

MOSSES ADAMS

**WASHINGTON STATE HOUSING
FINANCE COMMISSION**

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

June 30, 2009 and 2008

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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, 2009 and 2008 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, 2009 and 2008, 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 10 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
November 13, 2009

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2009 AND 2008**

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, 2009. This overview and analysis is required by accounting principles generally accepted in the United States of America for governmental entities.

FINANCIAL HIGHLIGHTS

During the fiscal year ended, or as of June 30, 2009 ("FY 2009"):

- Net assets increased \$62 million to \$157.3 million primarily due to the increase in the Program Investment Fund (\$6.1 million) and the current year revenue over expense in the Bond Fund (\$55.9 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 (\$54.0 million).
- The increase in net assets in the Program Investment Fund of \$6.1 million resulted from operating income of \$.2 million and a \$5.9 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 \$226.5 million.
- Mortgage-backed securities ("MBS"), net, increased by \$74.6 million, due to the increase in purchases of MBS pools made available by the new bond issues within the Single-family Homeownership Program as well as the cumulative unrealized gain (\$40.2 million) in FY 2009 as a result of 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 \$198.3 million due to draws of funds from recently issued bonds.
- Total bonds and notes payable of \$3.9 billion were outstanding, net of premiums and discounts. This is a net decrease of \$24.3 million (.7%) from the net effect of the issuance of bonds (\$220.7 million) and a decrease from principal payments on bonds (\$244.9 million).
- Total revenues increased \$1.5 million, due to an increase in the fair market value of mortgage-backed securities of \$54.0 million as compared to an increase of \$15.3 million in 2008, and a net decrease in interest and other income (\$37.3 million) resulting mostly from the sharp decline in interest rates on the variable rate instruments within the conduit bond programs. Total expenses decreased \$34 million due primarily to decreases in bond interest expense related to the lower rates on variable rate debt.

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2009 AND 2008**

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: Management's Discussion and Analysis, the basic financial statements, and the notes to the financial statements. The basic financial statements include the statement of net assets, statement of revenues, expenses, and changes in net assets, and the statement of cash flows. 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 General Operating Fund, Program Investment Fund, and Bond Fund.

Economic Outlook

The capital markets continue to recover from the significant disruption and turmoil that they have endured over the past year. Credit continues to be significantly constrained and, when available, is substantially more costly than historical averages. In many cases it remains difficult to structure cost-effective financings. While market conditions for the Single-family Homeownership Program seem to be improving, those for the Multifamily and Nonprofit Conduit Programs are still very difficult. Overall, we expect net issuances for fiscal year end 2010 to remain at a level lower than in all but the most recent fiscal year.

While the demand for first-time homebuyer mortgages has slowed during the recession, the federal government has developed programs to incent home buying such as the first-time homebuyer tax credit and the purchase of Fannie Mae, Freddie Mac and Ginnie Mae securities, supporting the availability of low conventional mortgage rates. The market difficulties facing the issuance of tax-exempt municipal bonds has caused the rate on our Single-family Homeownership Program ("Program"), First-time Homebuyer mortgages to exceed conventional mortgages rates for most of the year. The availability of down payment assistance through our Program, however, has helped to maintain the relevance of our Program to first-time homebuyers. During this difficult period for financing additional program proceeds, the Commission is maximizing its use of funds in the Program's open indenture for recycling of funds and by selling originated loans directly to Fannie Mae and investors.

Over the next year, federal support for low conventional mortgage rates is expected to wane. In addition, the tax-exempt municipal bond market for Single-family bonds is showing signs of improvement and the federal government is expected to offer programs to support favorable terms for Housing Finance Agency programs. Therefore we expect to see improvement in our Single-family program activity as compared to the prior year.

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2009 AND 2008

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Disruption in the capital markets has affected the ratings of a number of counterparty providers of investments, credit enhancement and swaps. In some cases, action may be needed 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. Termination or liquidation events could result in negative or positive financial consequences for the borrower.

FINANCIAL ANALYSIS OF THE COMMISSION

Statements of Net Assets

The following table summarizes the changes in assets, liabilities, and net assets between June 30, 2009 and 2008 (in millions):

	2009	2008	Change	
Assets				
Cash and cash equivalents	\$ 174.4	\$ 187.6	\$ (13.2)	(7.0%)
Investments	157.4	383.9	(226.5)	(59.0)
Accrued interest receivable	11.6	20.0	(8.4)	(42.0)
Fees receivable, net	0.2	0.2	-	-
Other receivables	0.2	0.1	0.1	100.0
Mortgage-backed securities, net	1,058.5	983.9	74.6	7.6
Mortgage loans, net	2,735.5	2,537.2	198.3	7.8
Unamortized bond issuance costs	82.6	88.0	(5.4)	(6.1)
Prepaid fees and other	2.3	2.3	-	-
	\$ 4,222.7	\$ 4,203.2	\$ 19.5	0.5%
Liabilities				
Accounts payable and other liabilities	\$ 92.8	\$ 104.5	\$ (11.7)	(11.2%)
Accrued interest payable	19.1	20.1	(1.0)	(5.0)
Accrued arbitrage rebate	0.5	0.9	(0.4)	(44.4)
Deferred revenue	1.3	2.3	(1.0)	(43.5)
Project equity held for borrower	9.0	13.1	(4.1)	(31.3)
Notes payable and bond fund financing	0.6	0.6	-	-
Bonds payable, net	3,942.1	3,966.4	(24.3)	(0.6)
	\$ 4,065.4	\$ 4,107.9	\$ (42.5)	(1.0%)

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2009 AND 2008**

FINANCIAL ANALYSIS OF THE COMMISSION (Continued)

	2009	2008	Change	
Net assets				
Restricted				
Bond operations	\$ 80.1	\$ 24.2	\$ 55.9	231.0%
Grants and donations to PIF	0.5	0.5	-	-
Invested in capital assets	0.4	0.2	0.2	100.0
Unrestricted				
General operations	17.6	17.8	(0.2)	(1.1)
Program Investment Fund	58.7	52.6	6.1	11.6
Total net assets	<u>\$ 157.3</u>	<u>\$ 95.3</u>	<u>\$ 62.0</u>	65.1%

The net assets of the Commission increased by \$62 million from the June 30, 2008 amount. Of this increase, \$54 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 (\$1.9 million). The remaining \$6.1 million increase was due to Program Investment Fund operating income of \$.2 million and the \$5.9 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 \$58.7 million.

Statements of Revenues, Expenses, and Changes in Net Assets

The following table summarizes the changes in revenues and expenses between 2009 and 2008 (in millions):

	2009	2008	Change	
Revenues				
Bond programs mortgage interest	\$ 134.8	\$ 162.8	\$ (28.0)	(17.2%)
Bond programs investments and other income	1.2	8.6	(7.4)	(86.0)
Bond program gain on mortgage-backed securities	54.0	15.3	38.7	(252.9)
Program fees	22.8	24.0	(1.2)	(5.0)
General Operating Fund interest income	2.2	2.8	(0.6)	(21.4)
Total revenues	<u>\$ 215.0</u>	<u>\$ 213.5</u>	<u>\$ 1.5</u>	0.7%

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2009 AND 2008**

FINANCIAL ANALYSIS OF THE COMMISSION (Continued)

	<u>2009</u>	<u>2008</u>	<u>Change</u>	
Expenses				
Bond programs interest expense	\$ 132.4	\$ 168.1	\$ (35.7)	(21.2%)
Other bond programs expenses	11.1	10.2	0.9	8.8
Salaries and wages	5.7	5.4	0.3	5.6
Other General Operating Fund and Program Investment Fund expenses	<u>3.8</u>	<u>3.3</u>	<u>0.5</u>	15.2
Total expenses	<u>\$ 153.0</u>	<u>\$ 187.0</u>	<u>\$ (34.0)</u>	(18.2%)
 Change in net assets	 <u>\$ 62.0</u>	 <u>\$ 26.5</u>	 <u>\$ 35.5</u>	 (134.0%)

Mortgage related interest earnings (\$134.8 million) and bond interest expense (\$132.4 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 (\$12.2 million).

DEBT ADMINISTRATION

The Commission has long-term debt obligations of \$3.94 billion, net of bond premium and discounts at June 30, 2009. 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, 2009, 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, beginning farmers/ranchers, 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 Homeownership and Multifamily Housing Programs rely on private activity bonds subject to this volume cap. Bonds issued under the Nonprofit Programs are private activity bonds, which are not subject to this cap.

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2009 AND 2008**

DEBT ADMINISTRATION (Continued)

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 Homeownership 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 Program publicly sold bond issues generally must have a minimum initial A rating by one of the major rating agencies.

In the Commission's Single-family Homeownership Program, it 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.

As of June 30, 2009 the Commission's outstanding debt was limited to five billion dollars by the Revised Code of Washington Section 43.180.160 but was subsequently raised to six billion. 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, 2009 was \$3.94 billion, a decrease of \$24.3 million from 2008. Changes by program are summarized in the following table (in millions):

	<u>2008</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Changes</u>	<u>2009</u>
Single-family	\$ 1,006.8	\$ 115.5	\$ (79.4)	\$ 36.1	\$ 1,042.9
Multifamily Housing	1,552.6	37.0	(62.7)	(25.7)	1,526.9
Nonprofit Housing	936.1	26.5	(83.1)	(56.6)	879.5
Nonprofit Facilities	471.5	41.6	(19.7)	21.9	493.4
	<u>\$ 3,967.0</u>	<u>\$ 220.6</u>	<u>\$ (244.9)</u>	<u>\$ (24.3)</u>	<u>\$ 3,942.7</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2009 AND 2008

COMPARISON OF FISCAL YEARS 2008 WITH 2007

Statements of Net Assets

The following table summarizes the changes in combined 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
YEARS ENDED JUNE 30, 2009 AND 2008**

COMPARISON OF FISCAL YEARS 2008 WITH 2007 (Continued)

The following summarizes the changes in revenues and expenses between fiscal years 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 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	<u>\$ 213.5</u>	<u>\$ 165.8</u>	<u>\$ 47.7</u>	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	<u>\$ 187.0</u>	<u>\$ 163.1</u>	<u>\$ 23.9</u>	14.7%
Change in net assets	<u>\$ 26.5</u>	<u>\$ 2.7</u>	<u>\$ 23.8</u>	(881.5%)

During the fiscal year ended June 30, 2008 the Commission's combined total assets increased by \$296.9 million, attributable to the increase in mortgage loans and investments resulting from increased bond issuance activities during the year. Combined total revenues over expense of \$26.5 million for fiscal year ended June 30, 2008 increased the Commission's total net assets by \$23.8 million or 881.5% resulting primarily from \$15.3 million unrealized gain in 2008 on MBS as compared to the 2007 unrealized loss of \$4.4 million.

The Commission's combined change in net assets for 2008 was \$26.5 million as compared to an increase in net assets of \$2.7 million for 2007 resulting from an increase in bond activity revenues in 2008 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.

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2009 AND 2008**

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, 2009 AND 2008

ASSETS	2009	2008
	2009	2008
CASH AND CASH EQUIVALENTS	\$ 174,368,753	\$ 187,603,734
INVESTMENTS		
U.S. government and agencies securities	35,510,589	33,370,508
Investment agreements	121,878,003	350,527,443
	157,388,592	383,897,951
ACCRUED INTEREST RECEIVABLE	11,570,646	19,982,208
FEES RECEIVABLE, net	237,839	238,021
OTHER RECEIVABLES	215,283	71,883
MORTGAGE-BACKED SECURITIES, cost	1,018,328,703	997,748,466
Cumulative unrealized gain (loss) on mortgaged-backed securities	40,204,594	(13,834,607)
MORTGAGE-BACKED SECURITIES, fair value	1,058,533,297	983,913,859
MORTGAGE LOANS, net	2,735,546,360	2,537,168,188
UNAMORTIZED BOND ISSUANCE COSTS	82,571,973	88,008,880
PREPAID FEES AND OTHER	2,294,956	2,341,133
TOTAL ASSETS	\$ 4,222,727,699	\$ 4,203,225,857

See accompanying notes to financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF NET ASSETS (CONTINUED)
JUNE 30, 2009 AND 2008

LIABILITIES AND NET ASSETS	<u>2009</u>	<u>2008</u>
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 92,747,237	\$ 104,545,040
ACCRUED INTEREST PAYABLE	19,131,330	20,106,723
ACCRUED ARBITRAGE REBATE	466,990	909,966
DEFERRED REVENUE	1,312,819	2,241,998
PROJECT EQUITY HELD FOR BORROWER	9,017,924	13,114,162
PRIVATE PLACEMENT PROGRAMS, NOTES PAYABLE AND BOND FUND FINANCING	600,000	600,000
BONDS PAYABLE		
Current interest bonds	3,734,819,916	3,768,141,635
Taxable bonds	202,388,490	192,730,053
Unamortized bond discount	(999,284)	(1,062,259)
Unamortized bond premium	5,889,025	6,558,540
	<u>3,942,098,147</u>	<u>3,966,367,969</u>
TOTAL LIABILITIES	4,065,374,447	4,107,885,858
NET ASSETS		
Restricted		
Bond operations	80,129,907	24,247,265
Grants and donations to Program Investment Fund	500,000	500,000
Invested in capital assets	438,426	196,446
Unrestricted		
General operations	17,561,574	17,803,554
Program Investment Fund	58,723,345	52,592,734
	<u>157,353,252</u>	<u>95,339,999</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,222,727,699</u>	<u>\$ 4,203,225,857</u>

See accompanying notes to financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
REVENUES		
Interest earned on mortgage loans and mortgage-backed securities	\$ 134,797,215	\$ 162,780,886
Other interest and investment income	3,416,910	11,480,909
Gain on mortgage-backed securities	54,039,201	15,256,126
Other fee income	21,605,014	23,761,289
Nonoperating revenues - grants	1,146,196	239,628
	<u>215,004,536</u>	<u>213,518,838</u>
EXPENSES		
Interest on debt	132,404,169	168,159,209
Amortization of bond discount	62,976	64,211
Amortization of bond premium	(669,514)	(720,613)
Amortization of bond issuance costs	8,219,494	7,278,194
Amortization of bond insurance premium	113,634	116,515
Servicing and commission fees	2,480,709	2,492,331
Salaries and wages	5,749,430	5,369,898
Communication and office expense	1,587,836	1,911,530
Professional fees	1,113,433	1,123,153
Trustee and paying agent fees	297,645	411,590
Other	485,275	542,384
Nonoperating expenses - grants	1,146,196	240,174
	<u>152,991,283</u>	<u>186,988,576</u>
EXCESS OF REVENUES OVER EXPENSES	62,013,253	26,530,262
NET ASSETS		
Balance, beginning of year	<u>95,339,999</u>	<u>68,809,737</u>
Balance, end of year	<u>\$ 157,353,252</u>	<u>\$ 95,339,999</u>

See accompanying notes to financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
OPERATING ACTIVITIES		
Receipts for interest on mortgages	\$ 143,435,106	\$ 172,314,718
Receipts for other fee income	14,328,093	18,808,750
Receipts for loans and mortgage prepayments	267,942,386	223,131,148
Payments for acquisition of loans and mortgages	(491,587,179)	(813,586,018)
Payments for bond program expenses	(6,020,628)	(11,459,898)
Payments to employees and suppliers	(9,765,885)	(8,381,842)
Net cash used for operating activities	(81,668,107)	(419,173,142)
INVESTING ACTIVITIES		
Purchase of investments	(310,765,845)	(405,662,120)
Sale of investments	535,311,277	678,389,801
Interest received on investments	5,026,774	14,875,548
Net cash provided by investing activities	229,572,206	287,603,229
CAPITAL FINANCING ACTIVITIES		
Project equity received (used), net	(4,096,237)	3,587,922
Proceeds from sale of bonds and notes	219,075,050	483,906,942
Interest paid on debt	(133,348,189)	(170,381,350)
Debt repayments	(242,769,704)	(214,485,724)
Net cash provided by (used for) capital financing activities	(161,139,080)	102,627,790
DECREASE IN CASH AND CASH EQUIVALENTS	(13,234,981)	(28,942,123)
CASH AND CASH EQUIVALENTS		
Beginning of year	187,603,734	216,545,857
End of year	\$ 174,368,753	\$ 187,603,734

See accompanying notes to financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO NET CASH USED FOR OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 62,013,253	\$ 26,530,262
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash from operating activities		
Amortization of mortgage discount	700,790	(623,298)
Amortization of mortgage premium	197,830	177,225
Amortization of bond insurance premium	1,025	13,345
Amortization of bond issuance costs	8,219,494	7,278,194
Amortization of bond discount	(669,514)	(720,613)
Amortization of bond premium	62,976	64,211
Amortization of deferred fee income	(7,222,234)	(6,223,169)
Purchase of mortgage loans	(458,211,198)	(811,127,580)
Repayments of mortgage loans	267,942,386	223,131,148
Unrealized gain on securities	(51,555,054)	(15,256,126)
Cash from changes in operating assets and liabilities		
Interest and other receivables	2,356,699	(6,481,638)
Interest and other payables	94,495,440	164,064,897
	\$ (81,668,107)	\$ (419,173,142)

See accompanying notes to financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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.” The state legislature later authorized the Commission to issue bonds to finance or refinance nursing homes and capital facilities owned and operated by nonprofit corporations, as well as for beginning farmers/ranchers. The Commission’s debt limit was five billion dollars at June 30, 2009 and was increased to six billion dollars subsequent to the fiscal year end.

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. The chair of the Commission is appointed by, and serves at the pleasure of, the governor. The remaining eight members are appointed by the governor to a four-year term.

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 the General Operating Fund, Program Investment Fund and Bond Fund.

General Operating Fund - The General Operating Fund accounts for the fiscal activities related to the administration of the Commission’s ongoing program responsibilities. Revenues of this fund are derived primarily from fees earned on bond issues, tax credit allocations and compliance monitoring, as well as interest income on General Operating and Program Investment Fund investments. All funds received by the Commission except for certain pass-through grants are generated by its activities. Expenditures, except for certain pass-through grants, are not appropriations from the State.

The Commission 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, 2009 AND 2008

Note 1 - Description of Business (Continued)

Program Investment Fund - The Commission's Program Investment Fund, established in 1989, represents Commission reserves above those required by the General Operating Fund Reserve Policy. These are 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 Fund - All activities of Commission-issued bond transactions are established under separate Indentures of Trust and financial activities of these Indentures are recorded by the Commission in this fund. The Commission further summarizes its bond activities by program type as follows:

Single-family Homeownership Program - The proceeds from the sale of Single-family Homeownership Program mortgage revenue bonds and the debt service requirements of these bonds are summarized in this program. Activities of the program are, in general, limited to the purchase of mortgage-backed securities ("MBS") containing pools of mortgage loans originated under the Commission's First-time Homebuyer program which are secured by mortgages on single-family, owner-occupied, new or existing residential housing located in Washington State. The bonds, which are established under one trust indenture and multiple series indentures, 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, 2009 the assets so pledged were \$1.1 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	2008-1	5.75 to 6.5
2001 2A	6.15	2005 2A/2A VR	4.95 to 5.45	2008-2	6.0 to 6.75
				2009-1	5.5 to 6.0

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 1 - Description of Business (Continued)

Conduit Financing Programs - Except for the Single-family Homeownership Program 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 or mortgage-backed securities from mortgage lenders. The issuer of the mortgage-backed securities, the mortgagor, the letter of credit provider or the lender 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 loan with the third party on whose behalf they are issued.

At the time of a Conduit Financing Program 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 principal and interest payments 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, 2009, the assets so pledged were \$3.0 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, 2009 AND 2008

Note 1 - Description of Business (Continued)

The Conduit Financing Programs are:

Multifamily Housing Program - This program accounts for financing issued on behalf of developers of multifamily housing. The proceeds are used to purchase, construct, refinance, and/or remodel projects containing affordable housing and housing for the elderly. Activities of this program also include the purchase, construction, refinancing, and/or remodeling of continuing care retirement communities and nursing homes.

Nonprofit Housing Program - This program accounts for bonds and notes issued on behalf of nonprofit housing organizations. The proceeds are used to purchase, construct, refinance, and/or remodel projects containing low-income housing.

Nonprofit Facilities & Beginning Farmers/Ranchers Program - This program accounts for the bonds and notes sold to purchase loans of 501(c)(3) organizations whose proceeds are used for capital acquisitions and/or improvements and to purchase loans on behalf of beginning farmers and ranchers. The Nonprofit Facilities loans may be secured by real and/or personal property used by organizations. The Beginning Farmers/Ranchers loans, which must be secured by real and/or personal property, are used for the acquisition of land, purchase, construction or improvement of related buildings, machinery, equipment or certain animals for use in farm or ranching. These borrowers must directly manage and work on the farm or ranch.

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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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 \$67.6 million as of June 30, 2009. 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"). 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, 2009. Guaranteed investment contracts held in the Bond Funds are non-participating and therefore stated at cost as the redemption terms are not affected by market rates. At June 30, 2009 and June 30, 2008, commercial paper was held by the trustee for conduit bond issues for two issues 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, 2009.

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 provision for possible loan losses is developed by fund.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

General Operating Fund - Most fees in the General Operating Fund are billed and collected in advance so no provision for loss is deemed to be necessary.

Program Investment Fund - The Commission provides for estimated losses on the loans it funds 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). No provision for loss is made on loans funded by partner investments.

Bond Fund - Mortgage loans and mortgage-backed securities are purchased with 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 Homeownership Program Mortgage Loans - No loan loss provisions are considered necessary, as the current assets held by all the outstanding Single-family Homeownership Program indentures are mortgage-backed securities, of which payment is guaranteed by Fannie Mae, Ginnie Mae, or Freddie Mac.

Conduit Financing Programs Mortgage Loans - Since borrowers through the Commission's Conduit Financing Programs obtain credit enhancement from a third party that pays or secures the payment of principal and interest on the bonds, no loan loss provisions are considered necessary. However, in some programs, the only collateral for the payment of principal and interest is the real estate loan. In these cases, 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 bond 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.

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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

Deferred Revenue - Deferred revenue represents the unearned portion of the Commission's bond and compliance monitoring 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 Conduit Financing Program projects. The tax-exempt notes are funded by the investors at such time as disbursements are made for acquisition, construction, or rehabilitation of real property.

Bonds Payable - Current interest serial and term bonds are stated at their principal amounts outstanding, net of unamortized bond premium and discount, if any. Certain bonds in the multifamily and nonprofit programs are variable rate bonds remarketed on a periodic 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 the trust estate to complete the bond issuance, pursuant to the terms of the indenture. The funds may be used for project expenditures, 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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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 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 \$21,605,014 and \$23,761,289 in other fee income during the fiscal years ended June 30, 2009 and 2008, respectively. Other fee income is comprised of the following at June 30:

	2009	2008
Commission fees	\$ 9,838,712	\$ 9,738,180
Other program fees	3,733,367	7,064,781
Other income	8,032,935	6,958,328
	\$ 21,605,014	\$ 23,761,289

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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

Arbitrage Rebate - 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 independent valuation specialists on an ongoing basis.

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.

Note 3 - Investments

General Operating and Program Investment Funds

Investment Policy - Investment policies vary by, and are discussed by fund.

General Operating and Program Investment Funds - 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. However, as a matter of policy, the Commission believes that it is appropriate at this time 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 the Funds’ reserves, subject to the following policy.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 3 - Investments (Continued)

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.
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 in this policy minimizes the Commission's exposure to credit risk on these Funds.

The investments of the Funds are registered and 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.

Examining the maturities of the Funds' 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, 2009 consist of the following:

Type	Cost	Maturities (In Years)		
		Less than 1	1-5	5 - 10
Deposits	\$ 1,757,056	\$ 1,757,056	\$ -	\$ -
Money market fund	5,226,466	5,226,466	-	-
US Agencies	21,502,134	3,551,948	17,800,438	149,748
US Treasuries	14,008,455	-	13,550,408	458,047
	<u>\$ 42,494,111</u>	<u>\$ 10,535,470</u>	<u>\$ 31,350,846</u>	<u>\$ 607,795</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 3 - Investments (Continued)

Cash, Cash Equivalents and Investment Securities - Bond Funds

Bond Fund - Investment risk in the bond programs accrues to the Commission in the Single-family Homeownership Program and to the borrower in the Conduit Financing Programs. The indenture for each bond issue outlines the permitted investments for that transaction. Often, bond proceeds are invested in guaranteed investment agreements (“GICs”) 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 GICs 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 in the GIC that require the provider to collateralize the investment in the event their rating is downgraded below the required standard, thereby minimizing the Commission’s or borrower’s exposure to credit risk within the bond funds. GICs 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.

Single-family Homeownership Program - The Commission places no limit on the amount that may be invested in any one GIC provider. The following table lists investments held by the Single-family Homeownership Programs in issuers that represent 5% or more of the total investments held by the Single-family Homeownership Program at June 30, 2009:

<u>Investment Issuer</u>	<u>Amount</u>
Security Life of Denver	\$ 20,235,000
Natixis Funding Corporation	\$ 20,085,000
Pallas Capital Corporation	\$ 6,107,706

Conduit Financing Programs - Concentration risk in these programs does not affect the Commission since the risk is borne by the borrower. At June 30, 2009 a portion of bond proceeds for two conduit bond issuances were invested in commercial paper and held by the trustee. At June 30, 2009, the total market value of the commercial paper was \$5.6 million. Funds not in GICs or commercial paper are generally 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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 4 - Mortgage-Backed Securities

The bond proceeds for all Single-family Homeownership Program 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. Ten bond issues in the Conduit Financing Programs also contain mortgage-backed securities.

For the fiscal year ended June 30, 2009, 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 \$54,039,202. 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 2009 and 2008 by program.

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

	2009			2008		
	Single-family	Multifamily & Non-Profit Housing	Total	Single-family	Multifamily & Non-Profit Housing	Total
Unrealized gain (loss) due to adjustment to market value	\$ 51,555,054	\$ 2,484,147	\$ 54,039,201	\$ 15,485,765	\$ (229,639)	\$ 15,256,126

Cumulative unrealized gains (loss) for fiscal years 2009 and 2008 were \$40,204,594 and (\$13,834,607), 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, 2009 and 2008 are included in prepaid fees and other on the statements of net assets.

	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

	Useful Life	July 1, 2008	Increase	Decrease	June 30, 2009
Furniture, fixtures and equipment	3 to 10 years	\$ 1,050,356	\$ 363,398	\$ -	\$ 1,413,754
Leasehold improvements	4 to 5 years	176,058	-	-	176,058
Total assets		1,226,414	363,398	-	1,589,812
Less accumulated depreciation		(1,029,968)	(121,417)	-	(1,151,385)
Net book value		\$ 196,446	\$ 241,981	\$ -	\$ 438,427

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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, 2009, the Commission had outstanding notes and bonds of \$3.9 billion bearing interest varying in rates as listed below:

	<u>Low</u>	<u>High</u>
Single-family Program	0.23%	6.00%
Multi Family Program	0.12%	9.18%
Non Profit Housing Program	0.27%	8.00%
Non Profit Facilities Program	0.22%	7.48%

Interest Rate Swaps

Single-family Homeownership Program - The Commission has entered into interest rate swap agreements in connection with issuing variable rate mortgage revenue bonds. The intention of the swaps are to create debt with synthetic-interest rates with ranges that are lower than would have been 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, 2009, 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>
2010	\$ 37,780,000	\$ 119,240	\$ 1,116,114	\$ 39,015,354
2011	37,622,500	118,768	1,056,617	38,797,885
2012	37,450,000	118,250	968,391	38,536,641
2013	37,267,500	91,689	701,099	38,060,288
2014	27,067,500	72,103	488,721	27,628,324
2015	26,857,500	71,473	405,142	27,334,115
2016	26,632,500	70,798	327,383	27,030,681
2017	26,392,500	70,078	255,586	26,718,164
2018	26,145,000	69,335	189,521	26,403,856
2019	25,880,000	68,540	128,790	26,077,330
2020	25,597,500	67,693	74,737	25,739,930
2021	25,255,000	61,750	29,126	25,345,876
2022	11,980,000	15,164	2,053	11,997,217

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 6 - Bonds and Notes Payable (Continued)

The terms and counterparty credit ratings of the outstanding swaps as of June 30, 2009, are contained below. The notional amounts of the swaps match principal amounts of the associated debt as of June 30, 2009. The notional amounts are expected to approximately follow schedule or anticipated reductions in the principal amounts of the associated debt.

Associated Bond Series	Current Notional Amount	Current Principal Amount	Effective Date	Fixed Rate Paid	Rate Received	Fair Value	Swap Termination Date	Counterpart Credit Rating
2005 - S VR2	\$ 10,000,000	\$ 10,000,000	June 16, 2005	3.30%	SIFMA over 3.92%	\$ (518,925)	December 1, 2012	AA2/P-1
2008 VR-1A	14,815,000	14,815,000	July 22, 2008	3.629%	SIFMA plus 10bps	(686,712)	December 1, 2021	A3
2008 VR-2N	13,000,000	13,000,000	September 25, 2008	3.249%	SIFMA plus 5 bps	(402,796)	June 1, 2021	A3

The fair values presented in the foregoing tables were estimated by the Commission's counterparties to the swaps and approximate the termination payments that would have been due had the swaps been terminated as of June 30, 2009. A negative fair value represents the amount payable by the Commission upon termination.

The maturity of the variable debt exceeds that of the swaps by a range of 14.5 to 27 years creating the risk that variable rates after the swaps terminate may exceed the maximum swap fixed rates to the Commission and that the Commission may not be able to obtain subsequent interest rate agreements that limit interest at or below these levels.

The Commission's swap contracts are based upon the International Swap Dealers Association Master Agreement, which includes standard termination events. The swap contracts 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 termination payments to the counterparty or the inability to replace the swaps 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 swaps expose the Commission to potential credit risk with the counterparties upon the occurrence of a termination event. The swap agreements contain collateral requirements based upon counterparty credit ratings and the fair value of the swaps. These bi-lateral requirements are established to mitigate potential credit risk exposure. These requirements were met as of June 30, 2009.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 6 - Bonds and Notes Payable (Continued)

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 Commission's 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 swaps at market value at any time.

The Commission incurs the potential risk that the variable interest payments on its bonds will not equal the variable interest receipts from its swaps. This basis risk exists because the Commission pays a variable rate on its bonds based on a weekly remarking rate but, under the terms of its swap, receives a variable rate based upon the weekly SIFMA rate, plus a specified spread as outlined in the table above, which is based upon AA variable rate demand bonds. Basis risk will vary over time due to inter-market conditions. As of June 30, 2009, the interest rate on the Commission's variable rate debt ranged from .23 % to .45% per annum while the variable interest rate on the corresponding swaps was .35% per annum (SIFMA at June 30, 2009). In order to reduce the cumulative effect of basis risk the variable rate determination structure included cash flow modeling with bond rate assumptions consistent with the terms of the associated swap.

The structure of the variable interest rate payments the Commission receives from its swap contracts 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 counterparties.

Conduit Financing Programs - While borrowers in these programs may enter in to interest rate swaps on these transactions, the Commission is neither a party to, nor a beneficiary of these contracts and does not include them in its financial statements.

Bond Defeasance

Single-family Homeownership Program - In the Single-family Homeownership 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 Homeownership Program bonds defeased during fiscal year ended June 30, 2009.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 6 - Bonds and Notes Payable (Continued)

Conduit Financing Programs - Neither the assets of the respective trust accounts nor the liabilities for the defeased bonds are reflected in the Commission's financial statements. No difference between the cost to defease outstanding debt and the carrying value of bonds defeased by refunding bonds is calculated, amortized or disclosed since the cash flows and economic gain or loss accrues to the borrower and not the Commission as the conduit issuer.

Future Principal and Interest Payments and Bonds Outstanding - Bonds mature in varying amounts through 2049. 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
2010	\$ 66,126,934	\$ 110,559,851	\$ 176,686,785
2011	70,092,649	108,897,658	178,990,307
2012	105,473,164	107,404,910	212,878,074
2013	34,611,047	105,415,933	140,026,980
2014	41,248,652	103,609,411	144,858,063
2015 - 2019	231,689,117	486,884,732	718,573,849
2020 - 2024	370,084,498	425,869,947	795,954,445
2025 - 2029	561,883,695	325,868,519	887,752,214
2030 - 2034	720,883,480	220,987,143	941,870,623
2035 - 2039	1,012,977,661	105,096,438	1,118,074,099
2040 - 2044	687,135,309	29,122,057	716,257,366
2045 - 2049	35,602,200	4,496,156	40,098,356
	<u>\$ 3,937,808,406</u>	<u>\$ 2,134,212,755</u>	<u>\$ 6,072,021,161</u>

Changes in bonds outstanding during the fiscal year ended June 30, 2009 are summarized in the following table:

June 30, 2008	Issued	Redeemed	June 30, 2009
<u>\$ 3,961,471,688</u>	<u>\$ 221,259,114</u>	<u>\$ 244,922,396</u>	<u>\$ 3,937,808,406</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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, 2009 are shown below:

<u>Program</u>	<u>Amount</u>
Single-family Housing Program	\$ 40,000,000
Multifamily Housing Program	26,702,150
Nonprofit Housing Program	45,957,015
Nonprofit Facilities Program	18,066,254
	<u>\$ 130,725,419</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, 2009 and 2008 was \$664,117 and \$666,362, respectively. Commitments for future minimum lease payments are as follows:

<u>For the Year Ending June 30:</u>	<u>Amount</u>
2010	\$ 669,864
2011	669,867
	<u>\$ 1,339,731</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.

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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Note 8 - Employee Benefit Plans (Continued)

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. A cost-of-living allowance on the benefit is added, based on 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 2009, 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, 2009, 2008 and 2007:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Gross covered salaries	\$ 4,356,172	\$ 4,151,203	\$ 3,899,085
Commission’s contribution	\$ 361,991	\$ 254,379	\$ 177,434
Commission’s contribution rate	8.31%	6.13%	4.55%
Employees’ contribution	\$ 238,471	\$ 179,154	\$ 142,375
Employees’ contribution rate	5.47%	4.32%	3.65%

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 2008 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

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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, 2009, there were no known asserted or unasserted claims or judgments against the Commission.

The Commission may be subject to various threatened or pending legal actions, contingencies and commitments in the normal course of conducting its business. The Commission provides for costs or income related to a settlement of these matters when a loss or gain is probable and the amount can be reasonably estimated. The effect of the outcome of these matters on the Commission's future results of operations and liquidity cannot be predicted because any such effect depends on future results of operations and the amount and timing of the resolution of any such matters. While it is not possible to predict with certainty, management believes that the ultimate resolution of any such matters will not have a material adverse or beneficial effect on the financial position of the Commission.

Note 10 - Related Party Transactions

The Commission provides staff and administrative services to the following state agencies as of and for the years ended June 30, 2009 and 2008:

<u>Charges for Services</u>	<u>2009</u>	<u>2008</u>
Washington Higher Education Facilities Authority	\$ 233,063	\$ 293,649
Tobacco Settlement Authority	\$ 30,348	\$ 24,671
 <u>Receivable From</u>		
Washington Higher Education Facilities Authority	\$ 36,839	\$ 27,756
Tobacco Settlement Authority	\$ 26,634	\$ 5,067

Note 11 - Subsequent Events

Subsequent to June 30, 2009, the Commission issued \$48,928,900 in additional bonds and the trustees, under the normal and early redemption provisions of the trust indenture, have redeemed \$103,243,900 in bonds as of October 31, 2009.

SUPPLEMENTAL INFORMATION

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM NET ASSETS
JUNE 30, 2009 AND 2008

ASSETS	Restricted Bond Fund		
	Single-family Bond Program	Multifamily Housing Bond Program	Nonprofit Housing Bond Program
CASH AND CASH EQUIVALENTS	\$ 64,458,104	\$ 32,756,936	\$ 48,925,121
INVESTMENTS			
U.S. government and agencies securities	-	-	-
Investment agreements	52,720,997	25,636,276	34,047,636
	<u>52,720,997</u>	<u>25,636,276</u>	<u>34,047,636</u>
ACCRUED INTEREST RECEIVABLE	4,395,304	3,929,015	2,004,949
FEES RECEIVABLE, net	65,455	-	-
OTHER RECEIVABLES	-	-	-
MORTGAGE-BACKED SECURITIES, cost	959,656,015	58,672,688	-
Cumulative unrealized gain on mortgage- backed securities	38,115,231	2,089,363	-
	<u>997,771,246</u>	<u>60,762,051</u>	<u>-</u>
MORTGAGE-BACKED SECURITIES, fair value	997,771,246	60,762,051	-
MORTGAGE LOANS, net	-	1,392,741,874	816,405,035
UNAMORTIZED BOND ISSUANCE COSTS	9,756,771	48,250,879	17,020,677
PREPAID FEES AND OTHER	-	37,527	1,695,362
	<u>-</u>	<u>37,527</u>	<u>1,695,362</u>
TOTAL ASSETS	<u>\$ 1,129,167,877</u>	<u>\$ 1,564,114,558</u>	<u>\$ 920,098,780</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2009	2008
\$ 10,277,658	\$ 6,983,522	\$ 10,967,412	\$ 174,368,753	\$ 187,603,734
-	12,516,545	22,994,044	35,510,589	33,370,508
<u>9,473,094</u>		<u>-</u>	<u>121,878,003</u>	<u>350,527,443</u>
9,473,094	12,516,545	22,994,044	157,388,592	383,897,951
862,945	282,295	96,138	11,570,646	19,982,208
-	172,384	-	237,839	238,021
-	215,283	-	215,283	71,883
-	-	-	1,018,328,703	997,748,466
<u>-</u>	<u>-</u>	<u>-</u>	<u>40,204,594</u>	<u>(13,834,607)</u>
-	-	-	1,058,533,297	983,913,859
467,806,765	-	58,592,686	2,735,546,360	2,537,168,188
7,543,646	-	-	82,571,973	88,008,880
<u>-</u>	<u>562,067</u>	<u>-</u>	<u>2,294,956</u>	<u>2,341,133</u>
<u>\$ 495,964,108</u>	<u>\$ 20,732,096</u>	<u>\$ 92,650,280</u>	<u>\$ 4,222,727,699</u>	<u>\$ 4,203,225,857</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM NET ASSETS (CONTINUED)
JUNE 30, 2009 AND 2008

LIABILITIES AND NET ASSETS	Restricted Bond Fund		
	Single-family Bond Program	Multifamily Housing Bond Program	Nonprofit Housing Bond Program
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 5,294,863	\$ 18,908,592	\$ 32,692,500
ACCRUED INTEREST PAYABLE	4,133,969	5,510,145	7,918,270
ACCRUED ARBITRAGE REBATE	466,990	-	-
DEFERRED REVENUE	-	-	-
PROJECT EQUITY HELD FOR BORROWER	-	9,017,924	-
PRIVATE PLACEMENT PROGRAMS, NOTES PAYABLE AND BOND FUND FINANCING	-	600,000	-
BONDS PAYABLE			
Current interest bonds	1,013,599,971	1,362,828,271	868,261,582
Taxable bonds	24,845,000	163,133,490	11,150,000
Unamortized bond discount	(2,778)	(169,857)	(826,649)
Unamortized bond premium	4,476,732	509,216	903,077
	<u>1,042,918,925</u>	<u>1,526,301,120</u>	<u>879,488,010</u>
TOTAL LIABILITIES	1,052,814,747	1,560,337,781	920,098,780
NET ASSETS			
Restricted			
Bond operations	76,353,130	3,776,777	-
Grants and donations to Program Investment Fund	-	-	-
Invested in capital assets	-	-	-
Unrestricted			
General operations	-	-	-
Program Investment Fund	-	-	-
	<u>76,353,130</u>	<u>3,776,777</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,129,167,877</u>	<u>\$ 1,564,114,558</u>	<u>\$ 920,098,780</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2009	2008
\$ 1,005,070	\$ 1,419,277	\$ 33,426,935	\$ 92,747,237	\$ 104,545,040
1,568,946	-	-	19,131,330	20,106,723
-	-	-	466,990	909,966
-	1,312,819	-	1,312,819	2,241,998
-	-	-	9,017,924	13,114,162
-	-	-	600,000	600,000
490,130,092	-	-	3,734,819,916	3,768,141,635
3,260,000	-	-	202,388,490	192,730,053
-	-	-	(999,284)	(1,062,259)
-	-	-	5,889,025	6,558,540
<u>493,390,092</u>	<u>-</u>	<u>-</u>	<u>3,942,098,147</u>	<u>3,966,367,969</u>
495,964,108	2,732,096	33,426,935	4,065,374,447	4,107,885,858
-	-	-	80,129,907	24,247,265
-	-	500,000	500,000	500,000
-	438,426	-	438,426	196,446
-	17,561,574	-	17,561,574	17,803,554
-	-	58,723,345	58,723,345	52,592,734
<u>-</u>	<u>18,000,000</u>	<u>59,223,345</u>	<u>157,353,252</u>	<u>95,339,999</u>
<u>\$ 495,964,108</u>	<u>\$ 20,732,096</u>	<u>\$ 92,650,280</u>	<u>\$ 4,222,727,699</u>	<u>\$ 4,203,225,857</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM REVENUES, EXPENSES AND CHANGES IN
PROGRAM NET ASSETS
YEARS ENDED JUNE 30, 2009 AND 2008

	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	\$ 50,642,474	\$ 42,699,171	\$ 29,085,633
Other interest and investment income (loss)	2,879,377	309,376	(1,937,353)
Gain (Loss) on mortgage-backed securities	51,555,054	2,484,147	-
Other fee income	1,491,646	3,571,270	3,167,176
Nonoperating revenues - grants	-	-	-
	<u>106,568,551</u>	<u>49,063,964</u>	<u>30,315,456</u>
EXPENSES			
Interest on debt	50,125,244	42,667,748	27,267,812
Amortization of bond discount	269	7,915	54,792
Amortization of bond premium	(459,813)	(35,377)	(174,324)
Amortization of bond issuance costs	990,194	3,527,624	3,056,332
Amortization of bond insurance premium	-	2,790	110,844
Servicing and commission fees	2,367,000	113,709	-
Salaries and wages	-	-	-
Communication and office expense	-	-	-
Professional fees	-	-	-
Trustee and paying agent fees	269,723	27,922	-
Other	143,973	952	-
Nonoperating expenses - grants	-	-	-
	<u>53,436,590</u>	<u>46,313,283</u>	<u>30,315,456</u>
EXCESS OF REVENUES OVER EXPENSES	53,131,961	2,750,681	-
NET ASSETS			
Balance, beginning of year	23,221,169	1,026,096	-
Distribution of equity	-	-	-
Balance, end of year	<u>\$ 76,353,130</u>	<u>\$ 3,776,777</u>	<u>\$ -</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2009	2008
\$ 12,369,937	\$ -	\$ -	\$ 134,797,215	\$ 162,780,886
(26,572)	2,192,082	-	3,416,910	11,480,909
-	-	-	54,039,201	15,256,126
645,344	12,175,417	554,161	21,605,014	23,761,289
-	1,146,196	-	1,146,196	239,628
<u>12,988,709</u>	<u>15,513,695</u>	<u>554,161</u>	<u>215,004,536</u>	<u>213,518,838</u>
12,343,365	-	-	132,404,169	168,159,209
-	-	-	62,976	64,211
-	-	-	(669,514)	(720,613)
645,344	-	-	8,219,494	7,278,194
-	-	-	113,634	116,515
-	-	-	2,480,709	2,492,331
-	5,749,430	-	5,749,430	5,369,898
-	1,587,836	-	1,587,836	1,911,530
-	1,113,433	-	1,113,433	1,123,153
-	-	-	297,645	411,590
-	-	340,350	485,275	542,384
-	1,146,196	-	1,146,196	240,174
<u>12,988,709</u>	<u>9,596,895</u>	<u>340,350</u>	<u>152,991,283</u>	<u>186,988,576</u>
-	5,916,800	213,811	62,013,253	26,530,262
-	18,000,000	53,092,734	95,339,999	68,809,737
-	(5,916,800)	5,916,800	-	-
<u>\$ -</u>	<u>\$ 18,000,000</u>	<u>\$ 59,223,345</u>	<u>\$ 157,353,252</u>	<u>\$ 95,339,999</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM CASH FLOWS
YEAR ENDED JUNE 30, 2009

	Restricted Programs	
	Single-family Housing Bond Program	Multifamily Housing Bond Program
OPERATING ACTIVITIES		
Receipts for interest on mortgages	\$ 50,848,283	\$ 44,276,685
Receipts for other fee income	1,426,189	47,994
Receipts for loans and mortgage prepayments	77,576,976	62,419,788
Payments for acquisition of loans and mortgages	(99,140,989)	(121,497,604)
Payments for bond program expenses	(4,552,675)	(719,155)
Payments to employees and suppliers	-	-
Net cash from (used for) operating activities	<u>26,157,784</u>	<u>(15,472,292)</u>
INVESTING ACTIVITIES		
Purchase of investments	(162,840,503)	(32,017,200)
Sale of investments	154,842,048	120,023,430
Interest received on investments	3,083,490	624,457
Net cash from (used for) investing activities	<u>(4,914,965)</u>	<u>88,630,687</u>
NONCAPITAL FINANCING ACTIVITIES		
Contributions	-	-
CAPITAL FINANCING ACTIVITIES		
Project equity received (returned), net	-	(4,096,237)
Proceeds from sale of bonds and notes	114,104,976	36,807,602
Interest paid on debt	(50,025,122)	(43,536,665)
Debt repayments	<u>(77,576,976)</u>	<u>(62,419,788)</u>
Net cash from (used for) capital financing activities	<u>(13,497,122)</u>	<u>(73,245,088)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,745,697	(86,693)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>56,712,407</u>	<u>32,843,629</u>
End of year	<u>\$ 64,458,104</u>	<u>\$ 32,756,936</u>

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total
\$ 35,423,161	\$ 12,886,977	\$ -	\$ -	\$ 143,435,106
-	-	12,314,671	539,239	14,328,093
83,073,620	19,699,320	-	25,172,682	267,942,386
(190,098,646)	(61,204,586)	-	(19,645,354)	(491,587,179)
(454,548)	(294,250)	-	-	(6,020,628)
-	-	(9,747,204)	(18,681)	(9,765,885)
<u>(72,056,413)</u>	<u>(28,912,539)</u>	<u>2,567,467</u>	<u>6,047,886</u>	<u>(81,668,107)</u>
(101,043,659)	(12,724,402)	(1,142,807)	(997,274)	(310,765,845)
229,844,697	30,601,102	-	-	535,311,277
(987,111)	51,938	2,254,000	-	5,026,774
<u>127,813,927</u>	<u>17,928,638</u>	<u>1,111,193</u>	<u>(997,274)</u>	<u>229,572,206</u>
-	-	(5,916,800)	5,916,800	-
-	-	-	-	(4,096,237)
26,615,000	41,547,472	-	-	219,075,050
(27,333,607)	(12,452,795)	-	-	(133,348,189)
<u>(83,073,620)</u>	<u>(19,699,320)</u>	<u>-</u>	<u>-</u>	<u>(242,769,704)</u>
<u>(83,792,227)</u>	<u>9,395,357</u>	<u>-</u>	<u>-</u>	<u>(161,139,080)</u>
(28,034,713)	(1,588,544)	(2,238,140)	10,967,412	(13,234,981)
<u>76,959,834</u>	<u>11,866,202</u>	<u>9,221,662</u>	<u>-</u>	<u>187,603,734</u>
<u>\$ 48,925,121</u>	<u>\$ 10,277,658</u>	<u>\$ 6,983,522</u>	<u>\$ 10,967,412</u>	<u>\$ 174,368,753</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2009

	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	\$ 53,131,961	\$ 2,750,681
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash from operating activities		
Amortization of mortgage discount	755,582	-
Amortization of mortgage premium	(4,121)	27,627
Amortization of bond insurance premium	-	1,025
Amortization of bond issuance costs	990,194	3,527,624
Amortization of bond premium	(459,813)	(35,377)
Amortization of bond discount	269	7,915
Amortization of deferred fee income	-	(3,520,558)
Purchase of mortgage loans	(99,640,102)	(120,035,393)
Repayments of mortgage loans	77,576,976	62,419,788
Unrealized gain (loss) on securities	(51,555,054)	-
Cash from changes in operating assets and liabilities		
Interest and other receivables	(4,409,706)	668,494
Interest and other payables	49,771,598	38,715,882
Net cash (from) used for operating activities	<u>\$ 26,157,784</u>	<u>\$ (15,472,292)</u>

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total
\$ -	\$ -	\$ 5,916,800	\$ 213,811	\$ 62,013,253
(54,792)	-	-	-	700,790
174,324	-	-	-	197,830
-	-	-	-	1,025
3,056,332	645,344	-	-	8,219,494
(174,324)	-	-	-	(669,514)
54,792	-	-	-	62,976
(3,056,332)	(645,344)	-	-	(7,222,234)
(161,683,087)	(57,207,262)	-	(19,645,354)	(458,211,198)
83,073,620	19,699,320	-	25,172,682	267,942,386
-	-	-	-	(51,555,054)
7,811,647	249,362	(2,269,845)	306,747	2,356,699
(1,258,593)	8,346,041	(1,079,488)	-	94,495,440
<u>\$ (72,056,413)</u>	<u>\$ (28,912,539)</u>	<u>\$ 2,567,467</u>	<u>\$ 6,047,886</u>	<u>\$ (81,668,107)</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE
YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2009	2008
Single family (Stand Alones)					
Single family Draw Down Program	05/30/02	\$ 500,000,000	06/01/36	\$ -	\$ 7,877,000
Single family 1998 CRA-A	11/19/98	5,300,000	01/01/31	1,375,000	1,645,000
Single family 1999 CRA-A	07/29/99	5,350,000	07/01/31	550,000	670,000
				<u>1,925,000</u>	<u>10,192,000</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	3,990,000	4,890,000
Single family 1998 2A/2T	04/23/98	16,000,000	06/01/29	3,020,000	3,425,000
Single family 1998 3A/3N/3T	06/04/98	34,480,000	12/01/29	1,840,000	2,055,000
Single family 1998 4A/4T, 4A (CAB) *	08/27/98	35,002,696	06/01/30	11,445,000	12,640,000
Single family 1998 5A/5N/5T, 5A (CAB) *	11/19/98	22,217,675	06/01/30	9,315,000	10,105,000
Single family 1999 1A/1N/1T, 1A (CAB) *	02/24/99	25,001,382	06/01/30	6,705,000	7,380,000
Single family 1999 2A/2N//2T, 2A (CAB) *	05/27/99	23,500,452	12/01/30	4,225,000	4,765,000
Single family 1999 3A/3T	06/24/99	30,000,000	12/01/30	2,845,000	3,130,000
Single family 1999 4A/4N/4T	08/25/99	35,000,000	12/01/30	4,880,000	5,550,000
Single family 1999 5A/5N/5T	11/02/99	32,575,000	06/01/31	10,330,000	10,910,000
Single family 2000 4A/4T	11/14/00	23,000,000	06/01/32	-	470,000
Single family 2001 1A/N	02/28/01	20,000,000	12/01/32	2,535,000	2,805,000
Single family 2001 2A	05/30/01	27,000,000	12/01/32	1,145,000	1,515,000
Single family 2001 4A/4T	07/26/01	30,000,000	12/01/32	13,670,000	14,635,000
Single family 2001 5A	11/15/01	20,000,000	06/01/33	3,155,000	3,515,000
Single family 2002 1A	03/14/02	20,000,000	06/01/33	1,045,000	1,275,000
Single family 2002 2A, 3A/ 3N-R	05/30/02	43,110,000	12/01/33	3,230,987	3,996,889
Single family 2002 4A	08/30/02	25,000,000	12/01/33	9,065,000	9,860,000
Single family 2002 5A	01/15/03	23,580,000	12/01/33	14,736,720	15,649,929
Single family 2003 1A/1N	05/21/03	20,000,000	06/01/26	11,120,000	12,150,000
Single family 2003 2A/2N	09/25/03	24,500,000	12/01/24	15,094,528	16,642,240
Single family 2003 3A/3N	11/19/03	23,885,000	06/01/34	19,897,490	20,527,792
Single family 2004 1A/1N	03/18/04	37,325,000	12/01/34	23,752,222	25,618,426
Single family 2004 2A/2N	07/07/04	38,885,000	06/01/35	28,123,613	30,236,925
Single family 2004 3A/3N	08/25/04	33,500,000	06/01/35	24,906,628	26,399,598
Single family 2004 4A/4N	12/09/04	23,790,000	12/01/35	18,312,783	19,701,799
Single family 2005 1A/1N	03/31/05	25,000,000	12/01/35	20,345,000	21,965,000
Single family 2005 2A/VR-2A	06/16/05	30,000,000	03/01/36	27,335,000	28,165,000
Single family 2005 3A	08/04/05	19,795,000	06/01/36	18,420,000	18,940,000
Single family 2005 4	09/29/05	24,380,000	06/01/36	21,250,000	22,435,000
Single family 2005 5	12/15/05	24,535,000	06/01/36	21,800,000	23,230,000
Single family 2006 1	01/25/06	99,265,000	06/01/37	43,855,000	46,575,000
Single family 2006 2	04/12/06	79,370,000	12/01/37	44,700,000	47,465,000
Single family 2006 3	07/13/06	55,000,000	12/01/37	53,180,000	54,015,000
Single family 2006 4	08/23/06	55,000,000	06/01/37	53,380,000	54,125,000
Single family 2006 5	10/12/06	55,000,000	12/01/37	53,620,000	54,355,000
Single family 2006 6	11/02/06	53,795,000	12/01/37	50,040,000	52,580,000
Single family 2007 1	02/08/07	54,490,000	06/01/38	52,595,000	53,855,000
Single family 2007 2	03/29/07	55,000,000	06/01/48	54,430,000	54,780,000
Single family 2007 3	05/17/07	55,000,000	06/01/48	54,460,000	54,805,000
Single family 2007 4	06/20/07	54,980,000	06/01/48	53,340,000	54,590,000
Single family 2007 5	10/25/07	80,005,000	12/01/47	49,705,000	79,965,000
Single family 2008 1	07/01/08	55,000,000	06/01/49	54,815,000	-
Single family 2008 2	09/25/08	41,000,000	06/01/48	40,865,000	-
Single family 2009 1	06/25/09	20,000,000	06/01/39	20,000,000	-
				<u>1,036,519,971</u>	<u>991,693,598</u>
Unamortized Bond Premium				4,476,732	4,936,545
Unamortized Bond Discount				<u>(2,778)</u>	<u>(3,047)</u>
				<u>1,042,918,925</u>	<u>1,006,819,096</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2009	2008
Multi-Family Housing					
Mill Plain	02/25/88	12,400,000	01/01/10	\$ 12,400,000	\$ 12,400,000
Multifamily 1990A&B - (11b)	12/18/90	9,200,000	07/01/23	620,000	640,000
1992 A&B Fannie Mae Refunding	12/09/92	89,631,894	01/01/18	-	257,492
Canyon Lakes	07/28/93	4,565,000	07/01/18	3,930,000	4,035,000
Canyon Lakes II	10/19/94	6,935,000	10/01/19	5,975,000	6,130,000
Arbors on the Park	10/01/94	14,850,000	10/01/24	-	14,850,000
Multifamily Preservation Program	10/13/94	2,611,300	10/01/24	432,999	446,849
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
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	4,680,000	4,810,000
LTC Properties	12/13/95	8,300,000	12/01/15	4,225,000	4,690,000
Courtside Apartments	02/28/96	10,600,000	01/01/26	8,905,000	9,030,000
Lake Washington Apartments	10/30/96	10,750,000	10/01/26	9,310,000	9,435,000
Brittany Park Project	11/07/96	14,200,000	11/01/21	12,470,000	12,700,000
Pacific Inn Apartments	11/08/96	5,900,000	05/01/28	4,830,000	4,970,000
Eaglepoint	11/27/96	6,450,000	07/01/28	-	6,450,000
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	7,405,000	7,600,000
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	4,510,000	4,605,000
Private Placement Lake Washington Apartments	01/27/98	600,000	06/30/36	600,000	600,000
Brittany Park II	08/12/98	5,800,000	11/01/21	5,105,000	5,225,000
Boardwalk Apartments	09/14/98	12,400,000	09/01/28	11,015,000	11,225,000
Oxford Square Apartments	11/30/98	6,000,000	12/01/28	5,110,000	5,240,000
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	7,755,000	7,880,000
Summer Ridge Apartments	12/13/99	4,740,000	12/01/29	4,060,000	4,155,000
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	10,155,232	10,180,231
Holly Village	12/23/99	8,800,000	07/15/32	7,525,000	7,645,000
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	6,360,000	6,460,000
Granite Falls	10/03/00	3,930,000	10/01/27	3,485,000	3,575,000
Ferris View	10/11/00	1,425,000	11/01/31	-	1,060,736
Greens at Merrill Creek	10/12/00	17,310,000	06/01/24	15,966,000	16,102,000
Evergreen 2000 (Ginnie Mae)	10/17/00	5,950,000	01/01/36	5,505,000	5,605,000
Kingsbury Terrace	02/09/01	4,100,000	07/01/42	3,930,000	3,960,000
Lakewood Meadows	11/21/00	7,850,000	07/15/33	7,295,000	7,410,000
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	11,785,000	12,010,000

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2009	2008
Multi-Family Housing (Continued)					
Monticello Park Project	08/13/01	\$ 10,475,000	08/01/26	\$ 9,820,000	\$ 9,945,000
Parkside Apartments	10/30/01	11,700,000	01/20/43	10,540,000	10,765,000
Woodlands Apartments Project 2001	12/07/01	6,600,000	07/15/34	6,290,000	6,395,000
Silverwood Apartments Project 2001	12/11/01	3,825,000	11/01/38	2,407,615	3,787,637
Ocean Ridge Apartments 2001	12/21/01	9,000,000	11/01/38	8,685,507	8,753,638
Alderwood Court	05/17/02	7,645,000	06/15/35	7,245,000	7,345,000
Tama Qua (Whisperwood)	05/14/02	7,900,000	05/15/35	7,100,000	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
Parkway Apartments	06/20/02	9,180,000	07/20/37	8,640,000	8,740,000
Bridgewood at Four Seasons	10/04/02	9,800,000	10/01/32	9,335,000	9,460,000
Park Hill	08/27/02	7,000,000	04/01/34	6,541,905	6,590,468
Deer Run	10/01/02	4,900,000	05/01/30	4,534,306	4,622,247
Quail Run	12/06/02	7,150,000	07/01/35	6,933,771	6,989,732
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	4,965,000	5,045,000
Mallard Lake Park Apts.	11/26/02	18,500,000	05/15/35	14,405,000	14,405,000
Fort Vancouver	04/03/03	6,668,000	09/01/39	6,226,369	6,324,573
Auburn Meadows	07/02/03	8,600,000	07/01/36	8,490,000	8,490,000
Vintage at Mt. Vernon	06/05/03	10,000,000	01/15/37	9,000,000	9,000,000
Alaska House	07/15/04	8,040,000	07/20/45	7,820,000	7,880,000
International House	07/15/04	7,390,000	07/20/45	7,180,000	7,240,000
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	14,305,000	14,495,000
Rainier Court Apartments	12/23/03	17,000,000	12/15/36	16,800,000	17,000,000
Rolling Hills Apartments	05/27/04	8,750,000	06/15/37	8,450,000	8,550,000
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	6,645,000	6,815,000
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	13,515,000	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	17,240,000	17,750,000
Vintage at Richland	06/29/04	11,750,000	01/15/38	7,535,000	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	5,700,000	5,800,000
Burke-Gilman 2004 Refunding	07/19/04	3,835,000	07/01/18	3,375,000	3,490,000
Arbor Park Apt Homes	07/30/04	9,135,000	07/30/21	8,801,784	8,925,924
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	6,130,000	6,270,000
Merrill Gardens at Queen Anne	12/17/04	30,200,000	12/01/40	30,080,000	30,200,000
Merrill Gardens at Renton	12/17/04	23,100,000	12/01/40	23,490,000	23,100,000
Valley View Apartments	12/22/04	29,675,000	05/01/38	29,128,000	29,520,000
Vintage at Burien Apartments Project	12/22/04	7,300,000	01/15/38	7,200,000	7,300,000
Vintage at Sequim	01/27/05	8,390,000	03/01/38	6,544,776	8,371,708
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	7,722,899	7,865,140
Highland Park	06/30/05	11,300,000	07/15/38	11,100,000	11,300,000
Ridgeview Apartments	04/29/05	12,390,000	11/01/22	9,901,560	10,048,998
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	13,985,000	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
Yesler Apartments	11/28/05	13,788,000	1/1/2024	11,659,233	13,788,000
Scenic Vista Senior Apartment	11/22/05	6,100,000	1/1/2039	6,074,622	6,100,000
Kamiakin Apartments	11/23/05	8,275,000	5/1/2042	8,128,348	8,201,310
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	11,967,766	12,145,374

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2009	2008
Multi-Family Housing (Continued)					
Vintage at Vancouver	02/10/06	\$ 8,900,000	4/1/2036	\$ 8,683,867	\$ 8,758,190
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	8,668,687	8,717,024
Orchard Hills	11/03/06	9,060,000	7/1/2039	9,020,176	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	4,988,183	5,000,000
Covington Place	11/02/07	9,975,000	12/01/25	9,057,374	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	5,939,295	5,990,000
Island Skagit Partner Portfolio	02/28/07	3,850,000	03/01/37	2,230,636	3,637,042
Three County Partners Portfolio	02/28/07	5,900,000	03/01/37	4,164,522	5,888,190
Barkely Ridge Apartments	08/28/07	10,400,000	09/01/40	10,400,000	10,400,000
Linden Square Apartments 2007	11/29/07	45,150,000	06/01/42	45,150,000	45,150,000
Merrill Gardens at Kirkland	10/04/07	34,000,000	04/15/41	34,000,000	34,000,000
Merrill Gardens University Village	10/04/07	55,000,000	04/15/41	55,000,000	55,000,000
2007 Clark Island Portfolio	11/09/07	5,560,000	11/01/42	5,560,000	5,560,000
Twin Ponds Refunding 07	12/03/07	7,285,000	01/01/38	7,163,494	7,250,417
Rosecreek Apts Refunding 07	12/03/07	3,570,000	01/01/38	3,506,813	3,551,965
Greentree Apartment Homes 08	01/30/08	13,965,000	02/01/26	14,737,500	14,308,522
Prairie View Apartment	12/28/07	23,880,000	01/01/26	22,807,500	21,903,369
Queen Anne Manor	12/20/07	19,005,000	07/01/40	19,005,000	19,005,000
Arrowhead Gardens Senior Living	12/05/07	35,000,000	01/01/42	35,000,000	35,000,000
Pioneer Village Retirement Community	12/27/07	4,600,000	01/01/26	4,580,000	2,018,558
First Liberty Apartments 07	12/11/07	5,965,000	04/01/40	5,965,000	5,965,000
Talon Hills Apartments	05/30/08	4,115,000	09/01/40	3,782,390	305,634
APD WA RD 2007 Portfolio	07/31/08	9,940,000	02/01/40	8,548,403	-
Parkview Apartments	07/28/08	3,060,000	08/01/43	3,060,000	-
Artspace Everett Lofts	12/23/08	7,500,000	12/01/41	7,500,000	-
Senior City (KWA)	11/14/08	9,900,000	06/01/11	261,732	-
Appian Way	12/31/08	13,610,000	07/01/40	3,372,176	-
Streamlined Tax Exempt Private Placement - Multi-Family Housing					
Fir @ 17th	12/16/94	1,250,000	07/01/20	819,181	873,805
Riverside Landing	12/12/97	2,043,000	06/01/29	1,758,064	1,796,478
Arrowhead	05/31/94	1,200,000	06/01/09	729,033	781,836
Heritage Sunset	11/15/94	1,260,000	12/01/09	810,465	863,859
Heritage Grove	02/17/95	1,600,000	03/01/10	1,055,686	1,125,341
Bayswater Apts	05/04/95	925,000	05/01/10	597,729	637,908
Assembly Apts	09/10/97	3,000,000	05/01/23	2,472,463	2,536,919
Mt. Baker Apts	10/15/98	2,320,000	10/01/28	1,920,862	1,970,527
Covington Commons Apts	06/11/99	2,600,000	07/01/29	1,162,894	1,185,673
Rockwood Terrace	09/29/99	1,551,107	10/01/14	1,336,840	1,366,123
Terrace Apartments	08/28/00	1,222,000	08/01/30	1,085,853	1,107,620
Yakima Gardens	12/18/98	942,500	01/01/29	785,173	805,062
Oregon Place	07/14/00	2,500,000	08/01/30	1,129,214	1,153,696
Westgate Terrace Apts	08/31/05	3,218,000	03/01/22	3,088,077	3,137,453
Parkland Terrace Apts	08/31/05	1,600,000	04/01/22	1,535,402	1,559,952
Hiawatha Artist's Loft	12/01/06	8,500,000	12/01/28	3,850,231	4,353,231
Creston Point Apartments 07	10/19/07	2,000,000	11/01/37	2,000,000	2,000,000
Lilac Terrace	10/09/08	5,200,000	11/01/25	2,574,154	-
				1,526,561,761	1,552,173,948
Unamortized Bond Discount				(169,857)	(177,771)
Unamortized Bond Premium				509,216	544,593
				1,526,901,120	1,552,540,770

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2009	2008
Non-Profit Housing					
Gonzaga University	04/08/93	\$ 6,500,000	07/01/14	\$ 2,720,000	\$ 3,090,000
Nikkei Concerns	10/20/94	6,250,000	10/01/19	3,710,000	3,955,000
Nikkei Manor	11/06/96	3,100,000	10/01/21	2,200,000	2,300,000
Panorama City	01/29/97	24,300,000	01/01/27	16,900,000	17,740,000
Riverview Lutheran	07/23/97	4,000,000	07/01/22	2,860,000	2,995,000
Crista Ministries Projects & Refunding	06/08/98	17,475,000	07/01/17	8,080,000	9,325,000
WA Odd Fellows Home	10/15/98	10,100,000	07/01/28	8,270,000	8,510,000
Presbyterian Ministries Rev & Refunding	02/25/99	11,965,000	01/01/29	9,925,000	10,200,000
Tacoma Lutheran 1999	07/15/99	6,510,000	01/01/24	5,160,000	5,535,000
The Kline Galland Center	09/23/99	27,500,000	07/01/29	24,980,000	25,535,000
Rockwood Retirement Communities	11/23/99	27,000,000	01/01/30	22,745,000	23,335,000
Living Care Centers	10/26/00	14,950,000	10/01/30	13,160,000	13,460,000
Pioneer Human Services 2001	08/02/01	7,100,000	08/01/19	4,160,000	4,470,000
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	8,815,000	8,995,000
Nickerson Area Properties	08/20/03	10,745,000	01/01/05	9,890,000	10,100,000
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	18,570,000	18,755,000
Emerald Heights 03 Expansion	07/01/03	38,460,000	07/01/33	35,165,000	35,920,000
Mercy Housing	09/19/03	6,445,215	09/19/33	5,851,344	5,968,624
Mercy Housing - Cobble Knoll, Phase II	11/30/04	3,900,000	11/01/34	3,636,684	3,700,630
Hearthstone	12/02/04	12,000,000	12/01/29	11,055,000	11,315,000
Horizon House	10/05/05	56,700,000	10/01/35	55,395,000	55,775,000
Mirabella	11/03/06	256,745,000	03/01/36	202,450,000	256,745,000
Judson Park Refunding '07	01/30/07	37,010,000	02/01/37	22,780,000	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	46,710,000	52,245,000
Panorama Apartments	04/03/08	28,500,000	04/01/43	28,500,000	28,500,000
Edmonds Community College	07/16/08	16,155,000	07/01/43	16,155,000	-
Pioneer Human Services 2009	06/30/09	10,460,000	07/01/29	10,460,000	-
Streamlined Tax Exempt Private Placement - Multi-Family Nonprofit Housing					
Mental Health North	07/14/92	1,255,147	07/01/10	130,027	248,439
Summerfield	06/28/93	1,945,000	06/01/10	1,357,103	1,418,284
Wilton Apts	06/21/95	620,000	10/01/15	422,074	444,100
Adams Apartment	05/29/96	310,000	06/01/11	246,843	254,037
Bellevue Apartments	03/28/97	575,700	03/01/22	412,842	432,800
Blue Mountain Apartments	02/01/00	248,800	02/01/25	201,224	207,961
3904 Martin Luther King Way Apts	03/01/00	561,000	04/01/25	451,708	467,159
Brentwood Apartments	08/27/02	1,491,000	09/01/32	1,346,853	1,372,312
Clallam County Hostels	11/25/02	366,843	12/01/22	287,114	301,383
Interaction/Transition House	03/04/03	600,000	03/01/18	538,919	550,248
Episcopal Homes	11/09/93	5,850,000	05/01/10	3,506,539	3,741,828
Warm Beach	10/25/95	1,800,000	05/01/16	896,301	999,541
St. Andrew's Place	07/29/97	3,000,000	08/01/27	2,425,306	2,493,942
Der Garten Haus	09/21/98	650,000	10/01/18	540,040	553,795

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YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2009	2008
Streamlined Tax Exempt Private Placement - Multi-Family Nonprofit Housing (Continued)					
Nuuanu Pali Apartments Project	01/31/02	\$ 725,000	02/01/32	\$ 651,358	\$ 663,575
Northaven II Assisted Living Project	10/27/93	2,134,000	11/01/03	1,417,638	1,480,305
Meadowdale Apartments	02/18/05	5,680,000	02/01/15	5,354,676	5,437,627
Christian Health Care Center	10/13/05	7,532,219	10/02/20	6,795,801	6,998,424
Josephine Sunset Home	08/04/05	7,320,000	08/01/25	6,771,188	6,970,188
				879,411,582	935,870,202
Unamortized Bond Discount				(826,649)	(881,441)
Unamortized Bond Premium				903,077	1,077,402
				879,488,010	936,066,163
Non-Profit Facilities					
Pioneer Human Services	10/17/91	4,595,000	07/01/11	220,000	540,000
Plumbers & Pipe fitters	12/07/95	3,400,000	07/01/20	2,205,000	2,325,000
Community College of Spokane Foundation	09/24/98	3,155,000	07/01/08	2,155,000	2,320,000
YMCA-Puyallup/Pierce County	12/02/98	11,000,000	12/01/08	7,070,000	7,620,000
YMCA-Inland Northwest	04/08/99	5,800,000	07/01/29	5,095,000	5,095,000
YMCA-Columbia/Willamette Valley	08/12/99	3,900,000	08/01/24	3,030,000	3,165,000
South Sound YMCA 1999	09/30/99	5,500,000	01/01/24	4,320,000	4,485,000
St. Vincent dePaul Project	02/01/00	5,000,000	02/01/30	3,685,000	3,795,000
University Prep Academy	05/04/00	7,000,000	07/01/30	6,000,000	6,200,000
Community College of Spokane Foundation 2000	08/04/00	8,800,000	07/01/30	8,010,000	8,140,000
Seattle Academy of Arts & Sciences	10/02/00	15,445,000	01/01/31	14,950,000	15,045,000
Southwest WA Pipe Trades Training Center	10/31/00	4,230,000	10/01/25	3,345,000	3,465,000
Open Window School	08/05/03	6,600,000	08/01/28	5,730,000	6,020,000
Evergreen School 2002	06/27/02	9,500,000	07/01/28	8,390,000	8,700,000
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	4,835,000	5,085,000
United Way of King County	03/11/03	8,500,000	03/01/28	4,960,000	5,300,000
Overlake School	10/02/03	10,030,000	10/01/29	8,475,000	8,715,000
Gonzaga Preparatory School	09/18/03	10,000,000	09/01/33	7,590,000	7,765,000
Bertschi School	06/15/06	6,300,000	06/01/35	6,160,000	6,300,000
Antioch University Project	05/18/05	6,780,000	01/01/27	5,900,000	6,150,000
The Northwest School - Northwest Addition	06/07/05	11,000,000	06/01/32	4,410,000	4,710,000
Lutheran Community Services	10/05/05	6,200,000	10/01/32	2,800,000	2,855,000
Forest Ridge School	06/30/05	12,765,000	07/01/32	12,455,000	12,765,000
Seattle Art Museum	10/06/05	50,000,000	07/01/33	33,200,000	33,200,000
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	11,900,000	12,300,000
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	66,550,000	75,800,000
Allied Trades Training Center	11/02/06	7,225,000	11/01/32	7,045,000	7,225,000
YMCA of Snohomish County	12/01/06	17,345,000	12/01/33	16,615,000	16,980,000
Villa Academy	12/03/07	7,170,000	12/01/34	7,070,000	7,170,000
St. Thomas School Project	07/16/07	31,390,000	07/01/36	31,390,000	31,390,000
2007 YMCA of Greater Seattle	09/04/07	30,000,000	09/01/37	30,000,000	30,000,000
Camp Korey 2008	07/01/08	10,500,000	07/01/33	10,331,759	-
Overlake School 2008	08/15/08	10,350,000	10/01/29	10,350,000	-
YMCA - Inland Northwest	09/11/08	11,000,000	07/01/33	11,000,000	-

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				2009	2008
Streamlined Tax Exempt Private Placement - Nonprofit Facilities					
PAWS	03/03/92	\$ 308,813	02/28/17	\$ 127,990	\$ 141,186
Audubon Society	04/17/96	100,000	05/01/11	24,420	28,963
Work Force Development	05/23/96	1,027,000	12/01/21	721,780	757,010
ElderHealth Northwest	12/06/96	1,200,000	12/01/11	656,287	669,507
Genesis House	06/12/97	660,000	06/01/07	367,723	397,588
Little Red School House	04/29/98	385,941	05/01/23	274,704	291,513
People for People 1999	04/30/99	1,500,000	05/01/14	1,085,927	1,142,094
Pacific NW Research Institute	05/06/99	2,700,000	07/01/14	1,275,000	1,443,586
SEED Homesight Project	05/13/99	616,000	07/01/09	522,352	534,679
Benton-Franklin Support Network	07/09/99	920,000	08/01/09	611,816	652,903
Nova Services	03/01/00	650,000	03/01/20	438,036	468,054
Pullman Community Action Center	03/30/00	700,000	04/01/30	606,884	619,989
Washington School Principal's Project	06/01/01	700,000	06/01/21	275,700	359,830
Tacoma-Pierce County Humane Society	10/02/01	1,915,000	11/02/11	1,050,576	1,149,959
Island School Expansion and Remodel	11/01/01	1,300,000	11/01/26	663,863	685,144
Nova School Project	11/02/01	845,000	11/01/11	200,507	230,509
Harlequin Productions Project	11/08/01	538,750	11/01/21	145,864	284,743
Artist Trust Project	11/30/01	350,000	11/30/31	314,777	320,569
Girl Scouts-Totem Council Project	12/28/01	2,576,000	01/01/32	2,296,757	2,342,238
Hyla Middle School Project	12/26/01	650,000	01/01/27	536,631	553,803
Spokane Valley Community Center	05/22/02	682,500	06/01/22	289,921	416,189
Tomorrows Hope	04/05/02	860,000	04/01/27	733,005	754,343
Southside Senior Center	05/22/02	650,000	06/01/22	487,406	513,502
The Institute for Family Development	06/28/02	750,000	02/01/27	616,981	638,816
New Horizon's School	07/31/02	875,000	08/01/32	811,663	825,273
Children's Village Foundation Project	09/06/01	975,000	09/01/21	621,374	653,910
Goodwill Industries of Inland NW	12/23/02	3,000,000	01/01/23	2,039,044	2,153,293
Harbor Montessori	07/02/03	1,300,000	07/01/28	1,110,901	1,145,515
Puget Sound Electrical Apprenticeship	05/20/03	4,614,004	05/01/18	2,728,195	3,017,563
Opportunity Council	09/04/03	1,350,000	09/01/23	1,109,127	1,154,307
Martha & Mary	12/09/03	1,416,000	12/01/28	978,031	1,005,657
Whatcom Family YMCA 2004	02/04/04	1,100,000	02/01/24	896,057	939,496
French American School	04/21/04	1,875,000	02/01/25	1,616,012	1,681,463
Columbia Basin College Foundation	04/08/04	799,802	10/01/10	169,532	298,232
Metropolitan Development Council	12/30/04	2,403,530	12/01/31	2,204,059	2,263,462
NW Pipe Trade - Local 26 Educational Dev. Trust	07/20/05	3,500,000	04/01/31	3,245,957	3,345,164
Morningside	11/07/05	2,244,118	11/01/30	726,887	2,035,657
Valley Residential Services	11/09/05	640,000	11/01/20	589,513	603,497
Goodwill Industries - Spokane Complex	03/01/06	2,400,000	03/01/26	2,175,133	2,249,160
Richland Health Science Center - Columbia Basin	03/30/06	2,950,000	09/01/31	3,130,038	3,190,484
N.E.W.J.A. Training Center	05/05/06	874,989	05/01/06	747,524	791,030
Whatcom Community College Foundation	05/11/06	1,076,990	06/01/31	1,013,148	1,037,874
SKCAC Industries	08/01/06	1,100,000	08/01/21	1,044,103	1,065,035

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				2009	2008
Streamlined Tax Exempt Private Placement - Nonprofit Facilities (Continued)					
TVW-Jeannette C. Hayner Media Center	10/04/06	\$ 2,662,820	10/01/36	\$ 1,107,358	\$ 1,122,153
Re Sources Sustainable Living Center	10/31/06	2,025,000	11/01/31	1,928,321	1,967,567
Tacoma Musical Playhouse	11/01/06	1,425,000	11/01/18	1,349,879	1,380,198
United Way of Snohomish County	01/19/07	2,100,000	02/01/32	2,011,312	2,050,778
Archbishop Thomas Murphy School	05/02/07	8,500,000	05/01/27	8,210,703	8,479,651
University Cooperative School	05/09/07	1,000,000	06/01/37	982,311	990,378
Youth Care - Orion Center	05/03/07	2,149,000	06/01/27	2,057,744	2,105,775
Perry Technical Institute	10/26/07	5,000,000	11/01/27	5,000,000	3,010,882
Alliance Center	12/19/07	2,150,000	12/31/37	2,110,056	2,141,361
West Sound Academy	04/01/08	4,640,000	04/01/28	4,569,619	4,631,052
French American School	04/03/08	2,290,000	10/01/28	1,316,420	700,000
Soundview School	10/01/08	2,890,000	10/01/18	2,853,818	-
2008 Hopelink	11/21/08	3,525,000	01/02/14	3,104,561	-
Sanchez Beginning Farmers	03/31/08	250,000	03/01/33	242,317	250,000
Tregoning Beginning Farmers	04/30/08	250,000	05/01/33	242,875	249,556
Glasso Beginning Farmers	05/23/08	184,800	06/01/33	179,003	184,800
Pottratz Beginning Farmers	08/06/08	72,000	01/02/33	70,248	-
Martinez Beginning Farmers	09/03/08	187,000	10/01/33	183,608	-
Burechi Beginning Farmers	08/29/08	225,000	09/01/33	220,475	-
Torres Beginning Farmers	01/07/09	326,500	01/01/24	326,500	-
				493,390,092	471,541,940
Unamortized Bond Discount				-	-
				493,390,092	471,541,940
Totals				\$ 3,942,698,147	\$ 3,966,967,969

* Capital Appreciation Bonds