

MOSSES ADAMS

**WASHINGTON STATE HOUSING
FINANCE COMMISSION**

**Independent Auditor's Report
and Financial Statements
with Supplemental Information**

June 30, 2008 and 2007

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Washington State Housing Finance Commission

We have audited the accompanying statements of net assets of the Washington State Housing Finance Commission as of June 30, 2008 and 2007 and the related statements of revenues, expenses and changes in net assets and of cash flows for the years then ended. These financial statements are the responsibility of the Washington State Housing Finance Commission management. Our responsibility is to express an opinion 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Washington State Housing Finance Commission as of June 30, 2008 and 2007, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying Management's Discussion and Analysis on pages 2 through 9 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Washington State Housing Finance Commission management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information, which is the responsibility of the Washington State Housing Finance Commission management, has been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Moss Adams LLP

Seattle, Washington
December 17, 2008

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2008 AND 2007**

As management of the Washington State Housing Finance Commission (the "Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the year ended June 30, 2008. This overview and analysis is required by accounting principles generally accepted in the United States of America Generally Accepted Accounting Principles ("GAAP") in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* ("GASB 34").

FINANCIAL HIGHLIGHTS

During the fiscal year ended, or as of June 30, 2008 ("FY 2008"):

- Net assets increased \$26.5 million to \$95.3 million primarily due to the increase in the Program Investment Fund (\$8.6 million) and the current year revenue over expense in the Restricted Bond Fund (\$17.9 million). The increase in bond program net assets was mostly due to the recognition of the increase in fair market value of mortgage-backed securities (\$15.3 million).
- The increase in net assets in the Program Investment Fund of \$8.6 million resulted from operating income of \$.3 million and an \$8.3 million transfer of net assets from the General Operating Fund.
- Funding mortgages for previous year and current year bond issues with projects in process resulted in a decrease in bond program investments of \$282.7 million.
- Mortgage-backed securities ("MBS"), net, increased by \$170.5 million, primarily due to the increase in purchases of MBS pools made available by the new bond issues within the single family program. The increase is offset by the cumulative unrealized loss (\$13.8 million) in FY 2008 occurring in adjusting mortgage-backed securities to market value at year end. Gains and losses in adjusting mortgage-backed securities to market value are unrealized, but must be recognized in the current year according to Generally Accepted Accounting Principles ("GAAP").
- Mortgage loans, net of discounts, premium, deferred commitment fees, and unamortized bond insurance premium increased \$440.4 million due to draws of funds from recently issued bonds.
- Total bonds and notes payable of \$4.0 billion were outstanding, net of premiums and discounts. This is a net increase of \$268.8 million (7.3%) from the net effect of the issuance of bonds (\$457.7 million) and a decrease from principal payments on bonds (\$188.9 million).

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED JUNE 30, 2008 AND 2007

FINANCIAL HIGHLIGHTS (Continued)

- Total revenues increased \$47.7 million, due to an increase in the fair market value of mortgage-backed securities of \$19.7 million as compared to a decrease of \$4.4 million in 2007, and a net increase in interest and other income (\$28.0 million) resulting from increases in the amount of the mortgage-backed securities held and mortgage loans outstanding. Total expenses increased \$23.9 million due primarily to increases in bond interest expense related to the increase in bonds and notes outstanding and higher rates on variable rate debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: Management's Discussion and Analysis, the basic financial statements, and the supplementary schedules. The financial statements are presented in a manner similar to that of a private business, using the economic resources measurement focus and the accrual basis of accounting.

The financial statements report information for all Commission programs and operations. The statement of net assets includes all of the Commission's assets and liabilities. All of the revenues and expenses of the Commission are accounted for in the statement of revenues, expenses, and changes in net assets. Program financial statements are presented as supplementary schedules. These schedules separate the financial statements into Restricted Bond Fund, Program Investment Fund, and General Operating Fund.

Economic Outlook

Subsequent to fiscal year end, access to liquidity and credit in the capital markets has become significantly constrained and, when available, is substantially more costly than historical averages. This is presenting a significant challenge to structuring cost-effective financing in new borrowings. Therefore, we expect net issuances for fiscal year end 2009 to be lower than in recent years.

The demand for first time homebuyer mortgages continues to be strong. In the absence of readily available cost effective financings, the Commission is maximizing its use of funds in the Single Family Bond Program open indenture for recycling of funds.

In addition, disruption in the capital markets has affected the ratings of some providers of certain kinds of investments, including Guaranteed Investment Contracts. In some cases, an action may need to be taken to assure the safety of the principal balance in such contracts. For example, the provider might be required to post collateral or to liquidate the agreement in which case there could be a change in the investment rate of return being received.

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED JUNE 30, 2008 AND 2007

FINANCIAL ANALYSIS OF THE COMMISSION

Statements of Net Assets

The following table summarizes the changes in assets, liabilities, and net assets between June 30, 2008 and 2007 (in millions):

	2008	2007	Change	
Assets				
Cash and cash equivalents	\$ 187.6	\$ 216.5	\$ (28.9)	(13.3%)
Investments	383.9	663.9	(280.0)	(42.2)
Accrued interest receivable	20.0	24.3	(4.3)	(17.7)
Fees receivable, net	0.2	0.6	(0.4)	(66.7)
Other receivables	0.1	0.2	(0.1)	(50.0)
Mortgage-backed securities, net	983.9	813.4	170.5	21.0
Mortgage loans, net	2,537.2	2,096.8	440.4	21.0
Unamortized bond issuance costs	88.0	88.2	(0.2)	(0.2)
Prepaid fees and other	2.3	2.4	(0.1)	(4.2)
Total assets	\$ 4,203.2	\$ 3,906.3	\$ 296.9	7.6%
Liabilities				
Accounts payable and other liabilities	\$ 104.5	\$ 105.1	\$ (0.6)	(0.6%)
Accrued interest payable	20.1	22.4	(2.3)	(10.3)
Accrued arbitrage rebate	0.9	0.8	0.1	12.5
Deferred revenue	2.3	1.5	0.8	53.3
Project equity held for borrower	13.1	9.5	3.6	37.9
Notes payable and bond fund financing	0.6	26.4	(25.8)	(97.7)
Bonds payable, net	3,966.4	3,671.8	294.6	8.0
Total liabilities	\$ 4,107.9	\$ 3,837.5	\$ 270.4	7.0%
Net assets				
Restricted				
Bond operations	\$ 24.2	\$ 6.3	\$ 17.9	284.1%
Grants and donations to PIF	0.5	0.5	-	-
Invested in capital assets	0.2	0.3	(0.1)	(33.3)
Unrestricted				
General operations	17.8	17.7	0.1	0.6
Program Investment Fund	52.6	44.0	8.6	19.5
Total net assets	\$ 95.3	\$ 68.8	\$ 26.5	38.5%

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED JUNE 30, 2008 AND 2007

FINANCIAL ANALYSIS OF THE COMMISSION (Continued)

The net assets of the Commission increased by \$26.5 million from the June 30, 2007 amount. Of this increase, \$15.3 million resulted from the increase in fair market value on mortgage backed securities in the program bond funds and the increase in bond fund revenues over related expenses (\$2.6 million). The remaining \$8.6 million increase was due to Program Investment Fund operating income of \$0.3 million and the \$8.3 million operating income from the General Operating Fund.

Net assets of the bond programs are classified as restricted because the uses of the funds are directed by trust indentures. The Commission has designated a General Operating Fund reserve dedicated to maintaining its future commitments and ensuring its ability to meet unforeseen fiscal or legal challenges. Additionally, it has created the Program Investment Fund to make strategic investments in higher-risk programs to support the financing and production of low-income housing, special needs housing, and facilities that provide community services primarily to low-income persons. The total amount designated for this purpose is \$52.6 million.

Statements of Revenues, Expenses, and Changes in Net Assets

The following table summarizes the changes in revenues and expenses between 2008 and 2007 (in millions):

	2008	2007	Change	
Revenues				
Bond programs mortgage interest	\$ 162.8	\$ 133.5	\$ 29.3	21.9%
Bond programs investments and other income	8.6	12.1	(3.5)	(28.9)
Bond program gain (loss) on mortgage-backed securities	15.3	(4.4)	19.7	447.7
Program fees	24.0	22.8	1.2	5.3
 General Operating Fund interest income	2.8	1.8	1.0	55.6
Total revenues	\$ 213.5	\$ 165.8	\$ 47.7	28.8%
Expenses				
Bond programs interest expense	\$ 168.1	\$ 144.8	\$ 23.3	16.1%
Other bond programs expenses	10.2	10.3	(0.1)	(1.0)
Salaries and wages	5.4	5.0	0.4	8.0
Other General Operating Fund and Program Investment Fund expenses	3.3	3.0	0.3	10.0
Total expenses	\$ 187.0	\$ 163.1	\$ 23.9	14.7%
 Change in net assets	\$ 26.5	\$ 2.7	\$ 23.8	(881.5%)

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED JUNE 30, 2008 AND 2007

FINANCIAL ANALYSIS OF THE COMMISSION (Continued)

Mortgage related interest earnings (\$162.8 million) and bond interest expense (\$168.1 million) are the primary components of total revenues and expenses, respectively, for the bond programs. The Commission's revenues in the General Operating Fund were primarily generated from issuer fees (\$13.8 million).

DEBT ADMINISTRATION

The Commission has long-term debt obligations of \$4.0 billion, net of bond premium and discounts at June 30, 2008. The Commission's bond program funds are held by a trustee or paying agent who ensures that bond resolution requirements are met, including payments of debt service and funding of necessary reserves. At June 30, 2008, amounts held by the trustees and paying agents represent full funding of these requirements.

Most of the debt issued by the Commission is tax-exempt and is issued under the Internal Revenue Code and Treasury Regulations governing either mortgage revenue bonds or residential rental projects. The Federal Tax Reform Act of 1986 imposes an annual ceiling on the aggregate amount of federally tax-exempt private activity bonds, including bonds for housing, student loans, exempt facilities, small issue industrial, redevelopment, and certain public utility projects that may be issued during any calendar year by or on behalf of states and their political subdivisions. The private-activity volume cap received by Washington State is allocated to eligible issuers pursuant to the Revised Code of Washington Chapter 39.86. The Commission's single-family and multifamily housing programs rely on private activity bonds subject to this volume cap. Bonds issued under the nonprofit bond program are private activity bonds, which are not subject to this cap.

The Commission's ability to recycle tax-exempt debt is limited by the Code of Federal Regulations, Title 26, commonly known as the ten-year rule, which prohibits refunding of mortgage prepayments received more than ten years after the date of issuance of the bonds. The Commission also issues limited amounts of taxable debt in order to supplement its tax-exempt authority and for lending under programs where federal restrictions are inconsistent with the program requirements.

The Commissioners have adopted policies that govern the process followed to issue debt. All bonds issued in the single-family bond program are backed by Federal National Mortgage Association ("Fannie Mae"), Government National Mortgage Association ("Ginnie Mae"), or Federal Home Loan Mortgage Corporation ("Freddie Mac") securities and are rated either an Aaa by Moody's Investors Service or AAA by Standard and Poor's Ratings Services. Multifamily and nonprofit publicly sold bond issues generally must have a minimum initial A rating by one of the major rating agencies.

The Commission continually investigates and uses available debt management techniques to achieve its goals of reducing interest expense and preserving the maximum amount of bonding authority. The Commission retires high interest rate debt as opportunities for economic refunding occur, and for preservation of bonding authority.

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED JUNE 30, 2008 AND 2007

DEBT ADMINISTRATION (Continued)

The Commission's outstanding debt is limited to five billion dollars by the Revised Code of Washington Section 43.180.160. The Commission has no general obligation bonds and does not currently have an issuer credit rating.

Net bonds and notes payable as of June 30, 2008 was \$4.0 billion, an increase of \$268.8 million from 2007. Changes by program are summarized in the following table (in millions):

	<u>2007</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Changes</u>	<u>2008</u>
Single-Family	\$ 964.3	\$ 79.5	\$ (37.0)	\$ 42.5	\$ 1,006.8
Multifamily Housing	1,373.9	270.0	(91.3)	178.7	1,552.6
Nonprofit Housing	921.2	28.4	(13.5)	14.9	936.1
Nonprofit Facilities	<u>438.8</u>	<u>79.8</u>	<u>(47.1)</u>	<u>32.7</u>	<u>471.5</u>
	<u>\$ 3,698.2</u>	<u>\$ 457.7</u>	<u>\$ (188.9)</u>	<u>\$ 268.8</u>	<u>\$ 3,967.0</u>

COMPARISON OF FISCAL YEARS 2007 WITH 2006

Statements of Net Assets

The following table summarizes the changes in combined net assets between June 30, 2007 and 2006 (in millions):

	<u>2007</u>	<u>2006</u>	<u>Change</u>	
Assets				
Cash and cash equivalents	\$ 216.5	\$ 116.1	\$ 100.4	86.5%
Investments	663.9	417.3	246.6	59.1
Accrued interest receivable	24.3	14.0	10.3	73.6
Fees receivable, net	0.6	0.9	(0.3)	(33.3)
Other receivables	0.2	0.4	(0.2)	(50.0)
Mortgage-backed securities, net	813.4	544.7	268.7	49.3
Mortgage loans, net	2,096.8	1,663.2	433.6	26.1
Unamortized bond issuance costs	88.2	70.5	17.7	25.1
Prepaid fees and other	<u>2.4</u>	<u>2.8</u>	<u>(0.4)</u>	<u>(13.9)</u>
Total assets	<u>\$ 3,906.3</u>	<u>\$ 2,829.9</u>	<u>\$ 1,076.4</u>	38.0%

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED JUNE 30, 2008 AND 2007

COMPARISON OF FISCAL YEARS 2007 WITH 2006 (Continued)

	<u>2007</u>	<u>2006</u>	<u>Change</u>	
Liabilities				
Accounts payable and other liabilities	\$ 105.1	\$ 32.5	\$ 72.6	223.4%
Accrued interest payable	22.4	16.7	5.7	34.1
Accrued arbitrage rebate	0.8	0.3	0.5	166.7
Deferred revenue	1.5	0.7	0.8	114.3
Project equity held for borrower	9.5	1.1	8.4	763.6
Notes payable and bond fund financing	26.4	39.5	(13.1)	(33.2)
Bonds payable, net	<u>3,671.8</u>	<u>2,673.0</u>	<u>998.8</u>	37.4
Total liabilities	<u>\$ 3,837.5</u>	<u>\$ 2,763.8</u>	<u>\$ 1,073.7</u>	38.8%
Net assets				
Restricted				
Bond operations	\$ 6.3	\$ 10.0	\$ (3.7)	(37.0%)
Grants and donations to PIF	0.5	0.6	(0.1)	(16.7)
Invested in capital assets	0.3	0.2	0.1	50.0
Unrestricted				
General operations	17.7	17.8	(0.1)	(0.6)
Program Investment Fund	<u>44.0</u>	<u>37.5</u>	<u>6.5</u>	17.3
Total net assets	<u>\$ 68.8</u>	<u>\$ 66.1</u>	<u>\$ 2.7</u>	4.1%

The following summarizes the changes in revenues and expenses between fiscal years 2007 and 2006 (in millions):

	<u>2007</u>	<u>2006</u>	<u>Change</u>	
Revenues				
Bond programs mortgage interest	\$ 133.5	\$ 102.3	\$ 31.2	30.5%
Bond programs investments and other income	12.1	12.2	(0.1)	(0.8)
Bond program loss on mortgage-backed securities	(4.4)	(35.2)	30.8	(87.5)
Program fees	22.8	18.5	4.3	23.2
General Operating Fund interest income	<u>1.8</u>	<u>0.6</u>	<u>1.2</u>	200.0
Total revenues	<u>\$ 165.8</u>	<u>\$ 98.4</u>	<u>\$ 67.4</u>	68.5%

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEARS ENDED JUNE 30, 2008 AND 2007

COMPARISON OF FISCAL YEARS 2007 WITH 2006 (Continued)

	<u>2007</u>	<u>2006</u>	<u>Change</u>	
Expenses				
Bond programs interest expense	\$ 144.8	\$ 109.6	\$ 35.2	32.1%
Other bond programs expenses	10.3	9.5	0.8	8.4
Salaries and wages	5.0	4.9	0.1	2.0
Other General Operating Fund and Program Investment Fund expenses	<u>3.0</u>	<u>3.3</u>	<u>(0.3)</u>	<u>(9.1)</u>
Total expenses	<u>\$ 163.1</u>	<u>\$ 127.3</u>	<u>\$ 35.8</u>	<u>28.1%</u>
Change in net assets	<u>\$ 2.7</u>	<u>\$ (28.9)</u>	<u>\$ 31.6</u>	<u>109.3%</u>

During the fiscal year ended June 30, 2007 the Commission's combined total assets increased by \$1.1 billion, attributable to the increase in mortgage loans and investments resulting from increased bond issuance activities during the year. Combined total revenues over expense of \$2.7 million for fiscal year ended June 30, 2007 increased the Commission's total net assets by \$31.6 million or 109.3% resulting primarily from \$4.4 million unrealized loss in 2007 on MBS as compared to the 2006 unrealized loss of \$35.2 million.

The Commission's combined change in net assets for 2007 was \$2.7 million as compared to net deficit of \$28.9 million for 2006 resulting from an increase in bond activity revenues in 2007 as well as the previously noted significant impact of the unrealized change in the market value of the MBS that, while required to be recognized by accounting standards, is not expected to be realized.

ADDITIONAL INFORMATION

Questions and inquiries may be directed to the Senior Director of Finance or the Senior Controller at Washington State Housing Finance Commission, 1000 2nd Avenue, Suite 2700, Seattle, Washington 98104 (206-464-7139).

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF NET ASSETS
JUNE 30, 2008 AND 2007

ASSETS	2008	2007
	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS	\$ 187,603,734	\$ 216,545,857
INVESTMENTS		
U.S. government and agencies securities	33,370,508	30,696,990
Investment agreements	350,527,443	633,239,898
	<u>383,897,951</u>	<u>663,936,888</u>
ACCRUED INTEREST RECEIVABLE	19,982,208	24,317,633
FEES RECEIVABLE, net	238,021	598,062
OTHER RECEIVABLES	71,883	165,337
MORTGAGE-BACKED SECURITIES, cost	997,748,466	842,452,890
Cumulative unrealized loss on mortgaged-backed securities	<u>(13,834,607)</u>	<u>(29,090,229)</u>
MORTGAGE-BACKED SECURITIES, fair value	983,913,859	813,362,661
MORTGAGE LOANS, net	2,537,168,188	2,096,817,156
UNAMORTIZED BOND ISSUANCE COSTS	88,008,880	88,148,496
PREPAID FEES AND OTHER	<u>2,341,133</u>	<u>2,447,891</u>
TOTAL ASSETS	<u>\$ 4,203,225,857</u>	<u>\$ 3,906,339,981</u>

See accompanying notes to financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF NET ASSETS (CONTINUED)
JUNE 30, 2008 AND 2007

LIABILITIES AND NET ASSETS	2008	2007
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 104,545,040	\$ 105,107,237
ACCRUED INTEREST PAYABLE	20,106,723	22,360,237
ACCRUED ARBITRAGE REBATE	909,966	814,434
DEFERRED REVENUE	2,241,998	1,550,317
PROJECT EQUITY HELD FOR BORROWER	13,114,162	9,526,240
PRIVATE PLACEMENT PROGRAMS, NOTES PAYABLE AND BOND FUND FINANCING	600,000	26,374,123
BONDS PAYABLE		
Current interest bonds	3,768,141,635	3,479,386,570
Taxable bonds	192,730,053	186,258,404
Unamortized bond discount	(1,062,259)	(1,182,357)
Unamortized bond premium	6,558,540	7,335,039
	3,966,367,969	3,671,797,656
TOTAL LIABILITIES	4,107,885,858	3,837,530,244
NET ASSETS		
Restricted		
Bond operations	24,247,265	6,295,148
Grants and donations to Program Investment Fund	500,000	500,000
Invested in capital assets	196,446	300,857
Unrestricted		
General operations	17,803,554	17,699,143
Program Investment Fund	52,592,734	44,014,589
	95,339,999	68,809,737
TOTAL LIABILITIES AND NET ASSETS	\$ 4,203,225,857	\$ 3,906,339,981

See accompanying notes to financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
REVENUES		
Interest earned on mortgage loans and mortgage-backed securities	\$ 162,780,886	\$ 133,516,687
Other interest and investment income	11,480,909	13,900,256
Gain(Loss) on mortgage-backed securities	15,256,126	(4,383,728)
Other fee income	23,761,289	22,627,979
Nonoperating revenues - grants	239,628	158,786
	213,518,838	165,819,980
EXPENSES		
Interest on debt	168,159,209	144,784,528
Amortization of bond discount	64,211	59,574
Amortization of bond premium	(720,613)	(372,227)
Amortization of bond issuance costs	7,278,194	7,525,753
Amortization of bond insurance premium	116,515	197,167
Servicing and commission fees	2,492,331	2,093,832
Salaries and wages	5,369,898	4,987,113
Communication and office expense	1,911,530	1,913,271
Professional fees	1,123,153	884,307
Trustee and paying agent fees	411,590	196,289
Other	542,384	624,454
Nonoperating expenses - grants	240,174	158,786
	186,988,576	163,052,847
EXCESS OF REVENUES OVER EXPENSES	26,530,262	2,767,133
NET ASSETS		
Balance, beginning of year	68,809,737	66,042,604
Balance, end of year	\$ 95,339,999	\$ 68,809,737

See accompanying notes to financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
OPERATING ACTIVITIES		
Receipts for interest on mortgages	\$ 172,314,718	\$ 152,974,428
Receipts for other fee income	18,808,750	17,362,253
Receipts for loans and mortgage prepayments	223,131,148	242,076,472
Payments for acquisition of loans and mortgages	(813,586,018)	(896,585,577)
Payments for bond program expenses	(11,459,898)	(21,053,954)
Payments to employees and suppliers	(8,381,842)	(8,469,448)
Net cash used for operating activities	(419,173,142)	(513,695,826)
INVESTING ACTIVITIES		
Purchase of investments	(405,662,120)	(1,084,309,476)
Sale of investments	678,389,801	837,185,886
Interest received on investments	14,875,548	10,378,191
Net cash provided by (used for) investing activities	287,603,229	(236,745,399)
CAPITAL FINANCING ACTIVITIES		
Project equity received, net	3,587,922	8,389,582
Proceeds from sale of bonds and notes	483,906,942	1,406,619,609
Interest paid on debt	(170,381,350)	(139,164,605)
Debt repayments	(214,485,724)	(424,964,182)
Net cash provided by capital financing activities	102,627,790	850,880,404
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(28,942,123)	100,439,179
CASH AND CASH EQUIVALENTS		
Beginning of year	216,545,857	116,106,678
End of year	\$ 187,603,734	\$ 216,545,857

See accompanying notes to financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO NET CASH USED FOR OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 26,530,262	\$ 2,767,133
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash from operating activities		
Amortization of mortgage discount	(623,298)	(2,334,920)
Amortization of mortgage premium	177,225	29,577
Amortization of bond insurance premium	13,345	12,354
Amortization of bond issuance costs	7,278,194	7,555,932
Amortization of bond discount	(720,613)	59,574
Amortization of bond premium	64,211	(372,227)
Amortization of deferred fee income	(6,223,169)	(10,837,594)
Purchase of mortgage loans	(811,127,580)	(966,696,841)
Repayments of mortgage loans	223,131,148	248,226,395
Unrealized loss on securities	(15,256,126)	4,383,728
Cash from changes in operating assets and liabilities		
Interest and other receivables	(6,481,638)	(11,711,712)
Interest and other payables	164,064,897	215,222,775
	\$ (419,173,142)	\$ (513,695,826)

See accompanying notes to financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 1 - Description of Business

Organization - The Washington State Housing Finance Commission (the “Commission”) was created in 1983 by the legislature of the State of Washington (the “State”) to “act as a financial conduit which, without using public funds or lending the credit of the state or local government, can issue nonrecourse revenue bonds and participate in federal, state, and local housing programs thereby making additional funds available at affordable rates to help provide housing throughout the state.” In March 1990, the state legislature authorized the Commission to issue bonds to finance or refinance nursing homes and capital facilities owned and operated by nonprofit corporations. The Commission’s debt limit is five billion dollars.

The Commission has 11 voting members. Two commissioners, the state treasurer and the director of the Department of Community, Trade and Economic Development, serve ex officio, by virtue of their office. Eight members are appointed by the governor to a four-year term. The chair of the Commission is appointed by, and serves at the pleasure of, the governor.

The Commission is legally separate from the State. The Commission does not receive state appropriations and does not impose a financial burden on, nor accrue any financial benefit to, the State. Legal restrictions on the Washington State legislature’s ability to impose its will on the Commission and the inability of the governor to remove the majority of the voting members of the Commission prevent the State from being considered to be financially accountable for the Commission. However, in the State’s Comprehensive Annual Financial Report (“CAFR”), the Commission is presented as a discrete component unit of the State.

Program Funds

The Commission summarizes its financial activities in three funds: General Operating, Bond, and Program Investment.

General Operating Fund: The General Operating Fund was established by the Commission to account for the fiscal activities related to the administration of its ongoing program responsibilities. Revenues of the General Operating Fund are derived primarily from fees earned on bond issues, tax credit allocations and compliance monitoring, as well as interest income on operating and Program Investment Fund investments. All funds received by the Commission are generated by its activities. Expenditures are not appropriations from the State.

The Commission first adopted a General Operating Fund Reserve Policy in 1989. The current policy requires the maintenance of general reserves of \$18 million based upon capital adequacy analyses. General reserves provide income to fund current operations, help to ensure a sufficient revenue stream for the Commission to remain independent of State funds, and safeguard the Commission’s ability to meet its future legal and program obligations.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 1 - Description of Business (Continued)

Program Investment Fund: The Commission established its Program Investment Fund in 1989. This fund represents Commission reserves above those required by the General Operating Fund Reserve Policy and is strategically invested in programs to support the financing and production of low-income housing, special needs housing, and facilities that provide community services. This fund includes investments by other funders for use in established down payment assistance programs.

Bond Program Fund: All activities of Commission-issued bond transactions are established under separate Indentures of Trust. All financial activities of these Indentures are recorded by the Commission in this fund. Further, the Commission summarizes its bond activities by program type as follows:

Single-Family Home Ownership Program: These funds, established under one trust indenture and series indentures, account for the proceeds from the sale of Single-Family Mortgage Revenue Bonds and the debt service requirements of these bonds. Activities of these funds are, in general, limited to the purchase of mortgage-backed securities (MBS) containing pools of certain mortgage loans secured by mortgages on Single-Family, owner-occupied, new or existing residential housing located in Washington State. The bonds, which constitute a special obligation of the Commission, are payable solely from the bond funds established pursuant to the indenture, and are funded primarily from payments received from the MBS pool and from any other money held by the bond trustee pursuant to the indenture. As such, the assets of the bond are pledged as collateral for the debt. As of June 30, 2008, the assets so pledged were \$1.0 billion.

Loans in the programs are made to first-time homebuyers (except for those in targeted areas) whose income does not exceed the limits established by the Commission. Mortgage rates for these programs are:

Bond Issue	Rate	Bond Issue	Rate	Bond Issue	Rate
1998 1A/1N/1T	6.25	2001 3A-R/3N-R	5.99	2005 3A	4.95 to 5.45
1998 2A/2T	6.25	2001 4A/4T	5.99 & 6.30	2005 4A	5.25 to 5.75
1998 3A/3N/3T	6.25 & 6.35	2001 5A	5.99	2005 5A	5.25 to 5.75
1998 4A/4T, 4A (CAB)*	6.25	2002 1A	6.25	2006 1AS/1A	5.25 to 5.75
1998 5A/5N/5T, 5A (CAB)*	5.99	2002 2A, 3A/3N-R	6.75	2006 2AS/2A	5.375 to 5.825
1998 CRA-A	5.75	2002 4A	5.50, 5.75, & 6.25	2006 3A	5.375 to 5.825
1999 1A/1N/1T,1A (CAB)*	5.95	2002 5A	5.25	2006 4A	5.625 to 6.125
1999 2A/2N//2T, 2A (CAB)*	6.05	2003 1A/1N	4.99 & 5.10	2006 5A	5.625 to 6.125
1999 3A/3T	6.75	2003 2A/2N	4.99 & 5.25	2006 6A	5.375 to 6.0
1999 CRA-A	6.5	2003 3A/3N	5.10 & 5.25	2007 1A	5.25 to 6.0
1999 A/4N/4T	6.95	2004 1A/1N	4.85, 5.05, & 5.25	2007 2A	5.25 to 6.0
1999 5A/5N/5T	6.99	2004 2A/2N	5.10 to 5.5	2007 3/2007 4	5.5 to 6.25
2000 4A/4T	5.50, 5.99, 6.30 & 6.95	2004 3A	5.2 to 5.6	2007 5	6.0 to 6.75
2000 5A-R/5N-R	7.25 & 7.55	2004 4	4.85 to 5.5	2007 R	6.25 to 7.0
2001 1A/N	5.99	2005 1	4.8 to 5.45		
2001 2A	6.15	2005 2A/2A VR	4.95 to 5.45		

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 1 - Description of Business (Continued)

Conduit Financing Programs: Except for Single Family bonds, discussed above, all bonds issued by the Commission are conduit debt, i.e., limited-obligation bonds issued by the Commission for the express purpose of providing financing for a specific third party that is not a part of the Commission's financial reporting entity. Financing proceeds for the Conduit Financing Programs are used to purchase qualified mortgages and mortgage-backed securities from mortgage lenders. The issuer of the mortgage-backed securities, the mortgagor, or the letter of credit provider will pay the bond trustee principal and interest in amounts calculated to meet periodic debt service payments on the bonds.

Although the conduit debt securities bear the name of the Commission, it has no obligation for such debt beyond the resources provided by the lease or loan with the third party on whose behalf they are issued.

At the time of conduit bond issuance, the Commission assigns its rights, title, and interest in the loan agreement (with certain exceptions and reservations), and in any collateral securing the loan, to a bond trustee pursuant to a trust indenture. The bond trustee administers the bond issue. The bonds, which constitute a special obligation of the Commission, are payable solely from the bond fund established pursuant to the indenture, and are funded primarily from payments made by the borrower to satisfy the loan agreement and from any other money held by the bond trustee pursuant to the indenture. As such, the assets of each bond are pledged as collateral for the debt. As of June 30, 2008, the assets so pledged were \$3.1 billion.

The obligation of the borrower to repay the loan is absolute and unconditional. The bonds do not constitute a general, moral, or special obligation of the State of Washington, a pledge of the faith and credit of the State, or a general obligation of the Commission. The owners of the bonds have no right to require the State of Washington or the Commission, nor has the State of Washington or the Commission any obligation or legal authorization to levy any taxes or appropriate or expend any of its funds for the payment of principal thereof, premium, if any, or interest thereon.

Private placement notes are those issued and privately placed directly by the Commission with a financial institution or other sophisticated investor. The proceeds from those notes are used to finance construction or rehabilitation and permanent loans on multifamily rental housing projects. The tax-exempt notes are funded by the investors at such time as disbursements are made for acquisition, construction, or rehabilitation.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 1 - Description of Business (Continued)

Conduit bonds are accounted for in the following three programs:

Multifamily Housing Program: These funds account for financing issued on behalf of developers of multifamily housing. The funds are used to purchase, construct, refinance, and/or remodel projects containing affordable housing and housing for the elderly. Activities of these funds also include the purchase, construction, refinancing, and/or remodeling of continuing care retirement communities and nursing homes.

Nonprofit Housing Program: These funds account for bonds and notes issued on behalf of nonprofit housing organizations. The funds are used to purchase, construct, refinance, and/or remodel projects containing low-income housing.

Nonprofit Facilities Program: These funds account for the bonds and notes sold to purchase loans of organizations. The loans, which may be secured by real and/or personal property, are used by 501(c)(3) organizations for capital acquisitions and/or improvements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission has applied all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989 (unless they conflict with or contradict GASB pronouncements): Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure. The more significant of the Commission’s accounting policies are described below.

Measurement Focus and Basis of Accounting - All accounts and transactions of the Commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenses, and changes in net assets for all funds present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. These funds utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Unclassified Balance Sheet - The Commission’s business cycle is greater than one year. As such, all assets and liabilities as shown on the Statement of Net Assets are unclassified.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents - Cash deposits in the bond fund are held in the corporate trust departments of commercial banks in the bond issue's name. The total amount of uncollateralized or uninsured cash equivalents in the bond fund is \$60.5 million as of June 30, 2008. Cash deposits held by the General Operating Fund are entirely covered by the Federal Depository Insurance Corporation ("FDIC") or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission ("PDPC"). For purposes of the statements of cash flows, the Commission considers all highly liquid, interest-bearing instruments purchased with an original maturity of three months or less to be cash and cash equivalents.

Investments - Investments in the General Operating and Program Investment Funds are managed by First American Funds and are comprised of securities issued or guaranteed by the U.S. government. These marketable securities are valued at fair value based upon quoted market prices as of June 30, 2008. Guaranteed investment contracts held in the Restricted Bond Funds are non-participating and therefore stated at cost as the redemption terms are not affected by market rates. At June 30, 2008 and June 30, 2007, commercial paper was held by the trustee for multifamily bond issues for two and five issues, respectively and is stated at market value at year end.

Mortgage-Backed Securities - Mortgage-backed securities are presented at their fair value based on quoted market prices as of June 30, 2008.

Mortgage Loans, Net - Mortgage loans, net are stated at their unpaid principal balance, increased by mortgage premiums or reduced by unearned discounts, and reduced by deferred commitment fees and other fees associated with the loans, which are amortized over the life of the loans.

Provision for Possible Loan Losses - The mortgage loans and mortgage-backed securities are funded by the Single-Family Program, Multifamily Housing Program, Nonprofit Housing Program and Nonprofit Facilities Program bonds which are non-recourse revenue bonds payable solely from the assets specifically pledged under the trust indenture with respect to such bonds. No assets of the Commission, other than those assets held under such trust indentures, are pledged to payment of the bonds.

Single Family Mortgage Loans - No loan loss provisions have been considered necessary, as the current assets held by all the outstanding Single-Family indentures are mortgage-backed securities, of which payment is guaranteed by Federal National Mortgage Association ("Fannie Mae"), Government National Mortgage Association ("Ginnie Mae"), or Federal Home Loan Mortgage Corporation ("Freddie Mac").

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

Multifamily and Nonprofit Housing Mortgage Loans - No loan loss provisions have been considered necessary as most of the Commission's multifamily bond issues obtain credit enhancement from a third party that pays or secures the payment of principal and interest on the bonds. However, in some programs, the only collateral for the payment of principal and interest is the real estate loan. The Commission has generally limited investment in such bonds to a small number of bond owners, who must be sophisticated investors that have underwritten the real estate loan. These investors have authority under the bond documents to enforce remedies against the projects to protect their interests as investors. These limited investor bond issues include private placements and bond fund issues. On issues where there have been delinquencies in the payment of debt service, workout agreements have been reached between the bond owner/investor and the borrower.

Nonprofit Capital Facilities Mortgage Loans - No loan loss provisions have been considered necessary as the majority of nonprofit capital facilities loans are backed by letters of credit from banks. In addition, the nonprofit capital facilities program has bond issues where the loan is the direct collateral for repayment of bond principal and interest, similar to the multifamily loans previously discussed. These issues have been sold to a limited number of sophisticated investors.

Program Investment Fund - The Commission provides for estimated losses on loans in its Program Investment Fund based on its past loan loss experience, known and inherent risks in the portfolio and current economic conditions. The allowance for loan losses is increased by charges to expense and decreased by charge-offs (net of recoveries).

Other Assets - Furniture, fixtures, equipment and leasehold improvements are accounted for in the General Operating Fund and are stated at cost, less accumulated depreciation and amortization. The Commission's policy is to capitalize assets with a cost of \$5,000 or more. Depreciation and amortization are charged to current operations on the straight-line method over the estimated useful lives of the assets, generally between three and ten years. See Note 5 for additional information concerning furniture, fixtures and equipment.

Deferred Revenue - Deferred revenue represents the unearned portion of the Commission's compliance monitoring and bond fees that are received in advance. These fees are recorded as other fee income on the statement of revenues, expenses and changes in net assets when earned.

Private Placement Notes - Private placement notes are tax-exempt notes issued and privately placed by the Commission with lenders, the proceeds of which are used to finance construction or rehabilitation and permanent loans on multifamily rental housing projects. The tax-exempt notes are funded by the investors at such time as disbursements are made for acquisition, construction, or rehabilitation.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

Bonds Payable - Current interest serial and term bonds are stated at their principal amounts outstanding, net of unamortized bond premium and discount, if any. Compound interest bonds, which are stated at their accreted values, represent amounts equal to the original offering price compounded at the original issue yield to maturity from the date of delivery of each issue to the respective balance sheet date. Certain bonds in the multifamily and nonprofit programs are variable rate bonds remarketed on a daily, weekly, or monthly basis and are subject to market rate fluctuation.

Unamortized Bond Issuance Cost, Unamortized Bond Premium, Unamortized Bond Discount, and Unamortized Bond Insurance Premiums - Unamortized bond issuance costs, unamortized bond premium, unamortized bond discounts, and unamortized bond insurance premiums are amortized using the bonds outstanding method.

Project Equity Held for Borrower - Project equity held for borrower represents funds contributed by the borrower to complete the bond issuance that are held in trust, pursuant to the terms of the indenture. The funds may be used for project expenditures or interest costs, or to fund reserve funds or lag deposits necessary to meet rating agency requirements. The funds are accounted for as a liability until such time as the funds are requisitioned and released to the borrower.

Compensated Absences - Permanent employees of the Commission earn annual leave in accordance with length of service. Generally, a maximum of 240 hours of annual leave may be accumulated. Upon termination, employees are entitled to compensation for their unused annual leave.

In addition, non-exception work period employees may earn compensatory time at the rate of time-and-one-half up to a maximum of 240 hours. Employees classified as exceptions work period employees may earn exchange time at the rate of actual time worked up to a maximum of 174 hours. Upon separation or transfer to another agency, the employee is given the opportunity to postpone his/her cessation of employment until the accumulated authorized compensatory or exchange time has been used.

Employees earn sick leave at the rate of one day per month and may be compensated for accumulated sick leave at the rate of 25% in many circumstances. In consideration of this, the Commission accrues all costs associated with compensated absences and 25% of sick leave, including an allowance for payroll taxes.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

Net Assets - Net assets are classified into three components:

Restricted net assets have constraints placed on use by external parties such as creditors, grants, laws or regulations.

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation. The Commission does not hold any debt related to capital assets.

Unrestricted net assets consist of the remaining assets and liabilities.

Revenue Recognition - The primary source of revenue for the Commission is interest earned on its mortgage loans outstanding, mortgage-backed securities and other investments. This revenue is used to pay interest expense on the bonds outstanding.

In addition, the Commission earns fees on its bond issues, which are allocated to the Restricted Bond, General Operating, and Program Investment Funds and which are recorded as other fee income on the statement of revenues, expenses and changes in net assets. The Commission earned \$23,761,289 and \$22,627,979 in other fee income during the fiscal years ended June 30, 2008 and 2007, respectively. Other fee income is comprised of the following at June 30:

	2008	2007
Commission fees	\$ 9,738,180	\$ 8,399,206
Other program fees	7,064,781	6,942,090
Other income	6,958,328	7,286,683
	\$ 23,761,289	\$ 22,627,979

Interest and fees are recognized on the accrual basis.

Income Taxes - The Commission, as an instrumentality of the State of Washington, is exempt from federal and state income taxes. Accordingly, no provision for income taxes is necessary.

Rebateable Arbitrage - Arbitrage earnings that are owed to the United States Department of the Treasury are recorded as accrued arbitrage rebate and based on calculations performed by an independent valuation specialist on an ongoing basis.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of the statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements. The Commission uses estimates in determining the allowance for doubtful accounts, arbitrage rebate liability, loan loss provisions, accrued sick leave and other contingencies. Actual results may differ from those estimates.

Risks and Uncertainties - The Commission may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term, and those changes could subsequently affect the amounts reported in the statement of net assets.

Reclassifications - Certain 2007 balances have been reclassified to conform to the 2008 presentation. These reclassifications have no effect on 2007 net revenue.

Note 3 - Investments

General Operating and Program Investment Funds

Investment Policy - While RCW 43.180.080(5) grants the Commission the authority to invest its funds, it provides no investment guidelines or restrictions. The State law generally limits the type and character of investment of “public funds.” In light of the Commission’s authorizing legislation, Washington State court decisions, and the sources of its dedicated funds, the Commission finds that the investment limitations on public funds do not apply to its dedicated funds. As a matter of policy, however, the Commission believes that, at this time, an appropriate course of conduct is to invest its dedicated funds in a manner consistent with the investment limitations on public funds. The Commission has entered into an agreement with First American Funds to manage the investment of a portion of the General Operating and Program Investment Funds’ reserves, subject to the following policy.

The Commission may invest in non-governmental investments, including certificates of deposit, banker’s acceptances, and repurchase agreements. In addition, the following governmental investments are eligible:

1. Treasury bills, notes, and other obligations issued by the United States Department of the Treasury and backed by the full faith and credit of the U.S. government.
2. Federal Home Loan Bank notes and bonds.
3. Federal Land Bank bonds.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 3 - Investments (Continued)

4. Federal National Mortgage Association notes, debentures, and guaranteed certificates of participation.
5. The obligations of certain government-sponsored entities whose obligations are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System.
6. Shares of mutual funds with portfolios consisting of only U.S. government bonds or U.S. government guaranteed bonds issued by federal agencies with average maturities of less than four years.

Limiting investments to those authorized with the policy minimizes the Commission's exposure to credit risk on General Operating Funds. The investments of the General Operating and Program Investment Funds are registered, or securities are held by the Commission's agent in the Commission's agent's name and therefore subject to custodial credit risk. However, the Commission addresses this custodial credit risk by pre-qualifying institutions with which the Commission places investments and maintaining a standard of quality for its investments.

Examining the maturities of the Commission's General Operating and Program Investment Fund securities can reveal information about interest rate risk. Cash, cash equivalents, and investment securities along with maturities of the Commission's debt securities, as of June 30, 2008 consist of the following:

Cash, Cash Equivalents and Investment Securities - General Operations and Program Investment Fund

Type	Cost	Maturities (In Years)			
		Less than 0.5	0.5 - 1	1 - 2	2 - 10
Deposits	\$ 91,574	\$ 91,574	\$ -	\$ -	\$ -
Money market fund	9,130,088	9,130,088	-	-	-
US Agencies	21,407,407	22,508	758,014	5,360,618	15,266,267
US Treasuries	11,963,101	-	-	343,559	11,619,542
	<u>\$ 42,592,170</u>	<u>\$ 9,244,170</u>	<u>\$ 758,014</u>	<u>\$ 5,704,177</u>	<u>\$ 26,885,809</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 3 - Investments (Continued)

Bond Programs

The indenture for each bond issue outlines the permitted investments for that transaction. Generally, bond proceeds are invested in investment agreements with institutions whose credit rating is at least equivalent to the rating on the bonds being issued and for terms specified in the indentures. These investment agreements are binding agreements, but are not usually collateralized by specifically identified securities and, as such, are not tradable or subject to risk categorization. However, generally there are provisions that require the provider to collateralize the investment in the event the rating of the provider is downgraded below the required standard, thereby minimizing the Commission's exposure to credit risk within the bond funds. Guaranteed investment contracts are stated at cost as the redemption terms are not affected by market rates. Investments within the bond programs are held by the Trustee in the name of the bond issue, thereby minimizing custodial credit risk. See Note 11 for additional discussion of custodial credit risk.

At June 30, 2008 a portion of bond proceeds for two multifamily bond issuances were invested in commercial paper and held by the trustee. At June 30, 2008, the total market value of the commercial paper was \$99.9 million. Funds not in investment agreements or commercial paper are held in money market accounts in the name of the bond issuance. Although all of the program funds must be used for program purposes, certain other funds have been restricted for payment of debt service as required by the bond indentures.

The Commission places no limit on the amount that may be invested in any one investment agreement provider. The following table lists investments held by the Single Family Programs in issuers that represent 5% or more of the total investments held by the Single Family Program at June 30, 2008:

<u>Investment Issuer</u>	<u>Amount</u>
Beyerische Landesbank Total	\$ 30,774,775
Trinity Plus Funding Total	\$ 9,178,403

Note 4 - Mortgage-Backed Securities

The bond proceeds for all Single-Family bond issues issued since 1988 have been used to purchase modified mortgage-backed securities in which principal and interest are guaranteed by either the Ginnie Mae, Freddie Mac, or Fannie Mae, whose guarantee is backed by the full faith and credit of the U.S. government. Certain of the securities include variable rate mortgages; however, any interest rate risk is mitigated by the related variable rate bond issues with the same terms. Ten bonds in the Multifamily Housing Bond Program also contain mortgage-backed securities.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 4 - Mortgage-Backed Securities (Continued)

For the fiscal year ended June 30, 2008, the net increase in fair market value from that of the prior year end, based upon quoted market price at the fiscal year end, was \$15,256,126. The following table shows the sources of the gains (losses) on mortgage-backed securities on the statements of revenue, expenses, and changes in net assets for 2008 and 2007 by program.

Gain (loss) on mortgage-backed securities as of June 30:

	2008			2007		
	Single-Family	Multifamily & Non-Profit Housing	Total	Single-Family	Multifamily & Non-Profit Housing	Total
Unrealized gain (loss) due to adjustment to market value	\$ 15,485,765	\$ (229,639)	\$ 15,256,126	\$ (4,787,894)	\$ 404,166	\$ (4,383,728)

Cumulative unrealized gains (loss) for fiscal years 2008 and 2007 are (\$13,834,607) and (\$29,090,229), respectively, and are included in the balance of mortgage-backed securities on the statement of net assets.

Note 5 - Furniture, Fixtures and Equipment

Furniture, fixtures and equipment as shown below at June 30, 2008 and 2007 are included in prepaid fees and other on the statements of net assets.

	Useful Life	July 1, 2006	Increase	Decrease	June 30, 2007
Furniture, fixtures and equipment	3 to 10 years	\$ 1,016,535	\$ 163,902	\$ -	\$ 1,180,437
Leasehold improvements	4 to 5 years	176,058	-	-	176,058
Total assets		1,192,593	163,902	-	1,356,495
Less accumulated depreciation		(948,736)	(106,902)	-	(1,055,638)
Net book value		\$ 243,857	\$ 57,000	\$ -	\$ 300,857

	Useful Life	July 1, 2007	Increase	Decrease	June 30, 2008
Furniture, fixtures and equipment	3 to 10 years	\$ 1,180,437	\$ 26,485	\$ (156,566)	\$ 1,050,356
Leasehold improvements	4 to 5 years	176,058	-	-	176,058
Total assets		1,356,495	26,485	(156,566)	1,226,414
Less accumulated depreciation		(1,055,638)	(130,896)	156,566	(1,029,968)
Net book value		\$ 300,857	\$ (104,411)	\$ -	\$ 196,446

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 6 - Bonds and Notes Payable

Bonds issued by the Commission are limited obligations payable solely from and secured by a pledge of the mortgage loans (including any insurance payments made with respect thereto), restricted investments and undisbursed bond proceeds and the earnings thereon held under the indenture authorizing the bonds.

As of June 30, 2008, the Commission had outstanding notes and bonds of \$4.0 billion bearing interest varying in rates as listed below:

	<u>Low</u>	<u>High</u>
Single Family Program	1.95%	5.95%
Multi Family Program	1.27	9.18
Non Profit Housing Program	1.50	8.00
Non Profit Facilities	1.11	7.48

Interest Rate Swaps - On June 16, 2005, the Commission entered into an interest rate swap agreement in connection with issuing variable rate mortgage revenue bonds. The intention of the swap is to create debt with a synthetic, collared interest rate the range of which is lower than achievable from long-term fixed rate bonds to achieve the Commission's goal of lending to low- and moderate-income first-time home buyers at below market, fixed interest rates.

Using rates as of June 30, 2008, debt service requirements of the outstanding variable rate debt and associated net swap payments, assuming current interest rates remain the same for their term, are as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Swap, Net</u>	<u>Total</u>
2009	\$ 10,000,000	\$ 195,000	\$ 175,000	\$ 10,370,000
2010	10,000,000	195,000	175,000	10,370,000
2011	10,000,000	195,000	175,000	10,370,000
2012	10,000,000	195,534	175,479	10,371,013
2013	10,000,000	82,274	73,836	10,156,110

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 6 - Bonds and Notes Payable (Continued)

The terms and counterparty credit ratings of the outstanding swap as of June 30, 2008, are contained below. The notional amount of the swap matches the principal amount of the associated debt.

Associated Bond Series	Current Notional Amount	Effective Date	Fixed Rate Paid	Rate Received	Fair Value	Swap Termination Date	Counterpart Credit Rating
2005 - S VR2	\$ 10,000,000	June 16, 2005	3.30%	SIFMA over 3.92%	\$ (196,625)	December 1, 2012	AA2/P-1

The maturity of the variable debt exceeds that of the swap by 24 years creating the risk that variable rates after the swap terminates may exceed the swap fixed rate to the Commission of 3.30% yet the Commission will not be able to obtain a subsequent interest rate agreement that limits interest to Securities Industry and Financial Markets Association (“SIFMA”), rate of 3.92%.

The Commission’s swap contract is based upon the International Swap Dealers Association Master Agreement, which includes standard termination events. The swap contract may be terminated by either party if the other party fails to perform under the terms of the contract. Upon termination, a payment is due to one party irrespective of causality based upon the market value of the swap. The potential termination risks to the Commission are the liability for a termination payment to the counterparty or the inability to replace the swap under favorable financial terms. To reduce the Commission’s termination risk, the swap contract limits the counterparty’s ability to terminate due to the following Commission actions or events: payment defaults, other defaults that remain uncured for 30 days after notice, bankruptcy and insolvency.

The terms of the swap expose the Commission to potential credit risk with the counterparty upon the occurrence of a termination event. The swap agreement contains collateral requirements based upon counterparty credit ratings and the fair value of the swap. These bilateral requirements are established to mitigate potential credit risk exposure. These requirements were met as of June 30, 2008.

The Commission may incur amortization risk because the Commission may receive prepayments from the mortgage loans portfolio that cannot be used to call other bonds of the same Series or to cross-call into other Series. The flexibility of the Commissions operating policy and other series of bonds as well as the use of Planned Amortization Class (“PAC”) Bonds for restricted principal payments minimizes this risk. Additionally, the Commission may terminate the swap at market value at any time.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 6 - Bonds and Notes Payable (Continued)

The Commission incurs the potential risk that the variable interest payments on its bonds will not equal the variable interest receipts from its swap. This basis risk exists because the Commission pays a variable rate on its Alternative Minimum Tax (“AMT”) bonds based on a weekly remarking rate but, under the terms of its swap, received a variable rate based upon the weekly SIFMA rate, which is based upon AA non-AMT variable rate demand bonds. Basis risk will vary over time due to inter-market conditions. As of June 30, 2008, the interest rate on the Commission’s variable rate debt was 1.95% per annum while the interest rate on the swap was 1.55% per annum. In order to reduce the cumulative effect of basis risk the variable rate determination structure included cash flow modeling with bond rate assumptions at ten basis points above SIFMA.

The structure of the variable interest rate payments the Commission receives from its swap contract is based upon the historical long-term relationship between taxable and tax-exempt short-term interest rates. Tax risk represents a risk that may arise due to a change in the tax code that may fundamentally alter this relationship. The Commission has chosen to assume this risk because it was not economically feasible to transfer to the swap counterparty.

Bond Defeasance - Bond defeasances in the Multifamily, Nonprofit Housing and Nonprofit Facilities programs are not disclosed since the cash flows and economic gain or loss accrues to the borrower and not the Commission as the conduit issuer.

In the Single Family bond program defeasance amounts are deposited in irrevocable trusts to provide for all future debt service payments on the bonds. Accordingly, neither the assets of the respective trust accounts or the liabilities for the defeased bonds are reflected in the Commission’s financial statements. Funds held in the respective trust accounts are qualifying U.S. government securities and are assumed sufficient to service and redeem the defeased bonds. The difference between the cost to defease outstanding debt and the carrying value of bonds defeased by refunding bonds is deferred and amortized over the shorter of the remaining term of the refunded bonds or the term of the refunding bonds, using the straight line-method. There were no Single Family bonds defeased during fiscal year ended June 30, 2008 and 2007.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 6 - Bonds and Notes Payable (Continued)

The bonds mature in varying amounts through 2048. Future principal and interest requirements are shown in the following table.

Fiscal Year Ending June 30	Total Principal Redemptions	Total Interest Redemptions	Total Debt Service
2009	\$ 58,200,145	\$ 130,541,316	\$ 188,741,461
2010	45,892,835	129,027,311	174,920,146
2011	66,742,752	127,110,212	193,852,964
2012	107,799,042	124,999,239	232,798,281
2013	33,318,551	122,406,141	155,724,692
2014 - 2018	206,174,905	581,882,301	788,057,206
2019 - 2023	325,905,119	523,199,172	849,104,291
2024 - 2028	535,007,145	427,307,870	962,315,015
2029 - 2033	619,275,114	311,721,351	930,996,465
2034 - 2038	1,107,354,180	178,272,259	1,285,626,439
2039 - 2043	818,624,700	52,902,827	871,527,527
2044 - 2048	37,177,200	5,705,135	42,882,335
	<u>\$ 3,961,471,688</u>	<u>\$ 2,715,075,134</u>	<u>\$ 6,676,546,822</u>

Changes in bonds outstanding during the fiscal year ended June 30, 2008 are summarized in the following table:

June 30, 2007	Issued	Redeemed	June 30, 2008
<u>\$ 3,692,019,097</u>	<u>\$ 458,319,474</u>	<u>\$ 188,866,883</u>	<u>\$ 3,961,471,688</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 7 - Commitments

Mortgage Loans - The Commission has committed to purchase mortgage loans to the extent qualified loans are available under each of the programs currently in the acquisition phase. The Commission's commitments by program as of June 30, 2008 are shown below:

<u>Program</u>	<u>Amount</u>
Single-Family Housing Program	\$ 30,359,797
Multifamily Housing Program	109,640,900
Nonprofit Housing Program	181,025,103
Nonprofit Facilities Program	33,726,044
	<u>\$ 354,751,844</u>

Operating Lease - The Commission has lease commitments for office space on a long-term basis. Lease expense for the fiscal years ended June 30, 2008 and 2007 was \$666,362 and \$669,749, respectively. Commitments for future minimum lease payments are as follows:

<u>For the Year Ending June 30:</u>	<u>Amount</u>
2009	\$ 669,864
2010	669,864
2011	669,864
	<u>\$ 2,009,592</u>

Note 8 - Employee Benefit Plans

Deferred Compensation Plan - The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Commission employees, permits them to defer a portion of their salaries until future years. The deferred compensation is paid to employees upon termination, retirement, death or unforeseeable emergency. The money is held under a separate fund by the State; therefore, neither an asset nor liability is recorded on the Commission's financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 8 - Employee Benefit Plans (Continued)

Retirement Plan - The Commission's employees participate in the Public Employees' Retirement System ("PERS") of the State. The legislature established PERS in 1947. PERS is a cost-sharing multiple-employer retirement system. Membership in the system includes elected officials; State employees; employees of the Supreme, Appeals and Superior Courts; employees of legislative committees; community college, college and university employees not in national higher education retirement programs such as TIAA/CREF; judges of district and municipal courts; noncertified employees of school districts, and employees of local government. Approximately 56% of PERS salaries are from State employment.

Commission employees may retire at the age of 65 with five years of service or at age 55 with 20 years of service, with an allowance of 2% per year of service of the average final salary (average final compensation is based on the greatest compensation during any consecutive 60-month period). Retirements prior to age 65 are actuarially reduced. There is no cap on years of service credit, and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3% annually.

PERS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to PERS accrue interest at a rate specified by the Washington State Department of Retirement Systems ("DRS"). During the fiscal year 2008, the DRS-established rate of interest on employee contributions was 5.5%, compounded quarterly. Retirement benefit provisions are established in State statute and may be amended only by the State legislature. Employees in PERS can elect to withdraw total employee contributions and interest earnings thereon upon termination. PERS benefits are vested after an employee completes five years of eligible service.

Each biennium the legislature establishes employer and employee contribution rates. These rates are developed by the Office of the State Actuary to fully fund the plan. All employers are required to contribute at the level established by the legislature. The methods used to determine the contribution requirements are established under State statute in accordance with chapters RCW 41.40 and 41.45. The Commission and employee contributions to the pension plan are detailed below for the years ended June 30, 2008, 2007 and 2006:

	2008	2007	2006
Gross covered salaries	\$ 4,151,203	\$ 3,899,085	\$ 3,831,299
Commission's contribution	\$ 254,379	\$ 177,434	\$ 93,484
Commission's contribution rate	6.13%	4.55%	2.44%
Employees' contribution	\$ 179,154	\$ 142,375	\$ 93,376
Employees' contribution rate	4.32%	3.65%	2.44%

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 8 - Employee Benefit Plans (Continued)

The pension obligation was calculated on a pension system basis and cannot be disclosed on a plan basis. The Washington State Department of Retirement Services does not make separate measurements of pension benefit obligations of individual employers. Historical trend and other information regarding the plan are presented in the Washington State Department of Retirement Systems 2007 annual financial report.

The plan information for the fiscal year 2007 has been presented in the State Department of Retirement Systems 2007 annual financial report, which may be obtained at:

Washington State Department of Retirement Systems
 PO Box 48380
 Olympia, WA 98504-8380
www.drs.wa.gov

Note 9 - Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; natural disasters and acts of terrorism for which the agency carries commercial insurance. As of June 30, 2008, there were no known asserted or unasserted claims or judgments against the Commission.

Note 10 - Related Party Transactions

The Commission provides staff and other administrative services to the following state agencies as of and for the years ended June 30, 2008 and 2007:

Charges for Services	2008	2007
Washington Higher Education Facilities Authority	\$ 293,649	\$ 228,141
Tobacco Settlement Authority	\$ 24,671	\$ 27,605
Receivable From		
Washington Higher Education Facilities Authority	\$ 27,756	\$ 144,440
Tobacco Settlement Authority	\$ 5,067	\$ 6,097

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 11 - Subsequent Events

Subsequent to June 30, 2008, the Commission issued \$179,527,000 in additional bonds and the trustees, under the normal and early redemption provisions of the trust indenture, have redeemed \$102,752,200 in bonds.

The ratings of three Guaranteed Investment Agreement providers, AIG, DEPFA and FGIC, were downgraded subsequent to June 30, 2008. Agreements with these providers are held both in the Single Family and other conduit financing programs.

Single Family Program

One agreement with AIG was terminated in accordance with the terms of the agreement and the trustee has received payment in full of the principal and accrued interest. The remaining two agreements with AIG remain in the investment portfolio for the Single Family Open Indenture with balances, at December 10, 2008, totaling less than 0.2% of that investment portfolio.

Pallas Capital, a provider with the required rating, assumed the DEPFA agreements on October 14, 2008.

The agreements with FGIC are guaranteed by GE Capital which has maintained the required rating; therefore no additional action has been necessary.

Conduit Financing Programs

The agreement with AIG matured per the terms of the agreement on August 1, 2008. All principal and accrued interest was returned.

The agreement with DEPFA in this program was liquidated with full payment of principal and accrued interest paid to the trustee on October 22, 2008. The proceeds are currently invested in a money market fund pending further reinvestment direction provided by the borrower.

The agreements with FGIC are guaranteed by GE Capital, which has maintained the required rating; therefore no additional action has been necessary.

SUPPLEMENTAL INFORMATION

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM NET ASSETS
JUNE 30, 2008 AND 2007

ASSETS	Restricted Bond Fund		
	Single-Family Bond Program	Multifamily Housing Bond Program	Nonprofit Housing Bond Program
CASH AND CASH EQUIVALENTS	\$ 56,712,407	\$ 32,843,629	\$ 76,959,834
INVESTMENTS			
U.S. government and agencies securities	-	-	-
Investment agreements	44,722,542	113,642,506	164,786,029
	<u>44,722,542</u>	<u>113,642,506</u>	<u>164,786,029</u>
ACCRUED INTEREST RECEIVABLE	4,459,765	5,214,127	8,718,639
FEE RECEIVABLE, net	-	-	-
OTHER RECEIVABLES	-	-	-
MORTGAGE-BACKED SECURITIES, cost	938,344,349	59,404,117	-
Cumulative unrealized loss on mortgage- backed securities	<u>(13,439,823)</u>	<u>(394,784)</u>	<u>-</u>
MORTGAGE-BACKED SECURITIES, fair value	924,904,526	59,009,333	-
MORTGAGE LOANS, net	-	1,331,480,404	733,251,374
UNAMORTIZED BOND ISSUANCE COSTS	9,421,745	51,197,695	19,494,700
PREPAID FEES AND OTHER	<u>-</u>	<u>46,391</u>	<u>1,947,713</u>
TOTAL ASSETS	<u>\$ 1,040,220,985</u>	<u>\$ 1,593,434,085</u>	<u>\$ 1,005,158,289</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2008	2007
\$ 11,866,202	\$ 9,221,662	\$ -	\$ 187,603,734	\$ 216,545,857
-	11,373,738	21,996,770	33,370,508	30,696,990
27,376,366	-	-	350,527,443	633,239,898
<u>27,376,366</u>	<u>11,373,738</u>	<u>21,996,770</u>	<u>383,897,951</u>	<u>663,936,888</u>
1,164,246	344,214	81,217	19,982,208	24,317,633
-	238,021	-	238,021	598,062
-	71,883	-	71,883	165,337
-	-	-	997,748,466	842,452,890
<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,834,607)</u>	<u>(29,090,229)</u>
-	-	-	983,913,859	813,362,661
429,921,155	-	42,515,255	2,537,168,188	2,096,817,156
7,894,740	-	-	88,008,880	88,148,496
<u>-</u>	<u>347,029</u>	<u>-</u>	<u>2,341,133</u>	<u>2,447,891</u>
<u>\$ 478,222,709</u>	<u>\$ 21,596,547</u>	<u>\$ 64,593,242</u>	<u>\$ 4,203,225,857</u>	<u>\$ 3,906,339,981</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM NET ASSETS (CONTINUED)
JUNE 30, 2008 AND 2007

LIABILITIES AND NET ASSETS	Restricted Bond Fund		
	Single-Family Bond Program	Multifamily Housing Bond Program	Nonprofit Housing Bond Program
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 5,205,533	\$ 20,373,997	\$ 61,108,060
ACCRUED INTEREST PAYABLE	4,065,220	6,379,061	7,984,066
ACCRUED ARBITRAGE REBATE	909,966	-	-
DEFERRED REVENUE	-	-	-
PROJECT EQUITY HELD FOR BORROWER	-	13,114,162	-
PRIVATE PLACEMENT PROGRAMS, NOTES PAYABLE AND BOND FUND FINANCING	-	600,000	-
BONDS PAYABLE			
Current interest bonds	999,570,598	1,379,623,895	920,765,202
Taxable bonds	2,315,000	171,950,053	15,105,000
Unamortized bond discount	(3,047)	(177,771)	(881,441)
Unamortized bond premium	4,936,545	544,593	1,077,402
	<u>1,006,819,096</u>	<u>1,551,940,770</u>	<u>936,066,163</u>
TOTAL LIABILITIES	1,016,999,815	1,592,407,990	1,005,158,289
NET ASSETS			
Restricted			
Bond operations	23,221,169	1,026,096	-
Grants and donations to Program Investment Fund	-	-	-
Invested in capital assets	-	-	-
Unrestricted			
General operations	-	-	-
Program Investment Fund	-	-	-
	<u>23,221,169</u>	<u>1,026,096</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,040,220,984</u>	<u>\$ 1,593,434,086</u>	<u>\$ 1,005,158,289</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2008	2007
\$ 5,002,394	\$ 1,354,548	\$ 11,500,508	\$ 104,545,040	\$ 105,107,237
1,678,376	-	-	20,106,723	22,360,237
-	-	-	909,966	814,434
-	2,241,998	-	2,241,998	1,550,317
-	-	-	13,114,162	9,526,240
-	-	-	600,000	26,374,123
468,181,940	-	-	3,768,141,635	3,479,386,570
3,360,000	-	-	192,730,053	186,258,404
-	-	-	(1,062,259)	(1,182,357)
-	-	-	6,558,540	7,335,039
<u>471,541,940</u>	<u>-</u>	<u>-</u>	<u>3,966,367,969</u>	<u>3,671,797,656</u>
478,222,710	3,596,546	11,500,508	4,107,885,858	3,837,530,244
-	-	-	24,247,265	6,295,148
-	-	500,000	500,000	500,000
-	196,446	-	196,446	300,857
-	17,803,554	-	17,803,554	17,699,143
-	-	52,592,734	52,592,734	44,014,589
<u>-</u>	<u>18,000,000</u>	<u>53,092,734</u>	<u>95,339,999</u>	<u>68,809,737</u>
<u>\$ 478,222,710</u>	<u>\$ 21,596,546</u>	<u>\$ 64,593,242</u>	<u>\$ 4,203,225,857</u>	<u>\$ 3,906,339,981</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND CHANGES IN
PROGRAM NET ASSETS
YEARS ENDED JUNE 30, 2008 AND 2007

	Restricted Bond Fund		
	Single-Family Bond Program	Multifamily Housing Bond Program	Nonprofit Housing Bond Program
REVENUES			
Interest earned on mortgage loans and mortgage-backed securities	\$ 43,424,194	\$ 68,255,654	\$ 34,566,487
Other interest and investment income	8,048,386	226,624	347,273
Gain (Loss) on mortgage-backed securities	15,485,765	(229,639)	-
Other fee income	3,023,908	3,485,855	1,829,306
Nonoperating revenues - grants	-	-	-
	<u>69,982,253</u>	<u>71,738,494</u>	<u>36,743,066</u>
EXPENSES			
Interest on debt	48,381,405	68,210,859	35,032,394
Amortization of bond discount	603	7,918	55,690
Amortization of bond premium	(456,141)	(90,148)	(174,324)
Amortization of bond issuance costs	1,021,624	3,433,019	1,715,725
Amortization of bond insurance premium	-	2,934	113,581
Servicing and commission fees	2,373,616	118,715	-
Salaries and wages	-	-	-
Communication and office expense	-	-	-
Professional fees	-	-	-
Trustee and paying agent fees	379,241	32,349	-
Other	351,657	979	-
Nonoperating expenses - grants	-	-	-
	<u>52,052,005</u>	<u>71,716,625</u>	<u>36,743,066</u>
EXCESS OF REVENUES OVER EXPENSES	17,930,248	21,869	-
NET ASSETS			
Balance, beginning of year	5,290,921	1,004,227	-
Distribution of equity	-	-	-
Balance, end of year	<u>\$ 23,221,169</u>	<u>\$ 1,026,096</u>	<u>\$ -</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2008	2007
\$ 16,534,551	\$ -	\$ -	\$ 162,780,886	\$ 133,516,687
-	2,858,626	-	11,480,909	13,900,256
-	-	-	15,256,126	(4,383,728)
1,107,826	13,779,737	534,657	23,761,289	22,627,979
-	239,628	-	239,628	158,786
<u>17,642,377</u>	<u>16,877,991</u>	<u>534,657</u>	<u>213,518,838</u>	<u>165,819,980</u>
16,534,551	-	-	168,159,209	144,784,528
-	-	-	64,211	59,574
-	-	-	(720,613)	(372,227)
1,107,826	-	-	7,278,194	7,525,753
-	-	-	116,515	197,167
-	-	-	2,492,331	2,093,832
-	5,369,898	-	5,369,898	4,987,113
-	1,911,530	-	1,911,530	1,913,271
-	1,115,289	7,864	1,123,153	884,307
-	-	-	411,590	196,289
-	-	189,748	542,384	624,454
-	240,174	-	240,174	158,786
<u>17,642,377</u>	<u>8,636,891</u>	<u>197,612</u>	<u>186,988,576</u>	<u>163,052,847</u>
-	8,241,100	337,045	26,530,262	2,767,133
-	18,000,000	44,514,589	68,809,737	66,042,604
-	(8,241,100)	8,241,100	-	-
<u>\$ -</u>	<u>\$ 18,000,000</u>	<u>\$ 53,092,734</u>	<u>\$ 95,339,999</u>	<u>\$ 68,809,737</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM CASH FLOWS
YEAR ENDED JUNE 30, 2008

	Restricted Programs	
	Single-Family Housing Bond Program	Multifamily Housing Bond Program
OPERATING ACTIVITIES		
Receipts for interest on mortgages	\$ 44,933,052	\$ 74,919,911
Receipts for other fee income	3,023,908	71,958
Receipts for loans and mortgage prepayments	71,892,423	81,501,506
Payments for acquisition of loans and mortgages	(234,975,058)	(257,278,989)
Payments for bond program expenses	(430,278)	(5,257,588)
Payments to employees and suppliers	-	-
Net cash from (used for) operating activities	<u>(115,555,953)</u>	<u>(106,043,202)</u>
INVESTING ACTIVITIES		
Purchase of investments	(144,088,458)	(164,442,084)
Sale of investments	261,871,886	132,101,979
Interest received on investments	8,946,834	45,858
Net cash from (used for) investing activities	<u>126,730,262</u>	<u>(32,294,247)</u>
NONCAPITAL FINANCING ACTIVITIES		
Contributions	-	-
CAPITAL FINANCING ACTIVITIES		
Project equity received, net	-	3,587,922
Proceeds from sale of bonds and notes	114,886,423	258,829,837
Interest paid on debt	(48,618,944)	(70,017,054)
Debt repayments	(71,892,423)	(81,501,506)
Net cash from (used for) capital financing activities	<u>(5,624,944)</u>	<u>110,899,199</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,549,365	(27,438,250)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>51,163,042</u>	<u>60,281,879</u>
End of year	<u>\$ 56,712,407</u>	<u>\$ 32,843,629</u>

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total
\$ 33,982,856	\$ 18,478,899	\$ -	\$ -	\$ 172,314,718
11,424	-	15,164,540	536,920	18,808,750
14,007,933	47,083,862	-	8,645,424	223,131,148
(195,707,062)	(113,346,836)	-	(12,278,073)	(813,586,018)
(3,446,852)	(2,325,180)	-	-	(11,459,898)
-	-	(8,369,155)	(12,687)	(8,381,842)
<u>(151,151,701)</u>	<u>(50,109,255)</u>	<u>6,795,385</u>	<u>(3,108,416)</u>	<u>(419,173,142)</u>
(65,070,011)	(26,917,751)	-	(5,143,816)	(405,662,120)
229,791,370	52,154,266	2,470,300	-	678,389,801
2,151,028	845,429	2,886,399	-	14,875,548
<u>166,872,387</u>	<u>26,081,944</u>	<u>5,356,699</u>	<u>(5,143,816)</u>	<u>287,603,229</u>
-	-	(8,241,100)	8,241,100	-
-	-	-	-	3,587,922
30,445,000	79,745,682	-	-	483,906,942
(34,593,094)	(17,152,258)	-	-	(170,381,350)
<u>(14,007,933)</u>	<u>(47,083,862)</u>	<u>-</u>	<u>-</u>	<u>(214,485,724)</u>
<u>(18,156,027)</u>	<u>15,509,562</u>	<u>-</u>	<u>-</u>	<u>102,627,790</u>
(2,435,341)	(8,517,749)	3,910,984	(11,132)	(28,942,123)
<u>79,395,175</u>	<u>20,383,951</u>	<u>5,310,678</u>	<u>11,132</u>	<u>216,545,857</u>
<u>\$ 76,959,834</u>	<u>\$ 11,866,202</u>	<u>\$ 9,221,662</u>	<u>\$ -</u>	<u>\$ 187,603,734</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2008

	Restricted Programs	
	Single-Family Housing Bond Program	Multifamily Housing Bond Program
RECONCILIATION OF EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES TO NET CASH FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 17,930,248	\$ 21,869
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash from operating activities		
Amortization of mortgage discount	(567,608)	-
Amortization of mortgage premium	-	2,901
Amortization of bond insurance premium	12,287	1,058
Amortization of bond issuance costs	1,021,624	3,433,019
Amortization of bond premium	(456,141)	(90,148)
Amortization of bond discount	603	7,918
Amortization of deferred fee income	-	(3,399,618)
Purchase of mortgage loans	(236,151,323)	(258,196,239)
Repayments of mortgage loans	71,892,423	81,501,506
Unrealized gain (loss) on securities	(15,485,765)	229,639
Cash from changes in operating assets and liabilities		
Interest and other receivables	(5,345,090)	1,483,975
Interest and other payables	51,592,789	68,960,918
Net cash (from) used for operating activities	<u>\$ (115,555,953)</u>	<u>\$ (106,043,202)</u>

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total
\$ -	\$ -	\$ 8,241,100	\$ 337,045	\$ 26,530,262
(55,690)	-	-	-	(623,298)
174,324	-	-	-	177,225
-	-	-	-	13,345
1,715,725	1,107,826	-	-	7,278,194
(174,324)	-	-	-	(720,613)
55,690	-	-	-	64,211
(1,715,725)	(1,107,826)	-	-	(6,223,169)
(190,686,267)	(113,815,678)	-	(12,278,073)	(811,127,580)
14,007,933	47,083,862	-	8,645,424	223,131,148
-	-	-	-	(15,256,126)
(982,120)	579,540	(2,405,131)	187,188	(6,481,638)
26,508,753	16,043,021	959,416	-	164,064,897
\$ (151,151,701)	\$ (50,109,255)	\$ 6,795,385	\$ (3,108,416)	\$ (419,173,142)

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE
YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE TOTALS FOR 2007

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2008	2007
Single Family (Stand Alones)					
Single Family Draw Down Program	05/30/02	\$ 500,000,000	06/01/36	\$ 7,877,000	\$ 3,913,000
Single Family 1998 CRA-A	11/19/98	5,300,000	01/01/31	1,645,000	1,885,000
Single Family 1999 CRA-A	07/29/99	5,350,000	07/01/31	670,000	895,000
				<u>10,192,000</u>	<u>6,693,000</u>
Single Family (Open Indenture)					
Single Family 1997 3A/3T	08/27/97	21,600,000	12/01/28	-	-
Single Family 1997 4A/4N/4T	11/20/97	20,000,000	06/01/29	-	-
Single Family 1998 1A/1N/1T	02/26/98	20,000,000	06/01/29	4,890,000	5,845,000
Single Family 1998 2A/2T	04/23/98	16,000,000	06/01/29	3,425,000	3,665,000
Single Family 1998 3A/3N/3T	06/04/98	34,480,000	12/01/29	2,055,000	2,385,000
Single Family 1998 4A/4T, 4A (CAB) *	08/27/98	35,002,696	06/01/30	12,640,000	13,720,000
Single Family 1998 5A/5N/5T, 5A (CAB) *	11/19/98	22,217,675	06/01/30	10,105,000	10,745,000
Single Family 1999 1A/1N/1T, 1A (CAB) *	02/24/99	25,001,382	06/01/30	7,380,000	8,685,000
Single Family 1999 2A/2N//2T, 2A (CAB) *	05/27/99	23,500,452	12/01/30	4,765,000	5,300,000
Single Family 1999 3A/3T	06/24/99	30,000,000	12/01/30	3,130,000	3,590,000
Single Family 1999 4A/4N/4T	08/25/99	35,000,000	12/01/30	5,550,000	6,210,000
Single Family 1999 5A/5N/5T	11/02/99	32,575,000	06/01/31	10,910,000	11,610,000
Single Family 2000 1A/1T	02/24/00	30,000,000	06/01/31	-	-
Single Family 2000 2A/2N/2T	04/27/00	35,000,000	12/01/31	-	-
Single Family 2000 3A/3N/3T	07/12/00	32,000,000	12/01/31	-	-
Single Family 2000 4A/4T	11/14/00	23,000,000	06/01/32	470,000	905,000
Single Family 2000 5A-R/5N-R	11/14/00	14,280,000	06/01/22	-	-
Single Family 2001 1A/N	02/28/01	20,000,000	12/01/32	2,805,000	3,430,000
Single Family 2001 2A	05/30/01	27,000,000	12/01/32	1,515,000	1,865,000
Single Family 2001 3A-R/3N-R	05/30/01	5,695,000	06/01/22	-	-
Single Family 2001 4A/4T	07/26/01	30,000,000	12/01/32	14,635,000	16,120,000
Single Family 2001 5A	11/15/01	20,000,000	06/01/33	3,515,000	3,855,000
Single Family 2002 1A	03/14/02	20,000,000	06/01/33	1,275,000	1,620,000
Single Family 2002 2A, 3A/ 3N-R	05/30/02	43,110,000	12/01/33	3,996,889	4,652,790
Single Family 2002 4A	08/30/02	25,000,000	12/01/33	9,860,000	10,745,000
Single Family 2002 5A	11/15/03	23,580,000	12/01/33	15,649,929	17,003,138
Single Family 2003 1A/1N	05/21/03	20,000,000	06/01/26	12,150,000	14,100,000
Single Family 2003 2A/2N	09/25/03	24,500,000	12/01/24	16,642,240	18,084,951
Single Family 2003 3A/3N	11/19/03	23,885,000	06/01/34	20,527,792	21,183,094
Single Family 2004 1A/1N	03/18/04	37,325,000	12/01/34	25,618,426	28,049,630
Single Family 2004 2A/2N	07/07/04	38,885,000	06/01/35	30,236,925	33,315,238
Single Family 2004 3A/3N	08/25/04	33,500,000	06/01/35	26,399,598	28,797,569
Single Family 2004 4A/4N	12/09/04	23,790,000	12/01/35	19,701,799	21,220,815
Single Family 2005 1A/1N	03/31/05	25,000,000	12/01/35	21,965,000	23,575,000
Single Family 2005 2A/VR-2A	06/16/05	30,000,000	03/01/36	28,165,000	29,050,000
Single Family 2005 3A	08/04/05	19,795,000	06/01/36	18,940,000	19,400,000
Single Family 2005 4	09/29/05	24,380,000	06/01/36	22,435,000	23,690,000
Single Family 2005 5	12/15/05	24,535,000	06/01/36	23,230,000	24,210,000
Single Family 2006 1	01/25/06	99,265,000	06/01/37	46,575,000	48,600,000
Single Family 2006 2	04/12/06	79,370,000	12/01/37	47,465,000	49,095,000
Single Family 2006 3	07/13/06	55,000,000	12/01/37	54,015,000	54,750,000
Single Family 2006 4	07/23/06	55,000,000	06/01/37	54,125,000	54,830,000
Single Family 2006 5	10/12/06	55,000,000	12/01/37	54,355,000	55,000,000
Single Family 2006 6	11/02/06	53,795,000	12/01/37	52,580,000	53,795,000
Single Family 2007 1	02/08/07	54,490,000	06/01/38	53,855,000	54,490,000
Single Family 2007 2	03/29/07	55,000,000	06/01/48	54,780,000	55,000,000
Single Family 2007 3	05/17/07	55,000,000	06/01/48	54,805,000	55,000,000
Single Family 2007 4	06/20/07	54,980,000	06/01/48	54,590,000	54,980,000
Single Family 2007 5	10/25/07	80,005,000	12/01/47	79,965,000	-
				<u>991,693,598</u>	<u>952,167,225</u>
Unamortized Bond Premium				4,936,545	5,448,572
Unamortized Bond Discount				<u>(3,047)</u>	<u>(59,536)</u>
				<u>1,006,819,096</u>	<u>964,249,261</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE TOTALS FOR 2007

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2008	2007
Multi-Family Housing					
Willowgreen	11/18/86	\$ 9,275,000	10/01/10	\$ -	\$ 9,275,000
Mill Plain	02/25/88	12,400,000	01/01/10	12,400,000	12,400,000
James St. Crossing	03/29/88	16,379,123	12/01/08	-	16,379,123
Multifamily 1990A&B - (11b)	12/18/90	9,200,000	07/01/23	640,000	660,000
1992 A&B Fannie Mae Refunding	12/09/92	89,631,894	01/01/18	257,492	3,729,355
Canyon Lakes	07/28/93	4,565,000	07/01/18	4,035,000	4,130,000
Canyon Lakes II	10/19/94	6,935,000	10/01/19	6,130,000	6,275,000
Arbors on the Park	10/01/94	14,850,000	10/01/24	14,850,000	14,850,000
Multifamily Preservation Program	10/13/94	2,611,300	10/01/24	446,849	2,349,334
Mallard Cove	02/01/95	8,920,000	01/01/30	-	8,795,000
Gilman Meadows	02/01/95	6,875,000	01/01/30	-	6,760,000
Inglenook Court	05/25/95	8,300,000	07/01/25	8,300,000	8,300,000
Heatherstone Apartments	07/12/95	9,800,000	07/01/25	6,705,000	7,065,000
Wandering Creek Project	11/22/95	5,300,000	01/01/26	5,300,000	5,300,000
Pacific Crest Apartments	11/28/95	5,815,000	01/01/26	4,810,000	4,935,000
LTC Properties	12/13/95	8,300,000	12/01/15	4,690,000	5,130,000
Courtside Apartments	02/28/96	10,600,000	01/01/26	9,030,000	9,145,000
Lake Washington Apartments	10/30/96	10,750,000	10/01/26	9,435,000	9,550,000
Brittany Park Project	11/07/96	14,200,000	11/01/21	12,700,000	12,815,000
Pacific Inn Apartments	11/08/96	5,900,000	05/01/28	4,970,000	5,095,000
Eaglepoint	11/27/96	6,450,000	07/01/28	6,450,000	6,450,000
Winterhill	11/27/96	8,700,000	07/01/28	-	7,800,000
Meridian Court	12/12/96	8,000,000	12/01/28	6,700,000	6,700,000
Hamilton Place Senior Living	12/20/96	4,140,000	07/01/28	3,590,000	3,590,000
Larkin Apartments	12/20/96	5,565,000	07/01/28	4,825,000	4,825,000
Merrill Gardens	07/14/97	12,500,000	07/01/22	8,125,000	8,125,000
Sherwood Springs	09/24/97	8,810,000	09/01/27	7,600,000	7,780,000
Anchor Village	12/10/97	10,750,000	12/15/27	10,750,000	10,750,000
1998 Ginnie Mae Refunding	01/21/98	7,515,000	07/01/30	4,605,000	6,695,000
Private Placement Lake Washington Apartments	01/27/98	600,000	06/30/36	600,000	600,000
Rosereek Senior Living	02/26/98	4,755,000	02/01/28	-	4,260,000
Twin Ponds Apartments	02/26/98	7,355,000	02/01/28	-	6,595,000
Clare House	05/01/98	4,100,000	07/01/30	-	3,930,000
Brittany Park II	08/12/98	5,800,000	11/01/21	5,225,000	5,440,000
Boardwalk Apartments	09/14/98	12,400,000	09/01/28	11,225,000	11,425,000
Oxford Square Apartments	11/30/98	6,000,000	12/01/28	5,240,000	5,360,000
Avalon Ridge Apartments	10/14/99	18,755,000	05/15/26	18,755,000	18,755,000
Regency Park Apartments	09/23/99	11,150,000	09/01/29	7,805,000	7,805,000
WoodRose Apartments	11/09/99	9,000,000	06/15/32	7,880,000	8,000,000
Summer Ridge Apartments	12/13/99	4,740,000	12/01/29	4,155,000	4,245,000
Mill Pointe	12/21/99	14,500,000	01/01/30	9,425,000	9,425,000
Silver Springs Apartments	12/22/99	10,270,000	12/22/29	10,180,231	10,205,230
Holly Village	12/23/99	8,800,000	07/15/32	7,645,000	7,760,000
Burke Gilman Place 2000	02/16/00	4,495,000	07/01/35	3,835,000	3,835,000
Vintage at Bremerton Senior Project	09/29/00	7,600,000	05/15/33	6,460,000	6,555,000
Granite Falls	10/03/00	3,930,000	10/01/27	3,575,000	3,660,000
Ferris View	10/11/00	1,425,000	11/01/31	1,060,736	1,076,596
Greens at Merrill Creek	10/12/00	17,310,000	06/01/24	16,102,000	16,725,000
Evergreen 2000 (Ginnie Mae)	10/17/00	5,950,000	01/01/36	5,605,000	5,665,000
Kingsbury Terrace	02/09/01	4,100,000	07/01/42	3,960,000	3,990,000
Lakewood Meadows	11/21/00	7,850,000	07/15/33	7,410,000	7,520,000
Springfield Meadows Apartments Project	08/06/01	17,000,000	01/01/34	11,050,000	11,050,000
Country Club Apartments Project	08/09/01	12,920,000	08/01/32	12,010,000	12,220,000

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE TOTALS FOR 2007

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2008	2007
Multi-Family Housing (Continued)					
Monticello Park Project	08/13/01	\$ 10,475,000	08/01/26	\$ 9,945,000	\$ 10,055,000
Parkside Apartments	10/30/01	11,700,000	01/20/43	10,765,000	10,970,000
Woodlands Apartments Project 2001	12/07/01	6,600,000	07/15/34	6,395,000	6,395,000
Silverwood Apartments Project 2001	12/11/01	3,825,000	11/01/38	3,787,637	3,787,637
Ocean Ridge Apartments 2001	12/21/01	9,000,000	11/01/38	8,753,638	8,816,081
Alderwood Court	05/17/02	7,645,000	06/15/35	7,345,000	7,445,000
Tama Qua (Whisperwood)	05/14/02	7,900,000	05/15/35	7,200,000	7,200,000
Valley View Apartments 2002	02/19/02	2,880,000	09/15/20	2,880,000	2,880,000
Olympic Heights Apartments 2002	02/19/02	5,165,000	09/15/20	5,165,000	5,165,000
Viewcrest Village	05/21/02	10,904,000	10/01/38	10,593,994	10,671,427
Parkway Apartments	06/20/02	9,180,000	07/20/37	8,740,000	8,830,000
Bridgewood at Four Seasons	10/04/02	9,800,000	10/01/32	9,460,000	9,560,000
Park Hill	08/27/02	7,000,000	04/01/34	6,590,468	6,634,978
Deer Run	10/01/02	4,900,000	05/01/30	4,622,247	4,703,290
Quail Run	12/06/02	7,150,000	07/01/35	6,989,732	7,041,325
Heatherwood Apts.	12/11/02	21,350,000	01/01/35	14,525,000	14,525,000
Tashiro Kaplan	04/30/03	5,290,000	01/20/45	5,045,000	5,125,000
Mallard Lake Park Apts.	11/26/02	18,500,000	05/15/35	14,405,000	14,515,000
Fort Vancouver	04/03/03	6,668,000	09/01/39	6,324,573	6,415,902
Auburn Meadows	07/02/03	8,600,000	07/01/36	8,490,000	8,600,000
Vintage at Mt. Vernon	06/05/03	10,000,000	01/15/37	9,000,000	10,000,000
Stonewall Apartments	09/15/03	10,500,000	05/15/36	-	7,500,000
Alaska House	07/15/04	8,040,000	07/20/45	7,880,000	7,940,000
International House	07/15/04	7,390,000	07/20/45	7,240,000	7,295,000
Rosemont Retirement & Assisted Living Comm	10/20/03	8,250,000	10/01/36	8,250,000	8,250,000
Olympic Place Retirement & Assisted Living Comm	11/24/03	10,575,000	11/01/36	10,575,000	10,575,000
Woodland Senior Housing Community	11/18/03	14,715,000	11/01/35	14,715,000	14,715,000
Stonebrook Apartments	10/28/04	15,710,000	02/01/37	14,495,000	14,660,000
Rainier Court Apartments	12/23/03	17,000,000	12/15/36	17,000,000	17,000,000
Rolling Hills Apartments	05/27/04	8,750,000	06/15/37	8,550,000	8,650,000
Highlander Apartments II	04/30/04	10,000,000	05/01/37	8,350,000	8,350,000
Lowman Building	06/30/04	7,100,000	01/01/29	6,815,000	6,965,000
Silver Creek Retirement & Assisted Living	11/16/04	15,300,000	11/01/40	15,300,000	15,300,000
Silver Creek Apartments	05/26/04	17,500,000	12/15/37	16,105,000	16,105,000
Crestview West Apartments	12/01/04	14,000,000	12/15/37	14,000,000	14,000,000
Vintage at Everett	06/30/04	17,750,000	01/15/38	17,750,000	17,750,000
Vintage at Richland	06/29/04	11,750,000	01/15/38	9,600,000	9,600,000
Columbia Heights Retirement	10/15/04	12,925,000	10/01/39	12,925,000	12,925,000
Ballinger Court Apartments	09/01/04	5,800,000	09/15/37	5,800,000	5,800,000
Burke-Gilman 2004 Refunding	07/19/04	3,835,000	07/01/18	3,490,000	3,595,000
Arbor Park Apt Homes	07/30/04	9,135,000	07/30/21	8,925,924	9,042,876
Washington Terrace Apt	09/30/04	11,250,000	09/15/37	11,250,000	11,250,000
Deer Run West	12/22/04	6,270,000	06/15/37	6,270,000	6,270,000
Merrill Gardens at Queen Anne	12/17/04	30,200,000	12/01/40	30,200,000	30,200,000
Merrill Gardens at Renton	12/17/04	23,100,000	12/01/40	23,100,000	23,100,000
Valley View Apartments	12/22/04	29,675,000	05/01/38	29,520,000	29,675,000
Vintage at Burien Apartments Project	12/22/04	7,300,000	01/15/38	7,300,000	7,300,000
Vintage at Sequim	01/27/05	8,390,000	03/01/38	8,371,708	8,390,000
Seaport Landing Retirement & Asst Living Comm	02/07/05	13,200,000	02/01/41	13,200,000	13,200,000
Park Vista Retirement Project	03/07/05	15,250,000	03/01/41	15,250,000	15,250,000
Cedar Landings Apartments	01/03/05	8,260,000	01/01/15	7,865,140	7,988,177
Highland Park	06/30/05	11,300,000	07/15/38	11,300,000	11,300,000
Ridgeview Apartments	04/29/05	12,390,000	11/01/22	10,048,998	10,200,000
Fairwinds - Redmond	07/15/05	27,500,000	07/01/41	27,500,000	27,500,000
Pinehurst Apartments	09/27/05	14,185,000	3/15/2039	14,185,000	14,185,000
The Vintage at Silverdale	09/29/05	19,575,000	9/15/2039	19,575,000	19,575,000
Lodge at Eagle Ridge	08/17/05	13,550,000	8/1/2041	13,550,000	13,550,000
New Haven Apartments	09/27/05	19,000,000	3/15/2039	19,000,000	19,000,000
Cambridge Apartments	09/27/05	12,650,000	3/15/2039	12,650,000	12,650,000

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE TOTALS FOR 2007

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2008	2007
Multi-Family Housing (Continued)					
Yesler Apartments	11/28/05	\$ 13,788,000	1/1/2024	\$ 13,788,000	\$ 13,761,460
Scenic Vista Senior Apartment	11/22/05	6,100,000	1/1/2039	6,100,000	6,100,000
Kamiakin Apartments	11/23/05	8,275,000	5/1/2042	8,201,310	8,269,520
Cedar Ridge Retirement and Assisted Living Facility	10/25/05	15,100,000	10/1/2041	15,100,000	15,100,000
Bluffs at Evergreen	12/07/05	12,300,000	1/1/2024	12,145,374	12,249,344
Vintage at Vancouver	02/10/06	8,900,000	4/1/2036	8,758,190	8,826,735
Merrill at Tacoma	09/01/06	19,600,000	9/15/2040	19,600,000	19,600,000
Vintage at Spokane Senior Living	07/17/06	17,200,000	8/15/2040	17,200,000	17,200,000
Forrest Creek	11/30/06	13,815,000	6/15/2040	13,815,000	13,815,000
Crowne Pointe Apartments	05/26/06	8,740,000	12/1/2047	8,717,024	8,740,000
Orchard Hills	11/03/06	9,060,000	7/1/2039	9,060,000	9,060,000
Ballard Landmark	12/15/06	35,100,000	12/15/2041	35,100,000	35,100,000
Lake City Senior Apartments	07/26/06	16,250,000	7/1/2039	16,250,000	16,250,000
Eagle's Landing Apartments	07/24/06	13,400,000	08/15/39	13,400,000	13,400,000
Echo Lake	12/07/06	17,970,000	07/15/40	17,970,000	17,970,000
Heron Creek	01/03/07	5,000,000	03/01/40	5,000,000	5,000,000
Covington Place	11/02/07	9,975,000	12/01/25	5,148,503	-
The Season	12/20/06	37,500,000	12/15/40	37,500,000	37,500,000
Vintage at Chehalis	11/30/06	8,190,000	06/15/40	8,190,000	8,190,000
Elk Creek Apartments	04/27/07	7,470,000	04/01/40	7,470,000	7,470,000
Northgate Village	12/08/06	5,990,000	06/01/43	5,990,000	5,990,000
Island Skagit Partner Portfolio	02/28/07	3,850,000	03/01/37	3,637,042	2,337,271
Three County Partners Portfolio	02/28/07	5,900,000	03/01/37	5,888,190	3,765,294
Barkely Ridge Apartments	08/28/07	10,400,000	09/01/40	10,400,000	-
Linden Square Apartments 2007	11/29/07	45,150,000	06/01/42	45,150,000	-
Merrill Gardens at Kirkland	10/04/07	34,000,000	04/15/41	34,000,000	-
Merrill Gardens University Village	10/04/07	55,000,000	04/15/41	55,000,000	-
2007 Clark Island Portfolio	11/09/07	5,560,000	11/01/42	5,560,000	-
Twin Ponds Refunding 07	12/03/07	7,285,000	01/01/38	7,250,417	-
Rosecreek Apts Refunding 07	12/03/07	3,570,000	01/01/38	3,551,965	-
Greentree Apartment Homes 08	01/30/08	13,965,000	02/01/26	14,308,522	-
Prairie View Apartment	12/28/07	23,880,000	01/01/26	21,903,369	-
Queen Anne Manor	12/20/07	19,005,000	07/01/40	19,005,000	-
Arrowhead Gardens Senior Living	12/05/07	35,000,000	01/01/42	35,000,000	-
Pioneer Village Retirement Community	12/27/07	4,600,000	01/01/26	2,018,558	-
First Liberty Apartments 07	12/11/07	5,965,000	04/01/40	5,965,000	-
Talon Hills Apartments	05/30/08	4,115,000	09/01/40	305,634	-
Streamlined Tax Exempt Private Placement -					
Multi-Family Housing					
Fir @ 17th	12/16/94	1,250,000	07/01/20	873,805	925,863
Riverside Landing	12/12/97	2,043,000	06/01/29	1,796,478	1,832,260
Arrowhead	05/31/94	1,200,000	06/01/09	781,836	831,750
Heritage Sunset	11/15/94	1,260,000	12/01/09	863,859	914,086
Heritage Grove	02/17/95	1,600,000	03/01/10	1,125,341	1,191,493
Bayswater Apts	05/04/95	925,000	05/01/10	637,908	676,130
Assembly Apts	09/10/97	3,000,000	05/01/23	2,536,919	2,597,293
Mt. Baker Apts	10/15/98	2,320,000	10/01/28	1,970,527	2,017,190
Covington Commons Apts	06/11/99	2,600,000	07/01/29	1,185,673	1,206,970
Rockwood Terrace	09/29/99	1,551,107	10/01/14	1,366,123	1,393,470
Terrace Apartments	08/28/00	1,222,000	08/01/30	1,107,620	1,127,929
Yakima Gardens	12/18/98	942,500	01/01/29	805,062	823,750
Oregon Place	07/14/00	2,500,000	08/01/30	1,153,696	1,176,671
Westgate Terrace Apts	08/31/05	3,218,000	03/01/22	3,137,453	3,183,970
Parkland Terrace Apts	08/31/05	1,600,000	04/01/22	1,559,952	1,583,080
Hiawatha Artist's Loft	12/01/06	8,500,000	12/01/28	4,353,231	8,500,000
Creston Point Apartments 07	10/19/07	2,000,000	11/01/37	2,000,000	-
				1,552,173,948	1,373,367,860
Unamortized Bond Discount				(177,771)	(185,690)
Unamortized Bond Premium				544,593	634,741
				1,552,540,770	1,373,816,911

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Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2008	2007
Non-Profit Housing					
Gonzaga University	04/08/93	\$ 6,500,000	07/01/14	\$ 3,090,000	\$ 3,440,000
Nikkei Concerns	10/20/94	6,250,000	10/01/19	3,955,000	4,190,000
Nikkei Manor	11/06/96	3,100,000	10/01/21	2,300,000	2,400,000
Panorama City	01/29/97	24,300,000	01/01/27	17,740,000	18,520,000
Riverview Lutheran	07/23/97	4,000,000	07/01/22	2,995,000	3,120,000
Crista Ministries Projects & Refunding	06/08/98	17,475,000	07/01/17	9,325,000	10,535,000
WA Odd Fellows Home	10/15/98	10,100,000	07/01/28	8,510,000	8,740,000
Presbyterian Ministries Rev & Refunding	02/25/99	11,965,000	01/01/29	10,200,000	10,455,000
Tacoma Lutheran 1999	07/15/99	6,510,000	01/01/24	5,535,000	5,535,000
The Kline Galland Center	09/23/99	27,500,000	07/01/29	25,535,000	26,065,000
Rockwood Retirement Communities	11/23/99	27,000,000	01/01/30	23,335,000	23,890,000
Living Care Centers	10/26/00	14,950,000	10/01/30	13,460,000	13,745,000
Pioneer Human Services 2001	08/02/01	7,100,000	08/01/19	4,470,000	4,755,000
Kenney Home Project 2001	11/15/01	18,135,000	12/01/31	17,620,000	17,620,000
Rockwood Forest Estates	05/23/02	9,560,000	01/01/34	8,995,000	9,165,000
Nickerson Area Properties	08/20/03	10,745,000	01/01/05	10,100,000	10,275,000
Franke Tobey Jones	08/27/03	13,035,000	09/01/33	13,035,000	13,035,000
Green River Community College	07/24/03	19,050,000	07/01/15	18,755,000	18,910,000
Emerald Heights 03 Expansion	07/01/03	38,460,000	07/01/33	35,920,000	36,655,000
Mercy Housing	09/19/03	6,445,215	09/19/33	5,968,624	6,081,399
Mercy Housing - Cobble Knoll, Phase II	11/30/04	3,900,000	11/01/34	3,700,630	3,760,896
Hearthstone	12/02/04	12,000,000	12/01/29	11,315,000	11,565,000
Horizon House	10/05/05	56,700,000	10/01/35	55,775,000	56,140,000
Mirabella	11/03/06	256,745,000	03/01/36	256,745,000	256,745,000
Judson Park Refunding '07	01/30/07	37,010,000	02/01/37	37,010,000	37,010,000
Skyline at First Hill	02/28/07	214,700,000	01/01/38	214,700,000	214,700,000
Wesley Homes Lea Hill Refunding	04/02/07	57,610,000	01/01/36	52,245,000	57,610,000
Panorama Apartments	04/03/08	28,500,000	04/01/43	28,500,000	-
Streamlined Tax Exempt Private Placement - Multi-Family Nonprofit Housing					
Mental Health North	07/14/92	1,255,147	07/01/10	248,439	357,814
Summerfield	06/28/93	1,945,000	06/01/10	1,418,284	1,477,756
Wilton Apts	06/21/95	620,000	10/01/15	444,100	464,437
Adams Apartment	05/29/96	310,000	06/01/11	254,037	260,736
Bellevue Apartments	03/28/97	575,700	03/01/22	432,800	451,503
Blue Mountain Apartments	02/01/00	248,800	02/01/25	207,961	214,234
3904 Martin Luther King Way Apts	03/01/00	561,000	04/01/25	467,159	481,604
Brentwood Apartments	08/27/02	1,491,000	09/01/32	1,372,312	1,396,261
Clallam County Hostels	11/25/02	366,843	12/01/22	301,383	314,883
Interaction/Transition House	03/04/03	600,000	03/01/18	550,248	560,845
Episcopal Homes	11/09/93	5,850,000	05/01/10	3,741,828	3,963,881
Warm Beach	10/25/95	1,800,000	05/01/16	999,541	1,097,170
St. Andrew's Place	07/29/97	3,000,000	08/01/27	2,493,942	2,558,998
Der Garten Haus	09/21/98	650,000	10/01/18	553,795	566,702

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Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2008	2007
Streamlined Tax Exempt Private Placement - Multi-Family Nonprofit Housing (Continued)					
Nuuanu Pali Apartments Project	01/31/02	\$ 725,000	02/01/32	\$ 663,575	\$ 675,025
Northaven II Assisted Living Project	10/27/93	2,134,000	11/01/03	1,480,305	1,539,614
Meadowdale Apartments	02/18/05	5,680,000	02/01/15	5,437,627	5,515,627
Christian Health Care Center	10/13/05	7,532,219	10/02/20	6,998,424	7,190,317
Josephine Sunset Home	08/04/05	7,320,000	08/01/25	6,970,188	7,161,190
				<u>935,870,202</u>	<u>920,910,892</u>
Unamortized Bond Discount				(881,441)	(937,131)
Unamortized Bond Premium				<u>1,077,402</u>	<u>1,251,726</u>
				<u>936,066,163</u>	<u>921,225,487</u>
Non-Profit Facilities					
YMCA of Greater Seattle	09/17/91	7,700,000	07/01/11	-	3,950,000
Pioneer Human Services	10/17/91	4,595,000	07/01/11	540,000	840,000
Plumbers & Pipe fitters	12/07/95	3,400,000	07/01/20	2,325,000	2,440,000
American Red Cross	02/05/98	1,200,000	02/01/08	-	120,000
Community College of Spokane Foundation	09/24/98	3,155,000	07/01/08	2,320,000	2,480,000
YMCA-Puyallup/Pierce County	12/02/98	11,000,000	12/01/08	7,620,000	8,100,000
YMCA-Inland Northwest	04/08/99	5,800,000	07/01/29	5,095,000	5,350,000
YMCA-Columbia/Willamette Valley	08/12/99	3,900,000	08/01/24	3,165,000	3,300,000
South Sound YMCA 1999	09/30/99	5,500,000	01/01/24	4,485,000	4,640,000
St. Vincent dePaul Project	02/01/00	5,000,000	02/01/30	3,795,000	3,900,000
University Prep Academy	05/04/00	7,000,000	07/01/30	6,200,000	6,400,000
Community College of Spokane Foundation 2000	08/04/00	8,800,000	07/01/30	8,140,000	8,250,000
Seattle Academy of Arts & Sciences	10/02/00	15,445,000	01/01/31	15,045,000	15,135,000
Southwest WA Pipe Trades Training Center	10/31/00	4,230,000	10/01/25	3,465,000	3,580,000
Open Window School	08/05/03	6,600,000	08/01/28	6,020,000	6,310,000
Evergreen School 2002	06/27/02	9,500,000	07/01/28	8,700,000	9,005,000
Tacoma Art Museum	06/04/02	10,000,000	06/01/32	10,000,000	10,000,000
Annie Wright School	12/13/02	6,000,000	12/01/23	5,085,000	5,325,000
United Way of King County	03/11/03	8,500,000	03/01/28	5,300,000	6,140,000
Overlake School	10/02/03	10,030,000	10/01/29	8,715,000	8,945,000
Gonzaga Preparatory School	09/18/03	10,000,000	09/01/33	7,765,000	7,935,000
Museum of History and Industry	12/23/03	5,000,000	12/01/33	-	5,000,000
Bertschi School	06/15/06	6,300,000	06/01/35	6,300,000	6,300,000
Antioch University Project	05/18/05	6,780,000	01/01/27	6,150,000	6,395,000
The Northwest School - Northwest Addition	06/07/05	11,000,000	06/01/32	4,710,000	11,000,000
Lutheran Community Services	10/05/05	6,200,000	10/01/32	2,855,000	2,855,000
Forest Ridge School	06/30/05	12,765,000	07/01/32	12,765,000	12,765,000
Seattle Art Museum	10/06/05	50,000,000	07/01/33	33,200,000	50,000,000
The Bush School	04/17/06	24,000,000	04/01/34	24,000,000	24,000,000
Gig Harbor YMCA	08/01/06	12,500,000	12/01/32	12,300,000	12,500,000
Seattle Country Day School	06/13/06	12,800,000	07/01/32	12,800,000	12,800,000
Eastside Catholic	02/12/07	75,800,000	07/01/38	75,800,000	75,800,000
Allied Trades Training Center	11/02/06	7,225,000	11/01/32	7,225,000	7,225,000
YMCA of Snohomish County	12/01/06	17,345,000	12/01/33	16,980,000	17,345,000
Villa Academy	12/03/07	7,170,000	12/01/34	7,170,000	-
St. Thomas School Project	07/16/07	31,390,000	07/01/36	31,390,000	-
2007 YMCA of Greater Seattle	09/04/07	30,000,000	09/01/37	30,000,000	-

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				2008	2007
Streamlined Tax Exempt Private Placement - Nonprofit Facilities					
PAWS	03/03/92	\$ 308,813	02/28/17	\$ 141,186	\$ 153,719
Pacific Science Center	02/21/96	3,287,021	01/01/09	-	236,094
Audubon Society	04/17/96	100,000	05/01/11	28,963	38,426
Work Force Development	05/23/96	1,027,000	12/01/21	757,010	789,901
ElderHealth Northwest	12/06/96	1,200,000	12/01/11	669,507	681,789
Genesis House	06/12/97	660,000	06/01/07	397,588	432,621
Heath Building/Lindeman	08/29/97	501,208	09/01/07	-	397,805
Little Red School House	04/29/98	385,941	05/01/23	291,513	304,767
People for People 1999	04/30/99	1,500,000	05/01/14	1,142,094	1,196,269
Pacific NW Research Institute	05/06/99	2,700,000	07/01/14	1,443,586	1,602,881
SEED Homesight Project	05/13/99	616,000	07/01/09	534,679	546,231
NW Washington Fair	06/25/99	950,000	05/01/19	-	778,850
Benton-Franklin Support Network	07/09/99	920,000	08/01/09	652,903	691,400
Nova Services	03/01/00	650,000	03/01/20	468,054	496,607
Pullman Community Action Center	03/30/00	700,000	04/01/30	619,989	632,256
Henry Cogswell College	08/22/01	2,800,000	08/01/16	-	2,134,934
Washington School Principal's Project	06/01/01	700,000	06/01/21	359,830	414,886
Tacoma-Pierce County Humane Society	10/02/01	1,915,000	11/02/11	1,149,959	1,243,002
Island School Expansion and Remodel	11/01/01	1,300,000	11/01/26	685,144	706,370
Nova School Project	11/02/01	845,000	11/01/11	230,509	288,440
Harlequin Productions Project	11/08/01	538,750	11/01/21	284,743	450,950
Artist Trust Project	11/30/01	350,000	11/30/31	320,569	325,875
Girl Scouts-Totem Council Project	12/28/01	2,576,000	01/01/32	2,342,238	2,385,004
Hyla Middle School Project	12/26/01	650,000	01/01/27	553,803	571,910
Streamlined Tax Exempt Private Placement - Nonprofit Facilities (Continued)					
YMCA of Grays Harbor Project	01/04/02	2,750,000	01/31/22	-	6,553
Spokane Valley Community Center	05/22/02	682,500	06/01/22	416,189	437,445
Tomorrows Hope	04/05/02	860,000	04/01/27	754,343	774,353
Southside Senior Center	05/22/02	650,000	06/01/22	513,502	547,342
The Institute for Family Development	06/28/02	750,000	02/01/27	638,816	659,629
New Horizon's School	07/31/02	875,000	08/01/32	825,273	830,338
Children's Village Foundation Project	09/06/01	975,000	09/01/21	653,910	684,481
Goodwill Industries of Inland NW	12/23/02	3,000,000	01/01/23	2,153,293	2,307,991
Harbor Montessori	07/02/03	1,300,000	07/01/28	1,145,515	1,179,726
Puget Sound Electrical Apprenticeship	05/20/03	4,614,004	05/01/18	3,017,563	3,662,038
Opportunity Council	09/04/03	1,350,000	09/01/23	1,154,307	1,199,826
Martha & Mary	12/09/03	1,416,000	12/01/28	1,005,657	1,031,724
Whatcom Family YMCA 2004	02/04/04	1,100,000	02/01/24	939,496	979,232
French American School	04/21/04	1,875,000	02/01/25	1,681,463	1,742,695
Columbia Basin College Foundation	04/08/04	799,802	10/01/10	298,232	420,979
Metropolitan Development Council	12/30/04	2,403,530	12/01/31	2,263,462	2,320,562
St. Vincent de Paul	03/09/05	2,050,000	06/01/30	-	1,963,483
NW Pipe Trade - Local 26 Educational Dev. Trust	07/20/05	3,500,000	04/01/31	3,345,164	3,431,379
Morningside	11/07/05	2,244,118	11/01/30	2,035,657	2,117,264
Valley Residential Services	11/09/05	640,000	11/01/20	603,497	616,419
Goodwill Industries - Spokane Complex	03/01/06	2,400,000	03/01/26	2,249,160	2,318,602
Richland Health Science Center - Columbia Basin	03/30/06	2,950,000	09/01/31	3,190,484	3,251,611
N.E.W.J.A. Training Center	05/05/06	874,989	05/01/06	791,030	832,203
Whatcom Community College Foundation	05/11/06	1,076,990	06/01/31	1,037,874	1,057,974
SKCAC Industries	08/01/06	1,100,000	08/01/21	1,065,035	1,084,508

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				2008	2007
Streamlined Tax Exempt Private Placement - Nonprofit Facilities (Continued)					
TVW-Jeannette C. Hayner Media Center	10/04/06	\$ 2,662,820	10/01/36	\$ 1,122,153	\$ 2,642,284
Re Sources Sustainable Living Center	10/31/06	2,025,000	11/01/31	1,967,567	2,005,285
Tacoma Musical Playhouse	11/01/06	1,425,000	11/01/18	1,380,198	1,408,737
United Way of Snohomish County	01/19/07	2,100,000	02/01/32	2,050,778	2,087,541
Archbishop Thomas Murphy School	05/02/07	8,500,000	05/01/27	8,479,651	8,500,000
University Cooperative School	05/09/07	1,000,000	06/01/37	990,378	997,929
Youth Care - Orion Center	05/03/07	2,149,000	06/01/27	2,105,775	2,149,000
Perry Technical Institute	10/26/07	5,000,000	11/01/27	3,010,882	-
Alliance Center	12/19/07	2,150,000	12/31/37	2,141,361	-
West Sound Academy	04/01/08	4,640,000	04/01/28	4,631,052	-
French American School	04/03/08	2,290,000	10/01/28	700,000	-
Sanchez Beginning Farmers	03/31/08	250,000	03/01/33	250,000	-
Tregoning Beginning Farmers	04/30/08	250,000	05/01/33	249,556	-
Glasso Beginning Farmers	05/23/08	184,800	06/01/33	184,800	-
				471,541,940	438,880,120
Unamortized Bond Discount				-	-
				471,541,940	438,880,120
Totals				\$ 3,966,967,969	\$ 3,698,171,779

* Capital Appreciation Bonds