

Audit Report as of June 30, 2014 and 2013



### **Independent Auditor's Report**

To the Board of Commissioners Idaho Housing and Finance Association Boise, Idaho

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Idaho Housing and Finance Association, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Idaho Housing and Finance Association'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.

### **Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers internal control relevant to the Association'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 Association'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 the discretely presented component unit of the Idaho Housing and Finance Association as of June 30, 2014 and 2013, 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 on pages 3-7 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Idaho Housing and Finance Association's basic financial statements. The supplementary financial information on pages 61-82 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary financial information on pages 61-82 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Sally LLP
Boise, Idaho
October 08, 2014

# IDAHO HOUSING AND FINANCE ASSOCIATION Management's Discussion and Analysis

June 30, 2014

The Idaho Housing and Finance Association's (Association) Management Discussion and Analysis present readers of the Association's financial statements a narrative overview and analysis of the financial activities of the Association for the years ended June 30, 2014 and 2013.

### **Organizational Overview**

The Association is a self-supporting organization that must generate all revenue necessary to cover the cost of its operations. The Association services loans for single-family borrowers in Idaho, Iowa, and New Mexico and multifamily affordable housing projects in Idaho. The Association administers seventeen Housing and Urban Development (HUD) programs such as Section 8 Rental Assistance, Low Rent Public Housing, the HOME Program in rural Idaho, Neighborhood Stabilization, and Tax Credit assistance; and two U.S. Treasury programs. The Association also issues bonds to finance nonprofit facilities, economic development projects, and road improvements throughout the State of Idaho.

### **Financial Highlights**

The Association's net position decreased during its fiscal year 2014 (FY2014), reflecting a net decrease in the fair value of investments larger than positive operating income. Assets decreased reflecting a decrease in Association-owned loans. Deferred Outflow of Resources declined representing the amortization of previously hedged---now deemed terminated---interest swap contracts, the natural extinguishment of the notional amount of interest swap contracts, and a general increase in interest rates decreasing the hedge amount of interest swap contracts. Liabilities decreased reflecting the continuing retirement of outstanding debt not offset by an increase in the issuance of a substantial amount of new debt and the decrease in the fair value of the Association's interest rate swap contract position. Deferred Inflow of Resources declined representing the change of the hedged fair value of deemed terminated swap positions.

The Association's decrease in operating income for FY2014 stands in contrast to the increase it recognized during fiscal year 2013 (FY2013). The primary drivers of this difference is the recognition of one-time federal grant funding as operating revenue in FY2013 and a change in interest rates resulting in substantially lower gains on loan sales in FY2014 as compared to FY2013.

The financial highlights of the Association as of June 30, 2014 compared to June 30, 2013 are as follows:

- > Total net position, after fair market value and federal pass-through adjustments, decreased \$1.38 million or .65%.
- ➤ Total net position, before fair market value and federal pass-through adjustments, increased \$1.254 million or .58%.
- > Total assets decreased \$174.46 million or 8.25%
- ➤ Total deferred outflow of resources decreased \$6.79 million or 7.74%
- Total liabilities decreased \$177.89 million or 8.93%
- > Total deferred inflow of resources decreased \$2.49 million or 49.85%
- Cash and investments decreased \$65.41 million or 14.07%
- Loans held for investment decreased \$101.08 million or 12.70%
- ➤ Bonds payable decreased \$175.50 million or 9.75%
- Interest rate swap contracts' fair value decreased \$3.42 million or 4.07%
- Other liabilities increased \$.30 million or.10%
- > Interest on loans decreased \$8.15 million or 16.23%
- Interest on investments decreased \$1,23 million or 16,88%
- Gain on loan sales decreased \$15.18 million or 52.67%
- Other revenue decreased \$9.18 million or 81.91%
- Loan acquisition cost expense decreased \$8.33 million or 33.04%
- ➤ Bond financing cost expense increased \$1.29 million or 365.91%

- Fair value of investments increased \$4.30 million or 79.05%
- Federal pass-through revenues decreased \$1.29 million or 2.77%
- Federal pass-through expenses increased \$.66 million or 1.41%

The Association experienced a solid, productive FY14 amid an improving economic environment, along with upward pressure on interest rates. The following significant factors characterize and affect the Association's financial results:

- 1) increasing interest rate environment;
- 2) borrower refinancing;
- 3) refunding "legacy" variable rate debt, and;
- 4) a master servicing agreement with Iowa Finance Authority.

With the fallout of the financial crisis of 2008-2009 largely over, the Association's results for FY14 reflect a path of returning to market-driven conditions premised on the beginning of the federal government unwinding key financial market-support programs. These programs, implemented at the height of the financial crisis, were designed to improve distressed conditions and stabilize economic activity. This crisis, in part precipitated by poor underwriting standards of subprime and exotic loans during the 2004 to 2007 period, led to a severe disruption of the world and the United States financial markets.

While the Association never participated in the market for subprime or other exotic loans, failure of these loan products across the United States played a significant role in disrupting its economy and financial markets and, ultimately, the Association's traditional vehicle for financing its home loan products: tax-exempt single-family mortgage revenue bonds. As a means to maintain the vitality of its mission, the Association entered into relationships to sell, while retaining the servicing component, loans to the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), and other investors (guaranteed by the Government National Mortgage Association (GNMA). This has led to a significant change in the composition of the Association's servicing portfolio from a practice of acquiring, owning, and servicing to acquiring, selling, and servicing loans. This has allowed the Association to avoid much of the fallout related to the financial crisis.

During approximately the same period that the Association entered into these relationships, the United States Federal Reserve System became a significant investor in securities issued by FNMA and FHLMC and guaranteed by GNMA. The Federal Reserve undertook this role with the stated intention of stabilizing stock and bond security prices. Because of competition between the Federal Reserve and other investors seeking high-quality yield, the Federal Reserve achieved its policy goal with resulting higher security prices and lower interest rate yields. Specific to the Association's situation, investors offered premium bids for those securities backed by loans acquired and sold by the Association, resulting in strong revenue classified as gains on loans sales. During FY2014, the Federal Reserve announced its intention of curtailing its role as an investor in these securities. This move resulted in market adjustments that resulted in lower gains on loan sales.

The increase in interest rates (or the expectation of higher interest rates) has led to a higher number of refinanced loans as borrowers took advantage of the still historically low current rate environment. This has resulted in a net negative interest spread as higher interest rate loans pay off with proceeds invested at lower current-market rates without a contemporaneous decrease in fixed interest costs.

To address the disruption of financing loans with tax-exempt single-family mortgage revenue bonds and the lack of market liquidity support for variable rate bonds, the U.S. Treasury in 2009 developed the Housing Finance Initiative for housing finance agencies. The Association participated in two of the initiative's programs: The Temporary Credit and Liquidity Facilities Program (TCLP) and Temporary New Issue Program (NIBP). These programs are intended to provide a means to lower the Association's bond liquidity support costs and for the Association to competitively issue debt to finance the acquisition of loans. The programs were established to provide housing finance agencies financing facilities approximating more normal economic and financial conditions. The Association issued \$172 million in debt under the NIBP to secure the ability to use the program in fiscal year 2010 and used \$18 million of this facility to issue the \$30 million Series 2010A bond issue in fiscal year 2011. During FY2013, the Association exited the NIBP by redeeming the remaining original bonds of the program. The Association is working to reduce its participation in the TCLP prior to the expiration of the TCLP in December 2015. The Association identified market alternatives that reduce the amount of outstanding variable rate demand obligations and reduce the need for liquidity support for such variable rate bonds. Indeed, during FY2013, the

Association refunded variable rate debt back by TCLP liquidity support by issuing the 2012A bonds for \$202.6 million and in FY14 followed up with the 2013A refunding bonds for \$142.145 million and the 2014A refunding bonds for \$87.665 million.

The Association added to its joint-venture master servicing agreement with New Mexico Mortgage Finance Authority by entering into and implementing a master servicing agreement with Iowa Finance Authority (IFA) to provide servicing to Iowa borrowers who use IFA single- family Ioan products.

The Association has successfully managed its loan and financing programs during this period. Looking forward, the Association expects continued uncertainty in the economic, legal, and mortgage-lending environments but continued loan portfolio stability. The Association has provisioned for non-loan losses on certain legacy transactions associated with its administration of its loans held for investment. Additionally, the Association has developed an economic development bond program to enhance its offering of products providing financing opportunities to promote economic growth in Idaho.

The Association continues to administer legacy federal "stimulus" programs introduced in fiscal years 2009 and 2010, albeit with a marked decrease in federal pass-through revenues and expenses as the initial funding for the these programs have been awarded and distributed. The Association expects federal pass-through revenues and expenses to decrease as federal funding reverts to funding levels prior to fiscal year 2010.

See the financial analysis section of this Management's Discussion and Analysis for additional information on the Government Accounting Standards Board (GASB) required fair value adjustments.

### **Overview of the Financial Statements**

This annual financial report consists of three parts: Management's Discussion and Analysis; the financial statements, including notes to the financial statements; and supplemental schedules. Summary information is presented for separate mortgage revenue bond programs in the supplemental schedules.

According to the American Institute of Certified Public Accountants (AICPA), in its Audit Guide for Not-For-Profit Organizations, the Association meets the definition of a governmental entity and incorporates GASB accounting standards into its financial statements. However, due to the nature of the Association, it is considered a Special Purpose Governmental Entity engaged only in business-type activities. Accordingly, the Association uses Proprietary Enterprise Fund reporting and the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The Association's financial statements provide detailed information about the most significant activities within the Proprietary Fund. Some of the activities are required by the Department of Housing and Urban Development (HUD) or by certain bond requirements. However, the Association has established others to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

Component units are organizations legally separate from but financially accountable to the Association and their relationship with the Association is such that exclusion would cause the Association's financial statements to be misleading. The Association has determined that The Housing Company and the Home Partnership Foundation are integral and material components of the Association's reporting entity and their respective financial statements have been incorporated as such. Accordingly, The Housing Company's basic financial statements are presented immediately following the Association's basic financial statements while the Home Partnership Foundation's basic financial statements have been blended with the Association's basic financial statements.

### **Financial Analysis**

The following table summarizes the changes in net position that occurred during the years ended June 30, 2014, 2013, and 2012 as well as the changes in net income.

As of June 30,	20	14	20	13	2012
(in thousands)		% Change		% Change	
		from		from	
	<u>Balance</u>	prior period	<u>Balance</u>	prior period	<u>Balance</u>
Cash and Cash Equivalents	\$ 56,560	(60.35%)	\$ 142,652	197.84%	\$ 47,896
Investments, fair value	342,865	6.42%	322,180	(39.50%)	532,509
Loans held for investment, net	694,888	(12.70%)	795,972	(20.08%)	995,940
Loans available for sale	94,575	(3.29%)	97,796	71.14%	57,143
GARVEE highway project cost receivable, net	618,304	7.32%	576,142	5.28%	547,227
Employment security fund receivable	102,896	(32.72%)	152,940	(25.52%)	205,33
Property and Equipment	5,778	(5.71%)	6,128	(2.30%)	6,27
Other Assets	23,502	17.40%	20,019	(22.20%)	25,73
Interest rate swap contracts	80,915	(7.74%)	87,705	(24.29%)	115,84
Total Assets and Deferred Outflow	\$ 2,020,283	(8.23%)	\$ 2,201,534	(13.12%)	\$ 2,533,89
Bonds	\$ 1,624,103	(9.75%)	\$ 1,799,601	(15.41%)	\$ 2,127,35
Commercial Paper	50,000	0.00%	50,000	0.00%	50,00
Swap contract fair value liability	80,589	(4.07%)	84,010	(27.48%)	115,84
Interest payable-swap contract	13,029	(1.09%)	13,172	(1.33%)	13,35
Escrow and Project Reserve Deposits	10,077	20.34%	8,374	6.68%	7,85
Other Liabilities	31,072	(0.10%)	31,102	57.63%	19,73
Interest rate swap contracts	2,501	(49.85%)	4,987		
Total Liabilities and Deferred Inflow	\$ 1,811,371	(9.03%)	\$ 1,991,246	(14.69%)	\$ 2,334,13
Net investment in capital assets	\$ 5,778	(5.71%)	\$ 6,128	(2.30%)	\$ 6,272
Bond funds	135,850	(0.02%)	135,879	(6.58%)	145,44
Section 8 voucher HAP fund	921	(40.04%)	1,536	9.87%	1,39
Unrestricted	66,363	(0.57%)	66,745	43.10%	46,64
Total Net Position	\$ 208,912	(0.65%)	\$ 210,288	5.27%	\$ 199,760
Interest on Loans	\$ 42,058	(16.23%)	\$ 50,206	(19.11%)	\$ 62,070
Government and multifamily trusts' pledged revenues	30,235	3.36%	29,252	(0.50%)	29,39
Interest on Investments	6,051	(16.88%)	7,280	(28.09%)	10,12
Loan servicing fees	10,957	7.77%	10,167	6.76%	9,52
Contract and grant administration fees	6,145	(5.59%)	6,509	(4.25%)	6,79
Gains on loan sales	13,647	(52.67%)	28,831	152.66%	11,41
Other	2,027	(81.91%)	11,203	71.01%	6,55
Total Revenues	111,120	(22.54%)	143,448	5.57%	135,87
Interest	73,138	(11.59%)	82,730	(12.22%)	94,24
Salaries and benefits	10,669	3.72%	10,286	7.99%	9,52
Loan acquisition costs	16,876	(33.04%)	25,202	159.09%	9,72
General operating	5,805	(1.96%)	5,921	0.75%	5,87
Bond financing costs	1,640	365.91%	352	(80.80%)	1,83
Grants to others	927	(9.21%)	1,021	(1.83%)	1,04
Losses on real estate-owned property	-	(100.00%)	91	(85.69%)	63
Provision for loan loss	-	(100.00%)	19	(99.67%)	5,76
Other	811	23.63%	656	49.77%	43
Total Expenses	109,866	(13.00%)	126,278	(2.18%)	129,08
Operating income/(loss)	1,254	(92.70%)	17,170	152.91%	6,78
Net increase (decrease) in Fair					
value of investments	(1,140)	(79.05%)	(5,442)	(153.98%)	10,08
Derivative instruments, interest rate swaps	(883)	(27.92%)	(1,225)		
Federal pass-through revenues	45,201	(2.77%)	46,490	(12.31%)	53,01
Federal pass-through expenses	(45,808)	(1.41%)	(46,465)	(12.61%)	(53,17
Total non-operating revenues					
and expenses	(2,630)	(60.40%)	(6,642)	(166.92%)	9,92

The Association's total Net Position at June 30, 2014 included \$5,778,000 Net Investment Capital Assets; \$136,771,000 in Restricted Net Position; and \$66,363,000 in Unrestricted Net Position, of which \$12,919,000 is available for business operations of the Association.

The fair value adjustments reported in the Statement of Net Position on page 8 and the Statement of Revenues, Expenses, and Changes in Net Position on page 9 are required under GASB Statements No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and No. 53, Accounting and Financial Reporting for Derivative Instruments.

### **Capital Asset and Debt Administration**

Capital Assets: The Association's capital assets include land, buildings, office, and computer equipment. Capital assets are presented in the financial statements at \$5.78 million (net of accumulated depreciation), a decrease of 5.71%. Typically, the change in capital assets in any given year is immaterial to the overall operation of the Association.

Debt: The Association sells bonds to investors to raise capital. Bonds are marketable securities backed by mortgage loans on residential and multifamily properties and GARVEE transportation projects. The Association's bond issues are highly rated because, in addition to a mortgage on the property being financed, the bond issue requires cash reserves along with mortgage insurance and other safeguards, giving the investor or bondholder additional assurance that the bond issuer (the Association) will repay the loan. The Association's bond portfolio decreased by \$175.50 million or 9.75% during the last year to \$1,624.10 million. The Association issued \$75.15 million in GARVEE transportation bonds and redeemed and reissued \$231.81 million in single-family bonds in fiscal year 2014.

Additional information about our long-term liabilities is presented in the notes to the financial statements.

#### **Economic Factors**

The primary business activity of the Association is funding the purchase and servicing of single-family home mortgages. The Association's mortgage financing activities are sensitive to the level of interest rates, the spread between the rate available on Association loans and those available in the conventional mortgage markets and the availability of affordable housing. The availability of long-term, tax-exempt financing on favorable terms and the availability of FNMA, FHMLC, and GNMA to purchase or guarantee loans are a key element in providing the funding necessary for the Association to continue its mortgage financing and servicing activities. In addition, the funding of the Association's federal programs activities is dependent on budget appropriations from the U.S. Department of Housing and Urban Development, as contained in the Federal budget.

### **Contacting the Association's Financial Management**

This financial report is designed to provide a general overview of Idaho Housing and Finance Association's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer at Idaho Housing and Finance Association, P.O. Box 7899, Boise, ID 83707-1899, or contact our website at www.idahohousing.com.

# **IDAHO HOUSING AND FINANCE ASSOCIATION Statements of Net Position**

(In thousements, fair value         342,865         \$ 142,652           Loans held for investment, net         694,888         795,972         20,979 </th <th>As of June 30,</th> <th></th> <th>2014</th> <th></th> <th>2013</th>	As of June 30,		2014		2013
Cash and cash equivalents         \$ 56,560         \$ 142,652           Investments, fair value         342,865         322,180           Loans held for investment, net         694,888         795,972           Loans available for sale         94,575         97,796           GARVEE highway project costs receivable, net         618,304         576,142           Employment security reserve fund receivable         102,896         152,940           Property and equipment         5,778         6,128           Other assets         23,502         20,019           Total Assets         1,939,368         2,113,829           Deferred Outflow of Resources           Interest rate swap contracts amortized value         30,933         54,669           Total Assets and Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         \$ 1,624,103         \$ 1,799,601           Commercial paper         50,000         \$ 50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077			(in tho	ısan	ds)
Cash and cash equivalents         \$ 56,560         \$ 142,652           Investments, fair value         342,865         322,180           Loans held for investment, net         694,888         795,972           Loans available for sale         94,575         97,796           GARVEE highway project costs receivable, net         618,304         576,142           Employment security reserve fund receivable         102,896         152,940           Property and equipment         5,778         6,128           Other assets         23,502         20,019           Total Assets         1,939,368         2,113,829           Deferred Outflow of Resources           Interest rate swap contracts amortized value         30,933         54,669           Total Assets and Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         \$ 1,624,103         \$ 1,799,601           Commercial paper         50,000         \$ 50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077	Assats				
Investments, fair value		\$	56 560	\$	142 652
Loans held for investment, net         694,888         795,972           Loans available for sale         94,575         97,796           GARVEE highway project costs receivable, net         618,304         576,142           Employment security reserve fund receivable         102,896         152,940           Property and equipment         5,778         6,128           Other assets         23,502         20,019           Total Assets         1,939,368         213,829           Interest rate swap contracts amortized value         30,993         54,669           Interest rate swap contracts fair value         30,991         87,055           Total Deferred Outflow of Resources         80,915         87,055           Total Assets and Deferred Outflow of Resources         80,915         87,055           Total Assets and Deferred Outflow of Resources         \$1,624,103         1,799,601           Commercial paper         50,000         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,012           Total Liabilities <td>·</td> <td>Ψ</td> <td>-</td> <td>Ψ</td> <td>•</td>	·	Ψ	-	Ψ	•
Loans available for sale         94,575         97,796           GARVEE highway project costs receivable, net         618,304         576,142           Employment security reserve fund receivable         102,896         152,944           Property and equipment         5,778         6,128           Other assets         23,502         20,019           Total Assets         5,782         23,502           Interest rate swap contracts fair value         30,093         54,689           Interest rate swap contracts fair value         30,093         54,689           Total Deferred Outflow of Resources         80,915         87,055           Total Assets and Deferred Outflow of Resources         80,915         87,055           Total Deferred Outflow of Resources         80,915         87,005           Commercial paper         50,000         50,000           Commercial paper         50,000         50,000           Swap contract fair value         80,588         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,072           Total Liabilities         2,501         4,987	·		·		•
GARVEE highway project costs receivable, net         618,304         576,142           Employment security reserve fund receivable         102,896         152,940           Property and equipment         56,128         6,128           Other assets         23,502         20,019           Total Assets         1,939,368         2,113,829           Deferred Outflow of Resources           Interest rate swap contracts amortized value         30,093         54,669           Total Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         \$0,9915         87,705           Total Assets and Deferred Outflow of Resources         \$1,624,103         \$1,799,601           Commercial paper         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net restricted:         5,778         6,128           <	,		·		•
Employment security reserve fund receivable Property and equipment         5,778         6,128           Other assets         23,502         20,019           Total Assets         1,939,368         2,113,829           Deferred Outflow of Resources           Interest rate swap contracts amortized value         \$50,822         \$33,036           Interest rate swap contracts fair value         30,093         54,669           Total Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         \$1,624,103         \$1,799,601           Commercial paper         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         2,501         4,987           Deferred Inflow of Resources         2,501         4,987           Net investment in capital assets         5,778         6,128           Restricted:         80,504         315,850         1			·		•
Property and equipment Other assets         5,778 (23,502)         6,128 (20,019)           Total Assets         1,939,368         2,113,829           Deferred Outflow of Resources           Interest rate swap contracts amortized value Interest rate swap contracts fair value         30,093         54,669           Total Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         1,624,103         1,799,601           Commercial paper         50,000         50,000           Swap contract fair value         90,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         2,501         4,987           Deferred Inflow of Resources         2,501         4,987           Net Position         2,501         4,987           Net investment in capital assets         5,778         6,128           Restricted:         80,010         135,850         135,879           Section 8 voucher HAP fund         921			·		•
Other assets         23,502         20,019           Total Assets         1,939,368         2,113,829           Deferred Outflow of Resources         \$50,822         \$33,036           Interest rate swap contracts fair value         30,093         54,669           Total Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         \$2,020,283         \$2,201,534           Bonds         \$1,624,103         \$1,799,601           Commercial paper         \$0,000         \$50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,029           Total Liabilities         31,072         31,029           Total Liabilities         2,501         4,987           Peterred Inflow of Resources         2,501         4,987           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         5,778         6,128           Net Position         5,778         6,128           Restricted:         3 </td <td></td> <td></td> <td>-</td> <td></td> <td>•</td>			-		•
Total Assets         1,939,368         2,113,829           Deferred Outflow of Resources           Interest rate swap contracts fair value         30,093         54,669           Total Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         \$2,020,283         \$2,201,534           Liabilities         \$1,624,103         \$1,799,601           Commercial paper         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position         5,778         6,128           Restricted:         8         5,778         6,128           Bond funds         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363			•		•
Deferred Outflow of Resources           Interest rate swap contracts amortized value         \$50,822         \$33,036           Interest rate swap contracts fair value         30,093         54,669           Total Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         \$2,020,283         \$2,201,534           Liabilities         \$1,624,103         \$1,799,601           Commercial paper         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position         5,778         6,128           Restricted:         8         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363 </td <td></td> <td></td> <td></td> <td></td> <td></td>					
Interest rate swap contracts amortized value         \$50,822         \$33,036           Interest rate swap contracts fair value         30,093         54,669           Total Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         \$2,020,283         \$2,201,534           Liabilities         80nds         \$1,624,103         \$1,799,601           Commercial paper         50,000         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         5,778         6,128           Net Position           Net investment in capital assets         5,778         6,128           Restricted:         8         135,850         135,879           Section 8 voucher HAP fund         921         1,536<			1,000,000		_, ,
Interest rate swap contracts fair value         30,093         54,669           Total Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         2,020,283         2,201,534           Liabilities         Sounds         1,624,103         1,799,601           Commercial paper         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,774           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources         2,501         4,987           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position         5,778         6,128           Restricted:         3         1,536         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288					
Total Deferred Outflow of Resources         80,915         87,705           Total Assets and Deferred Outflow of Resources         \$2,020,283         \$2,201,534           Liabilities         Liabilities           Bonds         \$1,624,103         \$1,799,601           Commercial paper         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net investment in capital assets         5,778         6,128           Restricted:         8         5,778         6,128           Bond funds         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources, <td></td> <td>\$</td> <td></td> <td>\$</td> <td>•</td>		\$		\$	•
Liabilities         \$ 1,624,103         \$ 1,799,601           Commercial paper         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net investment in capital assets         5,778         6,128           Restricted:         8         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,         208,912         210,288					
Liabilities           Bonds         \$ 1,624,103         \$ 1,799,601           Commercial paper         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position         5,778         6,128           Restricted:         8         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,         208,912         210,288			•	_	
Bonds         \$ 1,624,103         \$ 1,799,601           Commercial paper         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position         5,778         6,128           Restricted:         8         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,         30,912         210,288	Total Assets and Deferred Outflow of Resources	\$	2,020,283	\$	2,201,534
Bonds         \$ 1,624,103         \$ 1,799,601           Commercial paper         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position         5,778         6,128           Restricted:         8         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,         30,912         210,288	Lighilities				
Commercial paper         50,000         50,000           Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net investment in capital assets         5,778         6,128           Restricted:         8         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,		Φ	4 004 400	Φ	4 700 004
Swap contract fair value         80,589         84,010           Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position           Net investment in capital assets         5,778         6,128           Restricted:         80nd funds         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,		Ф		Ф	
Interest payable-swap contract         13,029         13,172           Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position         5,778         6,128           Restricted:         80nd funds         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,			·		•
Escrow and project reserve deposits         10,077         8,374           Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position           Net investment in capital assets         5,778         6,128           Restricted:         5         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,	·		·		•
Other liabilities         31,072         31,102           Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources         2,501         4,987           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position         5,778         6,128           Restricted:         80nd funds         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,	· · · · · · · · · · · · · · · · · · ·		•		•
Total Liabilities         1,808,870         1,986,259           Deferred Inflow of Resources         2,501         4,987           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position         5,778         6,128           Restricted:         8         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,			·		•
Deferred Inflow of Resources           Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position         5,778         6,128           Restricted:         8         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,					
Interest rate swap contracts fair value         2,501         4,987           Total Deferred Inflow of Resources         2,501         4,987           Net Position         Section 8         5,778         6,128           Restricted:         8         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,	Total Liabilities		1,000,070		1,900,239
Net Position         2,501         4,987           Net investment in capital assets         5,778         6,128           Restricted:         5,778         135,879           Bond funds         135,850         135,879           Section 8 voucher HAP fund         921         1,536           Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,	Deferred Inflow of Resources				
Net Position         Net investment in capital assets       5,778       6,128         Restricted:       Bond funds       135,850       135,879         Section 8 voucher HAP fund       921       1,536         Unrestricted       66,363       66,745         Total Net Position       208,912       210,288         Total Liabilities, Deferred Inflow of Resources,	Interest rate swap contracts fair value		2,501		4,987
Net investment in capital assets       5,778       6,128         Restricted:       315,850       135,879         Section 8 voucher HAP fund       921       1,536         Unrestricted       66,363       66,745         Total Net Position       208,912       210,288         Total Liabilities, Deferred Inflow of Resources,	Total Deferred Inflow of Resources		2,501		4,987
Net investment in capital assets       5,778       6,128         Restricted:       315,850       135,879         Section 8 voucher HAP fund       921       1,536         Unrestricted       66,363       66,745         Total Net Position       208,912       210,288         Total Liabilities, Deferred Inflow of Resources,	Not Bookley				
Restricted:       3135,850       135,879         Bond funds       135,850       135,879         Section 8 voucher HAP fund       921       1,536         Unrestricted       66,363       66,745         Total Net Position       208,912       210,288         Total Liabilities, Deferred Inflow of Resources,			F 770		0.400
Bond funds       135,850       135,879         Section 8 voucher HAP fund       921       1,536         Unrestricted       66,363       66,745         Total Net Position       208,912       210,288         Total Liabilities, Deferred Inflow of Resources,	·		5,778		6,128
Section 8 voucher HAP fund       921       1,536         Unrestricted       66,363       66,745         Total Net Position       208,912       210,288         Total Liabilities, Deferred Inflow of Resources,			405.050		405.070
Unrestricted         66,363         66,745           Total Net Position         208,912         210,288           Total Liabilities, Deferred Inflow of Resources,			·		•
Total Net Position 208,912 210,288 Total Liabilities, Deferred Inflow of Resources,					•
Total Liabilities, Deferred Inflow of Resources,		_	•		
· · · · · · · · · · · · · · · · · · ·			200,912		Z1U,Z00
		\$	2,020,283	\$	2,201,534

# **IDAHO HOUSING AND FINANCE ASSOCIATION Statements of Revenues, Expenses, and Changes in Net Position**

For the Fiscal Years Ended June 30,	2014			2013
		(in thou	ısand	s)
Operating Revenues				
Interest on loans	\$	42,058	\$	50,206
Government and multifamily trusts' pledged revenues		30,235		29,252
Interest on investments		6,051		7,280
Loan servicing fees		10,957		10,167
Contract and grant administration fees		6,145		6,509
Gains on loan sales		13,647		28,831
Other		2,027		11,203
Total operating revenues		111,120		143,448
Operating Expenses				
Interest		73,138		82,730
Salaries and benefits		10,669		10,286
Loan acquisition costs		16,876		25,202
General operating		5,805		5,921
Bond financing costs		1,640		352
Grant to others		927		1,021
Losses on real estate-owned property				91
Provision for loan loss				19
Other		811		656
Total operating expenses		109,866		126,278
Operating income		1,254		17,170
Nonoperating Revenues and Expenses				
Net increase (decrease) in fair value of investments		(1,140)		(5,442)
Derivative instruments, interest rate swap		(883)		(1,225)
Federal pass-through revenues		45,201		46,490
Federal pass-through expenses		(45,808)		(46,465)
Total nonoperating revenues and expenses		(2,630)		(6,642)
Increase (Decrease) in Net Position		(1,376)		10,528
Net Position				
Net Position-beginning of year		210,288		199,760
Net Position-end of year	\$	208,912	\$	210,288

# **IDAHO HOUSING AND FINANCE ASSOCIATION Statements of Cash Flows**

Cash Flows from Operating Activities           Receipts from customers, loan interest, and fees         \$200,877         \$263,569           Loan principal payments         104,039         184,423           Loan sales         859,278         699,292           Loan acquisition costs         (16,876)         (24,074)           Interest paid         (81,496)         (89,896)           Payments to suppliers         (49,925)         (13,239)           Payments for transportation program costs         (66,681)         (52,302)           Payments for loans available for sale         (857,114)         (741,408)           Payments to employees for services and benefits         (10,692)         (10,286)           Loan principal additions         (19,103)         (17,450)           Net cash provided by operating activities         (10,307)         198,629           Cash Flows from Noncapital Financing Activities         (1,640)         (352)           Bond financing costs         (1,640)         (352)           Bond and commercial paper payments         (542,559)         (554,787)           Bond and commercial paper issued         367,061         241,067           Federal pass-through expenses         (45,808)         (46,495)           Net cash used for capital and relate	For the Fiscal Years Ended June 30,		2014		2013
Receipts from customers, loan interest, and fees         \$200,877         \$263,569           Loan principal payments         104,039         184,423           Loan sales         859,278         699,292           Loan acquisition costs         (16,876)         (24,074)           Interest paid         (81,496)         (89,896)           Payments for transportation program costs         (66,681)         (52,302)           Payments for loans available for sale         (857,114)         (741,408)           Payments to employees for services and benefits         (10,692)         (10,286)           Loan principal additions         (19,103)         (17,450)           Net cash provided by operating activities         107,307         198,629           Cash Flows from Noncapital Financing Activities           Bond financing costs         (1,640)         (352)           Bond and commercial paper payments         (542,559)         (554,787)           Bond and commercial paper issued         367,061         241,067           Federal pass-through revenues         45,201         46,490           Federal pass-through expenses         (45,808)         (46,465)           Net cash used for capital and Related Financing Activities         (297)         (467)           C			(in thou	sand	s)
Receipts from customers, loan interest, and fees         \$200,877         \$263,569           Loan principal payments         104,039         184,423           Loan sales         859,278         699,292           Loan acquisition costs         (16,876)         (24,074)           Interest paid         (81,496)         (89,896)           Payments for transportation program costs         (66,681)         (52,302)           Payments for loans available for sale         (857,114)         (741,408)           Payments to employees for services and benefits         (10,692)         (10,286)           Loan principal additions         (19,103)         (17,450)           Net cash provided by operating activities         107,307         198,629           Cash Flows from Noncapital Financing Activities           Bond financing costs         (1,640)         (352)           Bond and commercial paper payments         (542,559)         (554,787)           Bond and commercial paper issued         367,061         241,067           Federal pass-through revenues         45,201         46,490           Federal pass-through expenses         (45,808)         (46,465)           Net cash used for capital and Related Financing Activities         (297)         (467)           C	Cash Flows from Operating Activities				
Loan principal payments         104,039         184,423           Loan sales         859,278         699,292           Loan acquisition costs         (16,876)         (24,074)           Interest paid         (81,496)         (89,896)           Payments to suppliers         (4,925)         (13,239)           Payments for transportation program costs         (66,681)         (52,302)           Payments for loans available for sale         (857,114)         (741,408)           Payments to employees for services and benefits         (10,692)         (10,286)           Loan principal additions         (19,103)         (17,450)           Net cash provided by operating activities         (19,103)         (17,450)           Net cash provided by operating activities         (10,692)         (10,286)           Bond financing costs         (19,103)         (17,450)           Bond and commercial paper payments         (542,555)         (554,787)           Bond and commercial paper payments         (542,555)         (554,787)           Bond and commercial paper issued         367,061         241,067           Federal pass-through expenses         (45,808)         (46,490)           Federal pass-through expenses         (45,808)         (46,490)           Net cash used		\$	200,877	\$	263,569
Loan acquisition costs   (16,876)   (24,074)     Interest paid   (81,496)   (89,896)     Payments to suppliers   (4,925)   (13,239)     Payments for transportation program costs   (66,681)   (52,302)     Payments for loans available for sale   (857,114)   (741,408)     Payments to employees for services and benefits   (10,692)   (10,286)     Loan principal additions   (19,103)   (17,450)     Net cash provided by operating activities   (10,692)   (10,286)     Loan principal additions   (19,103)   (17,450)     Net cash provided by operating activities   (10,640)   (352)     Bond financing costs   (1,640)   (352)     Bond and commercial paper payments   (542,559)   (554,787)     Bond and commercial paper issued   367,061   241,067     Federal pass-through revenues   45,201   46,490     Federal pass-through expenses   (45,808)   (46,465)     Net cash used for noncapital financing activities   (177,745)   (314,047)     Cash Flows from Capital and Related Financing Activities   (297)   (467)     Cash Flows from Investing Activities   (297)   (467)     Cash Flows fr	Loan principal payments		104,039		184,423
Interest paid	Loan sales		859,278		699,292
Interest paid	Loan acquisition costs		(16,876)		(24,074)
Payments for transportation program costs         (66,681)         (52,302)           Payments for loans available for sale         (857,114)         (741,408)           Payments to employees for services and benefits         (10,692)         (10,286)           Loan principal additions         (19,103)         (17,450)           Net cash provided by operating activities         107,307         198,629           Cash Flows from Noncapital Financing Activities           Bond financing costs         (1,640)         (352)           Bond and commercial paper payments         (542,559)         (554,787)           Bond and commercial paper issued         367,061         241,067           Federal pass-through revenues         45,201         46,490           Federal pass-through expenses         (45,808)         (46,465)           Net cash used for noncapital financing activities         (177,745)         (314,047)           Cash Flows from Capital and Related Financing Activities           Acquisition and construction of capital assets         (297)         (467)           Cash Flows from Investing Activities           Investment purchases         (2,144,925)         (1,987,002)           Investment redemptions         2,122,639         2,190,736           Investment income	Interest paid		(81,496)		(89,896)
Payments for transportation program costs         (66,681)         (52,302)           Payments for loans available for sale         (857,114)         (741,408)           Payments to employees for services and benefits         (10,692)         (10,286)           Loan principal additions         (19,103)         (17,450)           Net cash provided by operating activities         107,307         198,629           Cash Flows from Noncapital Financing Activities           Bond financing costs         (1,640)         (352)           Bond and commercial paper payments         (542,559)         (554,787)           Bond and commercial paper issued         367,061         241,067           Federal pass-through revenues         45,201         46,490           Federal pass-through expenses         (45,808)         (46,465)           Net cash used for noncapital financing activities         (177,745)         (314,047)           Cash Flows from Capital and Related Financing Activities           Acquisition and construction of capital assets         (297)         (467)           Cash Flows from Investing Activities           Investment purchases         (2,144,925)         (1,987,002)           Investment redemptions         2,122,639         2,190,736           Investment income			(4,925)		(13,239)
Payments for loans available for sale         (857,114)         (741,408)           Payments to employees for services and benefits         (10,692)         (10,286)           Loan principal additions         (19,103)         (17,450)           Net cash provided by operating activities         107,307         198,629           Cash Flows from Noncapital Financing Activities           Bond financing costs         (1,640)         (352)           Bond and commercial paper payments         (542,559)         (554,787)           Bond and commercial paper issued         367,061         241,067           Federal pass-through revenues         45,201         46,490           Federal pass-through expenses         (45,808)         (46,465)           Net cash used for noncapital financing activities         (177,745)         (314,047)           Cash Flows from Capital and Related Financing Activities           Acquisition and construction of capital assets         (297)         (467)           Net cash used for capital and related financing activities         (297)         (467)           Cash Flows from Investing Activities           Investment purchases         (2,144,925)         (1,987,002)           Investment redemptions         2,122,639         2,190,736           Investment in	Payments for transportation program costs		(66,681)		
Loan principal additions         (19,103)         (17,450)           Net cash provided by operating activities         107,307         198,629           Cash Flows from Noncapital Financing Activities           Bond financing costs         (1,640)         (352)           Bond and commercial paper payments         (542,559)         (554,787)           Bond and commercial paper issued         367,061         241,067           Federal pass-through revenues         45,201         46,490           Federal pass-through expenses         (45,808)         (46,465)           Net cash used for noncapital financing activities         (177,745)         (314,047)           Cash Flows from Capital and Related Financing Activities           Acquisition and construction of capital assets         (297)         (467)           Net cash used for capital and related financing activities         (297)         (467)           Cash Flows from Investing Activities           Investment purchases         (2,144,925)         (1,987,002)           Investment redemptions         2,122,639         2,190,736           Investment income         6,929         6,907           Net cash provided/(used) by investing activities         (15,357)         210,641           Net Increase/(Decrease) in Ca			(857,114)		(741,408)
Loan principal additions         (19,103)         (17,450)           Net cash provided by operating activities         107,307         198,629           Cash Flows from Noncapital Financing Activities           Bond financing costs         (1,640)         (352)           Bond and commercial paper payments         (542,559)         (554,787)           Bond and commercial paper issued         367,061         241,067           Federal pass-through revenues         45,201         46,490           Federal pass-through expenses         (45,808)         (46,465)           Net cash used for noncapital financing activities         (177,745)         (314,047)           Cash Flows from Capital and Related Financing Activities           Acquisition and construction of capital assets         (297)         (467)           Net cash used for capital and related financing activities         (297)         (467)           Cash Flows from Investing Activities           Investment purchases         (2,144,925)         (1,987,002)           Investment redemptions         2,122,639         2,190,736           Investment income         6,929         6,907           Net cash provided/(used) by investing activities         (15,357)         210,641           Net Increase/(Decrease) in Ca	Payments to employees for services and benefits		(10,692)		(10,286)
Cash Flows from Noncapital Financing Activities         Bond financing costs       (1,640)       (352)         Bond and commercial paper payments       (542,559)       (554,787)         Bond and commercial paper issued       367,061       241,067         Federal pass-through revenues       45,201       46,490         Federal pass-through expenses       (45,808)       (46,465)         Net cash used for noncapital financing activities       (177,745)       (314,047)         Cash Flows from Capital and Related Financing Activities         Acquisition and construction of capital assets       (297)       (467)         Net cash used for capital and related financing activities       (297)       (467)         Cash Flows from Investing Activities         Investment purchases       (2,144,925)       (1,987,002)         Investment redemptions       2,122,639       2,190,736         Investment income       6,929       6,907         Net cash provided/(used) by investing activities       (15,357)       210,641         Net Increase/(Decrease) in Cash       (86,092)       94,756         Cash and cash equivalents, beginning of year       142,652       47,896			, ,		, ,
Bond financing costs         (1,640)         (352)           Bond and commercial paper payments         (542,559)         (554,787)           Bond and commercial paper issued         367,061         241,067           Federal pass-through revenues         45,201         46,490           Federal pass-through expenses         (45,808)         (46,465)           Net cash used for noncapital financing activities         (177,745)         (314,047)           Cash Flows from Capital and Related Financing Activities           Acquisition and construction of capital assets         (297)         (467)           Net cash used for capital and related financing activities         (297)         (467)           Cash Flows from Investing Activities           Investment purchases         (2,144,925)         (1,987,002)           Investment redemptions         2,122,639         2,190,736           Investment income         6,929         6,907           Net cash provided/(used) by investing activities         (15,357)         210,641           Net Increase/(Decrease) in Cash         (86,092)         94,756           Cash and cash equivalents, beginning of year         142,652         47,896	Net cash provided by operating activities		107,307		198,629
Bond and commercial paper payments   (542,559)   (554,787)     Bond and commercial paper issued   367,061   241,067     Federal pass-through revenues   45,201   46,490     Federal pass-through expenses   (45,808)   (46,465)     Net cash used for noncapital financing activities   (177,745)   (314,047)      Cash Flows from Capital and Related Financing Activities   (297)   (467)     Net cash used for capital and related   (297)   (467)     Net cash used for capital and related   (297)   (467)      Cash Flows from Investing Activities   (297)   (467)      Cash Flows from Investing Activities   (297)   (467)      Cash Flows from Investing Activities   (297)   (467)      Investment purchases   (2,144,925)   (1,987,002)     Investment redemptions   (2,122,639   2,190,736     Investment income   (6,929   6,907     Net cash provided/(used) by investing activities   (15,357)   (210,641      Net Increase/(Decrease) in Cash   (86,092)   94,756     Cash and cash equivalents, beginning of year   142,652   47,896	Cash Flows from Noncapital Financing Activities				
Bond and commercial paper issued         367,061         241,067           Federal pass-through revenues         45,201         46,490           Federal pass-through expenses         (45,808)         (46,465)           Net cash used for noncapital financing activities         (177,745)         (314,047)           Cash Flows from Capital and Related Financing Activities           Acquisition and construction of capital assets         (297)         (467)           Net cash used for capital and related financing activities         (297)         (467)           Cash Flows from Investing Activities           Investment purchases         (2,144,925)         (1,987,002)           Investment redemptions         2,122,639         2,190,736           Investment income         6,929         6,907           Net cash provided/(used) by investing activities         (15,357)         210,641           Net Increase/(Decrease) in Cash         (86,092)         94,756           Cash and cash equivalents, beginning of year         142,652         47,896	Bond financing costs		(1,640)		(352)
Federal pass-through revenues         45,201         46,490           Federal pass-through expenses         (45,808)         (46,465)           Net cash used for noncapital financing activities         (177,745)         (314,047)           Cash Flows from Capital and Related Financing Activities           Acquisition and construction of capital assets         (297)         (467)           Net cash used for capital and related financing activities         (297)         (467)           Cash Flows from Investing Activities           Investment purchases         (2,144,925)         (1,987,002)           Investment redemptions         2,122,639         2,190,736           Investment income         6,929         6,907           Net cash provided/(used) by investing activities         (15,357)         210,641           Net Increase/(Decrease) in Cash         (86,092)         94,756           Cash and cash equivalents, beginning of year         142,652         47,896	Bond and commercial paper payments		, ,		, ,
Federal pass-through revenues         45,201         46,490           Federal pass-through expenses         (45,808)         (46,465)           Net cash used for noncapital financing activities         (177,745)         (314,047)           Cash Flows from Capital and Related Financing Activities           Acquisition and construction of capital assets         (297)         (467)           Net cash used for capital and related financing activities         (297)         (467)           Cash Flows from Investing Activities           Investment purchases         (2,144,925)         (1,987,002)           Investment redemptions         2,122,639         2,190,736           Investment income         6,929         6,907           Net cash provided/(used) by investing activities         (15,357)         210,641           Net Increase/(Decrease) in Cash         (86,092)         94,756           Cash and cash equivalents, beginning of year         142,652         47,896	· · · ·		367,061		241,067
Net cash used for noncapital financing activities (177,745) (314,047)  Cash Flows from Capital and Related Financing Activities  Acquisition and construction of capital assets (297) (467)  Net cash used for capital and related financing activities (297) (467)  Cash Flows from Investing Activities  Investment purchases (2,144,925) (1,987,002)  Investment redemptions (2,122,639 2,190,736)  Investment income (6,929 6,907)  Net cash provided/(used) by investing activities (15,357) 210,641  Net Increase/(Decrease) in Cash Cash and cash equivalents, beginning of year 142,652 47,896	Federal pass-through revenues		45,201		46,490
Cash Flows from Capital and Related Financing Activities  Acquisition and construction of capital assets  Net cash used for capital and related financing activities  Cash Flows from Investing Activities  Investment purchases Investment redemptions Investment redemptions Investment income Activities  (297) (467)	Federal pass-through expenses		(45,808)		(46,465)
Acquisition and construction of capital assets Net cash used for capital and related financing activities  Cash Flows from Investing Activities Investment purchases Investment redemptions Investment income Investment income Net cash provided/(used) by investing activities  Net Increase/(Decrease) in Cash Cash and cash equivalents, beginning of year  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)  (297) (467)	Net cash used for noncapital financing activities				(314,047)
Net cash used for capital and related financing activities (297) (467)  Cash Flows from Investing Activities Investment purchases (2,144,925) (1,987,002) Investment redemptions 2,122,639 2,190,736 Investment income 6,929 6,907 Net cash provided/(used) by investing activities (15,357) 210,641  Net Increase/(Decrease) in Cash Cash and cash equivalents, beginning of year 142,652 47,896	Cash Flows from Capital and Related Financing Activities				
Net cash used for capital and related financing activities (297) (467)  Cash Flows from Investing Activities Investment purchases (2,144,925) (1,987,002) Investment redemptions 2,122,639 2,190,736 Investment income 6,929 6,907 Net cash provided/(used) by investing activities (15,357) 210,641  Net Increase/(Decrease) in Cash Cash and cash equivalents, beginning of year 142,652 47,896	· · · · · · · · · · · · · · · · · · ·		(297)		(467)
Cash Flows from Investing Activities           Investment purchases         (2,144,925)         (1,987,002)           Investment redemptions         2,122,639         2,190,736           Investment income         6,929         6,907           Net cash provided/(used) by investing activities         (15,357)         210,641           Net Increase/(Decrease) in Cash         (86,092)         94,756           Cash and cash equivalents, beginning of year         142,652         47,896	Net cash used for capital and related				
Investment purchases       (2,144,925)       (1,987,002)         Investment redemptions       2,122,639       2,190,736         Investment income       6,929       6,907         Net cash provided/(used) by investing activities       (15,357)       210,641         Net Increase/(Decrease) in Cash       (86,092)       94,756         Cash and cash equivalents, beginning of year       142,652       47,896	financing activities		(297)		(467)
Investment purchases       (2,144,925)       (1,987,002)         Investment redemptions       2,122,639       2,190,736         Investment income       6,929       6,907         Net cash provided/(used) by investing activities       (15,357)       210,641         Net Increase/(Decrease) in Cash       (86,092)       94,756         Cash and cash equivalents, beginning of year       142,652       47,896	Cash Flows from Investing Activities				
Investment income 6,929 6,907 Net cash provided/(used) by investing activities (15,357) 210,641  Net Increase/(Decrease) in Cash Cash and cash equivalents, beginning of year 142,652 47,896	<del>-</del>	(	2,144,925)	(	(1,987,002)
Net cash provided/(used) by investing activities (15,357) 210,641  Net Increase/(Decrease) in Cash Cash and cash equivalents, beginning of year (86,092) 94,756					•
Net Increase/(Decrease) in Cash Cash and cash equivalents, beginning of year  (86,092) 94,756 142,652 47,896	Investment income		6,929		6,907
Cash and cash equivalents, beginning of year 142,652 47,896	Net cash provided/(used) by investing activities				
Cash and cash equivalents, beginning of year 142,652 47,896	Net Increase/(Decrease) in Cash		(86,092)		94,756
	· · · · · · · · · · · · · · · · · · ·		,		47,896
		\$		\$	

# **IDAHO HOUSING AND FINANCE ASSOCIATION Statements of Cash Flows**

For the Years Ended June 30,	2014		2013
	(in thou	ısandı	s)
Reconciliation of net operating revenues/(expenses) to net cash provided by operating activities:			
Operating income	\$ 1,254	\$	17,170
Adjustments to reconcile operating income to net cash			
provided by operating activities			
Loan principal received	104,039		184,423
Loans issued	(19,103)		(17,450)
Bond financing costs	1,640		352
Decrease in interest receivable	760		1,456
Depreciation and other amortization	(4,704)		(6,142)
Decrease in interest payable	(2,655)		(7,285)
Interest on investments	(6,051)		(7,280)
Decrease (increase) in GARVEE highway project costs receivable, net			
and pledged revenues	(13,069)		42
Decrease (increase) in employment security reserve fund receivable	51,534		53,433
Decrease (increase) in other assets	(15,456)		(33,031)
Increase (decrease) in accounts payable and other liabilities	9,118		12,939
Increase (decrease) in deposits	-		2
Total adjustments	106,053		181,459
Net cash provided by operating activities	\$ 107,307	\$	198,629

### THE HOUSING COMPANY A Component Unit of Idaho Housing and Finance Association Consolidated Statements of Financial Position

As of December 31,		2013	2012
ASSETS			
Cash	\$	2,447,271 \$	2,342,959
Investments		1,300,504	1,300,772
Escrow and Reserve Deposits		1,421,078	1,292,592
Receivables		464,938	193,536
Prepaid Expenses		184,314	206,299
HOME Funded Homes Held for Sale		902,832	310,595
Land		5,384,531	5,376,275
Buildings and Equipment (net of accumulated depreciation)		28,474,752	30,144,901
Financing Costs and Other (net of accumulated amortization)		277,782	292,808
	\$	40,858,002 \$	41,460,737
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$	462,594 \$	231,688
HOME Funded Homes Held for Sale	·	1,097,303	240,877
Interest Payable		134,413	140,670
Real Estate Taxes Payable		389,717	391,040
Mortgages and Notes Payable		23,442,434	24,534,658
Security Deposits Payable		345,205	298,153
		25,871,666	25,837,086
NET ASSETS, UNRESTRICTED			
Controlling Interests		6,359,392	6,302,642
Non Controlling Interests		8,626,944	9,321,009
LIABILITIES AND NET ASSETS	\$	40,858,002 \$	41,460,737

### THE HOUSING COMPANY A Component Unit of Idaho Housing and Finance Association Consolidated Statements of Activities

For the Years Ended December 31,		2013		2012
REVENUES				
Tenant Rents	\$	4,749,767	\$	4,573,879
Housing Assistance Payments		2,651,602		2,625,537
Other Grants and Contributions				435,000
Interest and Dividends		12,764		26,426
Developer Fees		217,856		90,432
Forgiveness of Debt on Tax Credit Exchange Loan		310,605		310,605
Property Management Services		85,199		8,700
Other		305,635		263,091
TOTAL REVENUES	\$	8,333,428	\$	8,333,670
EXPENSES				
Administrative	\$	2,266,728	\$	2,161,358
Utilities and Maintenance	Ψ	2,273,062	Ψ	2,137,840
Real Estate Taxes and Insurance		1,072,703		1,039,676
Depreciation and Amortization		2,366,727		2,466,608
Interest		954,523		1,063,272
TOTAL EXPENSES	\$	8,933,743	\$	8,868,754
SUBTOTAL		(600,315)		(535,084
DECREASE IN NET ASSETS BEFORE NONCONTROLLING INTERESTS	\$	(600,315)	\$	(535,084
Minority Interest in Partnership Losses		657,065		796,255
INCREASE IN NET ASSETS	\$	56,750	\$	261,171

### THE HOUSING COMPANY A Component Unit of Idaho Housing and Finance Association Consolidated Statements of Cash Flows

INCREASE IN CASH 104,312 508,810 CASH, BEGINNING OF PERIOD 2,342,959 1,834,149	For the Years Ended December 31,		2013	2012
Increase in Net Assets				
Increase in Net Assets	Cook Flows from Operating Activities			
Adjustments for Non-cash Items:         Depreciation and Amortization         2,366,727         2,466,608           Non-Controlling Interest in Partnership Losses         (657,065)         (796,255)           Loss on Disposal of Assets         13,422         13,215           Forgiveness on Tax Credit Exchange Funds         (310,605)         (310,605)           Changes in Assets and Liabilities:         ((Increase) Decrease in Receivables         (271,402)         68,713           Decrease (Increase) in Prepaid Expenses         21,985         (46,314)           Increase (Decrease) in Accounts Payable and Accrued Liabilities         1,087,332         (281,239)           (Decrease) Increase in Real Estate Taxes Payable         (6,257)         (13,346)           (Decrease) Increase in Real Estate Taxes Payable         (1,323)         21,972           CASH PROVIDED FROM OPERATING ACTIVITIES         2,346,616         1,396,622           Cash Flows from Investing Activities:         (8,256)         (927,159)           Purchases of Building and Equipment         (894,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000	· · ·	¢	56.750 ¢	261 171
Depreciation and Amortization         2,366,727         2,466,608           Non-Controlling Interest in Partnership Losses         (657,065)         (796,255)           Loss on Disposal of Assets         13,422         13,215           Forgiveness on Tax Credit Exchange Funds         (310,605)         (310,605)           Changes in Assets and Liabilities:         (271,402)         68,713           Decrease (Increase) in Receivables         (271,402)         68,713           Decrease (Increase) in Prepaid Expenses         21,985         (46,314)           Increase (Decrease) in Accounts Payable and Accrued Liabilities         1,087,332         (281,239)           (Decrease) Increase in Interest Payable         (6,257)         (13,346)           (Decrease) Increase in Interest Payable         (6,257)         (13,346)           (Decrease) Increase in Real Estate Taxes Payable         (1,523)         21,972           Increase in Other Liabilities         47,052         12,702           CASH PROVIDED FROM OPERATING ACTIVITIES         2,346,616         1,396,622           Cash Flows from Investing Activities:         Furchases of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Purchase of Investments         (499,		Φ	56,750 ф	201,171
Non-Controlling Interest in Partnership Losses         (657,065)         (796,255)           Loss on Disposal of Assets         13,422         13,215           Forgiveness on Tax Credit Exchange Funds         (310,605)         (310,605)           Changes in Assets and Liabilities:         (Increase) Decrease in Receivables         (271,402)         68,713           Decrease (Increase) in Prepaid Expenses         21,985         (46,314)           Increase (Decrease) in Accounts Payable and Accrued Liabilities         1,87,332         (281,239)           (Decrease) Increase in Real Estate Taxes Payable         (6,257)         (13,346)           (Decrease) Increase in Real Estate Taxes Payable         (1,323)         21,972           Increase in Other Liabilities         47,052         12,702           CASH PROVIDED FROM OPERATING ACTIVITIES         2,346,616         1,396,622           Cash Flows from Investing Activities:         (8,256)         (927,159)           Purchase of Land         (8,256)         (927,159)           Purchase of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (39,732)         (2,102,276)           Sales of Investments <t< td=""><td>•</td><td></td><td>2 266 727</td><td>2 466 609</td></t<>	•		2 266 727	2 466 609
Loss on Disposal of Assets         13,422         13,215           Forgiveness on Tax Credit Exchange Funds         (310,605)         (310,605)           Changes in Assets and Liabilities:         (100,005)         (271,402)         68,713           Decrease (Increase) in Prepaid Expenses         21,985         (46,314)           Increase (Decrease) in Accounts Payable and Accrued Liabilities         1,087,332         (281,239)           (Decrease) Increase in Interest Payable         (6,257)         (13,346)           (Decrease) Increase in Real Estate Taxes Payable         (1,323)         21,972           Increase in Other Liabilities         47,052         12,702           CASH PROVIDED FROM OPERATING ACTIVITIES         2,346,616         1,396,622           Cash Flows from Investing Activities:         Variable (694,974)         (411,254)           Purchase of Land         (8,256)         (927,159)           Purchases of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486) <td>·</td> <td></td> <td></td> <td></td>	·			
Forgiveness on Tax Credit Exchange Funds         (310,605)         (310,605)           Changes in Assets and Liabilities:         (10crease) Decrease in Receivables         (271,402)         68,713           Decrease (Increase) in Prepaid Expenses         21,985         (46,314)           Increase (Decrease) in Accounts Payable and Accrued Liabilities         1,087,332         (281,239)           (Decrease) Increase in Interest Payable         (6,257)         (13,346)           (Decrease) Increase in Real Estate Taxes Payable         (1,323)         21,972           Increase in Other Liabilities         47,052         12,702           CASH PROVIDED FROM OPERATING ACTIVITIES         2,346,616         1,396,622           Cash Flows from Investing Activities:         2         (8,256)         (927,159)           Purchase of Land         (8,256)         (927,159)         (927,159)           Purchases of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157	· · · · · · · · · · · · · · · · · · ·		,	, ,
Changes in Assets and Liabilities:         (1ncrease) Decrease in Receivables         (271,402)         68,713           Decrease (Increase) in Prepaid Expenses         21,985         (46,314)           Increase (Decrease) in Prepaid Expenses         1,087,332         (281,239)           (Decrease) Increase in Interest Payable         (6,257)         (13,346)           (Decrease) Increase in Real Estate Taxes Payable         (1,323)         21,972           Increase in Other Liabilities         47,052         12,702           CASH PROVIDED FROM OPERATING ACTIVITIES         2,346,616         1,396,622           Cash Flows from Investing Activities:           Purchase of Land         (8,256)         (927,159)           Purchases of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (3,637)           Purchase of Investments         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (890,546)         (801,849)           Additions to Mortgages o	·		•	
(Increase) Decrease in Receivables         (271,402)         68,713           Decrease (Increase) in Prepaid Expenses         21,985         (46,314)           Increase (Decrease) in Accounts Payable and Accrued Liabilities         1,087,332         (281,239)           (Decrease) Increase in Interest Payable         (6,257)         (13,346)           (Decrease) Increase in Real Estate Taxes Payable         (1,323)         21,972           Increase in Other Liabilities         47,052         12,702           CASH PROVIDED FROM OPERATING ACTIVITIES         2,346,616         1,396,622           Cash Flows from Investing Activities:         Variable of the Cash of the Cash of C			(310,003)	(310,003)
Decrease (Increase) in Prepaid Expenses   21,985 (46,314)     Increase (Decrease) in Accounts Payable and Accrued Liabilities   1,087,332 (281,239) (Decrease) Increase in Interest Payable   (6,257) (13,346) (Decrease) Increase in Real Estate Taxes Payable   (1,323) 21,972     Increase in Other Liabilities   47,052 12,702     CASH PROVIDED FROM OPERATING ACTIVITIES   2,346,616 1,396,622     Cash Flows from Investing Activities:   Purchase of Land   (8,256) (927,159)     Purchases of Building and Equipment   (694,974) (411,254) (201,000)     Cost to Rehabilitate Homes Purchased with HOME funds   (483,310) (319,571)     Payment of Financing Costs and Pre-Development Costs   (3,637) (2,102,276)     Sales of Investments   (499,732) (2,102,276)     Sales of Investments   (500,000 (2,900,000)     Net Increase (Decrease) in Escrow and Reserve Deposits   (128,486) (29,157)     CASH USED FOR INVESTING ACTIVITIES   (1,314,758) (195,598)     Cash Flows from Financing Activities:   Principal Payments on Mortgages Payable   (890,546) (801,849)     Additions to Mortgages or Notes Payable   (890,546) (692,214)     Equity Distributions   (37,000) (18,000)     CASH USED FOR FINANCING ACTIVITIES   (927,546) (692,214)     INCREASE IN CASH   104,312 (508,810     CASH, BEGINNING OF PERIOD   2,342,959 (1,834,149)	<del>-</del>		(271 402)	60 712
Increase (Decrease) in Accounts Payable and Accrued Liabilities				
(Decrease) Increase in Interest Payable         (6,257)         (13,346)           (Decrease) Increase in Real Estate Taxes Payable         (1,323)         21,972           Increase in Other Liabilities         47,052         12,702           CASH PROVIDED FROM OPERATING ACTIVITIES         2,346,616         1,396,622           Cash Flows from Investing Activities:         8,256         (927,159)           Purchase of Land         (8,256)         (927,159)           Purchases of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (3,637)         (2,102,276)           Sales of Investments         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (890,546)         (801,849)           Additions to Mortgages Payable         (890,546)         (801,849)           Additions to Mortgages or Notes Payable         (890,546)         (801,849)           Equity Distributions         (37,000)         (18,000)           CASH USED FOR FINANCING ACTIVI	· · · · · · · · · · · · · · · · · · ·		•	• •
Cash Flows from Investments   Cash Flowstments   Cash Flows from Financing Activities:   Cash Flows from Financing Act	, , ,			,
Increase in Other Liabilities         47,052         12,702           CASH PROVIDED FROM OPERATING ACTIVITIES         2,346,616         1,396,622           Cash Flows from Investing Activities:         8,256         (927,159)           Purchase of Land         (8,256)         (927,159)           Purchases of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (3,637)           Purchase of Investments         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (1,314,758)         (195,598)           Cash Flows from Financing Activities:         (890,546)         (801,849)           Principal Payments on Mortgages Payable         (890,546)         (801,849)           Additions to Mortgages or Notes Payable         (37,000)         (18,000)           CASH USED FOR FINANCING ACTIVITIES         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959	· · · · · · · · · · · · · · · · · · ·		, ,	,
CASH PROVIDED FROM OPERATING ACTIVITIES         2,346,616         1,396,622           Cash Flows from Investing Activities:         (8,256)         (927,159)           Purchase of Land         (694,974)         (411,254)           Purchases of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (3,637)         (2,102,276)           Purchase of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (1,314,758)         (195,598)           Cash Flows from Financing Activities:         (890,546)         (801,849)           Additions to Mortgages Payable         (890,546)         (801,849)           Additions to Mortgages or Notes Payable         (37,000)         (18,000)           CASH USED FOR FINANCING ACTIVITIES         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959         1,834,149	•		, ,	
Cash Flows from Investing Activities:           Purchase of Land         (8,256)         (927,159)           Purchases of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (3,637)           Purchase of Investments         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (1,314,758)         (195,598)           Cash Flows from Financing Activities:         Principal Payments on Mortgages Payable         (890,546)         (801,849)           Additions to Mortgages or Notes Payable         127,635         (37,000)         (18,000)           CASH USED FOR FINANCING ACTIVITIES         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959         1,834,149			•	
Purchase of Land         (8,256)         (927,159)           Purchases of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (3,637)           Purchase of Investments         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (1,314,758)         (195,598)           Cash Flows from Financing Activities:         Principal Payments on Mortgages Payable         (890,546)         (801,849)           Additions to Mortgages or Notes Payable         (37,000)         (18,000)           Equity Distributions         (37,000)         (18,000)           CASH USED FOR FINANCING ACTIVITIES         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959         1,834,149	CASH PROVIDED FROM OPERATING ACTIVITIES		2,346,616	1,396,622
Purchase of Land         (8,256)         (927,159)           Purchases of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (3,637)           Purchase of Investments         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (1,314,758)         (195,598)           Cash Flows from Financing Activities:         Principal Payments on Mortgages Payable         (890,546)         (801,849)           Additions to Mortgages or Notes Payable         (37,000)         (18,000)           Equity Distributions         (37,000)         (18,000)           CASH USED FOR FINANCING ACTIVITIES         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959         1,834,149	Cook Flows from Investing Activities			
Purchases of Building and Equipment         (694,974)         (411,254)           Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (3,637)           Purchase of Investments         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (1,314,758)         (195,598)           Cash Flows from Financing Activities:         Principal Payments on Mortgages Payable         (890,546)         (801,849)           Additions to Mortgages or Notes Payable         127,635         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959         1,834,149			(0.050)	(007.450)
Cost to Rehabilitate Homes Purchased with HOME funds         (483,310)         319,571           Payment of Financing Costs and Pre-Development Costs         (3,637)           Purchase of Investments         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (1,314,758)         (195,598)           Cash Flows from Financing Activities:         Principal Payments on Mortgages Payable         (890,546)         (801,849)           Additions to Mortgages or Notes Payable         127,635         (37,000)         (18,000)           CASH USED FOR FINANCING ACTIVITIES         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959         1,834,149			• •	, ,
Payment of Financing Costs and Pre-Development Costs         (3,637)           Purchase of Investments         (499,732)         (2,102,276)           Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (1,314,758)         (195,598)           Cash Flows from Financing Activities:         (890,546)         (801,849)           Additions to Mortgages or Notes Payable         127,635         (37,000)         (18,000)           CASH USED FOR FINANCING ACTIVITIES         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959         1,834,149	•		,	
Purchase of Investments       (499,732)       (2,102,276)         Sales of Investments       500,000       2,900,000         Net Increase (Decrease) in Escrow and Reserve Deposits       (128,486)       29,157         CASH USED FOR INVESTING ACTIVITIES       (1,314,758)       (195,598)         Cash Flows from Financing Activities:       (890,546)       (801,849)         Principal Payments on Mortgages Payable       (890,546)       (801,849)         Additions to Mortgages or Notes Payable       127,635       (37,000)       (18,000)         CASH USED FOR FINANCING ACTIVITIES       (927,546)       (692,214)         INCREASE IN CASH       104,312       508,810         CASH, BEGINNING OF PERIOD       2,342,959       1,834,149			(483,310)	·
Sales of Investments         500,000         2,900,000           Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (1,314,758)         (195,598)           Cash Flows from Financing Activities:         (890,546)         (801,849)           Principal Payments on Mortgages Payable         (890,546)         (801,849)           Additions to Mortgages or Notes Payable         (37,000)         (18,000)           Equity Distributions         (37,000)         (18,000)           CASH USED FOR FINANCING ACTIVITIES         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959         1,834,149	· · · · · · · · · · · · · · · · · · ·		(400 700)	, ,
Net Increase (Decrease) in Escrow and Reserve Deposits         (128,486)         29,157           CASH USED FOR INVESTING ACTIVITIES         (1,314,758)         (195,598)           Cash Flows from Financing Activities:         Principal Payments on Mortgages Payable         (890,546)         (801,849)           Additions to Mortgages or Notes Payable         127,635         (37,000)         (18,000)           CASH USED FOR FINANCING ACTIVITIES         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959         1,834,149			•	
CASH USED FOR INVESTING ACTIVITIES (1,314,758) (195,598)  Cash Flows from Financing Activities:  Principal Payments on Mortgages Payable Additions to Mortgages or Notes Payable Equity Distributions (37,000) (18,000)  CASH USED FOR FINANCING ACTIVITIES (927,546) (692,214)  INCREASE IN CASH 104,312 508,810  CASH, BEGINNING OF PERIOD 2,342,959 1,834,149			·	
Cash Flows from Financing Activities: Principal Payments on Mortgages Payable Additions to Mortgages or Notes Payable Equity Distributions  CASH USED FOR FINANCING ACTIVITIES  INCREASE IN CASH  CASH, BEGINNING OF PERIOD  Cash Flows from Financing Activities: (890,546) (801,849) (127,635) (18,000) (18,000) (18,000) (1927,546) (692,214) (104,312)				· · · · · · · · · · · · · · · · · · ·
Principal Payments on Mortgages Payable       (890,546)       (801,849)         Additions to Mortgages or Notes Payable       127,635         Equity Distributions       (37,000)       (18,000)         CASH USED FOR FINANCING ACTIVITIES       (927,546)       (692,214)         INCREASE IN CASH       104,312       508,810         CASH, BEGINNING OF PERIOD       2,342,959       1,834,149	CASH USED FOR INVESTING ACTIVITIES		(1,314,758)	(195,598)
Principal Payments on Mortgages Payable       (890,546)       (801,849)         Additions to Mortgages or Notes Payable       127,635         Equity Distributions       (37,000)       (18,000)         CASH USED FOR FINANCING ACTIVITIES       (927,546)       (692,214)         INCREASE IN CASH       104,312       508,810         CASH, BEGINNING OF PERIOD       2,342,959       1,834,149				
Additions to Mortgages or Notes Payable       127,635         Equity Distributions       (37,000)       (18,000)         CASH USED FOR FINANCING ACTIVITIES       (927,546)       (692,214)         INCREASE IN CASH       104,312       508,810         CASH, BEGINNING OF PERIOD       2,342,959       1,834,149	<del>_</del>			
Equity Distributions         (37,000)         (18,000)           CASH USED FOR FINANCING ACTIVITIES         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959         1,834,149	· · · · · · · · · · · · · · · · · · ·		(890,546)	, ,
CASH USED FOR FINANCING ACTIVITIES         (927,546)         (692,214)           INCREASE IN CASH         104,312         508,810           CASH, BEGINNING OF PERIOD         2,342,959         1,834,149				
INCREASE IN CASH 104,312 508,810 CASH, BEGINNING OF PERIOD 2,342,959 1,834,149	Equity Distributions		(37,000)	(18,000)
CASH, BEGINNING OF PERIOD 2,342,959 1,834,149	CASH USED FOR FINANCING ACTIVITIES		(927,546)	(692,214)
CASH, BEGINNING OF PERIOD 2,342,959 1,834,149				
	INCREASE IN CASH		104,312	508,810
	CASH, BEGINNING OF PERIOD		2,342,959	1,834,149
CASH, END OF PERIOD \$ 2,447,271 \$ 2,342,959	CASH, END OF PERIOD	\$	2,447,271 \$	2,342,959
Supplemental Disclosures for Cash Flows	Supplemental Disclosures for Cash Flows			
Purchase of buildings through acquisition of debt \$ 108,927	Purchase of buildings through acquisition of debt	\$	108,927	

### THE HOUSING COMPANY A Component Unit of Idaho Housing and Finance Association Consolidated Statements of Changes in Net Assets

	N	Ion-Controlling Interests	Controlling Interests
NET ASSETS, UNRESTRICTED, December 31, 2011 Distributions Increase (decrease) in Net Assets	\$	10,135,264 (18,000) (796,255)	\$ 6,041,471 - 261,171
NET ASSETS, UNRESTRICTED, December 31, 2012 Distributions Increase (decrease) in Net Assets		9,321,009 (37,000) (657,065)	6,302,642 - 56,750
NET ASSETS, UNRESTRICTED, December 31, 2013	\$	8,626,944	\$ 6,359,392

June 30, 2014 and 2013

### 1. Authorizing Legislation

The Idaho Housing and Finance Association (Association) was created, as an independent public body corporate and politic, by the Idaho Legislature under the provisions of Chapter 62, Title 67 of the Idaho Code, as amended by the Act. The Act empowers the Association, among other things, to issue notes and bonds in furtherance of its purpose of providing safe and sanitary housing for persons and families of limited income residing in Idaho and, in addition, to coordinate and encourage cooperation among private enterprise and State and local governments to sponsor, build and rehabilitate residential housing for such persons; to issue notes and bonds in furtherance of its purpose of financing economic development projects in partnership with private financial institutions and State and local economic development entities; and to issue notes and bonds to finance projects that improve the transportation infrastructure in Idaho.

The enabling legislation, along with bond indentures and bond resolutions adopted by the Association, contains specific provisions pertaining to (a) the use of the proceeds from the sale of notes and bonds, (b) the application of pledged receipts and recoveries of principal from mortgages, and (c) the creation of certain accounts along with the accounting policies of such accounts. Association administrative obligations from bond and other housing programs extend to the year 2042.

### 2. Summary of Significant Accounting Policies

### A. Basis of Accounting

The accounting and reporting policies of the Association conform to generally accepted accounting principles of the Governmental Accounting Standards Board (GASB) and follow the accrual basis of accounting. The Association is accounted for as an Enterprise Fund.

The accompanying combined financial statements include the accounts of the Enterprise Fund of the Association. All interfund balances and transactions have been eliminated.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Association's policy is to first apply the expense towards restricted resources, and then toward unrestricted resources.

### B. Reporting Entity

Although the State of Idaho considers the Association a component unit for financial reporting purposes in accordance with GASB Statement No. 61, *The Financial Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, and the State's governor appoints the Board of Commissioners of the Association, the Association is legally separate from the State of Idaho, is not a State agency under State law, and uses no State funds or State employees to support its operations.

The Home Partnership Foundation (HPF) and The Housing Company (THC) are component units of the Association and the financial statements of each have been incorporated into these financial statements and notes. The degree of control governs the reporting presentation; as such, HPF's presentation has been blended and THC's presentation has been discretely presented.

HPF reports under GASB standards in the same manner as the Association. HPF uses a calendar year basis as its fiscal year and the most recent audited financial statements of HPF have been blended.

THC reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to THC's entity presentation in the Association's financial statements for these differences. THC uses a calendar year basis as its fiscal year and the most recent audited financial statements are presented.

### 2. Summary of Significant Accounting Policies, continued

#### C. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in determining the collectability of receivables, determining the recoverability on other real estate owned property, the fair value of interest rate swaps, and determining bond yield arbitrage liability. It is at least reasonably possible that the significant estimates used will change within the next year.

### D. Program Accounting

Financial activities of the Association are recorded in accounts established under various bond indentures and bond resolutions and in accounts established for the administration of the various programs empowered by the Act.

<u>Business Operations</u> includes the General Operating Account established to administer the ongoing responsibilities of programs maintained by the Association. Direct administrative and operational activities, including the operating expenses of various programs, are recorded in this account. Revenues in this account are primarily generated from fees earned for administering federal programs, fees earned for servicing loans, and earnings on investments held to finance future programs.

The <u>Federally Assisted Program</u> area was established to account for activities directly related to the limited-income rental assistance and other related programs funded by the U.S. Department of Housing and Urban Development (HUD). This account is primarily used for housing assistance pass-through funds and for properties owned and utilized in affordable housing programs. The funding of the Association's federal programs activities is dependent on budget appropriations from HUD, as contained in the Federal budget.

The <u>Affordable Housing Investment Trust</u> was established to account for activities intended for affordable housing projects in Idaho. This account consists primarily of investments and loans receivable and the earnings thereon, as well as the residual income generated through Business Operations each year.

The <u>Bond Rating Compliance and Loan Guaranty Trust</u> was established to account for activities intended to meet bond rating agency requirements for asset security and bond debt service liquidity. This account consists primarily of investments and loans receivable and earnings thereon.

<u>Single-Family Mortgage Bonds</u>, established under separate trust indentures, account for the proceeds from the sale of Single-Family Mortgage Bonds and the debt service requirements of these bonds. Activities within these accounts are, in general, limited to the purchase of mortgage loans made by mortgage lenders to qualifying, limited-income persons for single-family, owner-occupied housing in Idaho.

<u>Multifamily Housing Bonds</u>, established under separate trust indentures, account for the proceeds from the sale of Multifamily Mortgage Bonds and the debt service requirements of these bonds. Bond proceeds for multifamily programs are used to finance affordable multifamily developments that house limited-income households throughout Idaho.

<u>Grant and Revenue Anticipation Bonds (GARVEE)</u>, established under a separate trust indenture, account for the proceeds from the sale of GARVEE Bonds and the debt service requirements of these bonds. The GARVEE Bonds program allows the Association to advance funds to the State of Idaho for improving and enhancing the State's highway infrastructure.

### 2. Summary of Significant Accounting Policies, continued

#### E. Cash and Cash Equivalents

Cash and cash equivalents include General Operating Account cash, General Operating Account investments with maturities of less than three months at the date of purchase, Federally Assisted Program cash and Affordable Housing Investment Trust cash. Cash and cash equivalents deposited at Wells Fargo Bank are collateralized with U.S. Treasury obligations and U.S. Agency obligations and are held by Wells Fargo Bank in the Association's name. Custodial credit risk is the risk that the Association's deposits may not be returned in the event of a bank failure. In the opinion of management, the Association is not exposed to this risk at June 30, 2014. The Association does not have a formal deposit policy for custodial credit risk. Restricted cash as of June 30, 2013 consists of \$82,378,000 in the Bond Funds, \$2,115,000 in Section 8 Housing Choice Voucher Program, and \$5,329,000 in escrow deposits. Restricted cash as of June 30, 2014 consists of \$2,500,000 in the Bond Funds, \$1,560,000 in Section 8 Housing Choice Voucher Program, and \$9,737,000 in escrow deposits.

### F. Bond Financing Costs/Bond Financing Cost Expense

Bond financing costs are expensed in the current reporting period.

### G. Loan Acquisition Costs

In the Association's mortgage purchase programs, excluding home improvement loan programs, mortgage loans are purchased primarily at par, or at a discount, from participating lenders. Loan acquisition costs are expensed at the time a loan is acquired.

### H. Federally Assisted Program Advances and Fees

In accordance with the terms of contracts between the Association and HUD, the Association administers rental assistance programs as HUD's agent in certain areas of Idaho. Under these programs, persons of limited income receive rental subsidies from HUD through the Association. HUD advances funds sufficient to cover the monthly housing assistance payments and the Association's management service fees. These management service fees are recognized as revenue to the Association when earned. Federal Pass-Through Revenues and Expenses on the Statement of Revenues, Expenses and Changes in Net Position represent housing assistance payments and related federal funding that is passed through the Association to carry out such programs.

### I. Property and Equipment

Property and equipment held by the General Operating and Federally Assisted Program Accounts are recorded at cost and depreciated over the estimated useful lives of the related assets. The Association uses the straight-line method of depreciation with estimated lives of three to seven years for office and computer equipment and 40 years for real property and buildings. Depreciation expense for the years ending June 30, 2014 and 2013 was \$590,000 and \$611,000, respectively. Property and equipment are presented in the Statement of Net Position, net of accumulated depreciation of \$9,716,000 and \$9,431,000 at June 30, 2014 and 2013, respectively.

### J. Provisions for Loan Losses

Periodic evaluation of the loans receivable portfolio is performed in order to determine whether an allowance for loan losses should be established and reflected in current operations. The evaluation of a loan loss provision considers both loans receivable and real estate owned (REO) property, estimated value of the collateral, subsidies, guarantees, mortgage insurance, economic conditions, and historical loss experience for each loan type. The provision's charge against current operations considers holding costs, including accrued interest.

The Association has established an allowance for losses in the General Operating Account on recourse obligations related to FNMA-held, FHLMC-held, and GNMA-secured loan foreclosures. The Association estimates this amount to be \$2,102,000 as of June 30, 2014 and \$2,900,000 as of June 30, 2013. The Association has established an allowance for loan loss and REO activity in the Loan Guarantee and Compliance Fund for Association-held loan losses not recoverable. As of June 30, 2014 and 2013 the Association estimates this amount to be \$4,666,000 and \$6,439,000, respectively. Actual losses are charged against this provision and allocated, via an operating transfer, on a pro-rata basis to bond trusts with current year losses. The Association

### 2. Summary of Significant Accounting Policies, continued

#### Provisions for Loan Losses, continued

has established an allowance for loan loss and REO activity in the Affordable Housing Investment Trust for Association down-payment assistance loans not recoverable due to the loss on an Association-held primary loan. The Association estimates that amount to be \$306,000 and \$444,000 as of June 30, 2014 and 2013.

Generally, loans in default are reported in Loans until foreclosed. A loan is considered past due when payment is 30 days late. When payment is 90 days late, a 30-day demand to "pay in full or bring the account current" letter is issued. If payment is not made and payment is 120 days late, the loan is then moved to the foreclosure process. Once a loan is foreclosed, it is reclassified from Loans to Other Assets as REO mortgage receivable, pending recovery from the relevant source(s) of security and subject to indemnification limitations of those guarantors and insurance providers.

### K. Escrow and Project Reserve Deposits

Escrow and project reserve deposits represent amounts held by the Association for insurance, real estate taxes and as reserves for replacement and operation. The Association invests these funds and allows earnings on multifamily project escrows to accrue to the benefit of the mortgagors of those projects. Earnings on single-family escrow balances accrue to the benefit of the Association. All escrow and project reserve deposits are included in Cash and Cash Equivalents in the Statement of Net Position.

### L. Commercial Paper

The commercial paper facility provides funds to purchase single-family mortgage loans on an interim basis as well as financing for multifamily construction loans. Commercial paper activity is recorded in the General Operating Account. The Association transfers mortgage loans purchased with proceeds from commercial paper to bond accounts or to sell to FNMA or FHLMC or to securitize through GNMA. Mortgage acquisition monies from bond accounts or from FNMA or FHLMC sale proceeds or GNMA securitization proceeds, respectively, reimburse the commercial paper facility. Transfers associated with bond accounts will be made prior to the end of the acquisition period as specified in the applicable bond indentures. As of June 30, 2014 and 2013, the Association had \$50,000,000 of commercial paper outstanding maturing in 90 to 181 and 12 to 67 days from date of issue, respectively, with weighted average interest rates of .46052% and .42150%, respectively. The Association has a stand-by revolving credit facility of \$25,000,000, available for draws. As of June 30, 2014 and 2013, \$0 is drawn against this facility.

#### M. Net Position

Net Position, the amount total assets plus deferred outflows of resources exceeding total liabilities plus deferred inflow of resources, is an aggregation of all Association bond trust and program accounts. Restricted net positions are those required to meet the various covenants as defined in bond indentures or other laws or regulations. Designated net position indicates that position set aside at the discretion of the Association to be used for a specific purpose and not for general operations. Net positions in the amount of \$136,771,000 and \$137,415,000 at June 30, 2014 and 2013, respectively, are restricted by bond indentures and programmatic requirements; approximately \$35,298,000 and \$38,030,000 at June 30, 2014 and 2013, respectively, are designated by the Board for programmatic uses in connection with the Affordable Housing Investment Trust; and the remaining balances of \$35,826,000 and \$34,558,000 held in the General Operating Account at June 30, 2014 and 2013, include \$5,778,000 and \$6,128,000, respectively, net invested in capital assets, and \$30,048,000 and \$28,430,000, respectively, unrestricted and available for general operations of the Association.

#### N. Classification of Revenues

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) interest on loans and investments and (2) administration and loan servicing fees. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as (1) federal pass-through awards, (2) change in the fair value of investments, and (3) any other revenue sources that the Association may receive that are defined as nonoperating revenues by GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.

### 2. Summary of Significant Accounting Policies, continued

#### O. Reclassification

Certain reclassifications have been made, none of which affected the results of activities and changes in Net position, to present the financial statements on a consistent basis.

### P. New Accounting Principles and Restatement of Net Position

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans*, effective for fiscal year 2014 and Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective for fiscal year 2015. In early 2013, GASB issued Statement Nos. 69, *Government Combinations and Disposals of Government Operations*, and 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, both effective for fiscal year 2014. In the opinion of the management, these standards do not and will not have an impact on the Association's financial position given current operations and obligations.

#### 3. Investments

GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, requires certain investments be reported at fair value in the Statement of Net Position. The Association reports all investments at fair value in the Statements of Net Position. The Association has entered into investing agreements with Wells Fargo and KeyBank, banks where excess cash balances (classified as Cash and cash equivalents) are invested overnight in money market mutual funds and repurchase agreements. Investments are held in the Association's account in the name of the respective bank. As of June 30, 2014, the Association has overnight investments of \$2,700,000 in money market funds and \$12,000,000 in repurchase agreements held by Wells Fargo Bank. Repurchase agreements are collateralized by U.S. government and agency obligations held in the Association's trustee's name in the Association's account.

Interest Rate Risk: The Association has adopted bond indentures, bond resolutions, and trust resolutions as policy for the determination of investment maturities. These indentures and resolutions provide that investment maturities be based upon the cash requirements of the Association's accounts, as determined by authorized Association investment officers.

### 3. Investments, continued

As of June 30, 2014 and 2013, the Association had the following investments and maturities (in thousands):

				2014								
					Investme	nt N	/laturities	(in \	rears)			
		Fair	Less									
		Value	Than 1	1-5	6-10		11-15		16-20	21-25	2	26-30
Investment Type												
Money market funds	\$	145,693	\$ 145,693									
Investment agreements		84,037	10,217	\$ 65,624		\$	419	\$	3,298	\$ 4,479		
U.S. Government												
obligations		9,975		5,942	\$ 1,412		2,621					
U.S. Agency obligations		99,664		30,028	25,177		5,826		9,604	29,029		
Corporate obligations		1,019	1,019									
Interest rate swaps		(893)		(893)								
TBA contracts		(1,179)	(1,179)									
Land and townhomes		3,552		 3,552	 					 		
		341,868	\$ 155,750	\$ 104,253	\$ 26,589	\$	8,866	\$	12,902	\$ 33,508	\$	-
Accrued interest		997										
Total Investments	\$	342,865										
				2013								
					Investme	nt N	/laturities	(in \	rears)			
		Fair	Less									
		Value	Than 1	1-5	6-10		11-15		16-20	21-25	2	26-30
Investment Type												
Money market funds	\$	141,893	\$ 141,893									
Investment agreements		90,239	37,925	\$ 24,634		\$	53	\$	16,023	\$ 11,291	\$	313
U.S. Government												
obligations		10,961		5,902	\$ 1,296		3,763					
U.S. Agency obligations		69,098	2,079	2,120	15,440		1,516		14,720	33,223		
Corporate obligations		4,601	3,544	1,057								
Interest rate swaps		(3,759)			(2,190)		(1,408)		(161)			
TBA contracts		3,913	3,913									
Land and townhomes		3,552		 3,552								
		320,498	\$ 189,354	\$ 37,265	\$ 14,546	\$	3,924	\$	30,582	\$ 44,514	\$	313
Accrued interest		1,682										
Accrued interest  Total Investments	<u> </u>	1,682 322,180										

At June 30, 2013 the Association's marketable investments included 26 U.S. agency mortgage-backed security pools, which pay monthly principal and interest. In addition, the Association held four U.S. agency securities with an outstanding principal amount of \$17,000,000 that are subject to call provisions. Of the Association's U.S. Government obligations, \$1,521,000 is held by JPMorgan as collateral in connection with the Association's participation in the Fannie Mae Affordable Advantage mortgage program.

Among the Association's marketable investments at June 30, 2014, are 23 U.S. agency mortgage-backed security pools that pay monthly principal and interest. In addition, the Association holds seven U.S. agency securities with an outstanding principal amount of \$50,000,000 that are subject to call provisions. Of the

### 3. Investments, continued

\$50,000,000 callable amount, \$30,000,000 is exercisable in 2014, \$15,000,000 is exercisable in 2015 and \$5,000,000 is exercisable in 2016. Of the Association's U.S. Government obligations, \$1,521,000 is held by JPMorgan as collateral in connection with the Association's participation in the Fannie Mae Affordable Advantage mortgage program.

At June 30, 2014, the Association has \$540,195,000 in notional amount of fixed payer/variable receiver interest rate swap contracts outstanding in connection with its outstanding variable rate demand note mortgage revenue bond issues. Of this amount, \$6,050,000 does not have associated variable rate debt and is considered an investment derivative with negative fair value. The Association pays fixed-rate payments between 3.730% and 5.548% and receives variable rate payments based on SIFMA and LIBOR indices. The Association entered the swap contracts in November 2008, which mature between 2018 and 2030. These contracts are not rated.

At June 30, 2013, the Association has \$589,410,000 in notional amount of fixed payer/variable receiver interest rate swap contracts outstanding in connection with its outstanding variable rate demand note mortgage revenue bond issues. Of this amount, \$31,630,000 does not have associated variable rate debt and is considered an investment derivative with negative fair value. The Association pays fixed-rate payments between 3.368% and 5.3% and receives variable rate payments based on SIFMA and LIBOR indices. The Association entered the swap contracts in November 2008, which mature between 2018 and 2030. These contracts are not rated.

At June 30, 2014 and 2013, the Association has \$100,000,000 and \$123,000,000 in forward sales contracts ("To Be Announced" or "TBA" contracts) or GNMA securities in order to lock in the sales price for the securitization of single-family loans. These contracts are considered investment derivatives and are not rated.

Credit Risk: Investments for each bond issue are those permitted by the various bond indentures and bond resolutions adopted by the Association. Program account investments are restricted to those empowered by the Act or by Federal regulations. The Association has adopted resolutions as policy for the Affordable Housing Investment and Loan Guarantee Trusts. The Association has not adopted a formal policy related to the Association's Business Operations investments. As of June 30, 2014, the Association's investments in money market funds, investment agreements, U.S. government obligations, and Government National Mortgage Association obligations are unrated. As of June 30, 2014 and 2013, the Association's remaining investments are rated by Moody's Investor Service as follows (in thousands):

Investment Type	Rating	2014	2013
U.S. Agency Obligations	Aaa	\$ 99,664 \$	69,098
Corporate Obligations	Aa		2,011
Corporate Obligations	A3		1,057
Corporate Obligations	Baa	1,019	1,533

The Association's U.S. government and U.S. agency obligations are held by the Association's trustee in the Association's name. Corporate and other obligations are held by the Association's trustee in either the Association's account or in the Association's name.

Investment agreements are non-participating investments with financial institutions, are carried at cost, and not rated by rating agencies. Securities are not used as collateral for these Investment agreements. Investment agreements are structured for both short-term and long-term bond proceeds in connection with the Association's single-family mortgage bond programs. Financial institutions providing the agreements have been rated by nationally recognized rating agencies at debt ratings sufficient to rate the Association's mortgage revenue bonds investment grade by those rating agencies.

### 3. Investments, continued

Concentration of Credit Risk: The Association places no limit on the amount the Association may invest in any one issuer. The Affordable Housing Investment Trust investment policy places limits on the amounts the Association may invest in certain types of investments authorized by the Act. As of June 30, 2014, the Association had investments of five percent or more in Bayerische Landesbank guaranteed investment contracts (GICS) of \$76,883,000, Federal Farm Credit Bank obligations of \$41,064,000, Federal Home Loan Bank obligations of \$20,022,000, Federal Home Loan Mortgage obligations of \$18,162,000, and Fannie Mae obligations of \$20,393,000.

During the years ended June 30, 2014 and 2013, the Association realized net gains/(losses) of \$828,000 and \$1,234,000 respectively, from sales of investments. The calculation of realized gains is independent of the calculation of the change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in a current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net increase/(decrease) in the fair value of investments as of June 30, 2014 and 2013 is \$(1,140,000) and \$(5,442,000), respectively. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the fiscal year. Included in the amount for the year ending June 30, 2014 and 2013, is \$2,866,000 and \$(463,000), respectively related to derivative interest rate swap contracts fair market value considered investments. Also, included in the amount for the year ending June 30, 2014 and 2013, is \$(5,092,000) and \$3,913,000, respectively related to TBA contracts.

The unrealized gain/(loss) on investments held at June 30, 2014 and 2013 is \$7,811,000 and \$6,559,000, respectively. The Association matches the duration of its investments with the maturity debt in various bond accounts, and therefore, does not anticipate material unrealized gains or losses to be realized. For the years ending June 30, 2014 and 2013, the Association's financial report uses GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, to report derivative interest rate swap and forward sale contracts.

### 4. Loans

The Association has single-family, multifamily and other loans. The majority of the Association's loan portfolio consists of single-family mortgage loans to persons of limited income residing in Idaho. The Association has obtained various levels of security for loans. All loans are secured by mortgages or deeds of trust on the related properties. Additionally, loans are insured or guaranteed by the federal government, commercial mortgage insurers or by Association self-insurance reserves. In some cases, as required by bond resolutions or bond indentures, master mortgage guaranty insurance (pool insurance) provides a final level of security for certain losses sustained by reason of default, which are in excess of FHA, VA or primary insurance.

### 4. Loans, continued

Total Loans

A summary of security for loans as of June 30, 2014 and 2013 is as follows (in thousands):

$\sim$	` <i>a</i>	

Non-Pool

Insured

Pool

Insured

Total

795,972

FHA Insurance VA Guaranteed Commercially Insured USDA Rural Development Insurance Association Insured	\$	264,866 26,616 257,222 62,178 4,166 615,048	\$ 35,377 35,377	\$ 264,866 26,616 292,599 62,178 4,166 650,425
Other Multifamily Bond Financed Single Family IHFA Capital Pool Multifamily IHFA Capital Pool Social Service and Development IHFA Capital Pool Construction State Small Business Credit Initiative Loan Loss Provision Interest Receivable on Loans Total Loans				\$ 16,628 33 3,765 6,569 3,783 15,000 (4,972) 3,657 694,888
2013				
	١	Non-Pool	Pool	
		Insured	Insured	Total
FHA Insurance VA Guaranteed Commercially Insured USDA Rural Development Insurance Association Insured	\$	314,295 32,214 222,069 73,148 4,269 645,995	\$ 115,553 115,553	\$ 314,295 32,214 337,622 73,148 4,269 761,548
Other  Multifamily Bond Financed Single Family IHFA Capital Pool Multifamily IHFA Capital Pool Social Service and Development IHFA Capital Pool Construction State Small Business Credit Initiative Loan Loss Provision Interest Receivable on Loans				16,629 18 3,885 7,134 2,066 7,158 (6,883) 4,417

#### 4. Loans, continued

As of June 30, 2014 and 2013 the loans receivable includes \$9,104,000 and \$9,865,000, respectively, in notes receivable from The Housing Company (THC), which require repayment within 27 and 28 years, respectively. The notes are secured by various multifamily housing projects and accrue interest at between 3.00 and 9.125 percent.

Construction, bridge and permanent financing, and multifamily projects, throughout Idaho are included as "Other". In addition to holding a first lien on the majority of these loans, performance bonds are in place to ensure completion of the projects under construction.

Interest charged on loans ranged from approximately 0 to 10.27 percent during fiscal years 2014 and 2013. Loan interest rates are fixed over the loan term at levels exceeding yields on corresponding debt issued to purchase the loans. Federal tax law limits such excess yields. Loan terms range from less than one year to 40 years.

Each mortgage loan for all single-family financing programs is serviced pursuant to a Mortgage Loan Servicing Agreement as designated by the bond indenture or bond resolution. Beginning with the 1983 Series B Single-Family Mortgage purchase program, a master servicing arrangement was implemented. The mortgage servicer may, but need not, be a lending institution and a program participant.

Loan servicing fees depicted in the Statement of Revenues, Expenses and Changes in Net Position relate to an internally assessed charge of between thirty-three and eighty-three one hundredths of one percent per annum of the outstanding mortgage balance for Association-held loans. The Association records the loan servicing fee income by reducing interest income within each of the related bond funds. In addition to the internal reclassification of interest income to loan servicing income, the General Operating Account charges the bond funds sixteen-hundredths of one percent per annum of the outstanding mortgage balance for actual Association servicing costs. The fee paid to the General Operating Account is eliminated in the financial statements. Loans held by non-Association typically generate between twenty-five and seventy-five one hundredths of one percent per annum of the outstanding mortgage balance. The Association records the loan service by reducing interest income, collecting the fees in the General Operating Account, and remitting principal and remaining interest to the loan owner or its trustee.

Mortgage loans to be serviced externally or by the Association are purchased at par or a discount of one to two percent of the outstanding principal balance as of the date of purchase. For loans serviced, but not owned, by the Association, loans are purchased at a premium of up to 3%, at par, or a discount of 1% or 2% of the outstanding principal balance is paid to the originating lender as of the date of purchase as consideration for the assignment of the servicing rights.

Loans and bonds are valued at their carrying amounts, which approximate par value. Due to the structured financing characteristics of the Association's bond issues and restrictions under various trust indentures, the Association is restricted from selling loans at a value that would impair its ability to service the bonds to which those loans are specifically pledged. The loans are specifically identified with a particular bond issue and pledged under the applicable trust indenture. Any changes in market interest rates subsequent to bond issuance and loan origination would be expected to approximate an equal impact on the fair value of the bonds and the related mortgages. Mortgage rates on loans originated from bond proceeds are based directly upon the bond rates established at the time of issuance. The Association establishes the yield spread between the interest rate on the mortgages and related bonds to approximate 1.125 percent, the maximum allowed by Section 143 of the Internal Revenue Code.

Loans originated and intended for sale to FNMA or FHLMC, or securitized through GNMA are carried at the lower of aggregate cost or fair value, as determined by hedge coverage and the difference in the loan yield and the 60-day commitment rate yield offered by FNMA, FHLMC or GNMA MBS rate on June 30, 2014. IHFA services loans sold to FNMA or FHLMC or secured by GNMA. Gains or losses are recognized based on the difference between the selling price and the carrying value of the related mortgage loan sold. Net unrealized losses are charged to Operating Expenses in the Statement of Revenues, Expenses and Changes in Net Position. Loans available for

### 4. Loans, continued

sale to FNMA or FHLMC or secured by GNMA have different characteristics and fewer restrictions than loans financed by the issuance of debt and owned and serviced in the Association's loan portfolio.

Loans available for sale are determined as a function of the Association's liquidity preference, customer preference, contractual requirements, and regulatory requirements. For the fiscal years ending June 30, 2014 and 2013, the Association realized \$13,647,000 and \$28,831,000, respectively, in gains on the sale of loans to FNMA FHMLC, and GNMA. As of June 30, 2014 and 2013, the Association had commitments to sell or secure \$139,277,000 and \$185,699,000 of single-family mortgages to FNMA and FHMLC or through GNMA. As of June 30, 2014, the Association had commitments to sell or secure \$50,993,000 of single-family mortgages on behalf of lowa Finance Authority. As of June 30, 2014 and 2013 the Association had commitments to sell or secure \$34,511,000 and \$9,353,000 on behalf of New Mexico Mortgage Finance Authority.

As of June 30, 2014 and 2013, the Association estimates \$93,814,000 and \$161,236,000, respectively, of loans receivable as current. Estimates consider loan principal due during the next twelve months plus anticipated prepayments made on outstanding principal balances. The Association had commitments to purchase \$186,661,000 and \$227,460,000, respectively, of single-family mortgages, which had not yet been funded. As of June 30, 2014 and 2013, the Association serviced \$2,428,000,000 and \$1,774,000,000, respectively, in loans of other lenders and not included in the Association's financial statements.

5. Bonds (dollars in thousands)

	Average	Delivery			
Description and Due Date	Bond Yield	Date	2014	20	013
Single-Family Mortgage Bonds:					
1994 Series A					
Senior Bonds 1996 2026	6.110%	4/94		\$	225
	6.110%				225
1994 Series F					
Senior Bonds 1996 2027	7.525%	12/94			40
	7.525%		-		40
1995 Series C					
Senior Bonds 1997 2027	6.394%	6/95			85
	6.394%				85
1995 Series E					
Senior Bonds 1998 2028	6.436%	7/95	\$ 110		275
	6.436%		110		275
1995 Series H					
Senior Bonds 1998 2028	6.036%	12/95			395
	6.036%				395
1996 Series A					
Senior Bonds 1998 2028	6.180%	4/96			90
	6.180%				90
1996 Series D					
Senior Bonds 1998 2028	6.455%	7/96			225
Mezzanine Bonds 2014	6.450%	7/96			15
	6.455%				240
1996 Series E					
Senior Bonds 1998 2028	6.347%	8/96			240
Mezzanine Bonds 2014	6.350%	8/96			15
	6.347%				255
1996 Series F					
Senior Bonds 1998 2028	6.278%	9/96	145		330
Mezzanine Bonds 2014	6.250%	9/96	5		15
	6.277%		150		345
1996 Series G					
Senior Bonds 1998 2028	6.328%	10/96			185
Mezzanine Bonds 2014	6.250%	10/96			5
	6.328%		-		190
1996 Series H					
Senior Bonds 1998 2028	6.132%	12/96	310		555
Mezzanine Bonds 2014	6.130%	12/96			25
	6.132%		310		580
1997 Series A			-		
Senior Bonds 1999 2028	6.185%	2/97	425		590
Mezzanine Bonds 2014	6.100%	2/97	10		25
	6.183%		435		615

5. Bonds, continued				
	Average	Delivery		
Description and Due Date	Bond Yield	Date	2014	2013
1997 Series B				
Senior Bonds 1999 2028	5.936%	3/97	180	610
Mezzanine Bonds 2014	5.850%	3/97	-	25
	5.934%	-	180	635
1997 Series C				
Senior Bonds 1999 2028	6.093%	4/97	545	855
Mezzanine Bonds 2014	6.100%	4/97	5	45
	6.093%	-	550	900
1997 Series D				
Senior Bonds 1999 2028	6.230%	5/97	75	335
Mezzanine Bonds 2014	6.100%	5/97		15
	6.228%	•	75	350
1997 Series E	0.22070		. •	
Senior Bonds 2000 2028	6.050%	6/97	360	880
Mezzanine Bonds 2014	5.950%	6/97	20	95
WCZZANINE BONGS ZOTA	6.044%	0/5/	380	975
1997 Series F	0.04470		300	373
Senior Bonds 2006 2029	5.883%	7/97	690	1,180
Mezzanine Bonds 2015	5.850%	7/97 7/97	35	100
Mezzariire Dorius 2013	5.881%	1/91		1,280
1997 Series G	3.00170		725	1,200
Senior Bonds 2004 2029	5.789%	9/97	2,045	2 105
			2,045	2,105
Mezzanine Bonds 2015	5.700%	9/97		10
4007 Carias II	5.789%		2,045	2,115
1997 Series H	F 0070/	40/07	050	770
Senior Bonds 1999 2029	5.637%	10/97	250	770
Mezzanine Bonds 2015	5.625%	10/97	15	50
4007.0	5.637%		265	820
1997 Series I		40/0=		
Senior Bonds 1999 2029	5.732%	12/97	25	520
Mezzanine Bonds 2015	5.700%	12/97		35
	5.731%		25	555
1998 Series A				
Senior Bonds 2000 2029	5.481%	1/98	280	590
Mezzanine Bonds 2016	5.450%	1/98	15	50
	5.479%		295	640
1998 Series B				
Senior Bonds 2000 2029	5.322%	3/98	245	720
Mezzanine Bonds 2016	5.200%	3/98	20	65
	5.314%	-	265	785
1998 Series C				
Senior Bonds 2008 2029	5.150%	4/98	900	1,310
Mezzanine Bonds 2016	5.300%	4/98	75	140
	5.162%	-	975	1,450

5. Bonds, continued	Average	Delivery		
Description and Due Date	Bond Yield	Date	2014	2013
1998 Series D				
Senior Bonds 2000 2029	5.539%	5/98	635	1,100
Mezzanine Bonds 2018	5.500%	5/98	55	115
	5.536%	-	690	1,215
1998 Series E				
Senior Bonds 2001 2029	5.434%	6/98	815	1,120
Mezzanine Bonds 2018	5.450%	6/98	80	115
	5.435%		895	1,235
1998 Series F				
Senior Bonds 2008 2030	5.389%	7/98	1,420	1,865
Mezzanine Bonds 2020	5.400%	7/98	150	210
	5.390%		1,570	2,075
1998 Series G				
Senior Bonds 2008 2030	5.369%	9/98	770	1,220
Mezzanine Bonds 2020	5.400%	9/98	75	130
	5.372%		845	1,350
1998 Series H				
Senior Bonds 2000 2030	5.125%	11/98	1,070	1,610
Mezzanine Bonds 2020	5.100%	11/98	120	190
	5.122%		1,190	1,800
1998 Series I				
Senior Bonds 2000 2030	5.187%	1/99	1,100	1,745
Mezzanine Bonds 2020	5.200%	1/99	125	210
	5.189%		1,225	1,955
1999 Series A				
Senior Bonds 2006 2030	5.180%	2/99	1,570	2,005
Mezzanine Bonds 2020	5.150%	2/99	210	275
Subordinate Bonds 2013	5.177%	2/99	<u> </u>	15
	5.176%		1,780	2,295
1999 Series B				
Senior Bonds 2001 2030	5.228%	4/99	830	1,310
Mezzanine Bonds 2020	5.200%	4/99	130	195
Subordinate Bonds 2013	5.226%	4/99		20
	5.224%		960	1,525
1999 Series C				
Senior Bonds 2001 2030	5.228%	5/99	1,110	1,720
Mezzanine Bonds 2020	5.250%	5/99	150	220
Subordinate Bonds 2013	5.226%	5/99	<u> </u>	15
4000 Q : B	5.231%		1,260	1,955
1999 Series D	5.000c/	0/00	4 470	4 000
Senior Bonds 2001 2030	5.389%	6/99	1,470	1,920
Mezzanine Bonds 2020	5.400%	6/99	240	300
Subordinate Bonds 2013	5.388%	6/99	4 740	25
	5.391%		1,710	2,245

<u>ə.</u>	Bonds, continued	Average	Delivery		
Des	cription and Due Date	Bond Yield	Date	2014	2013
	1999 Series E				
	Senior Bonds 2001 2031	5.738%	7/99	680	975
	Mezzanine Bonds 2021	5.750%	7/99	120	150
		5.740%	•	800	1,125
	1999 Series F				
	Senior Bonds 2001 2031	5.830%	8/99	1,135	1,485
	Mezzanine Bonds 2021	5.800%	8/99	185	215
	Subordinate Bonds 2014	5.625%	8/99	<u>-</u>	50
		5.824%		1,320	1,750
	1999 Series G				
	Senior Bonds 2001 2031	5.976%	10/99	1,115	1,345
	Mezzanine Bonds 2021	5.950%	10/99	135	210
	Subordinate Bonds 2014	5.750%	10/99	<u> </u>	50
		5.971%		1,250	1,605
	1999 Series H				
	Senior Bonds 2001 2031	6.147%	11/99	810	1,160
	Mezzanine Bonds 2021	6.150%	11/99	50	80
	Subordinate Bonds 2014	5.850%	11/99	<u> </u>	30
		6.145%		860	1,270
	2000 Series A				
	Senior Bonds 2002 2031	6.430%	3/00	835	1,235
	Mezzanine Bonds 2022	6.450%	3/00	75	125
	Subordinate Bonds 2014	6.200%	3/00	20	60
		6.426%		930	1,420
	2000 Series B				
	Senior Bonds 2002 2031	6.227%	4/00	860	1,400
	Mezzanine Bonds 2022	6.250%	4/00	105	150
	Subordinate Bonds 2014	6.000%	4/00	30	135
		6.219%		995	1,685
	2000 Series C				
	Senior Bonds 2002 2031	6.126%	5/00	1,100	1,470
	Mezzanine Bonds 2022	6.150%	5/00	110	140
	Subordinate Bonds 2014	6.050%	5/00	45	135
		6.125%		1,255	1,745
	2000 Series D				
	Senior Bonds 2002 2031	6.308%	6/00	910	1,370
	Mezzanine Bonds 2022	6.350%	6/00	115	160
	Subordinate Bonds 2014	6.200%	6/00	45	165
		6.306%		1,070	1,695
	2000 Series E		0.40 =		
	Senior Bonds 2002 2032	5.986%	8/00	900	1,465
	Mezzanine Bonds 2023	6.100%	8/00	120	160
	Subordinate Bonds 2015	5.900%	8/00	85	205
		5.990%		1,105	1,830

<u>ə.</u>	Bonas, continuea		·		
_		Average	Delivery		
Des	cription and Due Date	Bond Yield	Date	2014	2013
	2000 Series F	0.0=00/	40/00		
	Variable Rate Class I	0.073%	10/00		4,115
	Class II Bonds 2025	6.000%	10/00		280
	Class III Bonds 2019	6.000%	10/00		795
		1.373%		-	5,190
	2000 Series G				
	Variable Rate Class I	0.073%	12/00		6,900
	Class II Bonds 2025	5.950%	12/00		320
	Class III Bonds 2019	5.950%	12/00		815
		0.878%		-	8,035
	2001 Series A				
	Variable Rate Class I	0.073%	3/01		5,910
	Class II Bonds 2026	5.600%	3/01		300
	Class III Bonds 2020	5.550%	3/01		655
		0.847%		-	6,865
	2001 Series B				
	Variable Rate Class I	0.073%	5/01		3,820
	Class II Bonds 2026	5.750%	5/01		220
	Class III Bonds 2020	5.750%	5/01		500
		0.954%			4,540
	2001 Series C				,
	Variable Rate Class I	0.073%	7/01		6,225
	Class II Bonds 2026	5.550%	7/01		275
	Class III Bonds 2020	5.600%	7/01		440
		0.662%	.,		6,940
	2001 Series D	3.33=73			-,
	Variable Rate Class I	0.073%	9/01		8,755
		0.073%	G/ G .		8,755
	2001 Series E	0.01.070			0,7.00
	Variable Rate Class I	0.073%	11/01		5,400
	variable rate class i	0.073%	11/01	<del></del> -	5,400
	2001 Series F	0.07070			0, 100
	Variable Rate Class I	0.073%	12/01		6,450
	Variable Nate Olass I	0.073%	12/01		6,450
	2002 Series A	0.07370			0,400
	Variable Rate Class I	0.073%	2/02		6,600
	Class II Bonds 2026	5.600%	2/02		270
	Class III Bonds 2020	5.600%	2/02		805
	Class III Bollus 2020	0.854%	2/02		7,675
	2002 Series B	0.00470		-	7,075
	Variable Rate Class I	0.073%	4/02		G OEE
					6,055
	Class II Bonds 2026	5.550% 5.550%	4/02		225
	Class III Bonds 2020	5.550%	4/02		755
		0.824%		-	7,035

5. Bonds, continued				
	Average	Delivery		_
Description and Due Date	Bond Yield	Date	2014	2013
2002 Series C				
Variable Rate Class I	0.073%	5/02		6,715
Class II Bonds 2026	5.550%	5/02		160
Class III Bonds 2020	5.500%	5/02		780
	0.727%		-	7,655
2002 Series D				
Variable Rate Class I	0.073%	6/02		9,250
Class II Bonds 2026	5.500%	6/02		355
Class III Bonds 2020	5.400%	6/02		895
	0.704%		-	10,500
2002 Series E				
Variable Rate Class I	0.073%	9/02		6,635
Class II Bonds 2030	5.400%	9/02		285
Class III Bonds 2022	5.300%	9/02		730
	0.715%		-	7,650
2002 Series F				
Variable Rate Class I	0.073%	11/02		6,010
Class III Bonds 2023	4.875%	11/02		970
	0.701%			6,980
2002 Series G				
Variable Rate Class I	0.073%	12/02		4,520
Class III Bonds 2023	5.150%	12/02		1,120
	1.051%			5,640
2003 Series A				
Variable Rate Class I	0.072%	2/03	7,970	8,645
Class II Bonds 2026	5.200%	2/03	435	440
Class III Bonds 2020	5.150%	2/03	1,090	1,225
	0.883%		9,495	10,310
2003 Series B				•
Variable Rate Class I	0.072%	5/03	7,050	7,225
Class II Bonds 2026	5.050%	5/03	370	370
Class III Bonds 2020	5.100%	5/03	1,015	1,110
	0.898%		8,435	8,705
2003 Series C			•	,
Variable Rate Class I	0.072%	7/03	4,915	5,575
Class II Bonds 2033	4.600%	7/03	310	335
Class III Bonds 2023	4.500%	7/03	795	960
	0.888%		6,020	6,870
2003 Series D			,	, -
Variable Rate Class I	0.072%	9/03	5,510	7,725
	0.072%		5,510	7,725
				•

5. Bonds, continued				
	Average	Delivery		
Description and Due Date	Bond Yield	Date	2014	2013
2003 Series E				
Variable Rate Class I	0.072%	10/03	6,725	7,570
Class II Bonds 2033	5.200%	10/03	410	410
Class III Bonds 2023	5.150%	10/03	1,720	1,810
	1.253%	_	8,855	9,790
2004 Series A				
Variable Rate Class I	0.072%	4/04	6,590	7,520
Class II Bonds 2034	4.800%	4/04	375	405
Class III Bonds 2024	4.750%	4/04	1,385	1,600
	1.050%	-	8,350	9,525
2004 Series B			,	•
Class I Bonds 2004 2035	0.072%	7/04	7,150	7,560
Variable Rate Class I	5.300%	7/04	260	290
Class II Bonds 2034	5.400%	7/04	705	840
Class III Bonds 2024	0.705%	-,,,,,	8,115	8,690
0.000 m 201.00 202 i	0.70		3,1.0	0,000
2004 Series C				
Class I Bonds 2004 2036	0.072%	9/04	9,060	9,445
Variable Rate Class I	5.200%	9/04	360	365
Class II Bonds 2035	5.350%	9/04	1,875	2,020
Class III Bonds 2025	1.111%	3/04	11,295	11,830
Olass III Bolius 2023	1.11170		11,255	11,000
2004 Series D				
Variable Rate Class I	0.072%	11/04	8,330	9,690
Class III Bonds 2027	5.000%	11/04	1,820	2,410
Class III Dollas 2021	0.972%	11/04	10,150	12,100
2005 Series A	0.91270		10,150	12,100
Variable Rate Class I	0.072%	3/05	10,420	10,750
Class II Bonds 2027	4.600%	3/05	610	655
	4.550% 4.550%			
Class III Bonds 2022		3/05	1,580	1,795
2005 Carias D	0.869%		12,610	13,200
2005 Series B	E 0000/	F/0F	000	000
Class II Bonds 2035	5.000%	5/05	660	680
Class III Bonds 2025	5.000%	5/05	1,495	1,600
0005 0 1 2 0	5.000%		2,155	2,280
2005 Series C	4.0000/	0/0=		
Class II Bonds 2036	4.800%	6/05	585	585
Class III Bonds 2026	4.800%	6/05	2,715	2,835
	4.800%		3,300	3,420
2005 Series D				
Variable Rate Class I	0.072%	8/05	10,295	10,330
Class II Bonds 2036	4.900%	8/05	420	445
Class III Bonds 2026	4.900%	8/05	1,740	1,965
	0.925%		12,455	12,740

	Average	Delivery		
Description and Due Date	Bond Yield	Date	2014	2013
2005 Series E				
Variable Rate Class I	0.072%	10/05	10,495	11,155
Class II Bonds 2036	4.875%	10/05	625	660
Class III Bonds 2026	4.875%	10/05	1,955	2,190
	1.017%	•	13,075	14,005
2005 Series F				
Class II Bonds 2036	5.000%	1/06	705	705
Class III Bonds 2026	5.000%	1/06	2,280	2,380
	5.000%	•	2,985	3,085
2006 Series A				
Class II Bonds 2036	4.875%	3/06	680	685
Class III Bonds 2026	4.875%	3/06	3,140	3,320
	4.875%	•	3,820	4,005
2006 Series B			,	ŕ
Class I Bonds 2008 2037	4.766%	5/06	3,140	3,685
Class II Bonds 2036	5.050%	5/06	925	925
Class III Bonds 2026	5.000%	5/06	2,015	2,305
	4.888%	-	6,080	6,915
2006 Series C			,	ŕ
Class II Bonds 2037	5.100%	6/06	485	520
Class III Bonds 2027	5.100%	6/06	1,950	2,290
	5.100%	-	2,435	2,810
2006 Series D			,	ŕ
Class I Bonds 2008 2038	4.587%	7/06	-	990
Class II Bonds 2037	5.200%	7/06	545	700
Class III Bonds 2027	5.200%	7/06	1,035	1,370
	5.200%	-	1,580	3,060
2006 Series E				
Class I Bonds 2008 2038	4.451%	9/06	350	410
Variable Rate Class I	0.068%	9/06	-	11,545
Class II Bonds 2037	5.000%	9/06	695	695
Class III Bonds 2028	5.000%	9/06	2,450	3,645
	5.037%	•	3,495	16,295
2006 Series F				
Class I Bonds 2008 2038	4.365%	11/06	1,625	2,855
Variable Rate Class I	0.070%	11/06	-	10,020
Class II Bonds 2037	4.800%	11/06	650	670
Class III Bonds 2028	4.800%	11/06	2,520	4,155
	4.705%	•	4,795	17,700
2006 Series G			•	•
Class I Bonds 2009 2038	4.088%	1/07	10	370
Variable Rate Class I	0.069%	1/07	-	11,860
Class II Bonds 2037	4.650%	1/07	625	710
Class III Bonds 2028	4.600%	1/07	910	2,910

5. Bonds, continued				
	Average	Delivery		
Description and Due Date	Bond Yield	Date	2014	2013
2007 Series A				
Class I Bonds 2009 2038	4.338%	3/07	305	1,375
Variable Rate Class I	0.069%	3/07		11,175
Class II Bonds 2037	4.850%	3/07	425	450
Class III Bonds 2028	4.850%	3/07	155	530
	4.805%		885	13,530
2007 Series B				
Class I Bonds 2009 2038	4.356%	4/07	3,160	3,660
Variable Rate Class I	0.073%	4/07		11,040
Class II Bonds 2037	4.750%	4/07	360	360
Class III Bonds 2028	4.600%	4/07	1,450	1,490
	4.537%		4,970	16,550
2007 Series C				
Class I Bonds 2009 2038	4.548%	5/07	3,535	5,690
Variable Rate Class I	0.070%	5/07		12,400
Class II Bonds 2037	4.900%	5/07	1,090	1,095
Class III Bonds 2028	4.750%	5/07	2,270	3,875
	4.710%	•	6,895	23,060
2007 Series D				
Class I Bonds 2009 2038	4.382%	5/07	1,250	1,490
Class II Bonds 2037	4.900%	5/07	140	390
Class III Bonds 2028	4.850%	5/07	1,285	4,510
	4.669%	-	2,675	6,390
2007 Series E				
Class I Bonds 2009 2038	4.665%	6/07	3,075	3,305
Class II Bonds 2037	4.950%	6/07	690	740
Class III Bonds 2028	4.850%	6/07	1,250	3,290
	4.765%	-	5,015	7,335
2007 Series F			,	,
Class I Bonds 2009 2039	4.909%	7/07	5,730	9,725
Class II Bonds 2038	5.250%	7/07	170	650
Class III Bonds 2029	5.125%	7/07	2,650	5,420
	4.988%	•	8,550	15,795
2007 Series G			-,	-,
Class I Bonds 2027 2039	5.150%	8/07		475
Class II Bonds 2038	5.200%	8/07		1,180
Class III Bonds 2029	5.125%	8/07		6,015
Olado III Bolido 2020	5.134%			7,670
2007 Series H	3.13170			.,070
Class I Bonds 2027 2039	5.406%	11/07	1,460	5,480
Class II Bonds 2036	5.250%	11/07	630	1,710
Class III Bonds 2028	5.000%	11/07	940	6,485
Oldoo III Dollad 2020	5.218%	11/07	3,030	13,675
	5.210%		3,030	13,073

5. Bonds, continued

5. Bonds, continued				
	Average	Delivery		
Description and Due Date	Bond Yield	Date	2014	2013
2007 Series I				
Class I Bonds 2027 2039	5.440%	9/07	1,420	4,855
Class II Bonds 2036	5.500%	9/07	385	1,330
Class III Bonds 2028	5.375%	9/07	1,475	5,225
	5.417%	•	3,280	11,410
2007 Series J				
Class I Bonds 2027 2039	5.136%	10/07	725	2,540
Class II Bonds 2036	5.200%	10/07	930	1,530
Class III Bonds 2028	5.000%	10/07	1,200	5,740
	5.080%	•	2,855	9,810
2007 Series K				
Class I Bonds 2027 2039	5.300%	12/07		2,070
Class II Bonds 2036	5.375%	12/07	400	1,350
Class III Bonds 2028	5.200%	12/07	510	4,030
	5.270%	•	910	7,450
2008 Series A				•
Class I Bonds 2010 2039	5.092%	5/08	850	3,805
Class II Bonds 2036	5.850%	5/08	1,305	1,985
Class III Bonds 2028	5.700%	5/08	2,280	6,575
	5.624%	-	4,435	12,365
2008 Series B			,	,
Class I Bonds 2010 2039	5.100%	6/08	2,010	7,775
Class II Bonds 2036	5.550%	6/08	1,365	2,035
Class III Bonds 2028	5.400%	6/08	2,205	6,780
	5.320%	-	5,580	16,590
2008 Series C			,	,
Class I Bonds 2010 2039	5.149%	8/08	515	3,930
Variable Rate Class I	0.070%	8/08		19,790
Class II Bonds 2036	5.850%	8/08	705	1,280
Class III Bonds 2028	5.800%	8/08	1,615	6,465
	5.785%	-	2,835	31,465
2008 Series D			,	,
Class I Bonds 2010 2039	5.005%	10/08	7,210	11,875
Variable Rate Class I	0.064%	10/08	,	5,190
Class II Bonds 2036	5.450%	10/08	475	790
Class III Bonds 2028	5.350%	10/08	2,195	3,615
5.500 W = 5.100 = 5-0	5.114%		9,880	21,470
2009 Series A	2		3,000	,9
Class I Bonds 2010 2039	4.192%	7/09	230	330
Variable Rate Class I	0.124%	7/09	67,630	71,910
Class III Bonds 2028	5.251%	7/09	3,130	3,765
	0.369%		70,990	76,005
	0.00070		. 5,555	. 0,000

## 5. Bonds, continued

	Average	Delivery		
Description and Due Date	Bond Yield	Date	2014	2013
2009 Series B				
Class I Bonds 2010 2039	4.308%	7/09	2,070	3,230
Variable Rate Class I	0.061%	7/09		55,435
Class II Bonds 2036	5.550%	7/09	490	650
Class III Bonds 2028	5.650%	7/09	4,020	11,810
	5.432%	_	6,580	71,125
2009 Series C				
Class I Bonds 2010 2039	3.856%	12/09	28,215	28,720
Class II Bonds 2036	4.950%	12/09	2,670	2,670
Class III Bonds 2028	4.500%	12/09	2,010	2,160
	3.985%	12/09	32,895	33,550
2010 Series A				
Class I Bonds 2012 2041	3.079%	10/10	24,335	24,700
Class II Bonds 2032	4.375%	10/10	2,240	2,240
Class III Bonds 2024	4.000%	10/10	2,175	2,330
	3.251%	_	28,750	29,270
2012 Series A				
Variable Rate Class I	0.927%	11/12	193,860	199,610
	0.927%	_	193,860	199,610
2013 Series A				
Variable Rate Class 1	0.989%	10/13	137,480	
	0.989%	_	137,480	-
2014 Series A	0.851%	2/14	89,665	
Variable Rate Class 1	0.851%	-	89,665	-
Total Single-Family Mortgage Bonds:		-	797,065	975,960

## 5. Bonds, continued

	Average	Delivery		
Description and Due Date	Bond Yield	Date	2014	2013
FHA Insured Housing Revenue Bonds:				
2000 Series 2032	0.110%	5/00	4,950	5,115
2000 Series 2033	0.110%	10/01	3,990	4,105
2007 Series	5.900%	4/07	8,233	8,298
			17,173	17,518
Grant and Revenue Anticipation Bonds:				
2006 Series 2007-2024	4.898%	5/06	118,900	124,610
2008 Series A 2008-2026	5.076%	4/08	146,155	154,235
2009 Series A 2008-2026	4.880%	2/09	136,765	142,680
2010 Series A 2008-2026	5.955%	1/10	79,280	80,995
2011 Series A 2011-2029	4.780%	7/11	70,505	71,730
2012 Series A 2012-2030	3.927%	10/12	33,485	34,890
2014 Series A	2.274%	1/14	75,145	
	4.959%		660,235	609,140
Revenue Bonds:				
2011 Series Unemployment Compensation	4.559%	8/12	98,015	144,145
Interest Payable			23,600	26,255
Net Original (Discount)/Premium			28,015	26,583
TOTAL BONDS			\$ 1,624,103	\$ 1,799,601

#### 5. Bonds, continued

\* The Association periodically issues bonds to finance various multifamily housing developments in Idaho. As part of these bond financings, the Association acts as mortgagee in the creation of a mortgage loan that is pledged to the bond Trustee to secure repayment of the outstanding bonds. The bonds are limited obligations of the Association, and are secured by the respective mortgages on each development as well as a lien on all revenues as defined in each respective bond indenture. The Association does not have a financial stake in these bond transactions, other than the collection of fees related to its service as bond issuer, and does not guarantee the repayment of principal and interest on the outstanding bonds.

The bonds are either special or general obligations of the Association and do not constitute a debt of the State of Idaho or any political subdivision thereof. Each bond issue is secured by the pledge of repayments of mortgage loans purchased with the bond proceeds and of all revenue earned relating to those bonds.

Serial bonds and term bonds are subject to redemption at the option of the Association and subject to the terms of the respective bond indenture or bond resolution, in whole or in part, on various dates at prescribed redemption prices ranging from 100 to 103 percent. The bonds are also subject to special redemption from (i) unexpended proceeds of the bonds not committed to purchase mortgage loans, (ii) forfeited commitment fees, and (iii) early recoveries of principal and pledged receipts at any time.

The Association has issued debt in a variable rate mode. The bulk of the variable rate debt is re-marketed on a weekly basis by a Remarketing Agent, retained by the Association, to periodically re-market the debt at the prevailing interest rates.

GARVEE bonds and any interest due thereon are payable solely and only from federal highway funds received from the Federal Highway Administration through a continuous appropriation by the Idaho legislature. The Association assumes no liability if federal highway funds are not available for payment. The Idaho legislature has continuously appropriated amounts projected to be sufficient to meet principal and interest requirements on the Bonds. Such payments are provided for under a Master Financing Agreement dated as of October 13, 2005, as supplemented, among the Association, the Idaho Transportation Board, and the Idaho Transportation Department. The supplemental information to the financial statements provides additional disclosure.

The Association accumulates GARVEE project costs in a designated account and are reported, net of any pledged debt service receipts received, as the GARVEE highway project costs receivable, net on the Statement of Net Position. The reported amount represents actual program costs incurred and a claim to those highway funds committed through the continuous appropriation. As costs incur, investments are drawn upon for payment, resulting in an increase in the receivable and a decrease in Investments. Subsequently, as bonds mature, or otherwise, are retired or redeemed, the receivable and bonds decrease, representing a reduction in that claim. The Association anticipates the receivable initially increasing in subsequent years as further project costs are incurred and declining later as outstanding bonds mature, or otherwise, are retired or redeemed.

During FY2014, the Association redeemed and reissued as the 2013A bonds the remaining 2006E through 2006G, 2007A through 2007C, and 2009B (originally from the 2008A and 2008B) indenture variable rate demand obligations. The Association redeemed and reissued as the 2014A bonds the 2000F through 2002G indenture variable rate demand obligations. These current refundings exchanged variable rate demand obligations with indexed floating rate obligations, eliminating liquidity and remarketing risks associated with the refunded bonds.

During FY2013, the Association redeemed \$76.86 million of the Series 2009 1 bonds. These bonds were originally issued as part of New Issue Bond Program to assist the Association in its efforts to issue Mortgage Revenue Bonds. The market conditions anticipated to make the program effective never materialized and the Association elected to discontinue participation in the program. This redemption ended that participation. The Association redeemed and reissued as the 2012A bonds the 2007D through 2007K variable rate demand obligations. This current refunding exchanged variable rate demand obligations with indexed floating rate obligations, eliminating liquidity and remarketing risks associated with the refunded bonds.

### 5. Bonds, continued

The scheduled principal debt service, including July 1, 2014 special redemptions, for the periods subsequent to, and as of, June 30, 2014, is as follows (in thousands):

	2045		2046		2017		2019		2010		2020		2025
Single-Family Mortgage Bonds:	2015		2016		2017		2018		2019		2024		2029
1995 Series E	\$	25	\$ 5							\$	50	\$	3
1996 Series E		23 · 90	φ 5	\$	10					φ	10	φ	4
1996 Series H		30 30	5	Ψ	10						55		8
1997 Series A						ď	20	ф	20				
		70 15	20		25	\$	20	\$	20		145		13
1997 Series B		15	10		5		20		20		85		4-
1997 Series C		30	25		20		20		30		150		17
1997 Series D		50	-		5		00		00		-		2
1997 Series E		60	20		20		20		20		130		11
1997 Series F		35	60		40		40		40		240		27
1997 Series G	1,5		35		35		25		30		170		15
1997 Series H		10	20		20		10		10		90		10
1997 Series I		15	-		-		-		-		-		1
1998 Series A		70	5		20		15		15		40		12
1998 Series B		50	-		5		10		15		50		3
1998 Series C		75	80		70		60		60		300		30
1998 Series D	1	50	15		50		55		40		160		20
1998 Series E	1	05	40		60		60		50		235		32
1998 Series F	1	15	90		90		90		90		455		53
1998 Series G	1	45	30		45		50		50		255		24
1998 Series H		55	45		60		60		75		410		40
1998 Series I		30	55		60		60		65		410		42
1999 Series A	1	25	75		85		95		100		490		64
1999 Series B	1	45	50		50		55		60		235		28
1999 Series C		30	65		70		70		75		355		42
1999 Series D		90	90		100		105		110		495		56
1999 Series E		55	15		50		60		60		240		22
1999 Series F		30	60		65		70		80		400		42
1999 Series G		65	70		70		70		70		380		36
1999 Series H		35	30		35		55		60		230		24
2000 Series A		75	30		40		30		30		290		28
2000 Series B		60	30		40		55		60		330		29
2000 Series C		90	50		60		60		60		355		40
2000 Series D		30	40		40		40		60		320		34
2000 Series E		30	40		50		50		50		320		28
2003 Series A		35	440		460		450		380		1,870		1,88
											-		1,7
2003 Series B		85 25	395		415		420		385		1,685		
2003 Series C		95	260		265		260		260		1,355		1,30
2003 Series D		30	195		200		205		220		1,185		1,43
2003 Series E		10	420		420		420		435		2,305		1,90
2004 Series A		15	335		340		345		365		2,005		1,84
2004 Series B		65	310		325		325		330		1,745		1,89
2004 Series C		90	455		450		450		470		2,610		2,38
2004 Series D	2	90	355		355		360		375		2,045		2,2

### 5. Bonds, continued

The scheduled principal debt service, including July 1, 2014 special redemptions, for the periods subsequent to, and as of, June 30, 2014, is as follows (in thousands):

	2030	2035	2040	
	2034	2039	2044	TOTAL
Single-Family Mortgage Bonds:				
1995 Series E				\$ 11
1996 Series F				15
1996 Series H				31
1997 Series A				43
1997 Series B				18
1997 Series C				55
1997 Series D				7
1997 Series E				38
1997 Series F				72
1997 Series G				2,04
1997 Series H				26
1997 Series I				2
1998 Series A	\$ 10			29
1998 Series B	-			26
1998 Series C	30			97
1998 Series D	20			69
1998 Series E	25			89
1998 Series F	105			1,57
1998 Series G	30			84
1998 Series H	80			1,19
1998 Series I	75			1,22
1999 Series A	170			1,78
1999 Series B	80			96
1999 Series C	120			1,26
1999 Series D	155			1,71
1999 Series E	95			80
1999 Series F	145			1,32
1999 Series G	160			
				1,25
1999 Series H	75			86
2000 Series A	155			93
2000 Series B	125			99
2000 Series C	180			1,25
2000 Series D	150			1,07
2000 Series E	180			1,10
2003 Series A	3,275			9,49
2003 Series B	2,715	\$ 320		8,43
2003 Series C	1,575	150		6,02
2003 Series D	1,665	175		5,51
2003 Series E	2,310	230		8,85
2004 Series A	2,205	695		8,35
2004 Series B	2,295	725		8,11
2004 Series C	2,770	1,220		11,29
2004 Series D	2,810	1,280		10,15

## 5. Bonds, continued

						2020	2025
	2015	2016	2017	2018	2019	2024	2029
Single-Family Mortgage Bonds:							
2005 Series A	635	290	405	450	465	2,690	2,59
2005 Series B	80	125	130	130	130	710	40
2005 Series C	140	165	200	210	220	1,330	61
2005 Series D	215	260	430	435	445	2,495	2,72
2005 Series E	340	255	430	445	450	2,610	2,86
2005 Series F	95	130	180	185	190	1,115	59
2006 Series A	140	135	240	250	260	1,445	82
2006 Series B	825	820	705	180	170	890	92
2006 Series C	220	230	235	115	120	625	49
2006 Series D	130	125	130	60	60	320	30
2006 Series E	740	205	235	120	135	735	79
2006 Series F	585	615	640	150	165	975	99
2006 Series G	50	45	50	50	50	315	39
2007 Series A	475	20	35	65	-	30	5
2007 Series B	615	630	650	695	80	570	66
2007 Series C	680	695	720	785	165	1,010	1,13
2007 Series D	1,450	155	175	230	40	255	29
2007 Series E	540	345	385	440	60	405	64
2007 Series F	1,075	1,110	1,180	1,230	155	975	1,33
2007 Series H	835	45	50	60	60	350	44
2007 Series I	375	70	75	75	80	535	63
2007 Series J	1,325	45	40	40	40	230	34
2007 Series K	910						
2008 Series A	200	255	235	270	315	835	98
2008 Series B	350	395	570	480	515	820	96
2008 Series C	80	80	160	215	265	560	64
2008 Series D	900	565	590	630	710	1,340	1,56
2009 Series A	2,405	730	1,640	1,940	2,045	12,070	14,92
2009 Series B	1,175	200	260	320	695	2,220	1,19
2009 Series C	670	690	715	740	775	4,815	5,71
2010 Series A	535	545	570	590	630	3,840	4,60
2012 Series A	5,555	9,865	16,810	17,425	17,335	76,655	46,85
2013 Series A	9,475	11,320	11,025	11,540	11,810	53,310	26,99
2014 Series A	7,227	7,184	7,243	7,307	7,367	37,777	15,56

## 5. Bonds, continued

	2030	2035	2040	
	2034	2039	2044	TOTAL
Single-Family Mortgage Bonds:				
2005 Series A	3,205	1,875		12,610
2005 Series B	345	105		2,155
2005 Series C	300	120		3,300
2005 Series D	3,190	2,260		12,455
2005 Series E	3,330	2,355		13,075
2005 Series F	350	145		2,985
2006 Series A	350	175		3,820
2006 Series B	940	625		6,080
2006 Series C	250	150		2,435
2006 Series D	275	180		1,580
2006 Series E	325	210		3,495
2006 Series F	390	280		4,795
2006 Series G	350	240		1,545
2007 Series A	100	105		885
2007 Series B	525	540		4,970
2007 Series C	870	835		6,895
2007 Series D	40	40		2,675
2007 Series E	1,085	1,115		5,015
2007 Series F	660	835		8,550
2007 Series H	635	555		3,030
2007 Series I	585	855		3,280
2007 Series J	445	350		2,855
2007 Series K				910
2008 Series A	825	515		4,435
2008 Series B	900	575	\$ 15	5,580
2008 Series C	470	330		2,805
2008 Series D	1,445	1,730	405	9,880
2009 Series A	19,395	15,845		70,990
2009 Series B	310	205		6,580
2009 Series C	7,085	8,720	2,970	32,895
2010 Series A	5,835	7,310	4,290	28,750
2012 Series A	3,365			193,860
2013 Series A	2,005			137,480
2014 Series A				89,665
				•

## 5. Bonds, continued

		2015		2016		2017		2018		2019		2020 2024		2025 2029
FHA Insured Housing Revenue Bonds:		2015		2016		2017		2016		2019		2024		2029
2000 Series														
2002 Series														
2007 Series		6												
2001 001100		· ·												
Grant Revenue and Revenue Anticipation Bonds														
2006 Series		6,355		7,060		7,820		8,635		9,520		63,230		16,280
2008 Series A		8,015		7,990		7,950		7,930		7,905		38,020		68,345
2009 Series A		6,220		6,460		6,720		7,035		7,385		42,850		60,125
2010 Series A		1,765		1,820		1,890		1,965		2,055		9,405		60,380
2011 Series A		1,255		1,295		1,345		1,400		1,445		7,715		56,050
2012 Series A		1,440		1,485		1,530		1,585		1,650		9,320		11,300
2014 Series A		2,000		2,990		3,065		3,145		3,260		18,850		30,365
Revenue Bonds:														
2011 Series Unemployment Compensation		47,940		50,075										
TOTAL	\$	123,968	\$	121,889	\$	82,093	\$	84,197	\$	83,927	\$	428,932	\$	468,050
Variable rate principal	\$	27,862	\$	31,349	\$	39,333	\$	41,047	\$	41,377	\$	194,857	\$	126.020
variable rate principal	Ψ	21,002	Ψ	01,040	Ψ	33,333	Ψ	71,077	Ψ	41,077	Ψ	134,037	Ψ	120,020
Interest:														
Fixed	\$	44.498	\$	41,504	\$	38,572	\$	36,625	\$	34,591	\$	139,871	\$	74,469
Variable	Ψ	3,695	Ψ	3,635	Ψ	3,356	Ψ	3,033	Ψ	2,699	Ψ	8,698	Ψ	2,165
TOTAL	\$	48,193	\$	45,139	\$	41,928	\$	39,658	\$	37,290	\$		\$	76,634

## 5. Bonds, continued

	2030	2035	2040	
	2034	2039	2044	TOTAL
FHA Insured Housing Revenue Bonds:				
2000 Series	4,950			4,950
2002 Series	3,990			3,990
2007 Series			8,227	8,233
Grant Revenue and Revenue Anticipation Bonds:				
2006 Series				118,900
2008 Series A				146,155
2009 Series A				136,795
2010 Series A				79,280
2011 Series A				70,505
2012 Series A	5,175			33,485
2014 Series A	11,470			75,145
Revenue Bonds;				
2011 Series Unemployment Compensation				98,015
TOTAL	\$ 109,550	\$ 53,975	\$ 15,907	\$ 1,572,488
Variable rate principal	\$ 63,425	\$ 26,815	\$ -	\$ 592,085
Interest:				
Fixed	\$ 13,783	\$ 6,672	\$ 1,058	\$ 431,643
Variable	169	11	-	27,461
TOTAL	\$ 13,952	\$ 6,683	\$ 1,058	\$ 459,104

### 5. Bonds, continued,

Long-term bond liability and short-term commercial paper activity for the years ended June 30, 2014 and 2013 was as follows (in thousands):

	ı	Beginning Balance	A	additions	R	eductions	Ending Balance	D	mounts ue Within One year
Par Bonds Payable Interest Payable Net Original (Discount)/Premium	\$	1,746,763 26,255 26,583	\$	306,955 53,351 6,755	\$	(481,230) (56,006) (5,323)	\$ 1,572,488 23,600 28,015	\$	123,968 23,600 5,085
Total Bonds payable at June 30, 2014	\$	1,799,601	\$	367,061	\$	(542,559)	\$ 1,624,103	\$	152,653
Par Bonds Payable Interest Payable Net Original (Discount)/Premium	\$	2,064,055 33,540 29,764	\$	237,495 57,450 3,566	\$	(554,787) (64,735) (6,747)	\$ 1,746,763 26,255 26,583	\$	152,425 26,255 6,804
Total Bonds payable at June 30, 2013	\$	2,127,359	\$	298,511	\$	(626,269)	\$ 1,799,601	\$	185,484
Commercial Paper at June 30, 2014	\$	50,000	\$	242,087	\$	(242,087)	\$ 50,000	\$	50,000
Commercial Paper at June 30, 2013	\$	50,000	\$	172,389	\$	(172,389)	\$ 50,000	\$	50,000

## 6. Redemption of Bonds

Special redemptions were made in the following bond issues (in thousands):

BOND SERIES REDEEMED	PAR VALUE OF BONDS REDEEMED							
			For the	For the				
			Year Ended	Year Ended				
	Jul	y 1, 2014	June 30,2014	June 30, 2013				
Single-Family Mortgage Bonds								
1992 Series E								
1993 Series B				\$ 180				
1994 Series A			\$ 210	140				
1994 Series F			35	40				
1995 Series B				315				
1995 Series C			80	190				
1995 Series D				25				
1995 Series E	\$	25	155	95				
1995 Series F				235				
1995 Series G				145				
1995 Series H			375	210				
1996 Series A			80	225				
1996 Series B				80				
1996 Series C				160				
1996 Series D			220	100				
1996 Series E			235	85				
1996 Series F		85	165	190				
1996 Series G			175	55				
1996 Series H		155	245	295				
1997 Series A		50	145	170				
1997 Series B		10	420	120				
1997 Series C		120	290	150				
1997 Series D		50	255	90				
1997 Series E		30	540	225				
1997 Series F		30	485	130				
1997 Series G		1,595		45				
1997 Series H		10	520	275				
1997 Series I		15	510	350				
1998 Series A		70	320	335				
1998 Series B		150	495	265				
1998 Series C		50	375	425				
1998 Series D		150	475	100				
1998 Series E		90	285	410				
1998 Series F		75	410	175				
1998 Series G		130	445	165				

## 6. Redemption of Bonds, continued

BOND SERIES REDEEMED	PAR VALUE OF BONDS REDEEMED									
		For the	For the							
		Year Ended	Year Ended							
	July 1, 2014	June 30,2014	June 30, 2013							
1998 Series H	45	545	550							
1998 Series I	65	665	480							
1999 Series A	120	425	530							
1999 Series B	145	500	550							
1999 Series C	50	610	265							
1999 Series D	45	430	335							
1999 Series E	55	295	335							
1999 Series F	60	315	230							
1999 Series G	55	255	275							
1999 Series H	135	330	60							
1999 Series I			1,165							
2000 Series A	45	420	110							
2000 Series B	20	550	145							
2000 Series C	20	345	120							
2000 Series D	20	465	75							
2000 Series E	85	575	75							
2000 Series F		380	905							
2000 Series G			155							
2001 Series A		430	1,040							
2001 Series B		25	95							
2001 Series C		845	1,540							
2001 Series D		2,970	1,385							
2001 Series E		1,125	1,025							
2001 Series F		740	1,330							
2002 Series A		790	980							
2002 Series B		180	180							
2002 Series C		865	1,010							
2002 Series D		925	1,170							
2002 Series E		960	1,210							
2002 Series F		1,000	900							
2002 Series G		10	310							
2003 Series A	515	345	630							
2003 Series B	145	80	225							
2003 Series C	470	690	670							
2003 Series D	135	2,075	3,860							
2003 Series E	175	730	370							
2004 Series A	40	1,095	1,310							
2004 Series B	20	535	645							
2004 Series C	275	435	365							
2004 Series D	125	1,860	2,705							

## 6. Redemption of Bonds, continued

BOND SERIES REDEEMED	PAR VALUE OF BONDS REDEEMED							
		For the	For the					
		Year Ended	Year Ended					
	July 1, 2014	June 30,2014	June 30, 2013					
2005 Series A	600	500	1,260					
2005 Series B	35	55	150					
2005 Series C	60		180					
2005 Series D	175	185	510					
2005 Series E	295	830	1,665					
2005 Series F	50		265					
2006 Series A	70	45	590					
2006 Series B	145		145					
2006 Series C	90	160	2,175					
2006 Series D	35	1,120	1,460					
2006 Series E	590	1,790	4,265					
2006 Series F	90	2,700	4,315					
2006 Series G	25	2,940	4,360					
2007 Series A	435	1,920	3,385					
2007 Series B	20	.,0=0	3,530					
2007 Series C	75	3,580	3,405					
2007 Series D	1,170	4,055	6,200					
2007 Series E	245	2,920	5,800					
2007 Series F	85	7,265	6,250					
2007 Series G		7,485	9,730					
2007 Series H	820	10,415	9,805					
2007 Series I	355	7,880	7,390					
2007 Series J	1,310	6,695	10,800					
2007 Series K	910	6,420	6,635					
2008 Series A	50	7,190	4,810					
2008 Series B	45	10,390	2,880					
2008 Series C	45	8,970	10,235					
2008 Series D	410	5,870	3,115					
2009 Series A	2,135	4,680	6,740					
2009 Series B	965	10,690	11,920					
2009 Series C	85		150					
2009 Series 1			-					
2010 Series A	85		215					
2012 Series A			2,995					
Multifamily Housing Bonds								
MF 406 Nov. 2011 to May 2012								
MF 406 July 2012			11,375					
Mallard Pointe			11,575					
Blue Meadows			8,485					
Dido Micadows	\$ 17,260 \$	150,510	\$ 192,700					

#### 7. Derivatives

The Association has entered into multiple interest rate swap agreements to reduce the Association's overall cost of borrowing long-term capital and protect against the risk of rising interest rates. To do this, the Association issued variable rate debt in connection with the same Single Family Mortgage Bond issues. The swap agreements, when combined with the associated variable rate debt, create a synthetic fixed rate debt obligation. From 2000 through 2008, the Association's use of these instruments allowed it to competitively price and acquire single-family loans while reducing interest rate risk.

GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments defines derivative instruments and requires that they be reported at fair value in the Statements of Net Position. The swap agreements the Association has entered into are characterized as derivatives. Offsetting changes in fair value are carried on the Statements of Net Position as either a deferred inflow or outflow or recognized in earnings of the current period as a change in investments fair value. Changes in fair value are reported depending on whether the derivative instrument is considered an effective hedge. Effective hedge fair value changes are reported as deferred inflows or outflows while non-effective hedge fair value changes are recognized in earnings in the current period. Statement No. 53 provides several methods for determining effectiveness.

The fair values of swap agreements were estimated by the Association's counterparties to the swaps and approximate the termination payments that would have been due had the swaps been terminated as of June 30, 2014. While key assumptions and methods used in deriving fair value are proprietary; in general, the fair values are determined as the difference between the present value of the fixed-rate payments made to the counterparty and the variable-rate (based on interest rates as of June 30, 2014) payments paid to the Association. A positive fair value represents the amount due the Association by the counterparty upon termination of the swap while a negative fair value represents the amount payable by the Association. Due to historically low interest rates, all of the Association's interest rate swaps had negative value as of June 30, 2014 and 2013. The fair value is reported in the Statements of Net Position in Other Liabilities of \$80.59 million and \$84.01 million, respectively.

The Association has determined that a substantial portion of its interest rate swaps effectively hedge against changes in variable interest rates. As such, changes in fair value for hedge swaps are reported as a deferred outflow of resources in the Statements of Net Position of \$80.92 million as of June 30, 2014 and \$87.71 million as of June 30, 2013. A portion of the interest rate swaps are considered non-effective for hedging purposes and are reported in the Statements of Net Position in Investments at June 30, 2014 and 2013 \$(.89 million) and \$(3.8 million). This portion represents the notional amount of interest rate swaps that exceeds the notional amount of underlying variable debt.

The Association engaged an independent third party to verify the reasonableness of fair values of contracts as of June 30, 2014 and 2013. The results from the verification correlated materially with the fair values provided by the Association's counterparties.

Credit risk: As of June 30, 2014, the Association is not exposed to credit risk on any outstanding swaps due to their negative fair values. If interest rates rise such that the variable rate the Association receives exceeds the fixed rate the Association pays, the Association will post a positive fair value. The Association would be exposed to credit risk to the extent of the positive fair value. The Association's counterparty has a current rating of A (Fitch), A2 (Moody's), and A (S&P).

Basis risk: All but twenty-two of the Association's swaps have a dual basis: Securities Industry and Financial Markets Association (SIFMA) index plus 20 basis points when the one-month London Interbank Offered Rate (LIBOR) is less than either 3.5% or 4.0% (depending on the bond series) and 68% of LIBOR when LIBOR is 3.5% or greater. Four non-dual basis swaps have a basis of SIFMA plus 20 basis points and one has a basis of LIBOR plus 71 or 76 basis points, depending on maturation date. The Association is exposed to basis risk on dual basis swaps when variable payments received are based on LIBOR and do not offset the variable rate paid on bonds, which is based on SIFMA. On June 30, 2014 SIFMA is 7 basis points and one-month LIBOR is 16 basis points.

#### 7. Derivatives, continued

Rollover risk: Rollover risk relates to a mismatch in the amortization of the swaps with the amortization of the variable rate bonds. The Association has structured its debt such that not all variable debt is matched by interest rate swaps and calls certain variable rate bonds independent of the expiration of the associated interest rate swap. This exposes the Association to the risk of incurring a higher interest expense than it might otherwise incur. Swap notional amounts no longer associated with variable rate debt are reported as investment derivatives.

Termination risk: The Association or Barclays Capital may terminate an interest rate swap if the other party fails to perform under the terms of the contract. If any of the swaps are terminated, the associated variable rate bonds would no longer carry synthetic fixed interest rates and the Association would be exposed to changing interest rates and incurring interest rate risk. A termination event also results in the loss of hedge accounting, requiring all fair value deferrals to be recognized immediately. The economic risk also includes requiring making payments to the counter party to the extent of any negative fair value amounts. The risk may be offset by identifying a suitable counter party willing to enter into identical swap contracts at the termination date.

During FY2013, the Association modified the terms of eight swap contracts (2007D through 2007K issues) to match the variable rate structure of the 2012A refunding issue. Statement No. 53 deems this event a terminating event such the fair value presented in the Deferred Outflow of Resources at the time of termination be amortized over the life of the new issue. The manner of the restructuring resulted in a present value gain to the Association of \$70,000 and did not substantively change the Association's economic position with its counter party.

During FY2014, the Association redeemed and reissued as the 2013A bonds the remaining 2006 indenture variable rate demand obligations. Like the 2012A refunding issue, the associated swap contracts were modified to match the 2012A variable rate structure and created a deemed terminating event. The manner of the restructuring resulted in a present value gain to the Association of \$77,000 and did not substantively change the Association's position with its counter party.

The Association redeemed and reissued as the 2014A bonds the 2000 indenture variable rate demand obligations. Though the terms of the swap contracts were not modified, the redemption and reissue did create a deemed terminating event of the swap contracts, which requires that the value of the Deferred Outflow of Resources at the date of reissuance be amortized to interest expense.

The accounting treatment also provides that deemed borrowings being created, the result of higher off-market fixed rate being paid over the market requirements at the time of modification. These borrowings are amortized and credited to interest expense over the life the of the swap contracts.

The requirements of the accounting standard result in a dual presentation of the Deferred Outflow resources at both amortized and fair values and the presentation in the Deferred Inflow of Resources of an amount that reflect the change in the fair value of the modified contracts during the fiscal years. To present the fair value of the Association's economic position with the counterparty, the difference between the amortized value and fair value of these contracts is included in the interest rate swap contracts fair value presented as a deferred outflow on the Statement of Net Position.

### 7. Derivatives, continued

		Outstanding N	Notional Amount	Fair Va	lues	Change in	Fair Values
Fund	Series	Hedging	Investment	Hedging	Investment	Hedging	Investment
	2003 Series A	\$ 7,570	\$ 400	\$ (1,198)	\$ (63)	\$ 169	\$ 9
	2003 Series B	6,375	1,260	(772)	(153)	131	26
	2003 Series C	4,355	-	(487)	-	72	-
	2003 Series D	5,510	1,630	(946)	(277)	458	(277)
	2003 Series E	6,620	520	(1,027)	(79)	147	12
	2004 Series A	6,590	500	(899)	(68)	180	(68)
	2004 Series B	7,020	660	(1,123)	(107)	124	11
	2004 Series C	7,360	-	(1,120)	-	138	-
	2004 Series D	8,330	710	(1,118)	(95)	200	(95)
	2005 Series A	9,270	-	(1,313)	-	103	-
	2005 Series D	9,000	370	(1,230)	(51)	115	4
	2005 Series E	9,530	-	(1,347)	-	126	-
2009A	2005 Series B	9,080	-	(1,328)	-	110	-
2009A	2005 Series C	9,215	-	(1,195)	-	91	-
2009A	2005 Series F	9,880	-	(1,512)	-	143	-
2009A	2006 Series A	9,555	-	(1,492)	-	134	-
2009A	2006 Series B	6,870	-	(1,068)	-	142	-
2009A	2006 Series C	6,655	-	(1,034)	-	140	-
2009A	2006 Series D	7,765	-	(1,244)	-	170	-
2012A	2007 Series D	13,000	-	(1,735)	-	209	-
2012A	2007 Series E	15,805	-	(2,129)	-	274	-
2012A	2007 Series F	19,725	-	(3,005)	-	419	-
2012A	2007 Series G	25,000	-	(4,643)	-	201	-
2012A	2007 Series H	30,000	-	(5,371)	-	82	-
2012A	2007 Series I	21,000	-	(3,515)	-	124	-
2012A	2007 Series J	26,250	-	(4,319)	-	146	-
2012A	2007 Series K	23,975	-	(3,574)	-	101	-
2013A	2006 Series E	9,025	-	(1,509)	-	40	-
2013A	2006 Series F	9,180	-	(1,419)	-	3	-
2013A	2006 Series G	9,090	-	(1,335)	-	(2)	-
2013A	2007 Series A	9,440	-	(1,521)	-	(23)	-
2013A	2007 Series B	10,790	-	(1,636)	-	(141)	103
2013A	2007 Series C	11,375	-	(1,791)	-	(40)	-
2013A	2008 Series A	23,975	-	(3,843)	-	(440)	-
2013A	2008 Series B	22,515	-	(3,145)	-	(260)	-
				(- ()		(- 1)	
2013A	2008 Series C	15,690	-	(2,165)	-	(34)	-

### 7. Derivatives, continued

			Variable Rate				
		Fixed Rate	Received by IHFA from			Scheduled	
		Paid by	Interest Rate Contract	Interest Rate	Credit	Termination	Inception
Fund	Series	IHFA	Provider	Contract Provider	Rating	Date	Date
	2003 Series A	4.5190%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2026	11/6/2008
	2003 Series B	4.0360%	SIFMA+.20%	Barclays Capital	A/A2	7/1/2024	11/6/2008
	2003 Series C	3.7800%	SIFMA+.20%	Barclays Capital	A/A2	1/1/2025	11/6/2008
	2003 Series D	4.8400%	SIFMA+.20%	Barclays Capital	A/A2	7/1/2025	11/6/2008
	2003 Series E	4.5300%	SIFMA+.20%	Barclays Capital	A/A2	7/1/2025	11/6/2008
	2004 Series A	4.0290%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2026	11/7/2008
	2004 Series B	4.3700%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2027	11/7/2008
	2004 Series C	4.3300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2025	11/7/2008
	2004 Series D	3.8500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2028	11/7/2008
	2005 Series A	3.9000%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2029	11/7/2008
	2005 Series D	3.8650%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	7/1/2028	11/7/2008
	2005 Series E	3.9300%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	1/1/2029	11/7/2008
2009A	2005 Series B	3.9850%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2028	11/7/2008
2009A	2005 Series C	3.7300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2028	11/7/2008
2009A	2005 Series F	4.0950%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	1/1/2029	11/7/2008
2009A	2006 Series A	4.1000%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	1/1/2029	11/7/2008
2009A	2006 Series B	4.3500%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	7/1/2025	11/7/2008
2009A	2006 Series C	4.3600%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	1/1/2025	11/7/2008
2009A	2006 Series D	4.4500%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	1/1/2025	11/7/2008
2012A	2007 Series D	4.8930%	LIBOR+.71%	Barclays Capital	A/A2	1/1/2026	12/20/2012
2012A	2007 Series E	4.9360%	LIBOR+.71%	Barclays Capital	A/A2	7/1/2025	12/20/2012
2012A	2007 Series F	5.2840%	LIBOR+.71%	Barclays Capital	A/A2	1/1/2025	12/20/2012
2012A	2007 Series G	5.3920%	LIBOR+.76%	Barclays Capital	A/A2	7/1/2028	12/20/2012
2012A	2007 Series H	5.1980%	LIBOR+.76%	Barclays Capital	A/A2	7/1/2030	12/20/2012
2012A	2007 Series I	5.1420%	LIBOR+.76%	Barclays Capital	A/A2	7/1/2028	12/20/2012
2012A	2007 Series J	5.1020%	LIBOR+.76%	Barclays Capital	A/A2	7/1/2028	12/20/2012
2012A	2007 Series K	4.9320%	LIBOR+.76%	Barclays Capital	A/A2	7/1/2030	12/20/2012
2013A	2006 Series E	5.5480%	One-month LIBOR + .80%	Barclays Capital	A/A2	1/1/2026	11/22/2013
2013A	2006 Series F	5.3210%	One-month LIBOR + .80%	Barclays Capital	A/A2	1/1/2026	11/22/2013
2013A	2006 Series G	5.1970%	One-month LIBOR + .80%	Barclays Capital	A/A2	7/1/2026	11/22/2013
2013A	2007 Series A	5.3660%	One-month LIBOR + .80%	Barclays Capital	A/A2	7/1/2026	11/22/2013
2013A	2007 Series B	5.2180%	One-month LIBOR + .80%	Barclays Capital	A/A2	1/1/2027	11/22/2013
2013A	2007 Series C	5.3070%	One-month LIBOR + .80%	Barclays Capital	A/A2	1/1/2027	11/22/2013
2013A	2008 Series A	5.1240%	One-month LIBOR + .80%	Barclays Capital	A/A2	7/1/2030	11/22/2013
2013A	2008 Series B	4.9760%	One-month LIBOR + .80%	Barclays Capital	A/A2	7/1/2029	11/22/2013
2013A	2008 Series C	5.0540%	One-month LIBOR + .80%	Barclays Capital	A/A2	7/1/2026	11/22/2013
2013A	2008 Series D	4.7720%	One-month LIBOR + .80%	Barclays Capital	A/A2	7/1/2026	11/22/2013

## 7. Derivatives, continued

		Outstanding No	otional Amount	Fair Val	ues	Change in Fa	air Values
	Series	Hedging	Investment	Hedging	Investment	Hedging	Investment
2014A	2000 Series F	3,230	-	(320)	-	40	135
2014A	2000 Series G	7,760	-	(1,273)	-	(343)	627
2014A	2001 Series A	4,905	-	(572)	-	196	-
2014A	2001 Series B	5,325	-	(673)	-	(260)	470
2014A	2001 Series C	5,210	-	(644)	-	209	-
2014A	2001 Series D	7,650	-	(1,113)	-	158	79
2014A	2001 Series E	7,650	-	(1,050)	-	(344)	566
2014A	2001 Series F	5,450	-	(684)	-	198	-
2014A	2002 Series A	5,625	-	(784)	-	86	132
2014A	2002 Series B	5,670	-	(776)	-	(142)	359
2014A	2002 Series C	3,090	-	(765)	-	128	87
2014A	2002 Series D	8,060	-	(1,153)	-	(22)	274
2014A	2002 Series E	5,660	-	(690)	-	184	-
2014A	2002 Series F	5,295	-	(591)	-	102	-
2014A	2002 Series G	5,295	-	(676)	-	(123)	243
		\$ 534,145	\$ 6,050	\$ (80,591)	\$ (893)	\$ 3,419	\$ 2,866

## 7. Derivatives, continued

			Variable Rate				
		Fixed Rate	Received by IHFA from			Scheduled	
		Paid by	Interest Rate Contract	Interest Rate	Credit	Termination	Inception
	Series	IHFA	Provider	Contract Provider	Rating	Date	Date
2014A	2000 Series F	5.3000%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2018	11/6/2008
2014A	2000 Series G	5.2500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2021	11/6/2008
2014A	2001 Series A	4.7600%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2020	11/6/2008
2014A	2001 Series B	4.8660%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2020	11/6/2008
2014A	2001 Series C	4.8600%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2020	11/6/2008
2014A	2001 Series D	4.7300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2022	11/6/2008
2014A	2001 Series E	4.5300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2022	11/6/2008
2014A	2001 Series F	4.7000%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series A	5.0200%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series B	4.9500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series C	4.8900%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series D	4.7100%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2022	11/6/2008
2014A	2002 Series E	4.4800%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2021	11/6/2008
2014A	2002 Series F	3.7900%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2024	11/6/2008
2014A	2002 Series G	4.1400%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2024	11/6/2008

#### 7. Derivatives, continued

At June 30, 2014, the Association has \$100,000,000 in forward sales contracts ("To Be Announced" or "TBA" contracts) to issue GNMA securities in order to lock in the sales price for the securitization of single-family loans. These securities represent pools of qualified first mortgage loans originated by Association-approved lenders and brokers. Under this program, the Association periodically enters into forward contracts to sell GNMA Mortgage Backed Securities to investors before the securities are ready for delivery. The Association enters into TBA Mortgage-Backed Security Contracts to hedge the interest rate risk for loan commitments made to originating mortgage lenders. These contracts are considered investment derivatives and are not rated.

#### **TBA Forward Contracts**

Contract	0		Outstanding		Fain Mahasa	Counterparty
Contract	Coupon rate	_	Notional Amount	•	Fair Values	Credit Rating
April 2014	4.00%	\$	5,000,000	\$	(125,586)	Aaa/AAA
April 2014	3.50%		10,000,000		(223,438)	Aaa/AAA
April 2014	4.00%		5,000,000		(99,805)	Aaa/AAA
April 2014	3.50%		5,000,000		(97,656)	Aaa/AAA
May 2014	3.50%		10,000,000		(135,938)	Aaa/AAA
May 2014	3.00%		5,000,000		(29,883)	Aaa/AAA
May 2014	4.00%		5,000,000		(54,297)	Aaa/AAA
May 2014	3.50%		5,000,000		(40,430)	Aaa/AAA
May 2014	3.00%		5,000,000		(11,914)	Aaa/AAA
June 2014	3.50%		5,000,000		(34,375)	Aaa/AAA
June 2014	3.50%		5,000,000		(63,867)	Aaa/AAA
June 2014	3.50%		5,000,000		(45,117)	Aaa/AAA
June 2014	4.00%		5,000,000		(36,328)	Aaa/AAA
June 2014	3.50%		5,000,000		(52,148)	Aaa/AAA
June 2014	3.50%		5,000,000		(51,367)	Aaa/AAA
June 2014	3.00%		5,000,000		(21,289)	Aaa/AAA
June 2014	4.00%		5,000,000		(20,703)	Aaa/AAA
July 2014	3.50%		5,000,000		(34,375)	Aaa/AAA
		\$	100,000,000	\$	(1,178,516)	

#### 8. Retirement Plans

The Idaho Housing and Finance Association Defined Contribution Retirement Plan covers substantially all Association employees. The Association contributes eight percent of annual compensation for each eligible permanent employee to a segregated account held in trust by Wells Fargo Bank. Employees are eligible to participate in the retirement plan after completion of 1,040 hours of continuous employment, and 100 percent vesting is achieved ratably over a period of five years. Plan provisions and contribution requirements are established, and may be amended, by the Association. The Association's retirement plan expense for the years ending June 30, 2014 and 2013 were \$654,000 and \$615,000, respectively. Employees do not contribute to this Plan.

The Association also offers a deferred compensation plan qualified under Section 457 of the Internal Revenue Code. All employees who have completed 30 days of continuous employment with the Association are eligible to participate. The plan permits employees to defer up to 100 percent per year (or a maximum of \$16,500 for those under 50 and \$22,000 for those 50 and older), of salary before taxes. The Association will match up to two percent of the employee's deferral to be deposited into the employee's account and immediately vested. The Association's deferred compensation plan expense for the years ending June 30, 2014 and 2013 was \$140,000 and \$129,000, respectively. Investment choices for all contributions are employee-directed. The assets for these

#### 8. Retirement Plans, continued

retirement plans are not included in the Association's financial statements as they are substantially the property of employees and are held in segregated trust accounts.

#### 9. Conduit Debt Obligations

Interpretation No. 2 of the GASB requires disclosure of conduit debt obligations. Conduit debt obligations are certain limited obligation debt instruments issued for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. From time to time, the Association has issued bonds to provide financial assistance to entities for the construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying investments. Upon repayment of the bonds, ownership of the constructed facilities transfers to the entity served by the bond issuance. The Association is not obligated in any manner for repayment of these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2014 and 2013 there were thirty-four and thirty-eight, respectively, series of bonds outstanding that meet the description of conduit debt obligations not included in the Association's financial statements. They had aggregate principal amounts payable of \$212,990,000 and \$221,020,000, respectively.

The Association has included within the financial statements conduit debt obligations for housing and transportation-related bond issuances. The Association has determined that including these conduit debt obligations and related assets presents a more informed perspective of housing-related and relationship-significant debt obligations issued by the Association. The Association is not obligated in any manner for repayment of these housing and transportation related conduit debt obligations. The total outstanding indebtedness and accrued interest as of June 30, 2014 and 2013 is \$819,868,000 and \$813,448,000, respectively.

Since conduit debt by definition does not create net position to the Association, those issuances included within the financial statements with a net position have their net position reclassed to either an asset or a liability depending on the initial net position. To facilitate this reclass, a reporting classification titled "Government and multifamily trusts' pledged revenues" appears on the Statements of Revenues, Expenses, and Changes in Net Position. These amounts represent changes in net claims/(advance receipt(s)) to/(of) revenue sufficient to cover obligations and expenses of the issuance. Asset and liability amounts are reported in Other Assets and Other Liabilities in the Statements of Net Position, the Supplemental Financial Information Section (Bondholder Trusts, combined and detailed), and Footnote 11 (Multifamily and GARVEE bonds pledged revenues adjustment). Asset balances represent claims to future receipts sufficient to cover a shortfall between total receipts and total current obligations; liability balances represent receipt of total revenues that exceed what is sufficient and required for total current obligations.

## 10. Capital Assets (in thousands)

A summary of activity in the Capital Assets is as follows:

	Bala	nce at				Balance at		
	June	30,2013	Add	itions	Retirements		June	e 30,2014
Capital assets:								
Land	\$	993	\$	43	\$	(28)	\$	1,008
Buildings and improvements		9,631		86		(268)		9,449
Furniture and equipment		3,211		151		(64)		3,298
Leasehold improvements		263						263
Computer software		1,461		15				1,476
Total capital assets		15,559		295		(360)		15,494
Less accumulated depreciation for: Land								
Buildings and improvements		(5,376)		(226)		225		(5,377)
Furniture and equipment		(2,477)		(307)		80		(2,704)
Leasehold improvements		(220)		(5)				(225)
Computer software		(1,358)		(52)				(1,410)
Total accumulated depreciation		(9,431)		(590)		305		(9,716)
Total capital assets, net	\$	6,128	\$	(295)	\$	(55)	\$	5,778

#### 11. Other Assets and Liabilities

Other Assets and Other Liabilities as of June 30, 2014 and 2013 are composed of the Accounts and Balances as follows (in thousands):

	2014	2013
Other Assets:		
Accounts Receivable	\$ 1,688	\$ 1,246
Multifamily trusts' pledged revenues receivable	649	831
Prepaid expenses	685	777
REO mortgages receivable	20,480	17,165
	\$ 23,502	\$ 20,019
Other Liabilities		
Accounts Payable	\$ 373	\$ 192
Accrued vacation and other payroll related		
liabilities	627	554
Arbitrage rebate	2,197	1,818
Federal programs advances and unapplied program income	6,370	2,486
Multifamily trusts' pledged revenues payable	166	
Security deposits	14	16
Unapplied payments	11,206	15,192
Other accrued liability	10,119	10,844
•	\$ 31,072	\$ 31,102

#### 12. Risk Management

The Association maintains commercial insurance coverage for officer errors and omissions, tort claims, and property loss and other casualties. The State Fund of Idaho, a competitive state fund, writes the Association's worker compensation coverage. The Association's premiums and loss experience modifications are based on the loss experience of the Association.

#### 13. Commitments and Contingencies

The Lehman Brothers Bankruptcy Estate, Southern Federal District Court of New York, has made a claim alleging that Lehman Brothers should have been paid a higher termination amount as a result of the Association's termination of its interest rate swap agreements. \$29.85 million has been claimed and, in the opinion of the Association's legal counsel, the Association has a strong defense and will vigorously defend against the claim. In the opinion of management, any settlement will not have a material effect to the Association's financial position.

#### 14. Component Units

The Housing Company (THC) and The Home Partnership Foundation (HPF) are legally separate 501(c)3 component units of the Association.

#### 14. Component Units, continued

THC was formed to develop, acquire and operate real estate for the benefit of elderly, disadvantaged, limited-income or otherwise needy persons throughout the state of Idaho. As of December 31, 2013, THC had acquired and was operating fifteen multifamily housing complexes; had constructed and was operating ten multifamily housing complexes; had constructed two additional phases of housing to existing developments; had completed renovation of a hotel and turned into a new multifamily complex; had built a single family home known as The Cottage with HOME funds; had purchased land in Coeur d'Alene, Montpelier, and Twin Falls for the purpose of developing and selling workforce housing units; had purchased a single family home in Canyon County with federal NSP funds with intentions of turning it into special needs housing as intended by the program; and had purchased three duplexes in Canyon County with federal NSP funds to rent as affordable housing. Certain personnel of the Association provide services to THC and an equal number of Association Commissioners serve on THC's Board. As of June 30, 2014, three Association Commissioners and the Association's President serve on THC's Board of Directors. THC pays all expenses associated with THC operations. As of June 30, 2014 and 2013 THC paid the Association \$883,000 and \$877,500, respectively. THC owed \$74,000 and \$71,000 for the years ended June 30, 2014 and 2013. Complete financial statements for THC can be obtained from THC at P.O. Box 7899, Boise, ID 83707.

THC processes and pays vendor invoices for a townhome project, Valley Centre Townhomes, owned by the Association and 94 IHFA owned REO rental properties. The Association reimburses THC for amounts paid on a quarterly basis.

HPF helps people build a strong foundation for their lives through stable, safe, and affordable housing by making available financial resources they would not be able to obtain elsewhere. The Foundation supports shelters and shelter services for Idaho's homeless and most disadvantaged, encourages financial independence by educating individuals and families, invests in workforce housing, and facilitates tax-advantaged land donations for housing development. HPF's Board of Directors, consists primarily of Association Commissioners plus one non-Association Commission member. Certain general, administrative and fundraising expenses of the Foundation are paid by the Association. The Association also provides occupancy, accounting, gift receipting and cash management services to the Foundation. The value of these services is not reflected in the accompanying financial statements since they are not susceptible to objective measurement or valuation. Complete financial statements for HPF can be obtained from HPF at P.O. Box 7899, Boise, ID 83707.

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#### **Supplemental Financial Information**

The following schedules present the separate financial accounts of the Association as required by bond resolutions, bond indentures, and federal program regulations. After considering certain interfund and inter-component unit eliminations, the accounts combine to the Association's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2014

Association Accounts (in thousands)

Association Accounts (in thousands)		В	usines	s Operation	S			
	C	General Operating Account	Federally Assisted Program Combined		Combined	Affordab Housing Investme Trust		
Statement of Net Position								
ASSETS AND DEFERRED OUTFLOW OF RESOURCES Cash and Cash Equivalents Investments, fair value Loans Held for Investment, net Loans available for sale GARVEE highway project costs receivable, net	\$	42,036 (1,172) 3,887 94,575	\$	10,470 15,049	\$	52,506 (1,172) 18,936 94,575	\$	3 6,034 32,119
Employment Security Reserve Fund receivable Property and Equipment Other Assets Deferred OutflowInterest Rate Swap Contracts		4,567 441,899		1,168 17		5,735 441,916		43 153
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$	585,792	\$	26,704	\$	612,496	\$	38,352
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION Bonds								·
Commercial Paper Swap Contract Fair Value Liability Interest Payable-Swap Contract	\$	50,000			\$	50,000		
Escrow and Project Reserve Deposits Other Liabilities Deferred InflowInterest Rate Swap Contracts		9,747 508,559	\$	330 8,034		10,077 516,593	\$	3,054
Net Position TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES,	_	17,486		18,340		35,826		35,298
AND NET POSITION	\$	585,792	\$	26,704	\$	612,496	\$	38,352
Statement of Revenues, Expenses and Changes in Net Position OPERATING REVENUES Interest on Loans Interest on Investments	\$	3,056	\$	14	\$	3,070	\$	1,562
Contract and Grant Administration Fees Gains on Loan Sales Loan Servicing Fees Multifamily and GARVEE bonds pledged revenues		9,500 13,647 9,995				9,500 13,647 9,995		71
Other TOTAL OPERATING REVENUES		1,040		573 587		1,613		1,657
OPERATING EXPENSES Interest Salaries and Benefits Loan acquisition costs General Operating Bond financing costs		37,238 315 10,321 16,876 3,853		239 1,440		37,825 315 10,560 16,876 5,293		599
Grants to Others		700		F4		-		790
Other TOTAL OPERATING EXPENSES		760 32,125		51 1,730		811 33,855		1,389
OPERATING INCOME (LOSS) NONOPERATING REVENUES AND EXPENSES		5,113		(1,143)		3,970		268
Net Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap Federal Pass-Through Revenues		(5,095)		45,201		(5,095) 45,201		
Federal Pass-Through Expenses				(45,808)		(45,808)		
TOTAL NONOPERATING REVENUES AND EXPENSES		(5,095)		(607)		(5,702)		-
CHANGE IN NET POSITION		18		(1,750)		(1,732)		268
NET POSITION, Beginning of Period		18,649		15,909		34,558		38,030
TRANSFERS	•	(1,181)	Φ.	4,181	Φ	3,000	ሱ	(3,000)
NET POSITION, End of Period  (1) The detail of the Combined Rendholder Trusts is presented on page	\$	17,486	\$	18,340	\$	35,826	\$	35,298

<sup>(1)</sup> The detail of the Combined Bondholder Trusts is presented on pages 64-82.

	Во	nd Rating						
	Co	ompliance						
	а	and Loan	(	Combined				All
	G	uarantee		Sondholder		Interfund	Α	ssociation
		Trust		Trusts (1)	EI	iminations		Accounts
Statement of Net Position								
ASSETS AND DEFERRED OUTFLOW OF RESOURCES			•					
Cash and Cash Equivalents	\$	63.695	\$	2,500 274,308			\$	55,009 342,865
Investments, fair value Loans Held for Investment, net	Ф	7,429		636,014				694,498
Loans available for sale		7,423		030,014				94,575
GARVEE highway project costs receivable, net				618,304				618,304
Employment Security Reserve Fund receivable				102,896				102,896
Property and Equipment								5,778
Other Assets		75,112		387,795	\$	(881,491)		23,485
Deferred OutflowInterest Rate Swap Contracts	_	4.40.000	Φ.	80,915	Φ.	(004 404)	Φ.	80,915
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$	146,236	\$	2,102,732	\$	(881,491)	\$	2,018,325
LIABILITIES, DEFERRED INFLOW OF RESOURCES,								
AND NET POSITION			•				•	
Bonds Commercial Paper			\$	1,624,103			\$	1,624,103
Swap Contract Fair Value Liability				80,589				50,000 80,589
Interest Payable-Swap Contract				13,029				13,029
Escrow and Project Reserve Deposits				,				10,077
Other Liabilities	\$	7,397		385,499	\$	(881,491)		31,052
Deferred InflowInterest Rate Swap Contracts				2,501				2,501
Net Position		138,839		(2,989)		-		206,974
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES,								
AND NET POSITION	\$	146,236	\$	2,102,732	\$	(881,491)	\$	2,018,325
Statement of Revenues, Expenses and								
Changes in Net Position								
OPERATING REVENUES								
Interest on Loans	\$	1,748	\$	35,678			\$	42,058
Interest on Investments		1,262		4,788	•	(0.0==)		6,051
Contract and Grant Administration Fees					\$	(3,355)		6,145
Gains on Loan Sales Loan Servicing Fees		58		3,016		(2,183)		13,647 10,957
Multifamily and GARVEE bonds pledged revenues		30		30,235		(2,103)		30,235
Other				1				1,637
TOTAL OPERATING REVENUES		3,068		73,718		(5,538)		110,730
OPERATING EXPENSES		-,		-, -		(-,,		-,
Interest		-		72,823				73,138
Salaries and Benefits								10,560
Loan acquisition costs								16,876
General Operating		1,994		3,430		(5,538)		5,778
Bond financing costs				1,640				1,640
Grants to Others								790
Other		4.004		77 002		(F. F20)		811
TOTAL OPERATING EXPENSES	_	1,994		77,893		(5,538)		109,593
OPERATING INCOME (LOSS)		1,074		(4,175)		-		1,137
NONOPERATING REVENUES AND EXPENSES		(211)		4.266				(1 1 1 (
Net Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap		(311)		4,266 (883)				(1,140 (883
Federal Pass-Through Revenues				(003)				45,201
Federal Pass-Through Expenses								(45,808
TOTAL NONOPERATING REVENUES AND EXPENSES		(311)		3,383		_		(2,630
CHANGE IN NET POSITION		763		(792)		_		(1,493
		138,076		(2,197)				208,467
NET POSITION Reginning of Period								
NET POSITION, Beginning of Period TRANSFERS		130,070		(2,131)				200, .0.

<sup>(1)</sup> The detail of the Combined Bondholder Trusts is presented on pages 64-82.

	Par	e Home tnership undation	Con I	nter- nponent Unit inations		All Reporting Entity Accounts
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	\$	1,551			\$	56,560
Investments, fair value Loans Held for Investment, net		390				342,865 694,888
Loans available for sale		390				94,575
GARVEE highway project costs receivable, net						618,304
Employment Security Reserve Fund receivable						102,896
Property and Equipment Other Assets		17				5,778 23,502
Deferred OutflowInterest Rate Swap Contracts		17				80,915
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$	1,958	\$	-	\$	2,020,283
LIABILITIES, DEFERRED INFLOW OF RESOURCES,						
AND NET POSITION						
Bonds					\$	1,624,103
Commercial Paper						50,000
Swap Contract Fair Value Liability Interest Payable-Swap Contract						80,589 13,029
Escrow and Project Reserve Deposits						10,077
Other Liabilities	\$	20				31,072
Deferred InflowInterest Rate Swap Contracts		4 000				2,501
Net Position		1,938		-		208,912
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	\$	1,958	\$		\$	2,020,283
	Ψ	1,950	Ψ		Ψ	2,020,203
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans					\$	42,058
Interest on Investments					Ψ.	6,051
Contract and Grant Administration Fees						6,145
Gains on Loan Sales						13,647
Loan Servicing Fees Multifamily and GARVEE bonds pledged revenues						10,957 30,235
Other	\$	1,180	\$	(790)		2,027
TOTAL OPERATING REVENUES	<u> </u>	1,180	· ·	(790)		111,120
OPERATING EXPENSES		.,		(. 00)		,0
Interest						73,138
Salaries and Benefits		109				10,669
Loan acquisition costs		07				16,876
General Operating Bond financing costs		27				5,805 1,640
Grants to Others		927		(790)		927
Other		· ·		(/		811
TOTAL OPERATING EXPENSES		1,063		(790)		109,866
OPERATING INCOME (LOSS)		117		-		1,254
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments						(1,140)
Derivative instruments, interest rate swap						(883)
Federal Pass-Through Revenues Federal Pass-Through Expenses						45,201 (45,808)
TOTAL NONOPERATING REVENUES AND EXPENSES		_				(2,630)
CHANGE IN NET POSITION		117		-		(1,376)
NET POSITION, Beginning of Period		1,821		-		210,288
Serion, Bogining of Follow		1,521				2.0,200
TRANSFERS		_				_

<sup>(1)</sup> The detail of the Combined Bondholder Trusts is presented on pages 64-82.

Statement of Net Position	S F Mo	994A Single- Family ortgage Bond		1994F Single- Family Iortgage Bond		1995C Single- Family Nortgage Bond	N	1995E Single- Family Mortgage Bond		1995H Single- Family Iortgage Bond	S I M	1996A Single- Family ortgage Bond
ASSETS AND DEFERRED OUTFLOW OF RESOURCES Cash and Cash Equivalents Investments, fair value Loans Held for Investment, net GARVEE highway project costs receivable, net Employment Security Reserve Fund receivable Other Assets	\$	1,048	\$	618	\$	688	\$	59 826	\$	925	\$	757
Deferred OutflowInterest Rate Swap Contracts TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES LIABILITIES, DEFERRED INFLOW OF RESOURCES	\$	1,048	\$	618	\$	688	\$	885	\$	925	\$	757
AND NET POSITION Bonds Swap Contract Fair Value Liability								113				
Interest Payable-Swap Contract Other Liabilities Deferred InflowInterest Rate Swap Contracts								8				
Net Position TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	1,048	\$	618	\$	688	\$	764 885	\$	925 925	\$	757 
Statement of Revenues, Expenses and	Ť	1,010			Ť				Ť			
Changes in Net Position OPERATING REVENUES												
Interest on Loans	\$	24	\$	4	\$	3	\$	58	\$	20	\$	14
Interest on Investments Loan Servicing Fees		1 2		7 1		5		4 2		9		2 1
Multifamily and GARVEE bonds pledged revenues Other		2		ı				2		'		'
TOTAL OPERATING REVENUES OPERATING EXPENSES		27		12		8		64		30		17
Interest		3						11		8		1
General Operating		3		1				4		3		2
Bond Financing Costs Other												
TOTAL OPERATING EXPENSES		6		1		-		15		11		3
OPERATING INCOME		21		11		8		49		19		14
NONOPERATING REVENUES AND EXPENSES												
Net Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap		(2)						(3)		(6)		(1)
TOTAL NONOPERATING REVENUES AND EXPENSES		(2)		-		-		(3)		(6)		(1)
CHANGE IN NET POSITION		19		11		8		46		13		13
NET POSITION, Beginning of Period	•	1,029	σ	607	or or	680	<b>o</b>	718 764	T.	912 925	œ.	744 757
NET POSITION, End of Period	\$	1,048	\$	618	\$	688	\$	704	\$	925	\$	151

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

Loans Held for Investment, net GARVEE highway project costs receivable, net Employment Security Reserve Fund receivable	,												
Family   Family   Family   Family   Family   Family   Family   Family   Mortgage   Mor		19	96D	1	996E		1996F	1996G		1996H		199	97A
Family   Family   Family   Family   Family   Family   Family   Family   Mortgage   Mor		Sir	nale-	ç	Single-		Single-	Single-		Single-		Sin	ale-
Mortgage			0		J		•	J		J			•
Statement of Net Position			,		•		,	,	_	,			,
Statement of Net Position   ASSETS AND DEFERRED OUTFLOW OF RESOURCES   Cash and Cash Equivalents   \$ 136   \$ 221   \$ 1.0					0 0	IV	0 0	0 0	<del>.</del>				
ASSETS AND DEFERRED OUTFLOW OF RESOURCES	Statement of Net Position	ВС	Jilu		Juliu		DUITU	DONG		DUITU		ь	IIu
Cash and Cash Equivalents													
Investments, fair value   \$ 136												\$	2
Loans Held for Investment, net GARVEE highway project costs receivable, net Employment Security Reserve Fund receivable	•					\$	136			\$ 22	1	Ψ	131
GARVEE highway project costs receivable, net Employment Security Reserve Fund receivable Other Assets Deferred OutflowInterest Rate Swap Contracts TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities Deferred InflowInterest Rate Swap Contracts Net Position TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION Statement of Revenues, Expenses and Changes in Net Position OPERATING REVENUES Interest on Loans Interest on Loans Survicing Fees Author of Adarvate bonds pledged revenues Other TOTAL OPERATING REVENUES Interest on Loans OPERATING REVENUES OPERATING REVENUES Interest on Loans OPERATING REVENUES OPERATING REVENUES OPERATING REVENUES OPERATING REVENUES Interest OPERATING REVENUES OPERATING REVENUES OPERATING REVENUES Interest OPERATING REVENUES OPERATING	,					Ψ				*			935
Employment Security Reserve Fund receivable Other Assets   \$ 692 \$ 612 \$ - \$ 792 \$ - \$ 1.	•						040			00	•		500
Other Assets   \$ 692	•												
Deferred OutflowInterest Rate Swap Contracts TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES   \$ 692 \$ 612 \$ 982 \$ 792 \$ 1,076 \$ 1,11	, ,	\$	602	\$	612		_	\$ 70	22		_		129
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES AND RESOURCES AND NET POSITION Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities Deferred InflowInterest Rate Swap Contracts Net Position TOTAL LIABILITIES , DEFERRED INFLOW OF RESOURCES AND NET POSITION  Statement of Revenues, Expenses and Changes in Net Position  OPERATING REVENUES Interest on Loans Interest on Loans Interest on Investments Other TOTAL DAMP Gees Other TOTAL DEPRATING REVENUES Other TOTAL OPERATING REVENUES Interest on Investments Other TOTAL OPERATING REVENUES Interest on Loans Other TOTAL OPERATING REVENUES Interest on Loans Swicing Fees Interest on Loans Other TOTAL OPERATING REVENUES Interest Operating OPERATING EXPENSES Interest Opera		Ψ	032	Ψ	012		_	Ψ	,_		_		123
Statement of Revenues, Expenses and Changes in Net Position   OPERATING REVENUES   10   10   10   10   10   10   10   1	· • • • • • • • • • • • • • • • • • • •												
LIABILITIES, DEFERRED INFLOW OF RESOURCES   AND NET POSITION		\$	602	\$	612	\$	082	\$ 70	22	\$ 1.07	6	\$	1,197
AND NET POSITION Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities Deferred InflowInterest Rate Swap Contracts Net Position TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION  Statement of Revenues, Expenses and Changes in Net Position OPERATING REVENUES Interest on Loans Interest on Investments Interest on Investments Interest on Investments Other TOTAL OPERATING REVENUES Interest on Servicing Fees Multifamily and GARVEE bonds pledged revenues Other TOTAL OPERATING REVENUES Interest on Investments OPERATING EXPENSES Interest on Investments Int		Ψ	032	Ψ	012	Ψ	302	Ψ	)	Ψ 1,07	_	Ψ	1,137
Bonds   Swap Contract Fair Value Liability   Interest Payable-Swap Contract													
Swap Contract Fair Value Liability   Interest Payable-Swap Contract   Other Liabilities   15   19     Deferred Inflow-Interest Rate Swap Contracts   Net Position   692   612   812   792   737   77     TOTAL LIABILITIES DEFERRED INFLOW OF RESOURCES   AND NET POSITION   \$ 692   \$ 612   \$ 982   \$ 792   \$ 1,076   \$ 1,11     Statement of Revenues, Expenses and Changes in Net Position   CPERATING REVENUES   Total Canada							155			32	n		448
Interest Payable-Swap Contract   Other Liabilities							100			32	U		770
Other Liabilities   15   19	•												
Deferred InflowInterest Rate Swap Contracts   Net Position   TOTAL LIABILITIES , DEFERRED INFLOW OF RESOURCES   AND NET POSITION   \$ 692 \$ 612 \$ 982 \$ 792 \$ 1,076 \$ 1,19							15			1	α		8
Net Position   10							13			'	9		O
TOTAL LIABILITIES , DEFERRED INFLOW OF RESOURCES AND NET POSITION  Statement of Revenues, Expenses and Changes in Net Position  OPERATING REVENUES Interest on Loans Interest on Investments Interest on Investments Interest on Investments Industry	•		602		612		912	70	22	73	7		741
AND NET POSITION \$ 692 \$ 612 \$ 982 \$ 792 \$ 1,076 \$ 1,195			032		012		012	73	)_	73	,		741
Statement of Revenues, Expenses and Changes in Net Position   OPERATING REVENUES     Interest on Loans   \$ 17 \$ 16 \$ 60 \$ 22 \$ 61 \$     Interest on Investments   7 11 8 10 7     Loan Servicing Fees   1 1 3 1 3 1 3     Multifamily and GARVEE bonds pledged revenues Other   TOTAL OPERATING REVENUES   25 28 71 33 71     OPERATING EXPENSES   25 3 15 4 22     Interest   2 3 15 4 22     General Operating   2 2 4 3 5 5     Bond Financing Costs   3 5 5     Bond Financing Costs   5 5 6 60 \$ 22 \$ 61 \$     10		\$	692	\$	612	\$	982	\$ 79	92	\$ 1.07	6	\$	1,197
OPERATING REVENUES         \$ 17 \$ 16 \$ 60 \$ 22 \$ 61 \$           Interest on Loans         \$ 17 \$ 16 \$ 60 \$ 22 \$ 61 \$           Interest on Investments         7 11 8 10 7           Loan Servicing Fees         1 1 3 3 1 3           Multifamily and GARVEE bonds pledged revenues         5 28 71 33 71           Other         25 28 71 33 71           OPERATING EXPENSES         5 4 22           Interest         2 3 15 4 22           General Operating         2 2 4 3 5           Bond Financing Costs         5 5 28	Statement of Revenues, Expenses and							•					
Interest on Loans	Changes in Net Position												
Interest on Investments	OPERATING REVENUES												
Loan Servicing Fees       1       1       3       1       3         Multifamily and GARVEE bonds pledged revenues         Other       25       28       71       33       71         OPERATING EXPENSES         Interest       2       3       15       4       22         General Operating       2       2       2       4       3       5         Bond Financing Costs	Interest on Loans	\$	17	\$	16	\$	60	\$ 2	22	\$ 6	1	\$	71
Multifamily and GARVEE bonds pledged revenues         Other       25       28       71       33       71         OPERATING EXPENSES       2       3       15       4       22         Interest       2       3       15       4       22         General Operating       2       2       4       3       5         Bond Financing Costs	Interest on Investments		7		11		8		10		7		8
Multifamily and GARVEE bonds pledged revenues       25       28       71       33       71	Loan Servicing Fees		1		1		3		1		3		4
Other TOTAL OPERATING REVENUES  OPERATING EXPENSES  Interest  General Operating  Bond Financing Costs  25 28 71 33 71 33 71 22 3 15 4 22 5 4 22 5 8 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	· ·												
OPERATING EXPENSES           Interest         2         3         15         4         22           General Operating         2         2         4         3         5           Bond Financing Costs	Other												
Interest         2         3         15         4         22           General Operating         2         2         2         4         3         5           Bond Financing Costs	TOTAL OPERATING REVENUES		25		28		71	- 3	33	7	1		83
General Operating 2 2 4 3 5 Bond Financing Costs	OPERATING EXPENSES												
Bond Financing Costs	Interest		2		3		15		4	2	2		31
Bond Financing Costs	General Operating		2		2		4		3		5		5
Othor													
Other	Other												
TOTAL OPERATING EXPENSES 4 5 19 7 27	TOTAL OPERATING EXPENSES		4		5		19		7	2	7		36
	OPERATING INCOME		21		23			- 2	26	4	4		47
NONOPERATING REVENUES AND EXPENSES	NONOPERATING REVENUES AND EXPENSES												
Net Increase (Decrease) in Fair Value of Investments (2) (3) (5)	Net Increase (Decrease) in Fair Value of Investments		(2)		(3)		(5)		(3)	(	5)		(5)
Derivative instruments, interest rate swap			(-)		(-)		(-)		(-)	`	-,		(-)
TOTAL NONOPERATING REVENUES AND EXPENSES (2) (3) (5) (5)	·		(2)		(3)		(5)		(3)	(	5)		(5)
													42
													699
		\$		\$		\$						\$	741

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

	1997B Single- Family Mortgage Bond		S I M	1997C Single- Family ortgage Bond	N	1997D Single- Family Mortgage Bond		1997E Single- Family Mortgage Bond		1997F Single- Family Mortgage Bond		1997G Single- Family ortgage Bond
Statement of Net Position ASSETS AND DEFERRED OUTFLOW OF RESOURCES												
Cash and Cash Equivalents												
Investments, fair value	\$	56	\$	265	\$	81	\$	146	\$	236	\$	1,877
Loans Held for Investment, net	•	921	•	1,063	,	702	•	1,102	•	1,550	•	1,258
GARVEE highway project costs receivable, net				,				, -		,		,
Employment Security Reserve Fund receivable												
Other Assets		-		-		49		-		-		-
Deferred OutflowInterest Rate Swap Contracts												
TOTAL ASSETS AND DEFERRED OUTFLOW												
OF RESOURCES	\$	977	\$	1,328	\$	832	\$	1,248	\$	1,786	\$	3,135
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION												
Bonds		185		567		77		391		746		2,104
Swap Contract Fair Value Liability												
Interest Payable-Swap Contract												
Other Liabilities		17		21		20		21		21		13
Deferred InflowInterest Rate Swap Contracts												
Net Position		775		740		735		836		1,019		1,018
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	977	\$	1,328	\$	832	\$	1,248	\$	1,786	\$	3,135
Statement of Revenues, Expenses and												
Changes in Net Position												
OPERATING REVENUES												
Interest on Loans	\$	61	\$	75	\$	49	\$	72	\$	105	\$	79
Interest on Investments		-		12		12		19		17		125
Loan Servicing Fees		3		3		2		4		6		4
Multifamily and GARVEE bonds pledged revenues												
Other												
TOTAL OPERATING REVENUES		64		90		63		95		128		208
OPERATING EXPENSES		4.5		40		40		00		50		404
Interest		15		40		10		33		52		121
General Operating		4		4		2		5		5		6
Bond Financing Costs Other												
TOTAL OPERATING EXPENSES		19		44		12		38		57		127
OPERATING INCOME		45		44		51		<u> </u>		71		81
NONOPERATING REVENUES AND EXPENSES		40		40		31		31		11		01
Net Increase (Decrease) in Fair Value of Investments		(4)		(7)		(5)		(10)		(8)		(24)
Derivative instruments, interest rate swap		(4)		(1)		(3)		(10)		(0)		(24)
TOTAL NONOPERATING REVENUES AND EXPENSES		(4)		(7)		(5)		(10)		(8)		(24)
CHANGE IN NET POSITION		41		39		46		47		63		57
NET POSITION, Beginning of Period		734		701		689		789		956		961
NET POSITION, End of Period	\$	775	\$	740	\$	735	\$	836	\$	1,019	\$	1.018

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

		1997H		19971		1998A		1998B		1998C		1998D
		Single-		Single-		Single-		Single-		Single-		Single-
	F	amily		amily		Family		Family		Family	-	amily
	M	ortgage	M	ortgage	Λ	/lortgage	M	lortgage	Ν	1ortgage	M	ortgage
		Bond		Bond		Bond		Bond		Bond		Bond
Statement of Net Position												
ASSETS AND DEFERRED OUTFLOW OF RESOURCES												
Cash and Cash Equivalents									\$	1		
Investments, fair value	\$	79	\$	97	\$	144	\$	248		237	\$	344
Loans Held for Investment, net		1,338		1,062		1,293		1,277		1,780		1,212
GARVEE highway project costs receivable, net												
Employment Security Reserve Fund receivable												
Other Assets		-		-		43		-		-		20
Deferred OutflowInterest Rate Swap Contracts												
TOTAL ASSETS AND DEFERRED OUTFLOW												
OF RESOURCES	\$	1,417	\$	1,159	\$	1,480	\$	1,525	\$	2,018	\$	1,576
LIABILITIES, DEFERRED INFLOW OF RESOURCES		-,,		.,	_	.,		.,,	Ť	_,,,,,		.,,,,,
AND NET POSITION												
Bonds	\$	272	\$	26	\$	293	\$	272	\$	1,000	\$	709
Swap Contract Fair Value Liability	Ψ		Ψ	0	Ψ		Ψ		Ψ	.,000	Ψ	
Interest Payable-Swap Contract												
Other Liabilities		18		66		45		49		44		16
Deferred InflowInterest Rate Swap Contracts		10		00		40		40				10
Net Position		1,127		1,067		1,142		1,204		974		851
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES		1,121		1,007		1,172		1,204		314		001
AND NET POSITION	\$	1,417	\$	1,159	\$	1,480	\$	1,525	\$	2,018	\$	1,576
Statement of Revenues, Expenses and		,		,	_	,	_	,	•	,		,
Changes in Net Position												
OPERATING REVENUES												
Interest on Loans	\$	84	\$	67	\$	82	\$	80	\$	106	\$	81
Interest on Investments	Ψ	9	Ψ	-	Ψ	-	Ψ	-	Ψ	-	Ψ	14
Loan Servicing Fees		5		4		5		5		6		4
Multifamily and GARVEE bonds pledged revenues		3		7		3		3		U		7
Other												
TOTAL OPERATING REVENUES		98		71		87		85		112		99
OPERATING EXPENSES		30		7 1		07		00		112		33
Interest		23		54		47		42		73		47
General Operating		6		6		6		6		6		5
Bond Financing Costs		O		O		1		O		O		5
Other												
TOTAL OPERATING EXPENSES		29		60		54		48		79		FO
OPERATING INCOME		69		11		33		37		33		52 47
		69		11		33		31		აა		47
NONOPERATING REVENUES AND EXPENSES		<b>/7</b> \		(0)		(5)		(0)		(5)		(0)
Net Increase (Decrease) in Fair Value of Investments		(7)		(6)		(5)		(8)		(5)		(8)
Derivative instruments, interest rate swap		(=\		(0)		(=)		(0)		(=)		(0)
TOTAL NONOPERATING REVENUES AND EXPENSES		(7)		(6)		(5)		(8)		(5)		(8)
CHANGE IN NET POSITION		62		5		28		29		28		39
NET POSITION, Beginning of Period	•	1,065	Φ.	1,062	Φ.	1,114	Φ.	1,175	<b></b>	946	Φ.	812
NET POSITION, End of Period	\$	1,127	\$	1,067	\$	1,142	\$	1,204	\$	974	\$	851

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

Contract of New Parising	S F Me	998E Single- Family ortgage Bond	1998F Single- Family lortgage Bond	1998G Single- Family Nortgage Bond	1998H Single- Family fortgage Bond	1998I Single- Family Iortgage Bond	;	1999A Single- Family lortgage Bond
Statement of Net Position ASSETS AND DEFERRED OUTFLOW OF RESOURCES								
Cash and Cash Equivalents								
Investments, fair value	\$	262	\$ 324	\$ 244	\$ 336	\$ 225	\$	350
Loans Held for Investment, net		1,417	1,878	1,445	1,907	2,117		2,180
GARVEE highway project costs receivable, net								
Employment Security Reserve Fund receivable								
Other Assets		-	-		-	45		59
Deferred OutflowInterest Rate Swap Contracts								
TOTAL ASSETS AND DEFERRED OUTFLOW								
OF RESOURCES	\$	1,679	\$ 2,202	\$ 1,689	\$ 2,243	\$ 2,387	\$	2,589
LIABILITIES, DEFERRED INFLOW OF RESOURCES								
AND NET POSITION								
Bonds	\$	919	\$ 1,612	\$ 868	\$ 1,220	\$ 1,257	\$	1,826
Swap Contract Fair Value Liability								
Interest Payable-Swap Contract								
Other Liabilities		14	10	12	5	7		5
Deferred InflowInterest Rate Swap Contracts								
Net Position		746	580	809	1,018	1,123		758
TOTAL LIABILITIES , DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	1,679	\$ 2,202	\$ 1,689	\$ 2,243	\$ 2,387	\$	2,589
Statement of Revenues, Expenses and								
Changes in Net Position								
OPERATING REVENUES								
Interest on Loans	\$	92	\$ 115	\$ 91	\$ 114	\$ 123	\$	131
Interest on Investments		9	14	15	15	13		17
Loan Servicing Fees		5	7	5	7	8		8
Multifamily and GARVEE bonds pledged revenues								
Other								
TOTAL OPERATING REVENUES		106	136	111	136	144		156
OPERATING EXPENSES								
Interest		54	93	55	68	74		102
General Operating		5	6	6	8	7		6
Bond Financing Costs								
Other								
TOTAL OPERATING EXPENSES		59	99	61	76	81		108
OPERATING INCOME		47	37	50	60	63		48
NONOPERATING REVENUES AND EXPENSES								
Net Increase (Decrease) in Fair Value of Investments		(5)	(5)	(7)	(4)	(6)		(6)
Derivative instruments, interest rate swap								
TOTAL NONOPERATING REVENUES AND EXPENSES		(5)	(5)	(7)	(4)	(6)		(6)
CHANGE IN NET POSITION		42	32	43	56	57		42
NET POSITION, Beginning of Period		704	548	766	962	1,066		716
NET POSITION, End of Period	\$	746	\$ 580	\$ 809	\$ 1,018	\$ 1,123	\$	758

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

	S F Mo	999B Single- Family ortgage Bond	M	1999C Single- Family ortgage Bond	N	1999D Single- Family Mortgage Bond		1999E Single- Family Iortgage Bond		1999F Single- Family fortgage Bond	M	1999G Single- Family ortgage Bond
Statement of Net Position ASSETS AND DEFERRED OUTFLOW OF RESOURCES												
Cash and Cash Equivalents												
Investments, fair value	\$	322	\$	245	\$	504	\$	211	\$	294	\$	266
Loans Held for Investment, net		1,457		1,826		2,282		974		1,676		1,269
GARVEE highway project costs receivable, net												
Employment Security Reserve Fund receivable												
Other Assets		1		1		-		-		-		-
Deferred OutflowInterest Rate Swap Contracts												
TOTAL ASSETS AND DEFERRED OUTFLOW												
OF RESOURCES	\$	1,780	\$	2,072	\$	2,786	\$	1,185	\$	1,970	\$	1,535
LIABILITIES, DEFERRED INFLOW OF RESOURCES												
AND NET POSITION												
Bonds	\$	985	\$	1,293	\$	1,756	\$	824	\$	1,358	\$	1,288
Swap Contract Fair Value Liability												
Interest Payable-Swap Contract												
Other Liabilities		3		60		105		67		75		72
Deferred InflowInterest Rate Swap Contracts												
Net Position		792		719		925		294		537		175
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	1,780	\$	2,072	\$	2,786	\$	1,185	\$	1,970	\$	1,535
Statement of Revenues, Expenses and												
Changes in Net Position												
OPERATING REVENUES												
Interest on Loans	\$	91	\$	105	\$	145	\$	65	\$	105	\$	87
Interest on Investments		8		14		-		4		11		4
Loan Servicing Fees		5		6		9		3		6		5
Multifamily and GARVEE bonds pledged revenues												
Other												
TOTAL OPERATING REVENUES		104		125		154		72		122		96
OPERATING EXPENSES												
Interest		57		77		98		55		85		81
General Operating		5		6		6		4		6		6
Bond Financing Costs												
Other												
TOTAL OPERATING EXPENSES		62		83		104		59		91		87
OPERATING INCOME		42		42		50		13		31		9
NONOPERATING REVENUES AND EXPENSES												
Net Increase (Decrease) in Fair Value of Investments		(7)		(8)		(5)		(6)		(5)		(5)
Derivative instruments, interest rate swap												
TOTAL NONOPERATING REVENUES AND EXPENSES		(7)		(8)		(5)		(6)		(5)		(5)
CHANGE IN NET POSITION		35		34		45		7		26		4
NET POSITION, Beginning of Period	_	757	•	685	_	880	•	287	•	511	•	171
NET POSITION, End of Period	\$	792	\$	719	\$	925	\$	294	\$	537	\$	175

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

ASSETS AND DEFERRED OUTFLOW OF RESOURCES   Cash and Cash Equivalents   Last and Cash		S F Mo	999H Single- Family ortgage Bond		2000A Single- Family lortgage Bond	N	2000B Single- Family Mortgage Bond		2000C Single- Family lortgage Bond		2000D Single- Family lortgage Bond	M	2000E Single- Family ortgage Bond
Cash and Cash Equivalents	Statement of Net Position ASSETS AND DEFERRED OUTFLOW OF RESOURCES												
Loans Held for Investment, net   245 \$ 161 \$ 169 \$ 238 \$ 183 \$ 229     Loans Held for Investment, net   1,078   930   1,140   1,075   1,110   1,073     GARVEE highway project costs receivable, net     Employment Security Reserve Fund receivable     Other Assets   Deferred Outflow-Interest Rate Swap Contracts     TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES     AND NET POSITION     Bonds   Samp Contract Fair Value Liability     Interest Payable-Swap Contract     Other Labilities   Deferred Inflow-Interest Rate Swap Contracts     Other Labilities   Deferred Inflow-Interest Rate Swap Contracts     Other Labilities   Deferred Inflow-Interest Rate Swap Contracts     National Statement of Revenues, Expenses and Changes in Net Position     Other Labilities   Deferred Inflow-Interest Rate Swap Contracts     National Statement of Revenues, Expenses and Changes in Net Position     Other Labilities   Deferred Inflow-Interest Rate Swap Contracts     Interest on Loans   17		\$	4										
Clans Held for Investment, net	•	Ψ		\$	161	\$	169	\$	238	\$	183	\$	229
CARVEE highway project costs receivable, net Employment Security Reserve Fund receivable Other Assets   Selerred Outflow—Interest Rate Swap Contracts   TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES   S. 1,327 \$ 1,091 \$ 1,309 \$ 1,313 \$ 1,293 \$ 1,302				Ψ		Ψ		Ψ		Ψ		Ψ	
Employment Security Reserve Fund receivable Other Assets	•		1,010		000		1,110		1,010		1,110		1,070
Deferred Outflow-Interest Rate Swap Contracts													
Deferred Outflow-Interest Rate Swap Contracts	' '		_		_		_		_		_		_
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities and Swap Contracts Net Position OPERATING REVENUES and Changes in Net Position OPERATING REVENUES Interest on Loans Interest on Loans Interest on Investments Interest on Loans Interest on Loans Interest on Loans OPERATING REVENUES OTHER OPERATING REVENUES OTHER OPERATING REVENUES AND EXPENSES Not Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap TOTAL NONOPERATING REVENUES AND EXPENSES Net Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap TOTAL NONOPERATING REVENUES AND EXPENSES Net Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap TOTAL NONOPERATING REVENUES AND EXPENSES OPERATING INCOME OPERATING REVENUES AND EXPENSES OPERATING INCOME OPERAT													
OF RESOURCES LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities Deferred Inflow-Interest Rate Swap Contracts Net Position TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION  Revenues, Expenses and Changes in Net Position OPERATING REVENUES Interest on Loans Interest on Investments Other TOTAL OPERATING REVENUES Interest OPERATING EXPENSES OPERATING EXPENSES OPERATING EXPENSES OPERATING EXPENSES OPERATING EXPENSES OPERATING EXPENSES OPERATING REVENUES Interest OPERATING EXPENSES OPERATING INCOME NONOPERATING EXPENSES OPERATING INCOME NONOPERATING EXPENSES OPERATING INCOME NONOPERATING EXPENSES OPERATING INCOME NONOPERATING REVENUES AND EXPENSES Net Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap TOTAL NONOPERATING REVENUES AND EXPENSES OPERATING INCOMPERATING INCOMPERATING INCOMPERATING INCOMPERATING INCOMPERATING	·												
LIABILITIES, DEFERRED INFLOW OF RESOURCES   AND NET POSITION   Sonds   Samp Contract Fair Value Liability   Interest Payable-Swap Contract   Cother Liabilities   2 262 461 238 601 520		\$	1.327	\$	1.091	\$	1.309	\$	1.313	\$	1.293	\$	1,302
AND NET POSITION   Bonds   Sa86   960   \$ 1,026   \$ 1,293   \$ 1,094   \$ 1,138			.,,		.,	Ť	.,,	_	.,		.,		.,,,,,
Swap Contract Fair Value Liability   Interest Payable-Swap Contract   Other Liabilities   2   262   461   238   601   520   Deferred InflowInterest Rate Swap Contracts   Net Position   TOTAL LIABILITIES DEFERRED INFLOW OF RESOURCES   AND NET POSITION   \$ 1,327   \$ 1,091   \$ 1,309   \$ 1,313   \$ 1,293   \$ 1,302   \$ 1,302   \$ 1,302   \$ 1,303   \$ 1,203   \$ 1,302   \$ 1,302   \$ 1,302   \$ 1,303   \$ 1,203   \$ 1,302	· ·												
Interest Payable-Swap Contract   Other Liabilities   2	Bonds	\$	886	\$	960	\$	1,026	\$	1,293	\$	1,094	\$	1,138
Interest Payable-Swap Contract   Other Liabilities   2	Swap Contract Fair Value Liability	·		·		·	,		,		,		•
Other Liabilities         2         262         461         238         601         520           Deferred Inflow-Interest Rate Swap Contracts         Net Position         439         (131)         (178)         (218)         (402)         (356)           TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION         \$ 1,327         \$ 1,091         \$ 1,309         \$ 1,313         \$ 1,293         \$ 1,302           Statement of Revenues, Expenses and Changes in Net Position         \$ 1,327         \$ 1,091         \$ 1,309         \$ 1,313         \$ 1,293         \$ 1,302           Statement of Revenues, Expenses and Changes in Net Position         OPERATING REVENUES           OPERATING REVENUES         \$ 75         61         \$ 78         \$ 78         \$ 76         \$ 69           Interest on Investments         17         15         20         15         23         27           Loan Servicing Fees         5         3         5         4         5         5           Multifamily and GARVEE bonds pledged revenues         97         79         103         97         104         101           OPERATING EXPENSES         62         72         83         86         86         86           General Operating	•												
Net Position	·		2		262		461		238		601		520
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION  Statement of Revenues, Expenses and Changes in Net Position  OPERATING REVENUES Interest on Loans Interest on Loans Interest on Investments Interest on Inve	Deferred InflowInterest Rate Swap Contracts												
AND NET POSITION	Net Position		439		(131)		(178)		(218)		(402)		(356)
Statement of Revenues, Expenses and Changes in Net Position   OPERATING REVENUES     Interest on Loans   \$ 75 \$ 61 \$ 78 \$ 76 \$ 69     Interest on Investments   17   15   20   15   23   27     Loan Servicing Fees   5   3   5   4   5   5     Multifamily and GARVEE bonds pledged revenues     Other	TOTAL LIABILITIES , DEFERRED INFLOW OF RESOURCES								, ,				, ,
Changes in Net Position	AND NET POSITION	\$	1,327	\$	1,091	\$	1,309	\$	1,313	\$	1,293	\$	1,302
Interest on Loans   \$ 75 \$ 61 \$ 78 \$ 78 \$ 76 \$ 69     Interest on Investments   17   15   20   15   23   27     Loan Servicing Fees   5   3   5   4   5   5     Multifamily and GARVEE bonds pledged revenues Other   TOTAL OPERATING REVENUES   97   79   103   97   104   101     OPERATING EXPENSES   62   72   83   86   86   86   86     General Operating   5   4   5   4   4   6     Bond Financing Costs   1   1     TOTAL OPERATING EXPENSES   67   76   88   90   91   92     OPERATING INCOME   30   3   15   7   13   9     NONOPERATING REVENUES AND EXPENSES   (1)   -	Statement of Revenues, Expenses and												
Interest on Loans	Changes in Net Position												
Interest on Investments	OPERATING REVENUES												
Loan Servicing Fees   5   3   5   4   5   5   5   Multifamily and GARVEE bonds pledged revenues Other   TOTAL OPERATING REVENUES   97   79   103   97   104   101   10	Interest on Loans	\$	75	\$	61	\$	78	\$	78	\$	76	\$	69
Multifamily and GARVEE bonds pledged revenues         Other       97       79       103       97       104       101         OPERATING EXPENSES         Interest       62       72       83       86       86       86         General Operating       5       4       5       4       4       6         Bond Financing Costs       1       1       0       1         Other       7       76       88       90       91       92         OPERATING INCOME       30       3       15       7       13       9         NONOPERATING REVENUES AND EXPENSES       (1)       (5)       (6)       (3         Derivative instruments, interest rate swap       (1)       -       -       -       (5)       (6)       (3         CHANGE IN NET POSITION       29       3       15       2       7       6	Interest on Investments		17		15		20		15		23		27
Other         TOTAL OPERATING REVENUES         97         79         103         97         104         101           OPERATING EXPENSES         Interest         62         72         83         86         86         86           General Operating         5         4         5         4         4         6           Bond Financing Costs         1         1         0         1         0         1         0         1         0         1         0         91         92         92         92         91         92         93         15         7         13         9         9         91         92         92         93         15         7         13         9         9         91         92         92         93         15         7         13         9         9         91         92         92         93         15         7         13         9         9         91         92         93         9         91         92         93         9         91         92         93         93         93         93         93         93         93         93         93         93         93         93	Loan Servicing Fees		5		3		5		4		5		5
TOTAL OPERATING REVENUES  OPERATING EXPENSES  Interest General Operating Bond Financing Costs Other  TOTAL OPERATING EXPENSES  OPERATING INCOME NONOPERATING REVENUES AND EXPENSES Net Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap TOTAL NONOPERATING REVENUES AND EXPENSES CHANGE IN NET POSITION  97 79 103 97 104 101  62 72 83 86 86 86 86 86 86 86 86 86 87 76 88 90 91 92 87 13 9 88 90 91 92 88 90 91 92 89 3 15 7 13 9 89 90 91 92 90 91	Multifamily and GARVEE bonds pledged revenues												
Interest   62   72   83   86   86   86   86   86   86   86	Other												
Interest   62   72   83   86   86   86   86   86   General Operating   5   4   5   4   4   6   6   80   6   80   6   80   6   80   80			97		79		103		97		104		101
General Operating													
Bond Financing Costs													
Other           TOTAL OPERATING EXPENSES         67         76         88         90         91         92           OPERATING INCOME         30         3         15         7         13         9           NONOPERATING REVENUES AND EXPENSES         (1)         (5)         (6)         (3           Derivative instruments, interest rate swap         (1)         -         -         (5)         (6)         (3           CHANGE IN NET POSITION         29         3         15         2         7         6			5		4		5		4				6
TOTAL OPERATING EXPENSES       67       76       88       90       91       92         OPERATING INCOME       30       3       15       7       13       9         NONOPERATING REVENUES AND EXPENSES       (1)       (5)       (6)       (3)         Derivative instruments, interest rate swap       (1)       -       -       (5)       (6)       (3)         CHANGE IN NET POSITION       29       3       15       2       7       6	· · · · · · · · · · · · · · · · · · ·										1		
OPERATING INCOME         30         3         15         7         13         9           NONOPERATING REVENUES AND EXPENSES         (1)         (5)         (6)         (3)           Derivative instruments, interest rate swap         (1)         -         -         (5)         (6)         (3)           TOTAL NONOPERATING REVENUES AND EXPENSES         (1)         -         -         (5)         (6)         (3)           CHANGE IN NET POSITION         29         3         15         2         7         6													
NONOPERATING REVENUES AND EXPENSES       (1)       (5)       (6)       (3)         Net Increase (Decrease) in Fair Value of Investments       (1)       (5)       (6)       (3)         Derivative instruments, interest rate swap       (1)       -       -       (5)       (6)       (3)         CHANGE IN NET POSITION       29       3       15       2       7       6													
Net Increase (Decrease) in Fair Value of Investments       (1)       (5)       (6)       (3)         Derivative instruments, interest rate swap       TOTAL NONOPERATING REVENUES AND EXPENSES       (1)       -       -       (5)       (6)       (3)         CHANGE IN NET POSITION       29       3       15       2       7       6			30		3		15		/		13		9
Derivative instruments, interest rate swap           TOTAL NONOPERATING REVENUES AND EXPENSES         (1) (5) (6) (3)           CHANGE IN NET POSITION         29 3 15 2 7 6									(=)		(0)		(0)
TOTAL NONOPERATING REVENUES AND EXPENSES         (1)         -         -         (5)         (6)         (3)           CHANGE IN NET POSITION         29         3         15         2         7         6	,		(1)						(5)		(6)		(3)
CHANGE IN NET POSITION 29 3 15 2 7 6	·		(4)						(5)		(0)		(0)
													(3)
NET POSTTION, Beginning of Period 470 (134) (193) (220) (409) (362									_		-		
		Φ		¢		Φ		Ф		Œ		¢	(362)

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

Combined Bondholder	Trusts, continued	(in thousands)
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Statement of Net Position	S F Mo	000F ingle- amily ortgage Bond		2000G Single- Family lortgage Bond	ľ	2001A Single- Family Mortgage Bond	ľ	2001B Single- Family Mortgage Bond	N	2001C Single- Family Nortgage Bond	S I M	2001D Single- Family ortgage Bond
ASSETS AND DEFERRED OUTFLOW OF RESOURCES Cash and Cash Equivalents Investments, fair value Loans Held for Investment, net GARVEE highway project costs receivable, net Employment Security Reserve Fund receivable Other Assets Deferred OutflowInterest Rate Swap Contracts TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$	-	\$	-	\$	-	\$	-	\$	628	\$	15
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities Deferred InflowInterest Rate Swap Contracts	\$	908	\$	2,077	\$	51	\$	925				
Net Position TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION		(908)	\$	(2,077)	ď	(51)	ď	(925)	\$	628 628	\$	15 15
Statement of Revenues, Expenses and Changes in Net Position OPERATING REVENUES	\$		Φ		\$		\$	-	Ф	020	\$	15
Interest on Loans Interest on Investments Loan Servicing Fees Multifamily and GARVEE bonds pledged revenues Other	\$	69 64 4	\$	56 159 4	\$	74 125 5	\$	75 47 5	\$	103 103 7	\$	108 138 8
TOTAL OPERATING REVENUES OPERATING EXPENSES		137		219		204		127		213		254
Interest General Operating Bond Financing Costs Other		162 6 16		302 7		198 6		191 6		204 7		249 9
TOTAL OPERATING EXPENSES		184		309		204		197		211		258
OPERATING INCOME NONOPERATING REVENUES AND EXPENSES		(47)		(90)		-		(70)		2		(4)
Net Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap TOTAL NONOPERATING REVENUES AND EXPENSES		(6)		154 154		(1)		134		(30)		(359)
CHANGE IN NET POSITION NET POSITION, Beginning of Period		(53) (855)		64 (2,141)		(1) (50)		64 (989)		(28) 656		(363) 378
NET POSITION, End of Period	\$	(908)	\$	(2,077)	\$	(51)	\$	(925)	\$	628	\$	15

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

Combined Bondholder	Trusts, continued	(in thousands)
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Statement of Net Position	S F Mo	001E ingle- amily ortgage Bond		2001F Single- Family fortgage Bond	ľ	2002A Single- Family Mortgage Bond	ı	2002B Single- Family Mortgage Bond	ľ	2002C Single- Family Mortgage Bond	S I M	2002D Single- Family ortgage Bond
ASSETS AND DEFERRED OUTFLOW OF RESOURCES Cash and Cash Equivalents Investments, fair value Loans Held for Investment, net GARVEE highway project costs receivable, net Employment Security Reserve Fund receivable Other Assets Deferred OutflowInterest Rate Swap Contracts TOTAL ASSETS AND DEFERRED OUTFLOW		-	\$	420		-		-	\$	309	\$	35
OF RESOURCES	\$	-	\$	420	\$	-	\$	-	\$	309	\$	35
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities	\$	150			\$	66	\$	356				
Deferred InflowInterest Rate Swap Contracts	Ψ	100			Ψ	00	Ψ	000				
Net Position		(150)	\$	420		(66)		(356)	\$	309	\$	35
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	_	\$	420	\$		\$	_	\$	309	\$	35
Statement of Revenues, Expenses and Changes in Net Position OPERATING REVENUES	<u> </u>		Ť	.=-	•		Ť		Ť		Ť	
Interest on Loans	\$	126	\$	98	\$	93	\$	92	\$	99	\$	141
Interest on Investments		43		78		131 7		135 6		127		172
Loan Servicing Fees Multifamily and GARVEE bonds pledged revenues Other		9		6		7		0		7		10
TOTAL OPERATING REVENUES OPERATING EXPENSES		178		182		231		233		233		323
Interest		220		182		231		227		225		303
General Operating Bond Financing Costs		3		6		8		9		7		11
Other												
TOTAL OPERATING EXPENSES		223		188		239		236		232		314
OPERATING INCOME		(45)		(6)		(8)		(3)		1		9
NONOPERATING REVENUES AND EXPENSES  Net Increase (Decrease) in Fair Value of Investments		18		(27)		(32)		60		(33)		(111)
Derivative instruments, interest rate swap TOTAL NONOPERATING REVENUES AND EXPENSES		18		(27)		(32)		60		(33)		(111)
CHANGE IN NET POSITION		(27)		(33)		(40)		57		(32)		(102)
NET POSITION, Beginning of Period		(123)		453		(26)		(413)		341		137
NET POSITION, End of Period	\$	(150)	\$	420	\$	(66)	\$	(356)	\$	309	\$	35

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

Cash and Cash Equivalents	Statement of Net Position	Si Fa Moi	002E ngle- amily rtgage ond	2002F Single- Family lortgage Bond	2002G Single- Family fortgage Bond	2003A Single- Family lortgage Bond	M	2003B Single- Family lortgage Bond	S I M	2003C Single- Family ortgage Bond
Chipployment Security Reserve Fund receivable   Chipper Assets   Chipper	ASSETS AND DEFERRED OUTFLOW OF RESOURCES Cash and Cash Equivalents Investments, fair value Loans Held for Investment, net					\$ ,	\$		\$	1,793 4,449
LIABILITIES, DEFERRED INFLOW OF RESOURCES   AND NET POSITION   Bonds   \$ 9,537 \$ 8,473 \$ 6,048	Employment Security Reserve Fund receivable Other Assets Deferred OutflowInterest Rate Swap Contracts	\$	832	\$ 249	-	- 1,136				- 487
Bonds	LIABILITIES, DEFERRED INFLOW OF RESOURCES	\$	832	\$ 249	\$ -	\$ 10,449	\$	8,555	\$	6,729
Net Position	Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities				\$ 579	\$ 1,198 180	\$	772 154	\$	6,048 487 83 22
Statement of Revenues, Expenses and Changes in Net Position   OPERATING REVENUES     Interest on Loans	Net Position	\$	832	\$ 249	(579)	(483)		(854)		89
Changes in Net Position   OPERATING REVENUES     Interest on Loans		\$	832	\$ 249	\$ -	\$ 10,449	\$	8,555	\$	6,729
Interest on Investments	Changes in Net Position									
Loan Servicing Fees   13   9   6   16   16   16   16   Multifamily and GARVEE bonds pledged revenues Other   TOTAL OPERATING REVENUES   208   154   109   445   265   245   245   265   245   245   265   245   245   265   245   245   265   245		\$		\$	\$	\$	\$		\$	210
Multifamily and GARVEE bonds pledged revenues         Other       208       154       109       445       265       245         TOTAL OPERATING REVENUES         Interest       209       173       181       529       455       273         General Operating       11       9       7       29       26       24         Bond Financing Costs       20       182       188       558       481       297         Other       70       182       188       558       481       297         OPERATING INCOME       (12)       (28)       (79)       (113)       (216)       (52         NONOPERATING REVENUES AND EXPENSES       (29)       (95)       66       16       35       13         Derivative instruments, interest rate swap       (62)       (152)         TOTAL NONOPERATING REVENUES AND EXPENSES       (29)       (95)       66       (46)       (117)       13         CHANGE IN NET POSITION       (41)       (123)       (13)       (159)       (333)       (39)										19
OPERATING EXPENSES         209         173         181         529         455         273           General Operating Bond Financing Costs Other         11         9         7         29         26         24           Other TOTAL OPERATING EXPENSES OPERATING INCOME NONOPERATING REVENUES AND EXPENSES Net Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap TOTAL NONOPERATING REVENUES AND EXPENSES         (29)         (95)         66         16         35         13           CHANGE IN NET POSITION         (41)         (123)         (13)         (159)         (333)         (39	Multifamily and GARVEE bonds pledged revenues		13	9	6	16		16		16
Separating   11   9   7   29   26   24			208	154	109	445		265		245
Bond Financing Costs	Interest		209	173	181	529		455		273
OPERATING INCOME       (12)       (28)       (79)       (113)       (216)       (52)         NONOPERATING REVENUES AND EXPENSES       (29)       (95)       66       16       35       13         Derivative instruments, interest rate swap       (62)       (152)         TOTAL NONOPERATING REVENUES AND EXPENSES       (29)       (95)       66       (46)       (117)       13         CHANGE IN NET POSITION       (41)       (123)       (13)       (159)       (333)       (39)	Bond Financing Costs		11	9	7	29		26		24
OPERATING INCOME       (12)       (28)       (79)       (113)       (216)       (52)         NONOPERATING REVENUES AND EXPENSES       (29)       (95)       66       16       35       13         Derivative instruments, interest rate swap       (62)       (152)         TOTAL NONOPERATING REVENUES AND EXPENSES       (29)       (95)       66       (46)       (117)       13         CHANGE IN NET POSITION       (41)       (123)       (13)       (159)       (333)       (39)	TOTAL OPERATING EXPENSES		220	182	188	558		481		297
Net Increase (Decrease) in Fair Value of Investments       (29)       (95)       66       16       35       13         Derivative instruments, interest rate swap       (62)       (152)         TOTAL NONOPERATING REVENUES AND EXPENSES       (29)       (95)       66       (46)       (117)       13         CHANGE IN NET POSITION       (41)       (123)       (13)       (159)       (333)       (39)										(52)
Derivative instruments, interest rate swap         (62)         (152)           TOTAL NONOPERATING REVENUES AND EXPENSES         (29)         (95)         66         (46)         (117)         13           CHANGE IN NET POSITION         (41)         (123)         (13)         (159)         (333)         (39)	NONOPERATING REVENUES AND EXPENSES									
CHANGE IN NET POSITION (41) (123) (13) (159) (333) (39	Derivative instruments, interest rate swap			. ,				(152)		13
										13
			, ,	, ,	` ,	, ,		, ,		(39)
	NET POSITION, Beginning of Period	\$	873	\$ 372	\$ (566)	\$ (324)	Φ.	(521)	¢	128 89

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

Statement of Net Position	S F Me	2003D Single- Family ortgage Bond	M	2003E Single- Family ortgage Bond	2004A Single- Family fortgage Bond	M	2004B Single- Family lortgage Bond	;	2004C Single- Family lortgage Bond	M	2004D Single- Family lortgage Bond
ASSETS AND DEFERRED OUTFLOW OF RESOURCES Cash and Cash Equivalents Investments, fair value Loans Held for Investment, net	\$	4 664 4,409	\$	105 2,945 5,343	\$ 2,596 6,113	\$	3,481 6,038	\$	5,034 6,217	\$	1,176 9,151
GARVEE highway project costs receivable, net Employment Security Reserve Fund receivable Other Assets Deferred OutflowInterest Rate Swap Contracts TOTAL ASSETS AND DEFERRED OUTFLOW		113 669		193 948	- 833		- 1,018		- 1,120		160 1,025
OF RESOURCES LIABILITIES, DEFERRED INFLOW OF RESOURCES	\$	5,859	\$	9,534	\$ 9,542	\$	10,537	\$	12,371	\$	11,512
AND NET POSITION Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities	\$	5,512 946 173 31	\$	8,912 1,027 162 10	\$ 8,394 899 143 22	\$	8,143 1,123 168 1,249	\$	11,358 1,120 160 16	\$	10,198 1,118 174 4
Deferred InflowInterest Rate Swap Contracts Net Position TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES		(803)		(577)	84		(146)		(283)		18
AND NET POSITION	\$	5,859	\$	9,534	\$ 9,542	\$	10,537	\$	12,371	\$	11,512
Statement of Revenues, Expenses and Changes in Net Position OPERATING REVENUES											
Interest on Loans Interest on Investments	\$	256 75	\$	292 28	\$ 319 29	\$	343 22	\$	351 33	\$	453 33
Loan Servicing Fees Multifamily and GARVEE bonds pledged revenues Other		15		18	22		21		22		37
TOTAL OPERATING REVENUES OPERATING EXPENSES		346		338	370		386		406		523
Interest General Operating Bond Financing Costs		416 26		510 30	444 30		467 30		535 35		520 35
Other TOTAL OPERATING EXPENSES OPERATING INCOME	_	442 (96)		540 (202)	474 (104)		497 (111)		570 (164)		555 (32)
NONOPERATING REVENUES AND EXPENSES  Net Increase (Decrease) in Fair Value of Investments		(299)		32	(54)		57		8		(96)
Derivative instruments, interest rate swap TOTAL NONOPERATING REVENUES AND EXPENSES	_	(277) (576)		(79) (47)	(66) (120)		(105) (48)		8		(93) (189)
CHANGE IN NET POSITION NET POSITION, Beginning of Period NET POSITION, End of Period	\$	(672) (131) (803)	\$	(249) (328) (577)	\$ (224) 308 84	\$	(159) 13 (146)	\$	(156) (127) (283)	\$	(221) 239 18

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

Statement of Net Position	I M	2005A Single- Family ortgage Bond	M	2005B Single- Family ortgage Bond		2005C Single- Family fortgage Bond		2005D Single- Family lortgage Bond	;	2005E Single- Family lortgage Bond	M	2005F Single- Family ortgage Bond
ASSETS AND DEFERRED OUTFLOW OF RESOURCES Cash and Cash Equivalents												
Investments, fair value	\$	5.445	\$	4,607	\$	5,909	\$	5,258	\$	5,390	\$	5,990
Loans Held for Investment, net	•	7,387	,	7,845	•	6,109	•	7,330	•	7,693	•	6,053
GARVEE highway project costs receivable, net		.,		.,		-,		.,		.,		-,
Employment Security Reserve Fund receivable												
Other Assets		-		1		-		_		105		103
Deferred OutflowInterest Rate Swap Contracts		1,313		1,328		1,195		1,181		1,347		1,512
TOTAL ASSETS AND DEFERRED OUTFLOW		•		,		•				,		•
OF RESOURCES	\$	14,145	\$	13,781	\$	13,213	\$	13,769	\$	14,535	\$	13,658
LIABILITIES, DEFERRED INFLOW OF RESOURCES												
AND NET POSITION												
Bonds	\$	12,664	\$	2,209	\$	3,379	\$	12,512	\$	13,142	\$	3,060
Swap Contract Fair Value Liability		1,313		1,328		1,195		1,230		1,347		1,512
Interest Payable-Swap Contract		181		181		172		181		188		203
Other Liabilities		81		9,708		8,281		562		722		9,382
Deferred InflowInterest Rate Swap Contracts												
Net Position		(94)		355		186		(716)		(864)		(499)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	14,145	\$	13,781	\$	13,213	\$	13,769	\$	14,535	\$	13,658
Statement of Revenues, Expenses and												
Changes in Net Position												
OPERATING REVENUES												
Interest on Loans	\$	371	\$	413	\$	327	\$	400	\$	423	\$	348
Interest on Investments		35		58		51		31		35		58
Loan Servicing Fees		28		34		30		32		36		31
Multifamily and GARVEE bonds pledged revenues												
Other												
TOTAL OPERATING REVENUES		434		505		408		463		494		437
OPERATING EXPENSES												
Interest		543		546		577		577		621		631
General Operating		29		39		37		43		47		41
Bond Financing Costs												
Other												
TOTAL OPERATING EXPENSES		572		585		614		620		668		672
OPERATING INCOME		(138)		(80)		(206)		(157)		(174)		(235)
NONOPERATING REVENUES AND EXPENSES												
Net Increase (Decrease) in Fair Value of Investments		29		20		29		36		32		31
Derivative instruments, interest rate swap								(49)				
TOTAL NONOPERATING REVENUES AND EXPENSES		29		20		29		(13)		32		31
CHANGE IN NET POSITION		(109)		(60)		(177)		(170)		(142)		(204)
NET POSITION, Beginning of Period	<u></u>	15	o.	415	Φ.	363	o.	(546)	r	(722)	<b></b>	(295)
NET POSITION, End of Period	\$	(94)	\$	355	\$	186	\$	(716)	\$	(864)	\$	(499)

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

Statement of Net Position	I M	2006A Single- Family ortgage Bond	2006B Single- Family lortgage Bond	2006C Single- Family lortgage Bond	2006D Single- Family lortgage Bond	;	2006E Single- Family lortgage Bond	;	2006F Single- Family lortgage Bond
ASSETS AND DEFERRED OUTFLOW OF RESOURCES Cash and Cash Equivalents Investments, fair value Loans Held for Investment, net GARVEE highway project costs receivable, net Employment Security Reserve Fund receivable	\$	4,027 8,226	\$ 104 5,856 8,129	\$ 1,925 7,410	\$ 3,191 8,974	\$	2,295 10,288	\$	1,763 10,419
Other Assets Deferred OutflowInterest Rate Swap Contracts TOTAL ASSETS AND DEFERRED OUTFLOW		150 1,492	1,068	554 1,034	46 1,244		470 1,509		756 1,419
OF RESOURCES LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	13,895	\$ 15,157	\$ 10,923	\$ 13,455	\$	14,562	\$	14,357
Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities	\$	3,913 1,492 196 8,982	\$ 6,229 1,068 150 7,388	\$ 2,497 1,034 145 7,360	\$ 1,621 1,244 173 10,539	\$	3,588 1,509 140 9,880	\$	4,906 1,419 250 8,902
Deferred InflowInterest Rate Swap Contracts Net Position TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES		(688)	322	(113)	(122)		(555)		(1,120)
AND NET POSITION Statement of Revenues, Expenses and	\$	13,895	\$ 15,157	\$ 10,923	\$ 13,455	\$	14,562	\$	14,357
Changes in Net Position OPERATING REVENUES Interest on Loans Interest on Investments Loan Servicing Fees	\$	462 55 40	\$ 457 245 44	\$ 432 15 38	\$ 531 41 41	\$	599 5 54	\$	569 21 67
Multifamily and GARVEE bonds pledged revenues Other				10.5					
TOTAL OPERATING REVENUES OPERATING EXPENSES		557	746	485	613		658		657
Interest General Operating Bond Financing Costs Other		651 46	685 51	474 28	514 42		568 35		715 32
TOTAL OPERATING EXPENSES		697	736	502	556		603		747
OPERATING INCOME		(140)	10	(17)	57		55		(90)
NONOPERATING REVENUES AND EXPENSES  Net Increase (Decrease) in Fair Value of Investments  Derivative instruments, interest rate swap		31	60	34	32		35		39
TOTAL NONOPERATING REVENUES AND EXPENSES		31	60	34	32		35		39
CHANGE IN NET POSITION NET POSITION, Beginning of Period		(109) (579)	70 252	17 (130)	89 (211)		90 (645)		(51) (1,069)
NET POSITION, End of Period	\$	(688)	\$ 322	\$ (113)	\$ (122)	\$	(555)	\$	(1,120)

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

	M	2006G Single- Family lortgage	M	2007A Single- Family lortgage		2007B Single- Family lortgage		2007C Single- Family lortgage		2007D Single- Family lortgage	;	2007E Single- Family ortgage
Ctatement of Net Decition		Bond		Bond								
Statement of Net Position												
ASSETS AND DEFERRED OUTFLOW OF RESOURCES												
Cash and Cash Equivalents	•	4 000	•	0.040	•	4 000	•	0.447	•	0.000	•	4 000
Investments, fair value	\$	,	\$	2,943	\$	1,980	\$	2,447	\$	3,888	\$	4,020
Loans Held for Investment, net		12,234		12,252		13,148		13,725		17,979		19,623
GARVEE highway project costs receivable, net												
Employment Security Reserve Fund receivable												
Other Assets		659		550		569		721		1,289		1,378
Deferred OutflowInterest Rate Swap Contracts		1,335		1,521		1,636		1,791		1,735		2,113
TOTAL ASSETS AND DEFERRED OUTFLOW												
OF RESOURCES	\$	15,456	\$	17,266	\$	17,333	\$	18,684	\$	24,891	\$	27,134
LIABILITIES, DEFERRED INFLOW OF RESOURCES												
AND NET POSITION												
Bonds	\$	1,581	\$	935	\$	5,081	\$	7,055	\$	2,737	\$	5,134
Swap Contract Fair Value Liability		1,335		1,521		1,636		1,791		1,735		2,129
Interest Payable-Swap Contract		244		236		253		281		318		674
Other Liabilities		12,610		14,905		11,171		10,851		20,354		21,016
Deferred InflowInterest Rate Swap Contracts										142		162
Net Position		(314)		(331)		(808)		(1,294)		(395)		(1,981)
TOTAL LIABILITIES , DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	15,456	\$	17,266	\$	17,333	\$	18,684	\$	24,891	\$	27,134
Statement of Revenues, Expenses and												
Changes in Net Position												
OPERATING REVENUES												
Interest on Loans	\$	660	\$	674	\$	710	\$	779	\$	1,055	\$	1,178
Interest on Investments		_		-		28		_		· -		21
Loan Servicing Fees		74		88		74		92		122		134
Multifamily and GARVEE bonds pledged revenues												
Other												
TOTAL OPERATING REVENUES		734		762		812		871		1,177		1,333
OPERATING EXPENSES						-		-		,		,
Interest		559		559		712		925		726		1,197
General Operating		57		60		63		66		97		82
Bond Financing Costs		0.				00				٠.		
Other												
TOTAL OPERATING EXPENSES		616		619		775		991		823		1,279
OPERATING INCOME		118		143		37		(120)		354		54
NONOPERATING REVENUES AND EXPENSES				1 10		01		(120)		001		0.
Net Increase (Decrease) in Fair Value of Investments		38		7		164		44		38		60
Derivative instruments, interest rate swap		50		,		104		77		50		00
TOTAL NONOPERATING REVENUES AND EXPENSES		38		7		164		44		38		60
CHANGE IN NET POSITION		156		150		201		(76)		392		114
NET POSITION, Beginning of Period		(470)		(481)		(1,009)		(1,218)		(787)		(2,095)
NET POSITION, End of Period	\$	(314)	\$	(331)	\$	(808)	\$	(1,210)	\$	(395)	\$	(1,981)

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

Statement of Net Position	: M	2007F Single- Family lortgage Bond	M	2007G Single- Family lortgage Bond		2007H Single- Family fortgage Bond	2007I Single- Family lortgage Bond		2007J Single- Family fortgage Bond		2007K Single- Family lortgage Bond
ASSETS AND DEFERRED OUTFLOW OF RESOURCES Cash and Cash Equivalents Investments, fair value Loans Held for Investment, net GARVEE highway project costs receivable, net Employment Security Reserve Fund receivable	\$	3,730 26,426	\$	5,227	\$	5,317 25,330	\$ 3,644 22,854	\$	5,222 26,170	\$	5,196 24,316
Other Assets Deferred OutflowInterest Rate Swap Contracts TOTAL ASSETS AND DEFERRED OUTFLOW		1,222 2,937		8 4,845		2,408 5,779	787 3,698		1,370 4,552		809 3,837
OF RESOURCES LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	34,315	\$	10,080	\$	38,834	\$ 30,983	\$	37,314	\$	34,158
Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities Deferred InflowInterest Rate Swap Contracts Net Position	\$	8,762 3,005 540 20,935 193 880	\$	8 4,642 780 4,127 371 152	\$	3,110 5,369 521 29,948 540 (654)	\$ 3,369 3,514 390 23,594 313 (197)	\$	2,928 4,319 670 28,668 393 336	\$	934 3,573 591 28,654 387 19
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	34,315	\$	10,080	\$	38,834	\$ 30,983	\$	37,314	\$	34,158
Statement of Revenues, Expenses and Changes in Net Position OPERATING REVENUES											
Interest on Loans Interest on Investments Loan Servicing Fees Multifamily and GARVEE bonds pledged revenues Other	\$	1,592 81 181	\$	948 111 128	\$	1,579 121 155	\$ 1,354 75 141	\$	1,532 309 149	\$	1,410 88 149
TOTAL OPERATING REVENUES OPERATING EXPENSES		1,854		1,187		1,855	1,570		1,990		1,647
Interest General Operating Bond Financing Costs Other		1,451 180		1,297 148		1,422 157	1,066 164		1,329 134		961 133
TOTAL OPERATING EXPENSES		1,631		1,445		1,579	1,230		1,463		1,094
OPERATING INCOME NONOPERATING REVENUES AND EXPENSES		223		(258)		276	340		527		553
Net Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap		48		77	_	81	78	_	44	_	81
TOTAL NONOPERATING REVENUES AND EXPENSES		48		77		81	78		44		81
CHANGE IN NET POSITION NET POSITION, Beginning of Period NET POSITION, End of Period	\$	271 609 880	\$	(181) 333 152	\$	357 (1,011) (654)	\$ 418 (615) (197)	\$	571 (235) 336	\$	634 (615) 19

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

Statement of Net Position	M	2008A Single- Family lortgage Bond	2008B Single- Family lortgage Bond	2008C Single- Family fortgage Bond	2008D Single- Family fortgage Bond	2009A Single- Family fortgage Bond	;	2009B Single- Family ortgage Bond
ASSETS AND DEFERRED OUTFLOW OF RESOURCES Cash and Cash Equivalents Investments, fair value Loans Held for Investment, net GARVEE highway project costs receivable, net Employment Security Reserve Fund receivable	\$	2,899 18,473	\$ 3,125 22,272	\$ 2,244 17,807	\$ 2,619 14,978	\$ 2,280 265	\$	1,347
Other Assets Deferred OutflowInterest Rate Swap Contracts TOTAL ASSETS AND DEFERRED OUTFLOW		205 3,843	426 3,145	768 2,165	290 719	64,472		-
OF RESOURCES LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	25,420	\$ 28,968	\$ 22,984	\$ 18,606	\$ 67,017	\$	1,347
Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract Other Liabilities	\$	4,773 3,843 302 16,230	\$ 5,727 3,145 614 20,189	\$ 2,916 2,165 561 18,416	\$ 10,129 719 397 10,366	\$ 71,135 278	\$	6,752 846
Deferred InflowInterest Rate Swap Contracts Net Position TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES		272	(707)	(1,074)	(3,005)	(4,396)		(6,251)
AND NET POSITION  Statement of Revenues, Expenses and Changes in Net Position	\$	25,420	\$ 28,968	\$ 22,984	\$ 18,606	\$ 67,017	\$	1,347
OPERATING REVENUES Interest on Loans Interest on Investments Loan Servicing Fees Multifamily and GARVEE bonds pledged revenues Other	\$	1,046 62 77	\$ 1,253 96 112	\$ 1,134 92 68	\$ 899 47 56	-		-
TOTAL OPERATING REVENUES OPERATING EXPENSES		1,185	1,461	1,294	1,002	-		-
Interest General Operating Bond Financing Costs Other		1,325 97 -	1,514 122	1,168 59	1,096 53	457 233 184		508
TOTAL OPERATING EXPENSES		1,422	1,636	1,227	1,149	874		508
OPERATING INCOME NONOPERATING REVENUES AND EXPENSES Not Ingresses (Decrease) in Fair Value of Investments		(237)	(175)	67	(147)	(874)		(508)
Net Increase (Decrease) in Fair Value of Investments Derivative instruments, interest rate swap TOTAL NONOPERATING REVENUES AND EXPENSES		131	92 92	57 57	220			
CHANGE IN NET POSITION		(106)	(83)	124	73	(874)		(508)
NET POSITION, Beginning of Period NET POSITION, End of Period	\$	378 272	\$ (624) (707)	\$ (1,198) (1,074)	\$ (3,078) (3,005)	\$ (3,522)	\$	(5,743) (6,251)

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

		2009C		009 1		2010A		2012A		2013A		2014A
		Single-		ingle-		Single-		Single-		Single-		Single-
		Family		amily		Family		Family	_	Family		Family
		ortgage		ortgage	N	lortgage	N	Nortgage	N	Nortgage	N	lortgage
Statement of Net Position		Bond		Bond		Bond		Bond		Bond		Bond
ASSETS AND DEFERRED OUTFLOW OF RESOURCES												
Cash and Cash Equivalents												
Investments, fair value	\$	11,243			\$	7,509	\$	3,659	\$	5,431	\$	20,287
Loans Held for Investment, net	Ψ	21,725			Ψ	21,590	Ψ	23,117	Ψ	0, 10 1	Ψ	74,489
GARVEE highway project costs receivable, net		21,720				21,000		20,117				7 4,400
Employment Security Reserve Fund receivable												
Other Assets		339		_		_		165,459		131,635		125
Deferred OutflowInterest Rate Swap Contracts		333		_		_		100,400		131,000		11,766
TOTAL ASSETS AND DEFERRED OUTFLOW												11,700
OF RESOURCES	\$	33,307	\$		\$	29,099	\$	192,235	\$	137,066	\$	106,667
LIABILITIES, DEFERRED INFLOW OF RESOURCES	Ψ	33,307	Ψ		Ψ	29,099	Ψ	192,200	Ψ	137,000	Ψ	100,007
AND NET POSITION												
Bonds	\$	33,550			\$	29.217	\$	194,739	\$	138,141	\$	89.946
Swap Contract Fair Value Liability	Ψ	33,330			Ψ	23,211	Ψ	134,133	Ψ	150,141	Ψ	11,767
Interest Payable-Swap Contract												2,100
Other Liabilities		1	\$	371		205		2		1		394
Deferred InflowInterest Rate Swap Contracts			Ψ	371		203		2				334
Net Position		(244)		(371)		(323)		(2,506)		(1,076)		2,460
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES		(244)		(371)		(323)		(2,300)		(1,070)		2,400
AND NET POSITION	\$	33,307	\$		\$	29,099	\$	192,235	\$	137,066	\$	106,667
Statement of Revenues, Expenses and		,	•			,		•		•		•
Changes in Net Position												
OPERATING REVENUES												
Interest on Loans	\$	1,114			\$	807	\$	491			\$	2,043
Interest on Investments		88				63						127
Loan Servicing Fees		78				88		23				91
Multifamily and GARVEE bonds pledged revenues												
Other			\$	1								
TOTAL OPERATING REVENUES		1,280		1		958		514		-		2,261
OPERATING EXPENSES		,										, -
Interest		1,317				939		1,924	\$	901		2,264
General Operating		83		_		72		11	•	7		122
Bond Financing Costs										168		656
Other												-
TOTAL OPERATING EXPENSES		1,400				1,011		1,935		1.076		3,042
OPERATING INCOME		(120)		1		(53)		(1,421)		(1,076)		(781)
NONOPERATING REVENUES AND EXPENSES		(/		•		()		( · , · = · ,		(1,010)		( ,
Net Increase (Decrease) in Fair Value of Investments		78				74						3,241
Derivative instruments, interest rate swap		10										
TOTAL NONOPERATING REVENUES AND EXPENSES		78		_		74						3,241
CHANGE IN NET POSITION		(42)		1		21		(1,421)		(1,076)		2,460
NET POSITION, Beginning of Period		(202)		(372)		(344)		(1,085)		(1,070)		∠,⊣00
	\$	(244)		(371)		(0 1 1)		(1,000)				2,460

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

Combined Bondholder	Trusts, continued	(in thousands)

Combined Bondholder Trusts, continued (in thousands)		almoral	Balmoral II	lls Creek					
	I F	iable Rate nsured lousing evenue	riable Rate Demand Housing Revenue	ariable Rate Demand Housing Revenue	2006 Grand and Revenue Inticipation	I	2008A Grant and Revenue nticipation	F	2009A Frant and Revenue
		Bond	Bond	Bond	Bond		Bond		Bond
Statement of Net Position									
ASSETS AND DEFERRED OUTFLOW OF RESOURCES Cash and Cash Equivalents Investments, fair value Loans Held for Investment, net GARVEE highway project costs receivable, net Employment Security Reserve Fund receivable	\$	5,115	\$ 3,722	\$ 102 7,791	\$ 672 124,015	\$	851 153,318	\$	676 143,990
Other Assets Deferred OutflowInterest Rate Swap Contracts TOTAL ASSETS AND DEFERRED OUTFLOW			269	381	1		-		-
OF RESOURCES LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	5,115	\$ 3,991	\$ 8,274	\$ 124,688	\$	154,169	\$	144,666
Bonds Swap Contract Fair Value Liability Interest Payable-Swap Contract	\$	4,950	\$ 3,990	\$ 8,274	\$ 124,688	\$	154,168	\$	144,666
Other Liabilities Deferred InflowInterest Rate Swap Contracts Net Position		165	1	-	-		1		-
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$	5,115	\$ 3,991	\$ 8,274	\$ 124,688	\$	154,169	\$	144,666
Statement of Revenues, Expenses and									
Changes in Net Position OPERATING REVENUES									
Interest on Loans Interest on Investments Loan Servicing Fees	\$	179	\$ 124	\$ 568					
Multifamily and GARVEE bonds pledged revenues Other		(165) -	(114) -	(67)	\$ 5,545 -	\$	7,068 -	\$	6,334 -
TOTAL OPERATING REVENUES OPERATING EXPENSES		14	10	501	5,545		7,068		6,334
Interest General Operating Bond Financing Costs Other		5 9	4 5	488 13	5,519 26 -		7,039 29		6,302 32
TOTAL OPERATING EXPENSES OPERATING INCOME		14	9	501	5,545		7,068	_	6,334
NONOPERATING REVENUES AND EXPENSES  Net Increase (Decrease) in Fair Value of Investments  Derivative instruments, interest rate swap			'						
TOTAL NONOPERATING REVENUES AND EXPENSES CHANGE IN NET POSITION	-	-	1	-	-		-		-
NET POSITION, Beginning of Period NET POSITION, End of Period	\$	-	\$ - 1	\$ -	\$ 	\$	-	\$	-

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.

## **Supplemental Financial Information**

**Combined Bondholder Trusts (in thousands)** 

	G R	2010A rant and evenue ticipation Bond		2011 nemployment ompensation Revenue Bond	ı	2011 Grant and Revenue nticipation Bond	F	2012A Grant and Revenue nticipation Bond	G F	2014A rant and Revenue nticipation Bond	В	Combined Sondholder Trusts (2)
Statement of Net Position ASSETS AND DEFERRED OUTFLOW OF RESOURCES												
Cash and Cash Equivalents											\$	2.500
Investments, fair value	\$	993			\$	1.961	\$	10,409	\$	65,894	Ψ	274,308
Loans Held for Investment, net	Ψ	000			Ψ	1,001	Ψ	10, 100	Ψ	00,001		636,014
GARVEE highway project costs receivable, net		80,995				72,267		26,910		16,809		618,304
Employment Security Reserve Fund receivable		00,000	\$	102,896		, 2,20,		20,010		10,000		102,896
Other Assets		_	Ψ			_		_		_		387,795
Deferred OutflowInterest Rate Swap Contracts												80,915
TOTAL ASSETS AND DEFERRED OUTFLOW												00,010
OF RESOURCES	\$	81,988	\$	102,896	\$	74,228	\$	37,319	\$	82,703	\$	2,102,732
LIABILITIES, DEFERRED INFLOW OF RESOURCES		,,	Ť	, , , , , , , ,	Ť		Ť		_	,,,,,,,	Ť	
AND NET POSITION												
Bonds	\$	81,988	\$	102,896	\$	74,227	\$	37,319	\$	82,702	\$	1,624,103
Swap Contract Fair Value Liability	•	- /	,	,	•	,	•	- ,	•	- , -	•	80.589
Interest Payable-Swap Contract												13,029
Other Liabilities		-		-		-		_		1		385,499
Deferred InflowInterest Rate Swap Contracts												2,501
Net Position		-		_		1		-		_		(2,989)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES												( , ,
AND NET POSITION	\$	81,988	\$	102,896	\$	74,228	\$	37,319	\$	82,703	\$	2,102,732
Statement of Revenues, Expenses and												
Changes in Net Position												
OPERATING REVENUES												
Interest on Loans											\$	35,678
Interest on Investments					\$	128	\$	140	\$	98		4,788
Loan Servicing Fees												3,016
Multifamily and GARVEE bonds pledged revenues	\$	4,707	\$	1,490		3,129		989		1,319		30,235
Other		-		-		-		-		-		1_
TOTAL OPERATING REVENUES		4,707		1,490		3,257		1,129		1,417		73,718
OPERATING EXPENSES												
Interest		4,685		1,468		3,236		1,118		803		72,823
General Operating		22		22		20		11				3,430
Bond Financing Costs		-		-		-		-		614		1,640
Other												
TOTAL OPERATING EXPENSES		4,707		1,490		3,256		1,129		1,417		77,893
OPERATING INCOME		-		-		1		-		-		(4,175)
NONOPERATING REVENUES AND EXPENSES												
Net Increase (Decrease) in Fair Value of Investments												4,266
Derivative instruments, interest rate swap												(883)
TOTAL NONOPERATING REVENUES AND EXPENSES		-		-		-		-		-		3,383
CHANGE IN NET POSITION		-		-		1		-		-		(792)
NET POSITION, Beginning of Period	_	-	-		^	-	•	-	•	-	•	(2,197)
NET POSITION, End of Period  (2) The combined totals for Bondholder Trusts are presented on	\$	-	\$	-	\$	1	\$	-	\$	-	\$	(2,989)

<sup>(2)</sup> The combined totals for Bondholder Trusts are presented on page 62.