566	10,867	6,996
Loan costs	4,711,379	9,652,419	5,120,967	256
State rental subsidy program	166,950	205,622		
Grant expense	18,139,276	15,523,606		
Total operating expenses	69,036,378	76,707,869	30,425,549	24,613,689
Operating Income (Loss)	(1,270,252)	(17,557,732)	26,165,491	13,418,164
Nonoperating Revenues (Expense)				
Gain (loss) on sale of assets, net	(2,800)			
Transfer to State	(1,500,000)			
Transfers in (out)	3,929,233	7,562,234	(726,209)	(3,180,369)
Nonoperating revenues (expense)	2,426,433	7,562,234	(726,209)	(3,180,369)
Total Change in Net Position	1,156,181	(9,995,498)	25,439,282	10,237,795
Net Position - Beginning of Year	97,649,367	107,644,865	156,959,143	146,721,348
Net Position - End of Year	$ 98,805,548	$ 97,649,367	$ 182,398,425	$ 156,959,143

The accompanying notes are an integral part of the financial statements

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Multi-Family Fund		Total	
	2020	**2019**	**2020**	**2019**
Operating Revenues:				
Interest income on loans	$ 27,377,257	$ 27,640,756	$ 63,995,727	$ 65,930,261
Interest income attributable to internal servicing activities			6,655,100	5,861,338
Total interest income on loans	27,377,257	27,640,756	70,650,827	71,791,599
Income on investments:				
Earnings on investments	964,477	1,315,596	15,001,588	8,396,181
Net increase (decrease) in fair value of investments	(25,513)	(55,859)	20,822,639	6,186,723
Fees			11,379,633	10,927,161
Servicing fee income			2,672,256	2,491,512
Grant revenue			18,485,966	15,466,608
Gain on sale of loans			13,660,478	10,822,699
Total operating revenues	28,316,221	28,900,493	152,673,387	126,082,483
Operating Expenses:				
Interest expense	15,864,924	15,146,031	43,696,378	43,976,919
Personnel services			22,960,906	22,625,074
Other administrative expenses	32,410	33,581	9,393,129	10,670,394
Housing initiatives			4,245,582	6,032,478
Provision for loan losses			3,651,705	3,380,490
REO expenditures (income)			154,682	342,550
Bad debt expense			(16,425)	36,652
Arbitrage (rebate) expense	5,170	12,513	5,170	12,513
Bond issuance costs	484,629	(375,775)	1,356,119	1,646,373
Depreciation and amortization of other assets			2,263,242	2,032,562
Loan costs	796,551	695,458	10,628,897	10,348,133
State rental subsidy program			166,950	205,622
Grant expense			18,139,276	15,523,606
Total operating expenses	17,183,684	15,511,808	116,645,611	116,833,366
Operating Income (Loss)	11,132,537	13,388,685	36,027,776	9,249,117
Nonoperating Revenues (Expense)				
Gain (loss) on Sale of Assets, net			(2,800)	-
Transfer to State			(1,500,000)	-
Transfers In (Out)	(3,203,024)	(4,381,865)	-	-
Nonoperating revenues (expense)	(3,203,024)	(4,381,865)	(1,502,800)	-
Total Change in Net Position	7,929,513	9,006,820	34,524,976	9,249,117
Net Position - Beginning of Year	79,422,225	70,415,405	334,030,735	324,781,618
Net Position - End of Year	$ 87,351,738	$ 79,422,225	$ 368,555,711	$ 334,030,735

The accompanying notes are an integral part of the financial statements

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Operating Fund		Single-Family Fund	
	2020	2019	2020	2019
Cash Flows from Operating Activities:				
Interest on loans receivable	$ 20,119,805	$ 17,915,322	$ 23,537,865	$ 26,347,360
Repayment of loans receivable	441,425,338	424,031,952	87,953,954	65,408,378
Fees collected (paid)	14,265,982	13,212,880	(15,547)	(16,618)
Deferred OPEB inflows/outflows	(231,458)	(45,651)		
Other receipts (disbursements), net	47,002,710	16,097,057		
Loans disbursed	(476,433,090)	(463,754,691)	(7,207,984)	(15,009,457)
Accounts receivable, net	(163,051)	(673,300)		
Accounts receivable expenses	16,425	(36,652)		
Loss on loans receivable	(555,253)	(973,706)	(96,452)	(206,784)
Income (loss) on REO properties	(53,685)	(124,330)	(100,997)	(218,219)
Bond issuance costs	188,290	37,741	(1,059,781)	(2,059,889)
Personnel services	(22,995,853)	(22,625,074)		
Other administrative expenses	(9,371,145)	(10,595,524)		
Housing initiative expenses	(4,200,209)	(6,073,767)		
Other assets	(5,743,916)	(3,835,533)	187,451	657,334
Arbitrage rebate				
Accounts payable and accrued liabilities	6,951,023	1,583,932		
Gain on sale of loans	8,848,316	4,245,517	(5,120,268)	
State rental subsidy program	(166,950)	(205,622)		
Transfers from (to) other programs	3,909,883	7,552,886	(1,090,435)	(2,789,746)
Net cash provided by (used in) operating activities	22,813,162	(24,266,563)	96,987,806	72,112,359
Cash Flows from Noncapital Financing Activities:				
Proceeds from sale of bonds and notes	526,500,000	373,567,333	168,390,101	339,379,507
Payment of bond and note principal	(504,280,312)	(337,960,922)	(88,920,821)	(229,350,159)
Interest paid on bonds and notes	(7,637,520)	(6,819,042)	(21,775,496)	(19,426,542)
Gain (loss) on sale of assets, net	(2,800)			
Transfer to the State	(1,500,000)			
Net cash provided by (used in) noncapital financing activities	13,079,368	28,787,369	57,693,784	90,602,806
Cash Flows from Investing Activities:				
Redemption of investments	144,990,148	198,474,486	42,598,575	34,424,647
Earnings on investments	1,403,335	1,429,499	12,075,523	5,349,168
Purchase of investments	(166,690,444)	(199,738,326)	(213,677,605)	(130,729,822)
Net cash provided by (used in) investing activities	(20,296,961)	165,659	(159,003,507)	(90,956,007)
Net Increase (Decrease) in Cash and Cash Equivalents	15,595,569	4,686,465	(4,321,917)	71,759,158
Cash and Cash Equivalents - Beginning of Year	113,208,275	108,521,810	136,989,379	65,230,221
Cash and Cash Equivalents - End of Year	$ 128,803,844	$ 113,208,275	$ 132,667,462	$ 136,989,379

The accompanying notes are an integral part of the financial statements

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Multi-Family Fund		Total	
	2020	2019	2020	2019
Cash Flows from Operating Activities:				
Interest on loans receivable	$ 27,176,512	$ 27,870,875	$ 70,834,182	$ 72,133,557
Repayment of loans receivable	31,257,849	76,178,839	560,637,141	565,619,169
Fees collected			14,250,435	13,196,262
Deferred OPEB inflows/outflows			(231,458)	(45,651)
Other receipts (disbursements), net	9,889,034	(11,484,296)	56,891,744	4,612,761
Loans disbursed	(115,154,501)	(25,066,880)	(598,795,575)	(503,831,028)
Accounts receivable, net			(163,051)	(673,300)
Accounts receivable expenses			16,425	(36,652)
Loss on loans receivable			(651,705)	(1,180,490)
Income (loss) on REO properties			(154,682)	(342,549)
Bond issuance costs	(484,628)	375,775	(1,356,119)	(1,646,373)
Personnel services			(22,995,853)	(22,625,074)
Other administrative expenses	(32,410)	(33,581)	(9,403,555)	(10,629,105)
Housing initiative expenses			(4,200,209)	(6,073,767)
Other assets			(5,556,465)	(3,178,199)
Arbitrage rebate	(5,171)	(12,513)	(5,171)	(12,513)
Accounts payable and accrued liabilities	5,171	12,513	6,956,194	1,596,445
Gain (loss) on sale of loans	(796,552)	(695,458)	2,931,496	3,550,059
State Rental Subsidy Program			(166,950)	(205,622)
Transfers to other programs	(2,819,448)	(4,495,721)	-	267,419
Net cash provided by (used in) operating activities	(50,964,144)	62,649,553	68,836,824	110,495,349
Cash Flows from Noncapital Financing Activities:				
Proceeds from sale of bonds and notes	114,659,286	26,398,798	809,549,387	739,345,638
Payment of bond and note principal	(57,518,156)	(66,128,726)	(650,719,289)	(633,439,807)
Interest paid on bonds and notes	(15,416,698)	(15,709,868)	(44,829,714)	(41,955,452)
Gain (loss) on sale of assets, net			(2,800)	
Transfer to the State			(1,500,000)	-
Net cash used in noncapital financing activities	41,724,432	(55,439,796)	112,497,584	63,950,379
Cash Flows from Investing Activities:				
Redemption of investments	500,405	6,006,674	188,089,128	238,905,807
Earnings on investments	963,159	1,342,158	14,442,017	8,120,825
Purchase of investments	(319)	(8,197)	(380,368,368)	(330,476,345)
Net cash provided by (used in) investing activities	1,463,245	7,340,635	(177,837,223)	(83,449,713)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,776,467)	14,550,392	3,497,185	90,996,015
Cash and Cash Equivalents - Beginning of Year	66,426,198	51,875,806	316,623,852	225,627,837
Cash and Cash Equivalents - End of Year	$ 58,649,731	$ 66,426,198	$ 320,121,037	$ 316,623,852

The accompanying notes are an integral part of the financial statements

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Operating Fund		Single-Family Fund	
	2020	**2019**	**2020**	**2019**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	$ (1,270,252)	$ (17,557,732)	$ 26,165,491	$ 13,418,164
Adjustments:				
Earnings on investments	(1,403,335)	(1,429,499)	(12,075,523)	(5,349,168)
Net (increase) decrease in fair value of investments	(35,459)	(35,265)	(20,812,693)	(6,207,317)
Interest paid on bonds and notes	7,637,520	6,819,042	21,775,496	19,426,542
Transfer of investments and/or net position	3,929,233	7,562,234	(726,209)	(3,180,369)
(Increase) decrease in assets:				
Loans receivable/loss allowance	(36,002,490)	(37,769,974)	84,745,971	50,598,920
Accrued interest-loans	(6,492)	(64,053)	390,592	175,892
Accrued interest-investments	(2,702)	1,981	(555,551)	(303,898)
Accounts receivable, net	(168,314)	(626,063)		
Other assets	(3,491,541)	(1,809,968)	198,317	664,330
Interfund receivable (payable)	(19,350)	(9,347)	(364,225)	390,622
(Increase) decrease in deferred outflows	(1,177,540)	3,030,737	699	256
Increase (decrease) in liabilities:				
Accrued interest-bonds and notes	157,449	90,302	(1,739,011)	2,495,003
Accounts payable/accrued liabilities	6,951,023	1,583,932		
Fees, net	214,094	(205,794)	(15,548)	(16,618)
Escrow deposits	46,656,020	16,154,055		
Increase (decrease) in deferred inflows	845,298	(1,151)		
Total adjustments	24,083,414	(6,708,831)	70,822,315	58,694,195
Net Cash Provided by (Used in) Operating Activities	$ 22,813,162	$ (24,266,563)	$ 96,987,806	$ 72,112,359

The accompanying notes are an integral part of the financial statements

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Multi-Family Fund		Total	
	2020	**2019**	**2020**	**2019**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income	$ 11,132,537	$ 13,388,685	$ 36,027,776	$ 9,249,117
Adjustments:				
Earnings on investments	(963,159)	(1,342,158)	(14,442,017)	(8,120,825)
Net (increase) decrease in fair value of investments	25,513	55,859	(20,822,639)	(6,186,723)
Interest paid on bonds and notes	15,416,698	15,709,868	44,829,714	41,955,452
Transfer of investments and/or net position	(3,203,024)	(4,381,865)		
(Increase) decrease in assets:				
Loans receivable/loss allowance	(83,896,652)	51,379,378	(35,153,171)	64,208,324
Accrued interest-loans	(200,745)	230,120	183,355	341,959
Accrued interest-investments	(1,319)	26,563	(559,572)	(275,354)
Accounts receivable, net			(168,314)	(626,063)
Other assets			(3,293,224)	(1,145,638)
Interfund receivable (payable)	383,575	(381,275)	-	-
(Increase) decrease in deferred outflows			(1,176,841)	3,030,993
Increase (decrease) in liabilities:				
Accrued interest-bonds and notes	448,226	(563,838)	(1,133,336)	2,021,467
Accounts payable/accrued liabilities	5,171	12,513	6,956,194	1,596,445
Fees, net			198,546	(222,412)
Escrow deposits	9,889,035	(11,484,297)	56,545,055	4,669,758
Increase (decrease) in deferred inflows			845,298	(1,151)
Total adjustments	(62,096,681)	49,260,868	32,809,048	101,246,232
Net Cash Provided by (Used in) Operating Activities	$ (50,964,144)	$ 62,649,553	$ 68,836,824	$ 110,495,349

The accompanying notes are an integral part of the financial statements

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATEMENTS OF FIDUCIARY NET POSITION - PRIVATE PURPOSE TRUST COMPONENT UNIT
AFFORDABLE HOUSING TRUST
JUNE 30, 2020 AND 2019

	2020	2019
Assets:		
Loans receivable	$ 48,644,406	$ 51,747,632
Less allowance for loan losses	(6,000,000)	(6,000,000)
Loans receivable, net	42,644,406	45,747,632
Investments	44,268	48,115
Accrued interest-loans	129,851	161,771
Accrued interest-investments	54	283
Cash and cash equivalents	56,189,257	53,535,247
Accounts receivable, net	5,017,781	17,781
Other assets, net	1,303,137	403,137
Total Assets	$ 105,328,754	$ 99,913,966
Liabilities and Net Position		
Liabilities:		
Accounts payable and accrued liabilities	$ 150,672	$ 116,534
Net Position:		
Held in trust	105,178,082	99,797,432
Total Liabilities and Net Position	$ 105,328,754	$ 99,913,966

The accompanying notes are an integral part of the financial statements

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION -
PRIVATE PURPOSE TRUST COMPONENT UNIT
AFFORDABLE HOUSING TRUST
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Revenues:		
Interest income on loans	$ 1,998,099	$ 2,507,539
Earnings on investments:		
Interest on investments	525,692	786,026
Net increase (decrease) in fair value of investments	(1,268)	95
Trust receipts	3,097,352	5,660,826
Total revenues	5,619,875	8,954,486
Expenses:		
Other administrative expenses	34,138	44,303
Housing initiatives	200,000	
Provision for loan losses (recoveries)	5,087	684,389
Total expenses (income)	239,225	728,692
Total Change in Net Position	5,380,650	8,225,794
Net Position - Beginning of Year	99,797,432	91,571,638
Net Position - End of Year	$ 105,178,082	$ 99,797,432

The accompanying notes are an integral part of the financial statements

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Description of Financial Reporting Entity

Rhode Island Housing and Mortgage Finance Corporation (the Corporation) is a public instrumentality established in 1973 by an Act of the Rhode Island General Assembly. The Corporation was created to originate loans and administer other activities to expand the supply of housing available to persons of low and moderate income and to stimulate the construction and rehabilitation of housing and health care facilities in the State of Rhode Island (the State). It has the power to issue negotiable notes and bonds to achieve its corporate purpose. The notes and bonds do not constitute a debt of the State, and the State is not liable for the repayment of such obligations.

The Corporation is considered a component unit of the State and is included in the State's comprehensive annual financial report.

The Corporation is exempt from federal and state income taxes.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Corporation applies the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement Nos. 39 and 61. Through the application of GASB criteria, the Corporation determined that the Affordable Housing Trust Fund (the Trust) is a component unit of the Corporation and the Trust has been presented in the accompanying fiduciary fund financial statements. Control over and financial accountability for the Trust is determined based on appointment by a voting majority of the Trust's trustees.

B. Affordable Housing Trust Fund

The Trust is a separate legal entity created pursuant to a trust agreement initiated by the Corporation. The Trust is a private-purpose trust established to assist in activities that involve the creation and preservation of affordable housing in the State. All resources of the Trust, including income on investments and other revenues, are held in trust for the benefit of private and not-for-profit organizations. Trust receipts are derived from payments related to affordable housing preservation transactions and funds received to administer housing programs. There is no requirement that any portion of the Trust's resources be preserved as capital. The Trust administers its affairs through its trustees, records its assets in segregated accounts and maintains financial records separate from the Corporation.

C. Financial Statement Presentation, Measurement Focus and Basis of Accounting

The Corporation engages only in business-type activities. Business-type activities are activities that are financed in whole or in part by fees charged to external parties. The accompanying combining statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows (enterprise fund financial statements) present the financial information of the Corporation.

The Corporation classifies its business-type activities into funds, reported as separate columns within the enterprise fund financial statements, each representing a fiscal and accounting entity with a self-balancing set of accounts segregated to carry on specific activities in accordance with bond resolutions established under various trust indentures, special regulations restrictions, or limitations. All inter-fund activity has been eliminated from the combining totals in the accompanying financial statements. Transfers between funds are made to cover the operating costs associated with management of bond resolutions. Transfers also consist of reimbursement of collateral for bond resolutions previously funded by the operating fund.

The Operating Fund accounts for the receipt of income not directly pledged to the repayment of specific bonds and notes, expenses related to the Corporation's administrative functions and for various housing program activities that are not covered by bond resolutions. The Operating Fund also accounts for the activities of the Corporation's two separate subsidiaries: Rhode Island Housing Equity Corporation and Rhode Island Housing Development Corporation. The Single-Family Housing Fund includes transactions and programs designed to provide affordable housing to eligible persons and families within the State for properties with one to four dwelling units. All loans whether originated by the Corporation or purchased from participating lenders, are in compliance with bond resolutions. The Multi-Family Fund includes financing activities with the intent to originate multi-family loans secured by a lien.

The Trust engages only in fiduciary activities. Separate financial statements are presented for the Trust as fiduciary activities are excluded from presentation in enterprise fund financial statements.

The Corporation and the Trust use the economic resources measurement focus and accrual basis of accounting. The accompanying financial statements have been prepared in conformance with generally accepted accounting principles (GAAP) for governments as prescribed by GASB, which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Corporation has presented an unclassified combining statement of net position in accordance with financial institution industry trade practice. Although contractual terms define the principal payments of loans receivable and the amount of principal required to be paid on bonds and notes payable within one year from the date of the combining statement of net position, the actual principal amounts received on loans and repaid on bonds and notes are significantly affected by changes in interest rates, economic conditions and other factors. Consequently, the principal amount of loans receivable and principal amount payable for bonds and notes based on contractual terms would not be representative of actual amounts received or paid, and such amounts are not reliably estimable.

The Corporation distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from services provided in connection with the Corporation's principal ongoing operations. Operating expenses include the cost of services provided, administrative expenses, and depreciation and amortization expense. All other revenues and expenses are reported as nonoperating revenues and expenses.

D. Loans Receivable and Allowance for Loan Losses

Loans receivable are reported at their outstanding principal balance adjusted for any charge-offs and the allowance for loan losses.

In general, interest income on loans receivable is recognized on the accrual basis. A loan is considered delinquent when payments are not made in accordance with contractual terms. Loans go into "nonaccrual status" when loan payments are delinquent for ninety days or more. Interest income is no longer accrued, and any accrued interest is reversed. Loans are returned to accrual status when all amounts contractually due are brought current or the loans have been restructured and future payments are reasonably assured. For certain deferred loans which specify that interest is payable based on available cash flow or the availability of other specified sources, related interest is recorded as income when received.

Losses on loans are provided for under the allowance method of accounting. The allowance is increased by provisions charged to operating expenses and by recoveries of previously charged-off loans. The allowance is decreased as loans are charged off.

The allowance represents an amount that management believes will be adequate to provide for potential loan losses based on an evaluation of collectability and prior loss experience, known and inherent risk in the portfolio, changes in the nature and volume of the loan portfolio, overall portfolio quality, specifically identified high risk loans, the estimated value of the underlying collateral, current and anticipated economic conditions that may affect the borrower's ability to pay, historical loss experience and the types of mortgage insurance or guarantee programs provided by outside parties. Substantially all loans are secured by real estate in Rhode Island; accordingly, the ultimate collectability of the loans is susceptible to changes in market conditions in the area. Management believes the allowance for loan losses is adequate. While management uses available information to recognize losses on loans, evaluation assessments made by management are inherently subjective and future adjustments to the allowance may be necessary if economic conditions differ substantially from the assumptions used at the time of the evaluation.

Loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated fair value in the aggregate. Such loans are presented as loans held for sale on the accompanying statements of net position. Gains and losses for sales of loans are recognized based upon the difference between the fair value of mortgage-backed securities forward contracts at date of commitment and the carrying value of the underlying loans.

E. Cash and Cash Equivalents

Cash and cash equivalents represent funds on deposit with various financial institutions and funds held by the trustees of the various bond programs. Deposits held in financial institutions and all highly liquid investments, such as U.S. Treasury Bills and Notes, with original maturities of 90 days or less are considered cash and cash equivalents.

F. Investments

Investments held by the Corporation consist of those permitted by the various bond resolutions and the Corporation's investment policy. Investments include securities of the U.S. Government and of U.S. Government agencies, securities guaranteed by the U.S. Government and U.S. Government agencies, savings accounts and guaranteed investment contracts.

In accordance with GASB Statement No. 31 (GASB 31), money market investments having a remaining maturity of one year or less at time of purchase are reported at amortized cost if the fair value of such investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Investments in nonparticipating interest earning investment contracts, such as nonnegotiable and nontransferable guaranteed investment contracts, which are redeemable at contract or stated value rather than fair value based on current market rates and certificates of deposit with redemption terms that do not consider market rates, are reported at cost or amortized cost provided that the fair value of such contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors. Investments not reported at cost or amortized cost are reported at fair value in accordance with GASB 31. The fair value of securities is provided by an investment trustee as reported by recognized pricing firms. The reported amounts of investments not otherwise reported at fair value approximate their fair value.

All investment income, including changes in the fair value of investments, is reported as revenue in the Corporation's statements of revenues, expenses and changes in net position and in the Trust's statement of changes in fiduciary net assets. The Corporation records a liability for the portion of investment income that is rebateable to the United States government under Section 103A of the Internal Revenue Code, as amended, (the Code) for tax-exempt bonds sold after 1981. The Code requires that such excess investment income be remitted to the Internal Revenue Service. Such rebateable investment income is included in accounts payable and accrued liabilities in the accompanying statements of net position and recorded within operating expenses in the statement of revenues, expenses and changes in net position.

G. Bond Issuance Costs, Premiums, Discounts and Early Retirements

In accordance with GASB Statement No. 65, costs associated with issuing bonds are reported in the combining statement of revenues, expenses and changes in net position in the year the bond is issued. In addition, when refinancing debt, the costs associated with the refinanced bond are also reported in the combining statements of revenues, expenses and changes in net position in the year in which the bond is refinanced.

Premiums and discounts are capitalized and amortized using a method that approximates the interest method over the life of the related issue or to the date the Corporation has the option to redeem the bonds.

The Corporation periodically retires bonds prior to their redemption date. Any premium paid on the call related to the early retirement of bonds that are not refunded is reported in the combining statements of revenues, expenses and changes in net position.

H. Other Assets

Other assets of the Corporation are principally comprised of property and equipment, certain other real estate owned, and deferred servicing costs related to service release premiums paid to participating originating lenders for origination of single-family loans. The Corporation depreciates property and equipment on a straight-line basis over the assets' estimated lives, which range from 3-40 years.

The Corporation states its other real estate owned acquired through or in lieu of foreclosure at the lower of cost or fair value less the cost to sell. Fair value of such assets is determined based on independent appraisals and other relevant factors. Other real estate owned in the Single-Family Fund is partially insured or guaranteed by outside parties and it is anticipated that the Corporation will recover substantially all the balance of these assets through such insurance and from proceeds from the sale of the underlying properties. The Corporation holds such properties for subsequent sale in a manner that will allow maximization of value. Carrying costs relating to other real estate owned are recorded in the Operating Fund.

I. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period. The measurement date for the reported liability was June 30, 2019.

The Corporation reports total OPEB liability as a component of accounts payable and accrued liabilities on the combining statement of net position.

J. Deferred Inflows and Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Corporation reports deferred outflows of resources related to loan origination costs in the statement of net position. Expenses will be recognized once the related loans are sold.

Fair values of both hedging derivatives and investment derivatives (if any) are presented on the combining statements of net position either as a derivative liability (negative fair value) or as a derivative asset (positive fair value). The difference between the notional amount and fair value of the derivatives that are determined to be effective hedges is recorded as a deferred inflow or outflow of resources on the Corporation's combining statements of net position. The Corporation currently has one type of derivative instrument outstanding: mortgage-backed security forward contracts.

The Corporation reports deferred outflows and inflows related to Other Post Employment Benefits (OPEB) in the statement of net position which result from differences between expected and actual experience, changes in assumptions or other inputs and contributions after the measurement date. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits, the one exception being contributions made after the measurement date which are recognized as OPEB expense in the following year.

K. Net Position

Net position is classified into three components: net investment in capital assets, restricted and unrestricted. Net investment in capital assets represents the net book value of all capital assets reduced by the outstanding balances of bonds and other debt and deferred inflows of resources, if any, used to acquire, construct or improve these assets, and increased by deferred outflows of resources related to those assets, if any. Restricted net position consists of restricted assets that have been limited in use as specified either externally by creditors, contributors, laws, or government regulations, or internally by enabling legislation or law. Restricted assets are reduced by liabilities and deferred inflows of resources related to the restricted assets. Unrestricted net position consists of amounts not included in net investment in capital assets or restricted net position.

The Corporation classifies all net position amounts associated with its bond resolutions as restricted net position. Under bond indentures, all assets assigned to these programs are pledged for the benefit of the bondholders of each program; consequently, the Corporation classifies all such amounts, while retained in the bond programs, as restricted. Transfers from the bond programs to the Operating Fund are made when transfers are approved and authorized by the Corporation's management and such amounts are not specifically required to be retained within the bond program. Transfers during the years ended June 30, 2020 and 2019, include cash transfers for reimbursement of activities in support of the bond programs.

Restricted net position in the Operating Fund is comprised of the amount of assets required to be pledged as collateral to a lender in excess of outstanding amounts borrowed as well as assets restricted for federal programs. At June 30, 2020 and 2019, restricted amounts totaled $3,352366 and $2,229,025, respectively.

L. Interest Income on Loans

The Corporation presents two categories of interest income. The first category, “interest income on loans,” represents the interest component of the mortgagors’ payments due to all mortgage servicing entities (including the Corporation’s Operating Fund). The second category, “interest income attributable to internal servicing activities,” represents compensation earned for mortgage servicing for those loans serviced by the Corporation. Together, these two components comprise interest income on loans owned by the Corporation.

M. Use of Estimates

Management has made several estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses and disclosure of contingent assets and liabilities when preparing the financial statements in conformity with accounting principles generally accepted in the United States. Actual results could differ from those estimates.

N. Fee and Grant Revenue

Recognition of grant revenue is based on the susceptibility of accrual as determined by the legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when actually received. Where expenditure is the prime factor in determining eligibility, grant revenue is recognized as allowable expenditures are made. Fee income is accrued as earned and includes fees received from loan originations, securitization premiums, loan servicing fees and Section 8 administrative fees received from the U.S. Department of Housing and Urban Development (HUD), including administrative fees that are paid by HUD to the Corporation under the Performance-Based Contract Administration (PBCA) contract for certain Section 8 projects throughout Rhode Island.

O. Recent Accounting Pronouncements

Effective for the fiscal year ended June 30, 2020, the Corporation adopted the provisions of GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements (GASB 88).* Note 7, Bonds and Notes Payable, includes GASB 88 disclosures for changes in long -term obligations, debt service requirements as of the Statement of Net Position date as well as unused balances on the various line of credit facilities.

2. RESTRICTED ASSETS

Certain assets are restricted by convenants and agreements as a result of transactions including bond sales, mortgages generated with lending institutions and funding provided by HUD programs. All Assets in the Single-Family and Multi-Family Funds are restricted. Restricted assets in the Operating Fund include Cash and Cash Equivalents, Investments, Loans and Other Assets. At June 30, 2020 and 2019, restricted assets in the Operating Fund totaled $645,906,496 and $592,133,139, respectively.

3. LOANS RECEIVABLE

The Corporation provides single-family mortgage loans to qualified borrowers in the State. The mortgage loans are generally required to be insured through the Federal Housing Administration (FHA), guaranteed by the Department of Veterans Administration (VA) or USDA Rural Development or conventionally financed with traditional primary mortgage insurance. Under the single-family program guidelines, conventionally financed single-family mortgage loans with an initial loan-to-value ratio of greater than 80% are insured by private mortgage insurance carriers. As these loans amortize and the loan to-value ratio falls below 80%, the private mortgage insurance coverage may be terminated.

At June 30, 2020 and 2019, the single-family mortgage loan balances in the Single-Family Fund are insured, subject to maximum insurable limits described below:

	2020	2019
Private Mortgage Insurance	$ 153,719,860	$ 191,948,517
FHA Insurance	162,550,982	186,373,446
VA Guaranteed	4,956,988	5,986,966
USDA/RD Guaranteed	6,816,820	7,932,415
Uninsured	162,843,688	179,392,965
Total	$ 490,888,338	$ 571,634,309

The FHA program insures the repayment of the unpaid principal amount of the mortgage upon foreclosure and conveyance of title to the Secretary of HUD. The insurance proceeds are usually paid in cash, but at the discretion of the Secretary, may be settled through issuance of twenty-year debentures. The VA mortgage loan guarantee covers from 25% up to 50% of the original principal amount of a loan up to a maximum of $60,000 depending on the loan amount. Private mortgage insurers must be qualified to insure mortgages purchased by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association (FNMA) and must be authorized to do business in the State. Private mortgage insurance typically covers between 6% and 35% of claims depending upon the premium plan and coverage selected when the loan is originated. The risk exists that if these private mortgage insurance companies are not able to honor claims, these loans would be considered uninsured.

The Corporation has entered into a risk-sharing agreement with HUD whereby HUD will provide partial mortgage insurance on affordable multi-family housing developments financed by the Corporation. The risk of loss to the Corporation varies from 10% to 50% depending on the level of participation by HUD. In the Multi-Family Fund and Operating Fund, loan balances at June 30, 2020 of $317,650,788 and $154,150,929, respectively, and at June 30, 2019 of $298,102,656 and $148,911,119, respectively, are insured under such agreements subject to maximum participation limits. At June 30, 2020 and 2019, loan balances of $13,681,801 and $17,905,043, respectively, in the Trust are also insured under such agreements.

In May 2012, the Corporation entered into an agreement with FNMA whereby single-family mortgage loans originated under the Corporation's program guidelines may be sold directly to FNMA or pooled into a mortgage-backed security that will be guaranteed by FNMA. As of June 30, 2020, 2,591 loans had been sold directly to FNMA and eight mortgage-backed securities had been issued. As of June 30, 2019, 2,277 loans had been sold directly to FNMA and eight mortgage-backed securities had been issued.

As of June 30, 2020 and 2019, respectively, the percentage of loan dollars that are in a first lien position is as follows:

	2020	2019
Operating Fund:	51%	49%
Single-family	94%	95%
Multi-family	99%	99%
Affordable Housing Trust	41%	47%

The payment of interest by borrowers on certain loans recorded in the Corporation's Operating Fund, Single-Family Fund and Multi-Family Fund is deferred and is payable by borrowers only from available cash flow, as defined in the loan agreements or other specified sources. Interest income on such loans is recorded only when received from the borrower. For the years ended June 30, 2020 and 2019, interest received under such deferred loan arrangements was $661,654 and $297,756, respectively, in the Operating Fund and $685,577 and $526,036, respectively, in the Single-Family Fund. In addition, the Corporation administers certain federal and state loan programs, which are either deferred forgivable loans or non-interest bearing. Loans under these programs totaled $221,517,985 and $219,588,463 at June 30, 2020 and 2019, respectively.

At June 30, 2020 and 2019, principal balances outstanding under deferred and noninterest bearing loan arrangements as follows:

	2020	2019
Operating Fund:		
Single-family loans	$ 56,618,639	$ 63,982,446
Multi-family loans	234,881,395	217,191,760
Subtotal	291,500,034	281,174,206
Single-Family Fund:		
Single-family loans	12,831,570	14,374,615
Total	$ 304,331,604	$ 295,548,821

Certain loans recorded in the Corporation's Operating Fund and Single-Family Fund are on nonaccrual status due to delinquency over 90 days. At June 30, 2020 and 2019, principal outstanding under such nonaccrual status loans is as follows:

	2020	2019
Operating Fund:		
Single-family loans	$ 16,325,389	$ 6,970,884
Multi-family loans	-	-
Subtotal	16,325,389	6,970,884
Single-Family Fund:		
Single-family loans	25,840,657	17,100,856
Total	$ 42,166,046	$ 24,071,740

A summary of the changes in the allowance for loan losses is as follows:

	2020	2019
Balance at beginning of year	$ 42,000,000	$ 39,800,000
Loans charged off, net of recoveries	(465,614)	(1,076,674)
Write-down of REO properties	(186,091)	(103,816)
Provision for loan losses	3,651,705	3,380,490
Balance at End of Year	$ 45,000,000	$ 42,000,000

In addition to the allowance for loan losses, the Corporation maintains an escrow account funded by certain mortgage lenders (the Mortgage Lender's Reserve Account). This Mortgage Lenders Reserve Account equals a percentage of the outstanding principal balance of certain mortgage loans purchased from an applicable mortgage lender and is available to the Corporation in the event the proceeds realized upon the default and foreclosure of any covered mortgage loan is less than the amount due to the Corporation. At June 30, 2020 and 2019, the Mortgage Lender's Reserve Account totaled $294,952 and $362,581, respectively.

4. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

The Corporation assumes levels of custodial credit risk for its cash and cash equivalents. Custodial credit risk is the risk that in the event of a financial institution failure, the Corporation's deposits may not be returned to it. Cash and cash equivalents are exposed to custodial credit risk as follows: A) uninsured and uncollateralized; B) uninsured and collateralized with securities held by the financial institution trust departments in the Corporation's or Trust's name; and C) uninsured and collateralized with securities held by financial institution trust departments or agents which are not held in the Corporation's or Trust's name.

The State requires that certain uninsured deposits of the State and State Agencies be collateralized. Section 35-10.1-7 of the General Laws of the State, dealing with the collateralization of public deposits, requires all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet its minimum capital standards as required by its Federal regulator be collateralized. The Corporation does not have any additional policy regarding custodial credit risk for its deposits.

Cash and cash equivalents of the Corporation were exposed to custodial credit risk at June 30, 2020 and 2019, as follows:

Rhode Island Housing and Mortgage Finance Corporation

		June 30, 2020			
	Book Balance	Insured	A	C	Total Bank Balance
Cash deposits-operating	$ 56,190,693	$ 3,124,063	$ 3,454,820	$ 59,740,461	$ 66,319,344
Cash deposits-single family	2,257,560				
Cash deposits-multi-family funds	633,302				
Cash deposits-escrows	71,138,840			71,138,840	71,138,840
Total deposits	130,220,395	3,124,063	3,454,820	130,879,301	137,458,184
Money Market Mutual funds	189,900,642				189,900,642
Total Cash and Cash Equivalents	$ 320,121,037	$ 3,124,063	$ 3,454,820	$ 130,879,301	$ 327,358,826

Rhode Island Housing and Mortgage Finance Corporation - Private Purpose Trust

		June 30, 2020			
	Book Balance	Insured	A	C	Total Bank Balance
Cash deposits	$ 45,494,099	$ 250,000	$	$ 45,244,099	$ 45,494,099
Money Market Mutual funds	10,695,158				10,695,158
Total Cash and Cash Equivalents	$ 56,189,257	$ 250,000	$ -	$ 45,244,099	$ 56,189,257

Rhode Island Housing and Mortgage Finance Corporation

	Book Balance	June 30, 2019 Insured	A	C	Total Bank Balance
Cash deposits-operating	$ 47,627,445	$ 3,109,575	$ 2,188,665	$ 51,928,358	$ 57,226,598
Cash deposits-single family	1,183,634				
Cash deposits-multi-family funds	350,349				
Cash deposits-escrows	57,982,696			57,982,696	57,982,696
Total deposits	107,144,124	3,109,575	2,188,665	109,911,054	115,209,294
Money Market Mutual funds	209,479,728				209,479,728
Total Cash and Cash Equivalents	$ 316,623,852	$ 3,109,575	$ 2,188,665	$ 109,911,054	$ 324,689,022

Rhode Island Housing and Mortgage Finance Corporation - Private Purpose Trust

	Book Balance	June 30, 2019 Insured	A	C	Total Bank Balance
Cash deposits	$ 42,840,089	$ 250,000	$	$ 42,590,089	$ 42,840,089
Money Market Mutual funds	10,695,158				10,695,158
Total Cash and Cash Equivalents	$ 53,535,247	$ 250,000	$ -	$ 42,590,089	$ 53,535,247

Cash and cash equivalents in the Single-Family Fund and Multi-Family Fund are principally invested in short-term United States Government money market funds. At June 30, 2020 and 2019, investments in United States Government money market funds are as follows:

	2020	2019
Operating Fund	$ 1,474,310	$ 7,598,134
Single-Family Fund	130,409,902	135,805,745
Multi-family Fund	58,016,430	66,075,849
Total	$ 189,900,642	$ 209,479,728
Affordable Housing Trust	$ 10,695,158	$ 10,695,158

The funds are rated AAA and invested only in U.S. Treasuries, U.S. Agencies and repurchase agreements collateralized by U.S. Treasury and Agency securities. Since the funds offer a floating rate that tends to move with other U.S. market risk-free rates, there is substantially no interest rate risk associated with these short-term investments. Because of the quality of the underlying securities in the asset pool and the institutions involved in the management and custody, there is no material credit or custodial risk in this portfolio. These investments are used as temporary cash management instruments. The fair value of these money market funds reflects the net asset value reported by the fund administrator which is a stable $1 per unit. The underlying investments which are short-term cash equivalent type investments are generally carried at amortized cost which approximates fair value. There are no withdrawal limitations for the money market mutual funds.

Investments

The first objective of the Corporation investment strategy is to minimize risk and maximize the preservation of capital. All investments are to be made in a manner to minimize any risk which would jeopardize the safety of the principal invested. The second objective is to maintain sufficient liquidity to match cash flow requirements. The third objective is to maximize yield after first satisfying the first two objectives. Other major considerations include diversification of risk and maintenance of credit ratings.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in a debt instrument. As a means of limiting exposure to fair value losses arising from rising interest rates, the Board of Commissioners' (the Board) established an investment policy for the Corporation's Operating Fund limits. The maximum investments in certain maturities or repricing maturities are as follows:

Maturity	Maximum investment
Less than one year	100%
One to five years	25%
Greater than five years	0%

At June 30, 2020 and 2019, the Operating Fund holds two investments with a maturity of greater than five years. These investments are marketable securities that are pledged as collateral to a lender for borrowings.

While each of the bond resolutions contains investment policies which describe acceptable investments, there are no specific policies for percentage maximum investments with respect to the Single-Family Fund, Multi-Family Fund and the Trust (collectively referred to as the Other Funds). The Corporation strives to match asset and liability maturities. The Corporation manages interest rate risk by considering variables such as mortgage prepayment frequency, expected asset lives, utilization of interest sensitivity gap (segmented time distribution) and simulation analysis.

At June 30, 2020 and 2019, the distribution of investments by remaining or re-pricing maturity is as follows:

	Investment Maturities (Years)			
	Less Than 1	**1 - 10**	**10**	**Total**
Operating Fund:				
U.S. Government Obligations	$ 3,570,304	$	$ 1,910,174	$ 5,480,478
Single-Family Fund:				
U.S. Government Obligations			351,410,473	351,410,473
U.S. Agency Obligations			14,981,849	14,981,849
Guaranteed Investment Contracts			2,883,495	2,883,495
Total Single-Family Fund	-	-	369,275,817	369,275,817
Multi-Family Fund				
U.S. Government Obligations				-
U.S. Agency Obligations	310,635	2,077,591		2,388,226
Guaranteed Investment Contracts				-
Total Multi-Family Fund	310,635	2,077,591	-	2,388,226
Escrows*	118,215,236			118,215,236
Subtotal	122,096,175	2,077,591	371,185,991	495,359,757
Trust:				
U.S. Agency Obligations	44,268			44,268
Total	$ 122,140,443	$ 2,077,591	$ 371,185,991	$ 495,404,025

	June 30, 2019			
	Investment Maturities (Years)			
	Less Than 1	**1 - 10**	**More Than 10**	**Total**
Operating Fund:				
U.S. Government Obligations	$ 4,357,128	$	$ 2,310,652	$ 6,667,780
Single-Family Fund:				
U.S. Government Obligations			157,914,500	157,914,500
U.S. Agency Obligations			16,586,100	16,586,100
Guaranteed Investment Contracts			2,883,495	2,883,495
Total Single-Family Fund	-	-	177,384,095	177,384,095
Multi-Family Fund				
U.S. Government Obligations				-
U.S. Agency Obligations		2,913,825		2,913,825
Guaranteed Investment Contracts				-
Total Multi-Family Fund	-	2,913,825	-	2,913,825
Escrows*	95,292,178			95,292,178
Subtotal	99,649,306	2,913,825	179,694,747	282,257,878
Trust:				
U.S. Agency Obligations	48,115			48,115
Total	$ 99,697,421	$ 2,913,825	$ 179,694,747	$ 282,305,993

* Included in the tables above are escrow funds relating to homeowners and to multi-family developments. The Corporation is not exposed to interest rate risk relating to escrows since the income and market gains or losses on these investments flow directly into the respective escrow deposit liability accounts.

Investments include mortgage-backed securities backed by government-insured single-family mortgage loans originated under the Corporation's program guidelines. These securities are pass-through securities which require monthly payments by an FHA-approved or Fannie Mae-approved lender and are guaranteed by either the Government National Mortgage Association (GNMA) or FNMA. The securities are subject to interest rate risk due to prepayments and the fair value of the securities which vary with the change in market interest rates. The securities are intended to be held to maturity. The securities are held by the Single-Family and Operating Funds and are carried at fair value totaling $368,302,497 and $176,811,251 at June 30, 2020 and 2019, respectively.

The Corporation categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are observable market-based inputs or unobservable inputs that are corroborated by market data. Level 3 inputs are unobservable inputs that are not corroborated by market data.

The Corporation has recurring fair value measurements in the form of Fixed Income Securities (U.S. Treasuries, mortgage-backed securities and obligations of government-sponsored enterprises) as of June 30, 2020, of $123,695,714 in the Operating Fund, $366,392,323 in the Single-Family, $2,388,226 in the Multi-Family Fund, and $44,268 in the Trust that are valued using quoted market prices (Level 1 inputs). Included in Operating Fund investments are fair value measurements for escrow funds relating to homeowners and to multi-family developments. The Corporation does not measure the fair value of guaranteed investment contracts in the amount of $2,883,495 in the Single-Family Fund as of June 30, 2020.

The Corporation had recurring fair value measurements in the same form as of June 30, 2019, of $101,959,959 in the Operating Fund, $174,500,600 in the Single-Family fund, $2,913,825 in the Multi-Family Fund and $48,115 in the Trust that are valued using quoted market prices (Level 1 inputs). Included in Operating Fund investments were fair value measurements for escrow funds relating to homeowners and to multi-family developments. The Corporation does not measure the fair value of guaranteed investment contracts in the amount of $2,883,495 in the Single-Family Fund as of June 30, 2019.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The current Board-approved policy requires all investments in the Operating Fund to be rated at least Single A by a nationally recognized rating agency. Generally, each of the bonded resolutions in the Single-Family Fund and the Multi-Family Fund contain policies that require investments that do not impair the existing ratings on the related bonds. The Trust has no minimum rating requirements.

At June 30, 2020 and 2019, investments, excluding investments relating to escrow accounts for which the credit risk is that of the party for whom the escrow is held rather than that of the Corporation, are rated by Standard & Poor's or Moody's Investors Service as follows:

	June 30, 2020	
Rating	**AA+/Aaa**	**Unrated**
Investment	**U.S. Agencies**	**GICS**
Operating Fund	$ -	$ -
Single-Family Fund	14,981,849	2,883,495
Multi-Family Fund	2,388,226	
Trust	44,268	

	June 30, 2019	
Rating	**AA+/Aaa**	**Unrated**
Investment	**U.S. Agencies**	**GICS**
Operating Fund	$	$
Single-Family Fund	16,586,100	2,883,495
Multi-Family Fund	2,913,825	
Trust	48,115	

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer regardless of its credit history. The Board-approved policy for the Operating Fund limits the amount that may be invested with any one issuer as follows:

United States Government Obligations	100% of portfolio
United States Agency Obligations	100% of portfolio
Repurchase Agreements	50% of portfolio
Collective Short-Term Funds	25% of portfolio
All other investments	10% of portfolio

Although there are no specific concentration policies for maximum percentage of investments, the Corporation attempts to diversify as much as possible given the limited number of issuers of AAA-rated investments.

At June 30, 2020 and 2019, all Operating Fund investments in securities of the U.S. Government and Agency securities, with no concentration of more than 5% of total Operating Fund investments in any particular agency for which the investments were not secured by the U.S. Government.

At June 30, 2020 and 2019, investment concentrations of 5% or more of each respective fund's total investments, excluding investments relating to escrow accounts for which the concentration of credit risk is that of the party for whom the escrow is held rather than that of the Corporation, are as follows:

	June 30, 2020		
Issuer	Single-Family Fund	Multi-Family Fund	Trust
Federal Home Loan Bank	$	$ 2,077,591	$
Federal Farm Credit Bank		310,635	
Federal National Mtg. Assoc.	14,981,849		44,268

	June 30, 2019		
Issuer	Single-Family Fund	Multi-Family Fund	Trust
Federal Home Loan Bank	$	$ 826,295	$
Federal Farm Credit Bank		2,087,530	
Federal National Mtg. Assoc.	16,586,100		48,115

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The policy in the Operating Fund is that all purchases are held in a safekeeping or custodial account at an approved safekeeping agent of the Corporation in the Corporation's name. At June 30, 2020 and 2019, there were no investments in the Operating Fund subject to custodial credit risk.

There are no other specific custodial credit risk policies for the other funds. Most of the Corporation's investments in other funds are either in Guaranteed Investment Contracts (GICs) in bonded resolutions, which are direct investments not subject to custodial credit risk, or in accounts managed by a financial advisory firm with underlying investments restricted to U.S. Government and Agency securities. At June 30, 2020 and 2019, there were no investments in any of the other funds subject to custodial credit risk.

As established in the Board-approved investment policy, the Corporation can enter into interest rate swap agreements and other similar interest rate related derivative instruments to reduce interest rate mismatches between its loan and investment assets and its bond and note liabilities. These types of derivative instruments expose the Corporation to certain risks including credit risk, interest rate risk, and counterparty risk. At June 30, 2020 and 2019, the Corporation was not party to any interest rate swap agreements. At June 30, 2020, the Corporation had entered into certain commitments to sell loans, which expose the Corporation to interest rate risk as discussed further in Note 9.

5. ACCOUNTS RECEIVABLE

Accounts receivables for the years ended June 30, 2020 and 2019 were as follows:

	2020	2019
Accounts receivable:		
Due from federal government	$ 1,456,093	$ 1,313,304
Tax sale receivables	3,435,791	4,890,806
Accounts	7,632,764	6,184,399
Total receivables	12,524,648	12,388,509
Allowance	(1,037,320)	(1,069,495)
Receivables, Net	$ 11,487,328	$ 11,319,014

6. OTHER ASSETS

Other assets, net, consisted of the following at June 30, 2020 and 2019:

	2020	2019
Accounts receivable:		
Due from federal government	$ 1,456,093	$ 1,313,304
Tax sale receivables	3,435,791	4,890,806
Accounts	7,632,764	6,184,399
Total receivables	12,524,648	12,388,509
Allowance	(1,037,320)	(1,069,495)
Receivables, Net	$ 11,487,328	$ 11,319,014

Depreciation expense related to capital assets for the years ended, June 30, 2020 and 2019 was $723,920 and $886,461, respectively.

Amortization expense related to purchased mortgage servicing rights for the years ended June 30, 2020 and 2019 was $1,539,322 and $1,146,101, respectively.

Other assets of the Trust consisted of federal program properties totaling $1,303,137 and $403,137 at June 30, 2020 and 2019, respectively.

Capital asset activity for the years ended June 30, 2020 and 2019 is as follows:

	Balance July 1, 2019	Additions/ (Deletions)	Balance June 30, 2020
Capital assets not being depreciated:			
Construction in progress	$ -	$ 842,227	$ 842,227
Total capital assets not being depreciated	-	842,227	842,227
Capital assets being depreciated:			
Furniture	1,421,326		1,421,326
Office Equipment	954,213		954,213
Computers	7,917,354	(95,608)	7,821,746
Buildings and improvements	15,133,473	172,090	15,305,563
Total capital assets being depreciated	25,426,366	76,482	25,502,848
Less accumulated depreciation for:	(16,517,344)	(623,111)	(17,140,455)
Total capital assets being depreciated, net	8,909,022	(546,629)	8,362,393
Capital Assets, Net	$ 8,909,022	$ 295,598	$ 9,204,620

	Balance July 1,2018	Additions/ (Deletions)	Balance June 30, 2019
Capital assets:			
Furniture	$ 1,378,844	$ 42,482	$ 1,421,326
Office Equipment	954,213		954,213
Computers	7,720,117	197,237	7,917,354
Buildings and improvements	14,914,872	218,601	15,133,473
Total capital assets being depreciated	24,968,046	458,320	25,426,366
Less accumulated depreciation for:	(15,630,883)	(886,461)	(16,517,344)
Capital Assets, Net	$ 9,337,163	$ (428,141)	$ 8,909,022

7. BONDS AND NOTES PAYABLE

The Corporation issues serial bonds and term bonds under various bond resolutions to provide permanent financing for the origination or purchase from participating originating lenders of single-family loans, to provide permanent financing for qualified housing developments, and to provide financing for other purposes.

The Corporation obtains principally first and second mortgage liens on real property financed. The Corporation assigns such liens to the respective bonds when the mortgage loans are permanently financed using bond proceeds. Bonds and notes are secured by related revenues and assets of the respective programs in which the related bonds and notes payable are reported.

The provisions of the applicable trust indentures require or allow for the redemption of bonds by the Corporation through the use of unexpended bond proceeds and excess funds accumulated primarily through the prepayment of mortgage loans. All outstanding bonds are subject to redemption at the option of the Corporation, in whole or in part at any time after certain dates, as specified in the respective bond series indentures.

Principal and interest on substantially all bonds is payable semi-annually.

The Corporation is required by the Internal Revenue Service as well as its various bond resolutions to comply with certain tax code provisions and bond covenants. The most significant of these include the following: all debt payments must be current, annual reports and budgets must be filed with the trustee, and the Corporation must comply with various restrictions on investment earnings from bond proceeds. The Corporation’s management believes it was in compliance with these covenants as of June 30, 2020.

Bonds and notes payable at June 30, 2020 and 2019 are as follows:

	2020	2019
Operating Fund Bonds and Notes:		
Federal Home Loan Bank		
Due 2019 to 2026, interest from 0.00% to 2.72%	$ 11,175,000	$ 11,175,000
Federal Financing Bank		
Due 2056 to 2059, interest from 2.239% to 4.640%	148,030,995	142,440,667
General Obligation Bonds Series 2018:		
Mandatory tender bonds, due 2032, interest at 3.12%	5,000,000	5,000,000
Notes Payable, due 2027 to 2048, interest from 2.75% to 6.25%	15,715,089	16,085,730
Lines of Credit, payable on demand, interest from 3.21% to 3.40%	88,009,000	71,009,000
Total Operating Fund	267,930,084	245,710,397
Single-Family Fund:		
Homeownership Opportunity Bonds:		
Series 10-A:		
Term bonds, due 2022 to 2027, interest at 6.50%	940,000	980,000
Series 15-A:		
Term bonds, due 2024, interest at 6.85%	380,000	380,000
Series 46-T:		
Term bonds, due 2034, interest at variable rate	15,000,000	15,000,000

Series 48-T:		
Term bonds, due 2034, interest at variable rate	$ 15,000,000	$ 15,000,000
Series 58-A:		
Term bonds, due 2023, interest at 5.05%		955,000
Series 61-A:		
Serial bonds, due 2020 to 2023, interest from 2.40% to 3.05%	11,295,000	12,265,000
Series 61-B:		
Term bonds, due 2026 to 2037, interest from 3.45% to 4.10%	6,390,000	6,755,000
Series 61-C:		
Serial bonds, due 2019 to 2020, interest from 2.90% to 3.00%		4,090,000
Series 62-A:		
Serial bonds, due 2019 to 2021, interest from 2.50% to 3.125%	865,000	1,770,000
Series 62-B:		
Serial bonds, due 2021 to 2022, interest from 3.125% to 3.25%	4,025,000	4,025,000
Term bonds, due 2024 to 2028, interest from 3.50% to 4.00%	8,930,000	8,930,000
	12,955,000	12,955,000
Series 62-C:		
Serial bonds, due 2019 to 2022, interest from 3.20% to 3.875%	4,245,000	5,610,000
Term bonds, due 2022, interest at 3.875%	7,450,000	8,245,000
	11,695,000	13,855,000
Series 63-A:		
Term bonds, due 2027 to 2040, interest from 3.50% to 4.00%	10,105,000	10,440,000
Series 63-B:		
Term bonds, due 2032, interest from 3.80%	540,000	1,135,000
Series 63-C:		
Serial bonds, due 2019 to 2022, interest from 2.85% to 3.50%	3,795,000	4,845,000
Term bonds, due 2025, interest at 3.75%	3,680,000	3,680,000
	7,475,000	8,525,000
Series 63-T:		
Term bonds, due 2042, interest at variable rate		
Series 64-T:		
Serial bonds, due 2018, interest at 2.58%		
Term bonds, due 2023 to 2034, interest from 3.00% to 4.00%	21,570,000	26,210,000
Series 65-T:		
Serial bonds, due 2019 to 2025, interest from 2.563% to 3.886%	20,255,000	22,930,000
Term bonds, due 2029 to 2039, interest from 2.913% to 4.433%	8,965,000	13,770,000
	29,220,000	36,700,000
Series 66 A-1:		
Term bonds, due 2033, interest at 4.00%	9,415,000	12,715,000

	2020	2019
Series 66 A-2:		
Term bonds, due 2032, interest at 4.00%	$ 2,245,000	$ 3,450,000
Series 66-B:		
Term bonds, due 2045, interest at variable rate		
Series 66 C-2:		
Serial bonds, due 2019 to 2026, interest from 2.05% to 3.65%	13,350,000	15,360,000
Series 67-A:		
Term bonds, due 2041, interest at 3.55%	5,235,000	5,235,000
Series 67-B:		
Term bonds, due 2026 to 2046, interest from 2.40% to 3.55%	6,970,000	8,055,000
Series 67-C:		
Serial bonds, due 2019 to 2027, interest from 1.50% to 3.00%	12,075,000	13,005,000
Term bonds, due 2030 to 2038, interest from 3.25% to 3.50%	12,360,000	13,765,000
	24,435,000	26,770,000
Series 68-B:		
Term bonds, due 2031 to 2046, interest from 3.00% to 3.40%	37,230,000	38,470,000
Series 68-C:		
Serial bonds, due 2019 to 2026, interest from 1.45% to 2.65%	33,015,000	36,980,000
Term bonds, due 2031 to 2039, interest from 3.15% to 3.50%	76,540,000	85,860,000
	109,555,000	122,840,000
Series 69-A:		
Serial bonds, due 2019 to 2029, interest from 1.90% to 3.50%	13,540,000	13,770,000
Series 69-B:		
Term bonds, due 2033 to 2048, interest from 3.55% to 4.00%	67,185,000	82,475,000
Series 69-T:		
Serial bonds, due 2019 to 2024, interest from 2.70% to 3.40%	6,320,000	7,445,000
Series 70:		
Serial bonds, due 2020 to 2031, interest from 1.40% to 2.55%	29,995,000	31,025,000
Term bonds, due 2034 to 2049, interest from 2.80% to 4.00%	91,655,000	91,725,000
	121,650,000	122,750,000
Series 71:		
Serial bonds, due 2020 to 2032, interest from 1.20% to 2.55%	16,025,000	
Term bonds, due 2034 to 2049, interest from 2.75% to 3.75%	42,355,000	
	58,380,000	-
Series 72A:		
Serial bonds, due 2021 to 2032, interest from 0.40% to 2.20%	16,025,000	
Term bonds, due 2035 to 2050, interest from 2.30% to 3.50%	42,355,000	
	58,380,000	-
Unamortized bond premium	13,862,134	10,324,853
Subtotal	730,142,134	636,674,853

Home Funding Bonds:		
Series 1-A:		
Serial bonds, due 2019 to 2027, interest from 3.875% to 4.625%	$	$ 1,955,000
Series 2, Subseries 2A:		
Term bonds, due 2041, interest at 3.16%	12,300,000	14,155,000
Series 2, Subseries 2B:		
Term bonds, due 2041, interest at 2.63%	10,710,000	11,880,000
Series 2, Subseries 2C:		
Term bonds, due 2041, interest at 2.73%	18,950,000	21,930,000
Series 3:		
Serial bonds, due 2019 to 2020, interest from 3.05% to 3.20%		1,695,000
Term bonds, due 2025, interest at 4.00%		205,000
	-	1,900,000
Series 4:		
Serial bonds, due 2019 to 2022, interest from 2.90% to 3.50%		2,585,000
Series 5:		
Term bonds, due 2028 to 2040, interest from 2.75% to 3.45%	23,575,000	25,095,000
Unamortized bond premium	448,655	481,656
Subtotal	65,983,655	79,981,656
Total Single-Family Fund	796,125,789	716,656,509
Multi-Family Fund:		
Housing Bonds:		
2001 Series B-2T:		
Term bonds, due 2031, interest at variable rate	2,735,000	2,905,000
2003 Series A-2T:		
Term bonds, due 2034, interest at variable rate	16,620,000	17,330,000
2003 Series B-2T:		
Term bonds, due 2035, interest at variable rate	7,995,000	8,140,000
Unamortized bond discount	(79,101)	(83,235)
Subtotal	27,270,899	28,291,765
Multi-Family Funding Bonds:		
2009 Series A, Subseries 2009A-1:		
Term bonds, due 2051, interest at 3.01%	51,000,000	51,000,000
2009 Series A, Subseries 2009A-2:		
Term bonds, due 2051, interest at 2.32%	14,100,000	14,100,000
2010 Series A:		
Serial bonds, due 2019 to 2021, interest from 3.75% to 4.00%	1,090,000	1,760,000
Term bonds, due 2025 to 2035, interest from 4.625% to 5.25%	15,550,000	15,550,000
	16,640,000	17,310,000
2011 Series A:		
Term bonds, due 2021 to 2032, interest from 3.125% to 4.625%	3,805,000	4,015,000
Subtotal	85,545,000	86,425,000

Multi-Family Development Bonds:		
2010 Series 1:		
Serial bonds, due 2019 to 2021, interest from 3.875% to 4.25%	$ 40,000	$ 200,000
2013 Series 1-AB:		
Serial bonds, due 2019 to 2023, interest from 1.90% to 2.85%	1,835,000	2,295,000
Term bonds, due 2027 to 2048, interest from 3.25% to 4.125%	30,905,000	30,905,000
	32,740,000	33,200,000
2013 Series 2-T:		
Serial bonds, due 2019 to 2023, interest from 2.239% to 3.218%	7,380,000	9,320,000
Term bonds, due 2027 to 2031, interest from 3.768% to 4.456%	7,605,000	17,610,000
	14,985,000	26,930,000
2013 Series 3-B:		
Serial bonds, due 2019 to 2024, interest from 2.25% to 3.85%	180,000	210,000
Term bonds, due 2028, interest at 4.375%		190,000
	180,000	400,000
2013 Series 3-C:		
Term bonds, due 2028, interest at 4.375%		5,085,000
2013 Series 3-D:		
Serial bonds, due 2019 to 2024, interest from 2.75% to 4.35%	885,000	1,480,000
Term bonds, due 2024, interest at 4.00%	6,155,000	7,665,000
	7,040,000	9,145,000
2013 Series 4-T:		
Serial bonds, due 2018, interest at 2.774%		
Term bonds, due 2023, interest at 4.207%		1,350,000
	-	1,350,000
2014 Series 2-T:		
Term bonds, due 2019 to 2027, interest from 2.481% to 3.823%	11,755,000	13,215,000
2014 Series 3-A:		
Term bond, due 2018, interest of 1.35%		
2014 Series 3-B:		
Serial bonds, due 2019 to 2025, interest from 1.70% to 2.95%	1,310,000	1,500,000
Term bonds, due 2029 to 2049, interest from 3.40% to 4.125%	13,715,000	13,715,000
	15,025,000	15,215,000
2016 Series 1-B:		
Serial bonds, due 2019 to 2026, interest from 1.05% to 2.650%	1,165,000	1,315,000
Term bonds, due 2031 to 2056, interest from 3.15% to 4.10%	15,350,000	15,350,000
	16,515,000	16,665,000
2016 Series 1-C:		
Serial bonds, due 2019 to 2026, interest from 1.35% to 3.00%	3,130,000	3,500,000
Term bonds, due 2031 to 2041, interest from 3.50% to 4.10%	15,170,000	15,170,000
	18,300,000	18,670,000
2017 Series 1-A:		
Term bonds, due 2047, interest at 1.70%		10,885,000
2017 Series 1-B:		
Term bonds, due 2052, interest at 4.20%	1,600,000	1,710,000

	2020	2019
2017 Series 2-T:		
Serial bonds, due 2019 to 2028, interest from 1.834% to 3.639%	$ 8,145,000	$ 8,965,000
Term bonds, due 2032 interest at 4.069%		3,900,000
	8,145,000	12,865,000
2017 Series 3-T:		
Term bonds, due 2020, interest at 0.00%		7,600,000
2017 Series 4-B:		
Serial bonds, due 2020 to 2028, interest from 1.85% to 3.05%	2,725,000	2,725,000
Term bonds, due 2032 to 2037, interest from 3.35% to 3.80%	31,620,000	31,620,000
	34,345,000	34,345,000
2019 Series 1-A:		
Term bonds, due 2049, interest at 1.70%	25,900,000	
2019 Series 1-B:		
Serial bonds, due 2022 to 2031, interest from 1.55% to 2.40%	3,445,000	
Term bonds, due 2034 to 2059, interest from 2.75% to 3.40%	32,555,000	
	36,000,000	-
2019 Series 2-T:		
Serial bonds, due 2020 to 2031, interest from 1.90% to 2.95%	2,130,000	
Term bonds, due 2039 to 2051, interest from 3.30% to 3.50%	9,570,000	
	11,700,000	-
Unamortized bond discount	(33,908)	(35,807)
Subtotal	234,236,092	207,444,193
Multi-Family Mortgage Revenue Bonds and Notes:		
Series 2006 (University Heights Project):		
Term bonds, due 2039, interest at variable rate	26,700,000	26,700,000
Series 2006 (Sutterfield Project):		
Term bonds, due 2039, interest at variable rate	7,000,000	7,000,000
Series 2006 (The Groves):		
Term bonds, due 2040, interest at variable rate		
Series 2015 (Charles Place):		
Note payable, due 2045, interest at 4.16%	24,111,067	24,511,077
Series 2016 (EPN):		
Note payable, due 2033, interest at 4.07%	15,314,035	15,528,121
Series 2017 (Colony House):		
Note payable, due 2050, interest at variable rate	13,864,500	13,864,500
Series 2017 (Lippitt Mill Apartments):		
Note payable, due 2035, interest at variable rate	7,621,730	6,568,479

	2020	2019
Series 2017A-B (Oxford Place Gardens):		
Note Payable, due 2020, interest at variable rate	$	$ 8,017,617
Note Payable bond, due 2035, interest at variable rate	3,098,139	3,132,300
	3,098,139	11,149,917
Series 2018 (Curtis Arms):		
Note payable, due 2051, interest at 4.99%	14,000,000	14,000,000
Series 2020 (Festival Fields):		
Note payable, due 2036, interest at 3.46%	39,862,720	-
Subtotal	151,572,191	119,322,094
Total Multi-Family Fund	498,624,182	441,483,052
Total Bonds and Notes Payable	$ 1,562,680,055	$ 1,403,849,958

The Operating Fund's lines of credit were established with financial institutions primarily to make funds available for the origination, or purchase from participating originating lenders, of single-family loans prior to the receipt of the respective bond proceeds. At June 30, 2020, the Corporation may borrow up to a maximum of $135,000,000 under various revolving loan agreements expiring between August 2020 and January 2021. Borrowings under the lines of credit are payable on demand and are unsecured. One line of credit has a variable interest rate. As of June 30, 2020, the borrowings were $8,000,000 and the rate was 1.062%. The remaining line of credit agreements have fixed rates which range from 1.664% to 3.489%. Outstanding borrowings under these agreements totaled $80,009,000 at June 30, 2020.

The Corporation entered into a standby letter of credit agreement with a financial institution whereby the financial institution guarantees payment not to exceed $1,400,000 to the beneficiary in the event of a request for drawing made by the beneficiary.

The schedule below includes amounts required for debt service sinking funds for each fiscal year relating to the respective bonds and notes as of June 30, 2020 (dollars in thousands):

	Operating Fund Bonds/Notes		**Single-Family Bonds/Notes**		**Multi-Family Bonds/Notes**	
	Principal	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2021	$ 81,969	$ 6,874	$ 35,560	$ 24,296	$ 9,745	$ 15,693
2022	2,061	5,632	37,060	23,318	10,090	15,412
2023	2,157	5,562	33,450	22,232	10,925	15,129
2024	7,258	5,489	29,100	21,221	11,220	14,789
2025	2,364	5,257	27,660	20,318	10,010	14,445
2026-2030	32,777	35,157	152,165	97,676	52,175	50,886
2031-2035	17,037	28,926	143,275	75,966	55,517	43,919
2036-2040	20,349	22,017	119,860	55,126	151,571	37,551
2041-2045	23,261	15,030	105,145	36,041	61,261	23,454
2046-2050	26,620	9,939	95,920	18,599	76,364	15,396
2051-2055	33,074	5,492	2,620	459	36,215	6,793
2056-2060	19,003	892	-		13,644	2,388
Total	$ 267,930	$ 146,267	$ 781,815	$ 395,252	$ 498,737	$ 255,855

Homeownership Opportunity Bonds Series 46-T, 48-T, and Housing Bonds 2001 Series B-2T, 2003 Series A-2T and 2003 Series B-2T bear interest at taxable rates established monthly or quarterly, which range from 1.664% to 1.754% at June 30, 2020. Certain Multi-Family Mortgage Revenue Bonds bear interest at tax-exempt rates established weekly with a rate of 0.193% at June 30, 2020. One Multi-Family Mortgage Revenue Bond bears interest daily with a rate of 1.935% at June 30, 2020.

Bonds and notes payable activity for the year ended June 30, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Bonds and notes payable:				
General obligation bonds	$ 5,000,000	$	$	$ 5,000,000
Unsecured notes	71,009,000	504,000,000	(487,000,000)	88,009,000
Secured notes	169,701,395	15,000,000	(9,780,312)	174,921,083
Revenue bonds	1,158,139,563	270,373,250	(133,762,841)	1,294,749,972
	$ 1,403,849,958	$ 789,373,250	$ (630,543,153)	$ 1,562,680,055

Bonds and notes payable activity for the year ended June 30, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Bonds and notes payable:				
General obligation bonds	$ 5,000,000	$ 5,000,000	$ (5,000,000)	$ 5,000,000
Unsecured notes	66,009,000	317,000,000	(312,000,000)	71,009,000
Secured notes	139,094,985	35,535,181	(4,928,771)	169,701,395
Revenue bonds	1,087,840,139	248,478,199	(178,178,775)	1,158,139,563
	$ 1,297,944,124	$ 606,013,380	$ (500,107,546)	$ 1,403,849,958

Debt service requirements for direct borrowings and placements on long-term debt at June 30, 2020 are as follows (dollars in thousands):

	Business Type Activities			
	Bonds		Notes from Direct Borrowing and Direct Placements	
Year Ending June 30,	Principal	Interest	Principal	Interest
2021	$	$ 156	$ 80,441	$ 1,049
2022		156	462	740
2023		156	484	718
2024	5,000	78	507	695
2025			531	671
2026-2030			22,248	4,251
2031-2035			3,808	2,129
2036-2040			3,724	1,184
2041-2045			2,360	337
2046-2050			333	14
Total	$ 5,000	$ 546	$ 114,898	$ 11,788

Changes in long-term obligations for direct borrowings and placements for the year ended June 30, 2020 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One year
Business Type Activities:					
General obligation bonds	$ 5,000,000	$	$	$ 5,000,000	$
Notes from direct borriwings and direct placements	105,869,730	512,000,000	(502,970,640)	114,899,090	80,441,418
	$ 110,869,730	$ 512,000,000	$ (502,970,640)	$ 119,899,090	$ 80,441,418

The agreements related to the notes from direct borrowings and direct placements of $114,899,090 include certain provisions and results in the event of default. For the various lines of credit, which total $99,184,000, the interest rate could increase up to a maximum of 5% over the current rate and the outstanding lines may become due immediately at the discretion of the respective lenders. For the notes payable, which total $15,715,090, the principal and related interest would become due immediately.

8. COMMITMENTS AND CONTINGENCIES

The Corporation is party to financial instruments with off-balance-sheet risk in connection with its commitments to provide financing. Such commitments expose the Corporation to credit risk in excess of the amounts recognized in the accompanying combining statements of net position. The Corporation's exposure to credit loss in the event of nonperformance by the borrowers is represented by the contractual amount of such instruments. The Corporation uses the same credit policies in making commitments as it does for on-balance-sheet instruments.

Total credit exposure as a result of loan commitments at June 30, 2020, is as follows:

Single Family Fund	$	8,975
Operating Fund		86,019,417
Multifamily		1,378,270
Trust		6,810,464
Total	$	94,217,126

Commitments to extend credit are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses. The Corporation evaluates each borrower's creditworthiness on a case-by-case basis. Interest rates on approved loan commitments are principally fixed rates.

The Corporation has entered into contracts with multiple developments under the Neighborhood Opportunities Program to fund projects over the next seven years for a total of $6,442,339, subject to the availability of funds. As of June 30, 2020, $4,945,646 has been paid under these contracts.

The Corporation is party to certain claims and lawsuits which are being contested, certain of which the Corporation and respective legal counsel are unable to determine the likelihood of an unfavorable outcome or the amount or range of potential loss. In the opinion of management, the ultimate liability with respect to these actions and claims will not have a material adverse effect on either the financial position or the results of operations of the Corporation.

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God for which the Corporation carries commercial insurance. Neither the Corporation nor its insurers have settled any claims which exceeded the Corporation's insurance coverage in any of the last three fiscal years. There have been no significant reductions in any insurance coverage from amounts in the prior year. The Corporation also is self-insured for unemployment compensation, and no accrual has been recorded in the accompanying financial statements for claims expected to arise from services rendered on or before June 30, 2020, because the Corporation officials are of the opinion that, based on prior experience, such claims will not be material.

9. DERIVATIVE INSTRUMENTS

In July 2013, the Corporation converted its loan funding platform from a mortgage revenue bond program to a program primarily financed through the sale of whole loans and mortgage-backed securities guaranteed by FNMA and GNMA as to timely payment of principal and interest. The securities represent pools of qualified first mortgage loans originated by the Corporation approved lenders. Under this program, the Corporation periodically enters into forward contracts to sell the securities to investors before the securities are ready for delivery (referred to as a to-be-announced or TBA Mortgage-Backed Security

Contract). The Corporation enters into TBA Mortgage-Backed Security Contracts to hedge the interest rate risk for loan commitments made to originating mortgage lenders. TBA Mortgage-Backed Security Contracts are derivative instruments due to one or more of the following factors that are not designated at the time the Corporation and the investor enter into the transaction: settlement factors; the reference rates or interest rates the security will bear; and notional amounts in the form of the principal amount of the future Mortgage-Backed Securities. In addition, payment to the Corporation by the investor is not required until the investor receives the security, enabling the investor to take a position on interest rates without making a payment. Finally, the TBA Mortgage-Backed Security Contracts may be “net settled” because neither party is required to deliver or purchase an asset to settle the TBA Mortgage-Backed Securities Contract.

At June 30, 2020, TBA Mortgage-Backed Securities Contracts with a total notional amount of $16,950,000 and fair market values totaling $17,899,743 were outstanding, resulting in a hedging instrument of $949,743. These contracts are valued using quoted market prices (Level 1 inputs) and the fair values of such contracts are included in the combining statements of net position as deferred outflows of resources. In addition, the Corporation entered into commitments to sell loans to Fannie Mae with a total notional amount of $5,000,000 and fair market values totaling $5,255,157, resulting in a hedging instrument of $255,157. These contracts are valued using quoted market prices (Level 1 inputs) and the fair values of such contracts are also included in the combining statements of net position as deferred outflows of resources.

At June 30, 2019, TBA Mortgage-Backed Securities Contracts with a total notional amount of $14,972,640 and fair market values totaling $15,552,705 were outstanding, resulting in a hedging instrument of $580,065. These contracts are valued using quoted market prices (Level 1 inputs) and the fair values of such contracts are included in the combining statements of net position as deferred outflows of resources. In addition, the Corporation entered into commitments to sell loans to Fannie Mae with a total notional amount of $17,000,000 and fair market values totaling $17,524,051 resulting in a hedging instrument of $524,051. These contracts are valued using quoted market prices (Level 1 inputs) and the fair values of such contracts are also included in the combining statements of net position as deferred outflows of resources.

10. EMPLOYEE BENEFITS

Employee Benefit Plan

The Corporation has adopted an employee retirement plan created in accordance with Internal Revenue Code Section 401(a). The Corporation’s 401(a) money Purchase Pension Plan (the Plan) is a defined contribution plan, administered by Voya Financial. Regular full-time employees who meet certain requirements as to length of service are eligible. The Corporation contributes a set percentage of an employee’s annual eligible compensation to the Plan. The contribution requirements and benefit provisions are established and may be amended by management of the Corporation along with the Board of Commissioners. Contributions to the Plan for the years ended June 30, 2020 and 2019, totaled $947,018 and $668,529 respectively. The assets of the Plan were placed under a separate trust agreement for the benefit of the applicable employees, and therefore are neither an asset nor a liability of the Corporation.

Post-Employment Healthcare Plan

The Rhode Island Housing Retiree Healthcare Plan (RIHRHP) is a single-employer defined benefit healthcare plan administered by the Corporation. RIHRHP provides medical insurance benefits to eligible employees who retire from active full-time employment based on years of service and age.

RIHRHP currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2020, RIHRHP has not established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Administration costs are financed from current operations. RIHRHP does not issue a stand-alone financial report.

Employees become eligible at 28 years of service or at age 59½ with 10 years of service. RIHRHP pays a percentage of the cost of insurance, ranging from 50% to 100%, based on a combination of years of service and age. The benefit provisions are established and may be amended by management of the Corporation along with the Board of Commissioners.

Membership in the plan consisted of the following at June 30, 2019, the date of the last actuarial valuation:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	32
Active Plan Members	219
Total Plan Members	251

Total OPEB Liability

RI Housing's total OPEB liability of $7,762,527 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.13% as of June 30, 2019; based on the municipal bond index rate
Inflation	2.25%
Salary Increases	3.50% to 7.50%
Experience Studies	Due to the size of the plan, the demographic assumptions are not based on formal experience studies. However, gains and losses are monitored during each valuation and adjustments are made to retirement and withdrawal assumptions as needed.
Mortality	For healthy retirees, the gender-distinct PubG-2010 Healthy Retiree mortality tables were used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Health Care Cost Trend Rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.50% after 12 years; Ultimate trend rate includes a 0.50% adjustment for the excise tax. Post-65: Initial rate of 6.00% declining to an ultimate rate of 4.00% after 10 years.

Participation Rates	70% for retirees with 10 to 15 years of service at retirement. 85% for retirees with 16 to 27 years at retirement. 100% for retirees with 28 years or more at retirement.

Schedule of Changes in Total OPEB Liability and Related Ratios Fiscal Year Ended June 30, 2020 and 2019

	FY 2020	FY 2019
Total OPEB liability		
Service cost	$ 544,653	$ 537,100
Interest on total OPEB liability	258,543	233,195
Difference between expected and actual experience of total OPEB Liability	(1,010,025)	4,859
Changes in assumptions	1,167,026	(72,478)
Benefit payments	(134,837)	(94,763)
Net changes in total OPEB Liability	825,360	607,913
Total OPEB liability - beginning	6,937,167	6,329,254
Total OPEB Liability - Ending	$ 7,762,527	$ 6,937,167
Covered-employee payroll	$ 16,567,803	$ 16,562,167
Total OPEB liability as a percentage of covered-employee payroll	46.85%	41.89%

Changes of assumptions reflect a change in the discount rate from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019.

The total OPEB Liability at June 30, 2020 and 2019 of $7,762,527 and $6,937,167, respectively, is included with accounts payable and accrued liabilities in the Operating Fund.

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.13%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	June 30, 2020		
	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Total OPEB Liability	$ 9,366,575	$ 7,762,527	$ 6,500,525

	June 30, 2019		
	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
Total OPEB Liability	$ 8,283,218	$ 6,937,167	$ 5,862,506

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher. For the years ended June 30, 2020 and 2019, the healthcare cost trend rates for members that are Pre-65 were 7.00% and 7.50%, respectively, and members that were Post-65 were 6.00% and 5.75%, respectively.

	June 30, 2020		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 6,326,702	$ 7,762,527	$ 9,684,064

	June 30, 2019		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 5,555,809	$ 6,937,167	$ 8,798,626

Deferred Outflows and Deferred Inflows Related to OPEB

For the fiscal year ended June 30, 2020 and 2019, RIHRHP recognized OPEB expense of $744,161 and $ 697,099 respectively. RIHRHP reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2020	
	Deferred Outflows Of Resources	**Deferred Inflows Of Resources**
Differences between expected and actual experience	$ 3,993	$ 918,927
Changes in assumptions	1,061,767	612,055
Contribtuions subsequent to the measurement date	150,259	
Total	$ 1,216,019	$ 1,530,982

	June 30, 2019	
	Deferred Outflows Of Resources	**Deferred Inflows Of Resources**
Differences between expected and actual experience	$ 4,426	$
Changes in assumptions		685,684
Contribtuions subsequent to the measurement date	134,837	
Total	$ 139,263	$ 685,684

Amounts reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Deferred Outflows and Deferred Inflows to be Recognized in Future OPEB Expense

Year Ending June 30	Net Deferred Outflows/(Inflows
2021	$ (59,035)
2022	(59,035)
2023	(59,035)
2024	(59,035)
2025	(59,035)
Thereafter	(170,047)
	$ (465,222)

11. OTHER CONTINGENCIES

On March 9, 2020, the Governor of the State of Rhode Island declared a state of emergency to combat a novel coronavirus disease (COVID-19). On March 13, 2020, the President of the United States declared a national emergency due to the COVID-19 outbreak. The Corporation derives a significant portion of its revenues from loans made to multifamily projects and single-family homeowners which may have both been impacted by business closures and job loss. While the Corporation has not experienced any significant increase in the amount of delinquency from its borrowers, the situation creates uncertainty about the impact of future revenues that might be generated from these loans.

12. SUBSEQUENT EVENTS

The Corporation has instructed its trustee to redeem the following bonds outstanding:

Date of Call	Principal Program	Outstanding
September 24, 2020	Housing Bond Program	$ 10,540,000

The Corporation issued debt as outlined below:

Date of Issuance	Principal Program	Outstanding
September 10, 2020	Multi-Family Development Bonds	$ 44,075,000

The Corporation is currently in the process of a debt issuance related to the Housing Opportunity Bond program for $142,110,000. The offering statement was published and made available on September 16, 2020. The bond has been priced and management expects the bond to be closed in October 2020.

Subsequent to the balance sheet date, domestic and global investment markets have experienced significant volatility. This volatility is the result of numerous economic and political factors including the impact of the spread of COVID-19. As a result, the current fair value of the Corporation's investments may be materially different from the amounts recorded in the financial statements as of June 30, 2020. The change, however, does not impact the Corporation's liquidity as it typically holds mortgage-backed securities until maturity.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST THREE FISCAL YEARS

	2020	2019
Total OPEB liability:		
Service cost	$ 544,653	$ 537,100
Interest	258,543	233,195
Changes of benefit terms		
Differences between expected and actual experience	(1,010,025)	4,859
Changes of assumptions and other inputs	1,167,026	(72,478)
Benefit payments	(134,837)	(94,763)
Net change in total OPEB liability	825,360	607,913
Total OPEB liability - beginning	6,937,167	6,329,254
Total OPEB Liability - Ending	$ 7,762,527	$ 6,937,167
Covered-employee payroll	$ 16,567,803	$ 16,562,167
Total OPEB liability as a percentage of covered-employee payroll	46.85%	41.89%

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF NET POSITION - SINGLE-FAMILY FUND
JUNE 30, 2020 AND 2019

	Homeownership Opportunity Bond Program		Home Funding Bond Program	
	2020	**2019**	**2020**	**2019**
Assets:				
Loans receivable	$ 464,834,025	$ 541,001,357	$ 26,054,313	$ 30,632,952
Less allowance for loan losses	(14,000,000)	(10,000,000)		
Loans receivable, net	450,834,025	531,001,357	26,054,313	30,632,952
Investments	330,472,971	130,663,001	38,802,846	46,721,094
Accrued interest-loans	1,541,371	1,903,956	78,239	106,245
Accrued interest-investments	1,004,806	418,098	119,650	150,807
Cash and cash equivalents	122,414,637	126,969,078	10,252,825	10,020,301
Other assets, net	2,641,243	3,014,286	189,998	15,272
Interfund receivable (payable)	(26,397)	(390,622)	18,597	18,597
Total assets	908,882,656	793,579,154	75,516,468	87,665,268
Deferred Outflows of Resources:				
Loan origination costs	3,542	4,241		
Total deferred outflows of resources	3,542	4,241	-	-
Combined Assets and Deferred Outflows of Resources	$ 908,886,198	$ 793,583,395	$ 75,516,468	$ 87,665,268
Liabilities and Net Position				
Liabilities:				
Bonds and notes payable	$ 730,142,134	$ 636,674,853	$ 65,983,655	$ 79,981,656
Accrued interest payable on bonds and notes	5,273,706	6,788,312	487,175	711,581
Fees, net	117,571	133,118		
Total liabilities	735,533,411	643,596,283	66,470,830	80,693,237
Net Position:				
Net position, restricted	173,352,787	149,987,112	9,045,638	6,972,031
Total Liabilities and Net Position	$ 908,886,198	$ 793,583,395	$ 75,516,468	$ 87,665,268

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF NET POSITION - SINGLE-FAMILY FUND
JUNE 30, 2020 AND 2019

	Single-Family Fund Totals	
	2020	**2019**
Assets:		
Loans receivable	$ 490,888,338	$ 571,634,309
Less allowance for loan losses	(14,000,000)	(10,000,000)
Loans receivable, net	476,888,338	561,634,309
Investments	369,275,817	177,384,095
Accrued interest-loans	1,619,610	2,010,201
Accrued interest-investments	1,124,456	568,905
Cash and cash equivalents	132,667,462	136,989,379
Other assets, net	2,831,241	3,029,558
Interfund receivable (payable)	(7,800)	(372,025)
Total assets	984,399,124	881,244,422
Deferred Outflows of Resources:		
Loan origination costs	3,542	4,241
Total deferred outflows of resources	3,542	4,241
Combined Assets and Deferred Outflows of Resources	$ 984,402,666	$ 881,248,663
Liabilities and Net Position:		
Liabilities:		
Bonds and notes payable	$ 796,125,789	$ 716,656,509
Accrued interest payable on bonds and notes	5,760,881	7,499,893
Fees, net	117,571	133,118
Total liabilities	802,004,241	724,289,520
Net Position:		
Net position, restricted	182,398,425	156,959,143
Total Liabilities and Net Position	$ 984,402,666	$ 881,248,663

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - SINGLE-FAMILY FUND
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Homeownership Opportunity Bond Program		Home Funding Bond Program	
	2020	**2019**	**2020**	**2019**
Operating Revenues:				
Interest income on loans	$ 22,009,916	$ 24,861,496	$ 1,137,357	$ 1,309,973
Earnings on investments:				
Interest on investments	10,866,524	3,495,900	1,764,550	2,157,167
Net increase in fair value of investments	19,607,736	5,593,947	1,204,957	613,370
Total operating revenues	52,484,176	33,951,343	4,106,864	4,080,510
Operating Expenses:				
Interest expense	18,008,316	19,357,455	2,028,169	2,564,090
Provision for loan losses	4,096,452	406,784		
REO expenditures	100,997	218,219		
Bond issuance costs	1,059,781	2,054,844		5,045
Depreciation and amortization of other assets	5,779	1,908	5,088	5,088
Loan costs	5,120,967	256		
Total operating expenses	28,392,292	22,039,466	2,033,257	2,574,223
Operating Income	24,091,884	11,911,877	2,073,607	1,506,287
Transfers Out	(726,209)	(3,180,369)		
Total Change in Net Position	23,365,675	8,731,508	2,073,607	1,506,287
Net Position - Beginning of Year	149,987,112	141,255,604	6,972,031	5,465,744
Net Position - End of Year	$ 173,352,787	$ 149,987,112	$ 9,045,638	$ 6,972,031

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - SINGLE-FAMILY FUND
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Single-Family Fund Total	
	2020	**2019**
Operating Revenues:		
Interest income on loans	$ 23,147,273	$ 26,171,469
Earnings on investments:		
Interest on investments	12,631,074	5,653,067
Net increase in fair value of investments	20,812,693	6,207,317
Total operating revenues	56,591,040	38,031,853
Operating Expenses:		
Interest expense	20,036,485	21,921,545
Provision for loan losses	4,096,452	406,784
REO expenditures	100,997	218,219
Bond issuance costs	1,059,781	2,059,889
Depreciation and amortization of other assets	10,867	6,996
Loan costs	5,120,967	256
Total operating expenses	30,425,549	24,613,689
Operating Income	26,165,491	13,418,164
Transfers Out	(726,209)	(3,180,369)
Total Change in Net Position	25,439,282	10,237,795
Net Position - Beginning of Year	156,959,143	146,721,348
Net Position - End of Year	$ 182,398,425	$ 156,959,143

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF NET POSITION - MULTI-FAMILY FUND
JUNE 30, 2020 AND 2019

	Multi-Family Housing Bond		Housing Bond Program	
	2020	**2019**	**2020**	**2019**
Assets:				
Loans receivable	$	$	$ 31,086,353	$ 31,740,115
Less allowance for loan losses				
Loans receivable, net	-	-	31,086,353	31,740,115
Investments			620,404	630,766
Accrued interest-loans			193,441	197,694
Accrued interest-investments			9,302	9,090
Cash and cash equivalents			4,586,384	5,605,441
Interfund receivable (payable)				
Total assets	-	-	36,495,884	38,183,106
Total Assets	$ -	$ -	$ 36,495,884	$ 38,183,106
Liabilities and Net Position				
Liabilities:				
Bonds and notes payable	$	$	$ 27,270,899	$ 28,291,765
Accrued interest payable on bonds and notes			118,555	(76,611)
Accounts payable and accrued liabilities				
Escrow deposits				
Total liabilities	-	-	27,389,454	28,215,154
Net Position:				
Net position, restricted	-		9,106,430	9,967,952
Total Liabilities and Net Position	$ -	$ -	$ 36,495,884	$ 38,183,106

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF NET POSITION - MULTI-FAMILY FUND
JUNE 30, 2020 AND 2019

	Multi-Family Mortgage Revenue		Multi-Family Funding Bond	
	2020	**2019**	**2020**	**2019**
Assets:				
Loans receivable	$ 151,572,190	$ 119,322,094	$ 85,620,435	$ 86,496,193
Less allowance for loan losses				
Loans receivable, net	151,572,190	119,322,094	85,620,435	86,496,193
Investments				
Accrued interest-loans	426,021	383,994	455,753	460,420
Accrued interest-investments				
Cash and cash equivalents	15,083,188	5,195,653	10,154,889	9,593,513
Interfund receivable (payable)				
Total assets	167,081,399	124,901,741	96,231,077	96,550,126
Total Assets	$ 167,081,399	$ 124,901,741	$ 96,231,077	$ 96,550,126
Liabilities and Net Position				
Liabilities:				
Bonds and notes payable	$ 151,572,190	$ 119,322,094	$ 85,545,000	$ 86,425,000
Accrued interest payable on bonds and notes	394,297	352,121	712,436	719,952
Accounts payable and accrued liabilities				
Escrow deposits	15,083,188	5,195,653		
Total liabilities	167,049,675	124,869,868	86,257,436	87,144,952
Net Position:				
Net position, restricted	31,724	31,873	9,973,641	9,405,174
Total Liabilities and Net Position	$ 167,081,399	$ 124,901,741	$ 96,231,077	$ 96,550,126

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF NET POSITION - MULTI-FAMILY FUND
JUNE 30, 2020 AND 2019

	Multi-Family Development Bonds		Multi-Family Fund Total	
	2020	**2019**	**2020**	**2019**
Assets:				
Loans receivable	$ 272,584,665	$ 219,408,590	$ 540,863,643	$ 456,966,992
Less allowance for loan losses				
Loans receivable, net	272,584,665	219,408,590	540,863,643	456,966,992
Investments	1,767,822	2,283,058	2,388,226	2,913,824
Accrued interest-loans	1,350,824	1,183,186	2,426,039	2,225,294
Accrued interest-investments	6,896	5,790	16,198	14,880
Cash and cash equivalents	28,825,270	46,031,591	58,649,731	66,426,198
Interfund receivable (payable)	(7,800)	375,775	(7,800)	375,775
Total assets	304,527,677	269,287,990	604,336,037	528,922,963
Total Assets	$ 304,527,677	$ 269,287,990	$ 604,336,037	$ 528,922,963
Liabilities and Net Position				
Liabilities:				
Bonds and notes payable	$ 234,236,093	$ 207,444,193	$ 498,624,182	$ 441,483,052
Accrued interest payable on bonds and notes	1,956,532	1,738,133	3,181,820	2,733,595
Accounts payable and accrued liabilities	93,609	88,438	93,609	88,438
Escrow deposits	1,500		15,084,688	5,195,653
Total liabilities	236,287,734	209,270,764	516,984,299	449,500,738
Net Position:				
Net position, restricted	68,239,943	60,017,226	87,351,738	79,422,225
Total Liabilities and Net Position	$ 304,527,677	$ 269,287,990	$ 604,336,037	$ 528,922,963

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MULTI-FAMILY FUND
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Multi-Family Housing Bond Program		Housing Bond Program	
	2020	2019	2020	2019
Operating Revenues:				
Interest income on loans	$	$	$ 2,191,086	$ 2,240,186
Earnings on investments:				
Interest on investments		(1,618)	111,377	195,500
Net decrease in fair value of investments			(9,978)	(35,447)
Total operating revenues	-	(1,618)	2,292,485	2,400,239
Operating expenses:				
Interest expense			921,597	752,991
Other administrative expenses			32,410	33,581
Arbitrage rebate				
Bond issuance costs				
Loan costs	53,178		63,375	29,180
Total operating expenses	53,178	-	1,017,382	815,752
Operating Income	(53,178)	(1,618)	1,275,103	1,584,487
Transfers Out	53,178	-	(2,136,625)	(2,170,820)
Total Change in Net Position	-	(1,618)	(861,522)	(586,333)
Net Position - Beginning of Year	-	1,618	9,967,952	10,554,285
Net Position - End of Year	$ -	$ -	$ 9,106,430	$ 9,967,952

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MULTI-FAMILY FUND
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Multi-Family Mortgage Revenue		Multi-Family Funding Bond	
	2020	**2019**	**2020**	**2019**
Operating Revenues:				
Interest income on loans	$ 4,706,998	$ 4,703,901	$ 5,495,001	$ 5,549,396
Earnings on investments:				
Interest on investments		73	140,405	189,641
Net increase (decrease) in fair value of investments				
Total operating revenues	4,706,998	4,703,974	5,635,406	5,739,037
Operating Expenses:				
Interest expense	4,340,153	3,950,115	2,866,939	2,897,102
Other administrative expenses				
Arbitrage rebate				
Bond issuance costs				
Loan costs			227,260	229,486
Total operating expenses	4,340,153	3,950,115	3,094,199	3,126,588
Operating Income	366,845	753,859	2,541,207	2,612,449
Transfers Out	(366,994)	(409,904)	(1,972,740)	(1,970,514)
Total Change in Net Position	(149)	343,955	568,467	641,935
Net Position - Beginning of Year	31,873	(312,082)	9,405,174	8,763,239
Net Position - End of Year	$ 31,724	$ 31,873	$ 9,973,641	$ 9,405,174

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MULTI-FAMILY FUND
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Multi-Family Development Bonds		Multi-Family Total	
	2020	2019	2020	2019
Operating Revenues:				
Interest income on loans	$ 14,984,172	$ 15,147,273	$ 27,377,257	$ 27,640,756
Earnings on investments:				
Interest on investments	712,695	932,000	964,477	1,315,596
Net decrease in fair value of investments	(15,535)	(20,412)	(25,513)	(55,859)
Total operating revenues	15,681,332	16,058,861	28,316,221	28,900,493
Operating Expenses:				
Interest expense	7,736,235	7,545,823	15,864,924	15,146,031
Other administrative expenses			32,410	33,581
Arbitrage rebate	5,170	12,513	5,170	12,513
Bond issuance costs	484,629	(375,775)	484,629	(375,775)
Loan costs	452,738	436,792	796,551	695,458
Total operating expenses	8,678,772	7,619,353	17,183,684	15,511,808
Operating Income	7,002,560	8,439,508	11,132,537	13,388,685
Transfers In (Out)	1,220,157	169,373	(3,203,024)	(4,381,865)
Total Change in Net Position	8,222,717	8,608,881	7,929,513	9,006,820
Net Position - Beginning of Year	60,017,226	51,408,345	79,422,225	70,415,405
Net Position - End of Year	$ 68,239,943	$ 60,017,226	$ 87,351,738	$ 79,422,225