



**WASHINGTON STATE HOUSING
FINANCE COMMISSION**

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

June 30, 2010 and 2009

MOSS-ADAMS_{LLP}

Certified Public Accountants | Business Consultants

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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, 2010 and 2009 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, 2010 and 2009, 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 8 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 30, 2010

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2010 AND 2009**

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, 2010. 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, 2010 ("FY 2010"):

Net Assets increased \$52 million to \$209.3 million primarily due to the revenue over expense in the Bond Fund (\$45 million) and the increase in the Program Investment Fund (\$7 million). The increase in bond program net assets is due mostly to the recognition of the increase in the fair market value of the mortgage backed securities (\$40.9 million). The increase in the net assets of the Program Investment Fund resulted from operating income of \$.9 million and a \$6.1 million transfer of net assets from the General Operating Fund.

Cash and Cash equivalents increased by \$97.5 million primarily from the proceeds generated by the issuance of Single Family program New Issue Bond Program escrow bonds. These bonds will subsequently be refunded with market rate bonds as tax-exempt mortgage revenue bonds to purchase mortgage backed securities containing pools of mortgage loans originated under the Commission's First-time Homebuyer program.

Investments decreased by \$13.6 million as projects with bonds issued in previous years were funded. Funding of these projects also resulted in the reduction in project equity held for borrowers (\$6.7 million).

Total bonds and notes payable of \$3.9 billion were outstanding, net of premiums and discounts. This is a net decrease of \$26.9 million (.7%) from the net effect of issuance of bonds (\$483.2 million) and a decrease from principal payments (\$510.1 million).

Bond program revenues (mortgage interest, investment and other, gain on mortgage backed securities) decreased by \$46.8 million due to depressed interest rates while General Operating interest income decreased by \$.7 million. However, these reductions were offset by an increase in program fees and non operating grant revenues (\$46.4 million) primarily due to project subsidies received from tax credit programs funded by the American Recovery and Reinvestment Act of 2009 ("ARRA") of \$40.1 million. Because the ARRA funds were passed through the Commission as project subsidies, these disbursements also contributed to the increase in general operating funds expenses.

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.

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2010 AND 2009**

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

During the fiscal year ended June 30, 2010 the credit markets remained tight, restricting the Commission's ability to effectively finance new projects. Assistance through some federal programs such as the New Issue Bond Program has helped to support some bond issuance activity. We expect net bond issuance for fiscal year end 2011 to continue at the reduced level seen since the effect of the financial crisis began.

FINANCIAL ANALYSIS OF THE COMMISSION

Statements of Net Assets

The following table summarizes the changes in assets, liabilities, and net assets between June 30, 2010 and 2009, in millions, as adjusted for the implementation of Governmental Accounting Standards ("GASB") Statement No. 53, Accounting and Financial Reporting for Derivative Instruments (see Note 12):

	<u>2010</u>	<u>2009</u>	<u>Change</u>	
Assets				
Cash and cash equivalents	\$ 271.9	\$ 174.4	\$ 97.5	55.9%
Investments	143.8	157.4	(13.6)	(8.6)
Accrued interest receivable	14.1	11.6	2.5	21.6
Fees receivable, net	1.8	0.2	1.6	800.0
Other receivables	0.3	0.2	0.1	50.0
Mortgage-backed securities, net	1,102.7	1,058.5	44.2	4.2
Mortgage loans, net	2,621.6	2,735.5	(113.9)	(4.2)
Unamortized bond issuance costs	72.0	82.6	(10.6)	(12.8)
Prepaid fees and other	4.6	3.9	0.7	1.8
	<u>4,232.8</u>	<u>4,224.3</u>	<u>8.5</u>	<u>0.2%</u>
Total assets				

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>	<u>Change</u>	
Liabilities				
Accounts payable and other liabilities	\$ 78.8	\$ 92.8	\$ (14.0)	(15.1%)
Accrued interest payable	18.5	19.1	(0.6)	(3.1)
Accrued arbitrage rebate	0.4	0.5	(0.1)	(20.0)
Deferred revenue and other	7.7	2.9	4.8	165.5
Project equity held for borrower	2.3	9.0	(6.7)	(74.4)
Notes payable and bond fund financing	0.6	0.6	-	-
Bonds payable, net	<u>3,915.2</u>	<u>3,942.1</u>	<u>(26.9)</u>	<u>(0.7)</u>
Total liabilities	<u>\$ 4,023.5</u>	<u>\$ 4,067.0</u>	<u>\$ (43.5)</u>	<u>(1.1%)</u>
Net assets				
Restricted				
Bond operations	\$ 125.1	\$ 80.1	\$ 45.0	56.2%
Grants and donations to PIF	0.5	0.5	-	-
Invested in capital assets	0.3	0.4	(0.1)	(25.0)
Unrestricted				
General operations	17.7	17.6	0.1	0.6
Program Investment Fund	<u>65.7</u>	<u>58.7</u>	<u>7.0</u>	<u>11.9</u>
Total net assets	<u>\$ 209.3</u>	<u>\$ 157.3</u>	<u>\$ 52.0</u>	<u>33.1%</u>

Liabilities decreased as amounts held by the trustee on behalf of borrowers were properly expended for project costs. Scheduled redemptions, coupled with less new bond issuances during the fiscal year resulted in a decreased bond payable balance of \$26.9 million. The net assets of the Commission increased \$52 million from the June 30, 2009 amount. Of this increase in net assets, \$40.9 resulted from the increase in the fair market value on mortgage backed securities in the program bond funds and the \$4.1 million of bond fund revenues over bond fund related expenses. The remaining \$7.0 million increase is attributable to the General Operating Fund and Program Investment Fund operating income of \$6.1 million and \$.9 million, respectively.

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 \$65.7 million.

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2010 AND 2009**

Statements of Revenues, Expenses, and Changes in Net Assets

The following table summarizes the changes in revenues and expenses between 2010 and 2009 (in millions):

	<u>2010</u>	<u>2009</u>	<u>Change</u>	
Revenues				
Bond programs mortgage interest	\$ 106.4	\$ 134.8	\$ (28.4)	(21.1%)
Bond programs investments and other income	3.3	1.2	2.1	175.0
Bond program gain on mortgage-backed securities	40.9	54.0	(13.1)	(24.3%)
Program fees	69.2	22.8	46.4	203.5
General Operating Fund interest income	1.5	2.2	(0.7)	(31.8)
Total revenues	<u>\$ 221.3</u>	<u>\$ 215.0</u>	<u>\$ 6.3</u>	2.9%
Expenses				
Bond programs interest expense	\$ 103.7	\$ 132.4	\$ (28.7)	(21.7%)
Other bond programs expenses	15.8	11.1	4.7	42.3
Salaries and wages	5.4	5.7	(0.3)	(5.3)
Other General Operating Fund and Program Investment Fund expenses	44.4	3.8	40.6	1,068.4
Total expenses	<u>\$ 169.3</u>	<u>\$ 153.0</u>	<u>\$ 16.3</u>	10.7%
Change in net assets	<u>\$ 52.0</u>	<u>\$ 62.0</u>	<u>\$ (10.0)</u>	(16.1%)

The primary components of total revenues for the bond funds are mortgage related interest earnings (\$106.4 million) and the unrealized gain on mortgage backed securities (\$40.9 million) while bond interest expense (\$103.7 million) is the primary component of total expense for the bond funds. During FY 2010 the Commission's General Operating Fund revenue included \$40.1 million of tax credit assistance funds received through the American Recovery and Reinvestment Act of 2009 ("ARRA"). These funds were also included as program expenses (\$40.1 million) in the General Operating Funds as all funds received were disbursed to qualifying projects. The remaining Commission's revenues in the General Operating Fund are generated primarily from issuer fees (\$12.9 million).

DEBT ADMINISTRATION

The Commission has long-term debt obligations of \$3.9 billion, net of bond premium and discounts at June 30, 2010. 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, 2010, amounts held by the trustees and paying agents represent full funding of these requirements.

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2010 AND 2009**

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.

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.

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

Net bonds and notes payable as of June 30, 2010 was \$3.9 billion, a decrease of \$26.9 million from 2009. Changes by program are summarized in the following table (in millions):

	<u>2009</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Changes</u>	<u>2010</u>
Single-family	\$ 1,042.9	\$ 345.1	\$ (211.1)	\$ 134.0	\$ 1,176.9
Multifamily Housing	1,527.0	102.2	(137.6)	(35.4)	1,491.6
Nonprofit Housing	879.5	-	(108.2)	(108.2)	771.3
Nonprofit Facilities	493.4	35.9	(53.2)	(17.3)	476.1
	<u>\$ 3,942.8</u>	<u>\$ 483.2</u>	<u>\$ (510.1)</u>	<u>\$ (26.9)</u>	<u>\$ 3,915.9</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2010 AND 2009

COMPARISON OF FISCAL YEARS 2009 WITH 2008

Statements of Net Assets

The following table summarizes the changes in combined adjusted 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	3.9	2.5	1.4	56.0
Total assets	<u>\$ 4,224.3</u>	<u>\$ 4,203.4</u>	<u>\$ 20.9</u>	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 and other	2.9	2.5	0.4	16.0
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)
Total liabilities	<u>\$ 4,067.0</u>	<u>\$ 4,108.1</u>	<u>\$ (41.1)</u>	(1.0%)
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%

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2010 AND 2009**

The following summarizes the changes in revenues and expenses between fiscal years 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 loss 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%
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	3.8	3.3	0.5	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%)

During the fiscal year ended June 30, 2009 the Commission's total assets increased by \$20.9 million, mostly attributable to the increase in mortgage backed securities and mortgage loans funded through the use of investments resulting from increased bond issuance activities during the year. Of the Commission's combined total revenues over expenses of \$62 million, \$54 million represents recognition of the unrealized gain on the market value of mortgage backed securities. The FY 2009 \$62.0 million increase in net assets represents a 134% increase over the \$26.5 million increase in net assets from FY 2008. This \$35.5 million increase was largely due to the continued increase in the market value of mortgage backed securities that, while required to be recognized by accounting standards, is generally not expected to be realized as most such securities are held to maturity.

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, 2010 AND 2009

	ASSETS	
	2010	2009 As Adjusted (Note 12)
CASH AND CASH EQUIVALENTS	\$ 271,890,996	\$ 174,368,753
INVESTMENTS		
U.S. government and agencies securities	36,061,376	35,510,589
Investment agreements	107,732,532	121,878,003
	143,793,908	157,388,592
ACCRUED INTEREST RECEIVABLE	14,148,585	11,570,646
FEES RECEIVABLE, net	1,792,834	237,839
OTHER RECEIVABLES	311,042	215,283
MORTGAGE-BACKED SECURITIES, cost	1,021,681,663	1,018,328,703
Cumulative unrealized gain on mortgaged-backed securities	81,055,631	40,204,594
MORTGAGE-BACKED SECURITIES, fair value	1,102,737,294	1,058,533,297
MORTGAGE LOANS, net	2,621,631,310	2,735,546,360
UNAMORTIZED BOND ISSUANCE COSTS	71,953,503	82,571,973
PREPAID FEES AND OTHER	4,557,878	3,903,387
TOTAL ASSETS	\$ 4,232,817,350	\$ 4,224,336,130

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF NET ASSETS (CONTINUED)
JUNE 30, 2010 AND 2009

LIABILITIES AND NET ASSETS	2010	2009 As Adjusted (Note 12)
	2010	2009 As Adjusted (Note 12)
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 78,784,001	\$ 92,747,237
ACCRUED INTEREST PAYABLE	18,503,039	19,131,330
ACCRUED ARBITRAGE REBATE	394,070	466,990
DEFERRED REVENUE AND OTHER	7,688,982	2,921,250
PROJECT EQUITY HELD FOR BORROWER	2,301,395	9,017,924
PRIVATE PLACEMENT PROGRAMS, NOTES PAYABLE AND BOND FUND FINANCING	600,000	600,000
BONDS PAYABLE		
Current interest bonds	3,640,444,037	3,734,819,916
Taxable bonds	269,773,875	202,388,490
Unamortized bond discount	(936,697)	(999,284)
Unamortized bond premium	5,925,127	5,889,025
	3,915,206,342	3,942,098,147
TOTAL LIABILITIES	4,023,477,829	4,066,982,878
NET ASSETS		
Restricted		
Bond operations	125,128,981	80,129,907
Grants and donations to Program Investment Fund	500,000	500,000
Invested in capital assets	335,140	438,426
Unrestricted		
General operations	17,664,860	17,561,574
Program Investment Fund	65,710,540	58,723,345
	209,339,521	157,353,252
TOTAL LIABILITIES AND NET ASSETS	\$ 4,232,817,350	\$ 4,224,336,130

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
REVENUES		
Interest earned on mortgage loans and mortgage-backed securities	\$ 106,373,526	\$ 134,797,215
Other interest and investment income	4,775,285	3,416,910
Gain on mortgage-backed securities	40,901,154	54,039,201
Other fee income	27,418,185	21,605,014
Nonoperating revenues - grants	41,810,198	1,146,196
	221,278,348	215,004,536
EXPENSES		
Interest on debt	103,738,862	132,404,169
Amortization of bond discount	62,587	62,976
Amortization of bond premium	(884,059)	(669,514)
Amortization of bond issuance costs	12,838,245	8,219,494
Amortization of bond insurance premium	112,082	113,634
Servicing and commission fees	2,686,150	2,480,709
Salaries and wages	5,371,528	5,749,430
Communication and office expense	1,567,996	1,587,836
Professional fees	1,893,566	1,113,433
Trustee and paying agent fees	281,552	297,645
Other	367,796	485,275
Nonoperating expenses - grants	41,255,774	1,146,196
	169,292,079	152,991,283
EXCESS OF REVENUES OVER EXPENSES	51,986,269	62,013,253
NET ASSETS		
Balance, beginning of year	157,353,252	95,339,999
Balance, end of year	\$ 209,339,521	\$ 157,353,252

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
OPERATING ACTIVITIES		
Receipts for interest on mortgages	\$ 102,365,691	\$ 143,435,106
Receipts for other fee income	60,521,759	14,328,093
Receipts for loans and mortgage prepayments	479,877,439	267,942,386
Payments for acquisition of loans and mortgages	(374,381,832)	(491,587,179)
Payments for bond program expenses	(3,315,663)	(6,020,628)
Payments to employees and suppliers	(49,809,930)	(9,765,885)
Net cash provided by (used for) operating activities	215,257,464	(81,668,107)
INVESTING ACTIVITIES		
Purchase of investments	(236,321,910)	(310,765,845)
Sale of investments	251,488,298	535,311,277
Interest received on investments	5,172,568	5,026,774
Net cash provided by investing activities	20,338,956	229,572,206
CAPITAL FINANCING ACTIVITIES		
Project equity used, net	(6,716,530)	(4,096,237)
Proceeds from sale of bonds and notes	447,159,745	219,075,050
Interest paid on debt	(104,335,779)	(133,348,189)
Debt repayments	(474,181,613)	(242,769,704)
Net cash used for capital financing activities	(138,074,177)	(161,139,080)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	97,522,243	(13,234,981)
CASH AND CASH EQUIVALENTS		
Beginning of year	174,368,753	187,603,734
End of year	\$ 271,890,996	\$ 174,368,753

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO NET CASH USED FOR OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 51,986,269	\$ 62,013,253
Adjustments to reconcile excess of revenues over expenses to net cash from operating activities		
Amortization of mortgage discount	(2,113,524)	700,790
Amortization of mortgage premium	209,173	197,830
Amortization of bond insurance premium	465	1,025
Amortization of bond issuance costs	12,838,245	8,219,494
Amortization of bond discount	(884,059)	(669,514)
Amortization of bond premium	62,587	62,976
Amortization of deferred fee income	(10,922,745)	(7,222,234)
Purchase of mortgage loans	(356,102,109)	(458,211,198)
Repayments of mortgage loans	479,876,113	267,942,386
Unrealized gain on securities	(40,851,036)	(51,555,054)
Cash from changes in operating assets and liabilities		
Interest and other receivables	(10,923,978)	2,356,699
Interest and other payables	92,082,063	94,495,440
	\$ 215,257,464	\$ (81,668,107)

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

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 is six billion dollars.

The Commission has eleven 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 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. Except for certain pass-through grants and loans, all funds received by the Commission are generated by its activities and are not direct 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.

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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 1 - Description of Business (Continued)

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 two trust indentures 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, 2010 the assets so pledged were \$1.3 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 ranged from 4.75% to 7.55%.

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 or the lender pursuant to a trust indenture or financing agreement. The bond trustee, fiscal agent or the lender 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, 2010, the assets so pledged were \$2.8 billion.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 1 - Description of Business (Continued)

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.

Bonds may be sold in the capital markets by underwriters, or, in the case of private placement bonds, privately placed directly by the Commission with a financial institution or other sophisticated investor. Proceeds of the conduit bonds may be used in any of the following programs:

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 housing consistent with the organization's IRS approved purpose.

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, 2010 AND 2009

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 \$187.3 million as of June 30, 2010. This amount includes \$110 million in proceeds of short-term, New Issue Bond Program bonds that will be refunded by December 31, 2011 by long-term Single-family Homeownership Program bonds. 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, 2010. 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, 2010 and 2009, commercial paper and US government backed securities were held by the trustee for conduit bond issues for three issues and two issues, respectively and are 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, 2010.

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 Loan Losses - The provision for loan losses is developed by fund.

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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 2 - Summary of Significant Accounting Policies (Continued)

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 loan balances 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.

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.

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 single-family, multifamily and nonprofit programs are variable rate bonds remarketed on a periodic basis and are subject to market rate fluctuation.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 2 - Summary of Significant Accounting Policies (Continued)

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 \$27,418,184 and \$21,605,014 in other fee income during the fiscal years ended June 30, 2010 and 2009, respectively. Other fee income is comprised of the following at June 30:

	<u>2010</u>	<u>2009</u>
Commission fees	\$ 9,341,963	\$ 9,838,712
Other program fees	6,357,620	3,733,367
Other income	<u>11,718,602</u>	<u>8,032,935</u>
	<u>\$ 27,418,185</u>	<u>\$ 21,605,014</u>

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.

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.

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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 3 - Investments (Continued)

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, 2010 consist of the following:

<u>Type</u>	<u>Cost</u>	<u>Maturities (In Years)</u>	
		<u>Less than 1</u>	<u>1-5</u>
Deposits	\$ 449,937	\$ 449,937	\$ -
Money market fund	12,370,368	12,370,368	-
US Agencies	20,586,481	5,349,119	15,237,362
US Treasuries	15,474,895	375,645	15,099,250
	<u>\$ 48,881,681</u>	<u>\$ 18,545,069</u>	<u>\$ 30,336,612</u>

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, 2010:

<u>Investment Issuer</u>	<u>Amount</u>
Bayerische Landesbank Girozentrale	\$ 54,876,637
Pallas Capital Corporation	\$ 9,397,108

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 3 - Investments (Continued)

Conduit Financing Programs - Concentration risk in these programs does not affect the Commission since the risk is borne by the borrower. At June 30, 2010, a portion of bond proceeds for three conduit bond issuances were invested in US government backed securities and commercial paper and held by the trustee. At June 30, 2010, the total market value of the US government backed securities and commercial paper was \$15.5 million. Funds not in GICs, US government backed securities 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.

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, 2010, 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 \$40,901,154. The following table shows the sources of the gains on mortgage-backed securities on the statements of revenue, expenses, and changes in net assets for 2010 and 2009 by program.

Gain on mortgage-backed securities as of June 30:

	2010			2009		
	Single-family	Multifamily & Non-Profit Housing	Total	Single-family	Multifamily & Non-Profit Housing	Total
Unrealized gain due to adjustment to market value	\$ 39,811,763	\$ 1,089,391	\$ 40,901,154	\$ 51,555,054	\$ 2,484,147	\$ 54,039,201

Cumulative unrealized gains for fiscal years 2010 and 2009 were \$81,055,631 and \$40,204,594, respectively, and are included in the balance of mortgage-backed securities on the statement of net assets.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 5 - Furniture, Fixtures and Equipment

Furniture, fixtures and equipment as shown below at June 30, 2010 and 2009 are included in prepaid fees and other on the statements of net assets.

	<u>Useful Life</u>	<u>July 1, 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2009</u>
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)	-	(1,151,386)
Net book value		<u>\$ 196,446</u>	<u>\$ 241,981</u>	<u>\$ -</u>	<u>\$ 438,426</u>

	<u>Useful Life</u>	<u>July 1, 2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2010</u>
Furniture, fixtures and equipment	3 to 10 years	\$ 1,413,754	\$ 65,430	\$ -	\$ 1,479,184
Leasehold improvements	4 to 5 years	176,058	-	-	176,058
Total assets		1,589,812	65,430	-	1,655,242
Less accumulated depreciation		(1,151,386)	(168,716)	-	(1,320,102)
Net book value		<u>\$ 438,426</u>	<u>\$ (103,286)</u>	<u>\$ -</u>	<u>\$ 335,140</u>

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, 2010, 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	0.15%	5.75%
Multi Family Program	0.24%	9.18%
Non Profit Housing Program	0.20%	8.00%
Non Profit Facilities Program	0.16%	7.48%

Derivative Instruments - 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. The interest rate swaps are considered to be hedging derivative instruments. Additional information, including the fair market value of each swap, is listed below.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 6 - Bonds and Notes Payable (Continued)

Using rates as of June 30, 2010, 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.

Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2011	\$ 36,442,500	\$ 115,593	\$ 1,070,691	\$ 37,628,784
2012	36,272,500	114,998	981,295	37,368,793
2013	36,097,500	95,309	710,405	36,903,214
2014	25,905,000	80,712	495,174	26,480,886
2015	25,705,000	80,012	410,487	26,195,499
2016	25,487,500	79,250	331,698	25,898,449
2017	25,260,000	78,454	258,951	25,597,405
2018	25,027,500	77,640	192,013	25,297,153
2019	24,777,500	76,765	130,481	24,984,746
2020	24,507,500	75,820	75,716	24,659,036
2021	24,180,000	69,150	29,503	24,278,653
2022	11,470,000	16,938	2,079	11,489,017

The terms and counterparty credit ratings of the outstanding swaps as of June 30, 2010, are contained below. The notional amounts of the swaps match principal amounts of the associated debt as of June 30, 2010. 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 - SVR2	\$ 10,000,000	\$ 10,000,000	June 16, 2005	3.30%	SIFMA over 3.92%	\$ (606,215)	December 1, 2012	AA2/P-1
2008 VR-1A	14,040,000	14,040,000	July 22, 2008	3.629%	SIFMA plus 10bps	(1,079,237)	December 1, 2021	A3
2008 VR-2N	12,445,000	12,445,000	September 25, 2008	3.249%	SIFMA plus 5 bps	(753,988)	June 1, 2021	A3
		<u>\$ 36,485,000</u>				<u>\$ (2,439,440)</u>		

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, 2010. 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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 6 - Bonds and Notes Payable (Continued)

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 bilateral requirements are established to mitigate potential credit risk exposure. These requirements were met as of June 30, 2010.

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, 2010, the interest rate on the Commission's variable rate debt ranged from .27 % to .35% per annum while the variable interest rate on the corresponding swaps was .25% per annum (SIFMA at June 30, 2010). 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.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 6 - Bonds and Notes Payable (Continued)

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, 2010.

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:

<u>Fiscal Year Ending June 30</u>	<u>Total Principal Redemptions</u>	<u>Total Interest Redemptions</u>	<u>Total Debt Service</u>
2011	\$ 65,576,740	\$ 99,524,544	\$ 165,101,284
2012	96,896,273	98,223,344	195,119,617
2013	35,648,373	96,298,863	131,947,236
2014	40,402,653	94,617,579	135,020,232
2015	50,788,421	92,594,286	143,382,707
2016 - 2020	237,755,870	433,364,736	671,120,606
2021 - 2025	371,082,825	367,263,659	738,346,484
2026 - 2030	643,578,495	263,265,403	906,843,898
2031 - 2035	679,905,503	168,847,502	848,753,005
2036 - 2040	906,455,559	75,673,758	982,129,317
2041 - 2045	758,355,000	19,592,854	777,947,854
2046 - 2050	24,372,200	2,315,765	26,687,965
	<u>\$ 3,910,817,912</u>	<u>\$ 1,811,582,293</u>	<u>\$ 5,722,400,205</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 6 - Bonds and Notes Payable (Continued)

Changes in bonds outstanding during the fiscal year ended June 30, 2010 are summarized in the following table:

<u>June 30, 2009</u>	<u>Issued</u>	<u>Redeemed</u>	<u>June 30, 2010</u>
<u>\$ 3,937,808,406</u>	<u>\$ 482,926,052</u>	<u>\$ 509,916,546</u>	<u>\$ 3,910,817,912</u>

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, 2010 are shown below:

<u>Mortgage Loan, Commitments Program</u>	<u>Amount</u>
Single-family Housing Program	\$ 53,095,300
Multifamily Housing Program	25,011,235
Nonprofit Housing Program	16,912,256
Nonprofit Facilities Program	29,246,281
	<u>\$ 124,265,072</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, 2010 and 2009 was \$662,044 and \$664,117, respectively. Future minimum lease payment for the lease agreement that ends in fiscal year 2011 is \$669,867. An amended lease agreement was signed subsequent to year end.

Note 8 - Tax Credit Assistance Program

The Commission was selected to administer the Housing and Urban Development ("HUD") ARRA funded Tax Credit Assistance Program ("TCAP") with a total award of \$43 million. This program was designed to provide cash to fill funding gaps on eligible tax credit projects that did not receive sufficient equity investment. These funds were provided to the projects through zero interest deferred loans with terms of up to 51 years. Due to the nature of the TCAP program, the Commission does not intend to collect on the outstanding balance and considers them to be forgivable loans. As such, TCAP draw and disbursements are recognized as nonoperating grant revenue and expense. As of June 30, 2010, eight agreements had been executed for allocations totaling \$38.3 million.

	<u>Agreements</u>	<u>Allocation</u>	<u>Draws</u>	<u>Disbursed</u>
TCAP Agreements	Eight	\$ 38,346,136	\$ 9,510,717	\$ 9,510,717

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 9 - 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.

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, 2010, 2009 and 2008:

	2010	2009	2008
Gross covered salaries	\$ 4,181,681	\$ 4,356,172	\$ 4,151,203
Commission's contribution	\$ 221,952	\$ 361,991	\$ 254,379
Commission's contribution rate	5.31%	8.31%	6.13%
Employees' contribution	\$ 174,970	\$ 238,471	\$ 179,154
Employees' contribution rate	4.18%	5.47%	4.32%

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 9 - Employee Benefit Plans (Continued)

The pension obligation was calculated on a pension system basis and cannot be disclosed on a plan basis. The Washington State Department of Retirement Services does not make separate measurements of pension benefit obligations of individual employers. Historical trend and other information regarding the plan are presented in the Washington State Department of Retirement Systems 2009 annual financial report, which may be obtained at:

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

Note 10 - 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, 2010, 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 11 - Related Party Transactions

The Commission provides staff and administrative services to the following state agencies as of and for the years ended June 30, 2010 and 2009:

<u>Charges for Services</u>	<u>2010</u>	<u>2009</u>
Washington Higher Education Facilities Authority	\$ 244,176	\$ 233,063
Tobacco Settlement Authority	\$ 29,650	\$ 30,348
 <u>Receivable From</u>		
Washington Higher Education Facilities Authority	\$ 36,900	\$ 36,839
Tobacco Settlement Authority	\$ 34,507	\$ 26,634

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 12 - Cumulative Effect of Accounting Change

Beginning in the fiscal year 2010, the Commission implemented GASB Statement 53, *Accounting and Financial Reporting for Derivative Instruments*. Pursuant to this statement the Commission used the consistent critical terms method to evaluate the effectiveness of its derivative instruments and has determined them to be hedgeable at June 30, 2010 and June 30, 2009. Under hedge accounting, the Commission recognized the fair market value of the instruments on the statement of net assets as deferred revenue and other and the change in the fair value as deferred outflow of resources, in prepaid and other. The June 30, 2009 Statement of Net Assets was restated to reflect the fair market value for comparative purposes. There was no impact to June 30, 2009 net assets.

Note 13 - Subsequent Events

Subsequent to June 30, 2010, the Commission issued \$57.8 million in additional bonds and the trustees, under the normal and early redemption provisions of the trust indenture, have redeemed \$149.4 million in bonds.

The rating of one Guaranteed Investment Agreement provider for the Single Family bond program, Pallas Capital, was downgraded subsequent to June 30, 2010. The Commission has agreements with Pallas in four Single Family bond issues for the investment of float funds. At June 30, 2010 these agreements represented less than 3.72% of the cash, cash equivalents and investments (\$252.9 million) of the program and are earning interest at rates between 4.60 and 4.91%. At this time, the Commission intends to maintain these agreements.

The ratings of one swap counterparty provider, DEPFA was downgraded subsequent to June 30, 2010, representing two of the Commission's swap agreements with notional amounts totaling \$26,485,000, 73% of the total notional amounts outstanding. This amount represents 2.26% of the \$1.172 billion bonds outstanding in this program. The Commission has the option to terminate the swaps and is working with its swap advisor to consider that as well as other alternatives.

SUPPLEMENTAL INFORMATION

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM NET ASSETS
JUNE 30, 2010 AND 2009

ASSETS	Restricted Bond Fund		
	Single-family Bond Program	Multifamily Housing Bond Program	Nonprofit Housing Bond Program
CASH AND CASH EQUIVALENTS	\$ 184,038,744	\$ 29,254,480	\$ 18,825,517
INVESTMENTS			
U.S. government and agencies securities			
Investment agreements	<u>68,905,797</u>	<u>12,389,893</u>	<u>22,943,380</u>
	68,905,797	12,389,893	22,943,380
ACCRUED INTEREST RECEIVABLE	4,304,511	4,028,818	4,952,151
FEES RECEIVABLE, net	823,578	-	-
OTHER RECEIVABLES	35,814	-	-
MORTGAGE-BACKED SECURITIES, cost	964,435,284	57,246,379	-
Cumulative unrealized gain on mortgage- backed securities	<u>77,876,877</u>	<u>3,178,754</u>	<u>-</u>
MORTGAGE-BACKED SECURITIES, fair value	1,042,312,161	60,425,133	-
MORTGAGE LOANS, net	-	1,367,121,256	738,738,411
UNAMORTIZED BOND ISSUANCE COSTS	9,332,882	41,613,628	13,966,636
PREPAID FEES AND OTHER	<u>2,439,440</u>	<u>40,847</u>	<u>1,586,440</u>
TOTAL ASSETS	<u>\$ 1,312,192,927</u>	<u>\$ 1,514,874,055</u>	<u>\$ 801,012,535</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2010	As Adjusted (Note 12) 2009
\$ 26,951,950	\$ 7,455,665	\$ 5,364,640	\$ 271,890,996	\$ 174,368,753
-	15,500,695	20,560,681	36,061,376	35,510,589
3,493,462	-	-	107,732,532	121,878,003
<u>3,493,462</u>	<u>15,500,695</u>	<u>20,560,681</u>	<u>143,793,908</u>	<u>157,388,592</u>
587,643	221,069	54,393	14,148,585	11,570,646
-	969,256	-	1,792,834	237,839
-	94,186	181,042	311,042	215,283
-	-	-	1,021,681,663	1,018,328,703
-	-	-	<u>81,055,631</u>	<u>40,204,594</u>
-	-	-	1,102,737,294	1,058,533,297
439,858,075	-	75,913,568	2,621,631,310	2,735,546,360
7,040,357	-	-	71,953,503	82,571,973
-	491,151	-	<u>4,557,878</u>	<u>3,903,387</u>
<u>\$ 477,931,487</u>	<u>\$ 24,732,022</u>	<u>\$ 102,074,324</u>	<u>\$ 4,232,817,350</u>	<u>\$ 4,224,336,130</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM NET ASSETS (CONTINUED)
JUNE 30, 2010 AND 2009

LIABILITIES AND NET ASSETS	Restricted Bond Fund		
	Single-family Bond Program	Multifamily Housing Bond Program	Nonprofit Housing Bond Program
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 7,006,310	\$ 11,423,312	\$ 22,447,927
ACCRUED INTEREST PAYABLE	4,166,825	5,779,432	7,254,640
ACCRUED ARBITRAGE REBATE	394,070	-	-
DEFERRED REVENUE AND OTHER	2,439,440	-	-
PROJECT EQUITY HELD FOR BORROWER	-	2,301,395	-
PRIVATE PLACEMENT PROGRAMS, NOTES PAYABLE AND BOND FUND FINANCING	-	600,000	-
BONDS PAYABLE			
Current interest bonds	1,043,891,344	1,362,567,479	761,076,057
Taxable bonds	128,260,000	128,043,875	10,310,000
Unamortized bond discount	(2,257)	(161,590)	(772,850)
Unamortized bond premium	4,753,798	474,568	696,761
	<u>1,176,902,885</u>	<u>1,490,924,332</u>	<u>771,309,968</u>
TOTAL LIABILITIES	1,190,909,530	1,511,028,471	801,012,535
NET ASSETS			
Restricted			
Bond operations	121,283,397	3,845,584	-
Grants and donations to Program Investment Fund	-	-	-
Invested in capital assets	-	-	-
Unrestricted			
General operations	-	-	-
Program Investment Fund	-	-	-
	<u>121,283,397</u>	<u>3,845,584</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,312,192,927</u>	<u>\$ 1,514,874,055</u>	<u>\$ 801,012,535</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2010	As Adjusted (Note 12) 2009
\$ 560,188	\$ 1,482,480	\$ 35,863,784	\$ 78,784,001	\$ 92,747,237
1,302,142	-	-	18,503,039	19,131,330
-	-	-	394,070	466,990
-	5,249,542	-	7,688,982	2,921,250
-	-	-	2,301,395	9,017,924
-	-	-	600,000	600,000
472,909,157	-	-	3,640,444,037	3,734,819,916
3,160,000	-	-	269,773,875	202,388,490
-	-	-	(936,697)	(999,284)
-	-	-	5,925,127	5,889,025
<u>476,069,157</u>	<u>-</u>	<u>-</u>	<u>3,915,206,342</u>	<u>3,942,098,147</u>
477,931,487	6,732,022	35,863,784	4,023,477,829	4,066,982,878
-	-	-	125,128,981	80,129,907
-	-	500,000	500,000	500,000
-	335,140	-	335,140	438,426
-	17,664,860	-	17,664,860	17,561,574
-	-	65,710,540	65,710,540	58,723,345
<u>-</u>	<u>18,000,000</u>	<u>66,210,540</u>	<u>209,339,521</u>	<u>157,353,252</u>
<u>\$ 477,931,487</u>	<u>\$ 24,732,022</u>	<u>\$ 102,074,324</u>	<u>\$ 4,232,817,350</u>	<u>\$ 4,224,336,130</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM REVENUES, EXPENSES AND CHANGES IN
PROGRAM NET ASSETS
YEARS ENDED JUNE 30, 2010 AND 2009

	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	\$ 53,164,932	\$ 28,449,578	\$ 17,040,493
Other interest and investment income (loss)	1,454,687	78,127	1,827,354
Gain (Loss) on mortgage-backed securities	39,811,763	1,089,391	-
Other fee income	2,971,407	6,946,066	3,161,637
Nonoperating revenues - grants	-	-	-
	<u>97,402,789</u>	<u>36,563,162</u>	<u>22,029,484</u>
EXPENSES			
Interest on debt	48,728,182	28,347,350	19,020,364
Amortization of bond discount	521	8,266	53,800
Amortization of bond premium	(643,094)	(34,648)	(206,317)
Amortization of bond issuance costs	1,909,369	6,949,524	3,052,715
Amortization of bond insurance premium	-	3,160	108,922
Servicing and commission fees	2,019,522	666,628	-
Salaries and wages	-	-	-
Communication and office expense	-	-	-
Professional fees	-	525,766	-
Trustee and paying agent fees	253,708	27,844	-
Other	204,314	465	-
Nonoperating expenses - grants	-	-	-
	<u>52,472,522</u>	<u>36,494,355</u>	<u>22,029,484</u>
EXCESS OF REVENUES OVER EXPENSES	44,930,267	68,807	-
NET ASSETS			
Balance, beginning of year	76,353,130	3,776,777	-
Distribution of equity	-	-	-
Balance, end of year	<u>\$ 121,283,397</u>	<u>\$ 3,845,584</u>	<u>\$ -</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2010	2009
\$ 7,718,523	\$ -	\$ -	\$ 106,373,526	\$ 134,797,215
(75,557)	1,490,674	-	4,775,285	3,416,910
-	-	-	40,901,154	54,039,201
926,637	12,889,165	523,273	27,418,185	21,605,014
-	41,255,774	554,424	41,810,198	1,146,196
<u>8,569,603</u>	<u>55,635,613</u>	<u>1,077,697</u>	<u>221,278,348</u>	<u>215,004,536</u>
7,642,966	-	-	103,738,862	132,404,169
-	-	-	62,587	62,976
-	-	-	(884,059)	(669,514)
926,637	-	-	12,838,245	8,219,494
-	-	-	112,082	113,634
-	-	-	2,686,150	2,480,709
-	5,371,528	-	5,371,528	5,749,430
-	1,567,996	-	1,567,996	1,587,836
-	1,367,800	-	1,893,566	1,113,433
-	-	-	281,552	297,645
-	-	163,017	367,796	485,275
-	41,255,774	-	41,255,774	1,146,196
<u>8,569,603</u>	<u>49,563,098</u>	<u>163,017</u>	<u>169,292,079</u>	<u>152,991,283</u>
-	6,072,515	914,680	51,986,269	62,013,253
-	18,000,000	59,223,345	157,353,252	95,339,999
-	(6,072,515)	6,072,515	-	-
<u>\$ -</u>	<u>\$ 18,000,000</u>	<u>\$ 66,210,540</u>	<u>\$ 209,339,521</u>	<u>\$ 157,353,252</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM CASH FLOWS
YEAR ENDED JUNE 30, 2010

	<u>Restricted Programs</u>	
	<u>Single-family Housing Bond Program</u>	<u>Multifamily Housing Bond Program</u>
OPERATING ACTIVITIES		
Receipts for interest on mortgages	\$ 51,144,669	\$ 28,605,988
Receipts for other fee income	2,177,471	-
Receipts for loans and mortgage prepayments	163,369,514	148,698,035
Payments for acquisition of loans and mortgages	(166,084,067)	(122,510,896)
Payments for bond program expenses	(1,359,804)	(1,532,511)
Payments to employees and suppliers	-	-
Net cash from (used for) operating activities	<u>49,247,783</u>	<u>53,260,616</u>
INVESTING ACTIVITIES		
Purchase of investments	(180,728,161)	(39,532,229)
Sale of investments	164,543,360	52,778,612
Interest received on investments	1,506,612	135,544
Net cash from (used for) investing activities	<u>(14,678,189)</u>	<u>13,381,927</u>
NONCAPITAL FINANCING ACTIVITIES		
Contributions	<u>-</u>	<u>-</u>
CAPITAL FINANCING ACTIVITIES		
Project equity received (returned), net	-	(6,716,530)
Proceeds from sale of bonds and notes	297,044,514	113,347,628
Interest paid on debt	(48,663,953)	(28,078,062)
Debt repayments	<u>(163,369,515)</u>	<u>(148,698,035)</u>
Net cash from (used for) capital financing activities	<u>85,011,046</u>	<u>(70,144,999)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	119,580,640	(3,502,456)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>64,458,104</u>	<u>32,756,936</u>
End of year	<u>\$ 184,038,744</u>	<u>\$ 29,254,480</u>

<u>Nonprofit Housing Bond Program</u>	<u>Nonprofit Facilities Bond Program</u>	<u>General Operating Fund</u>	<u>Program Investment Fund</u>	<u>Total</u>
\$ 14,242,204	\$ 8,372,830	\$ -	\$ -	\$ 102,365,691
-	-	57,405,888	938,400	60,521,759
108,026,850	54,088,538	-	5,694,502	479,877,439
(39,420,382)	(26,005,885)	-	(20,360,602)	(374,381,832)
-	(423,348)	-	-	(3,315,663)
-	-	(49,428,980)	(380,950)	(49,809,930)
<u>82,848,672</u>	<u>36,032,135</u>	<u>7,976,908</u>	<u>(14,108,650)</u>	<u>215,257,464</u>
(13,007,397)	(69,973)	(2,984,150)	-	(236,321,910)
25,807,900	5,925,063	-	2,433,363	251,488,298
1,960,740	17,772	1,551,900	-	5,172,568
<u>14,761,243</u>	<u>5,872,862</u>	<u>(1,432,250)</u>	<u>2,433,363</u>	<u>20,338,956</u>
-	-	(6,072,515)	6,072,515	-
-	-	-	-	(6,716,530)
-	36,767,603	-	-	447,159,745
(19,683,994)	(7,909,770)	-	-	(104,335,779)
<u>(108,025,525)</u>	<u>(54,088,538)</u>	<u>-</u>	<u>-</u>	<u>(474,181,613)</u>
<u>(127,709,519)</u>	<u>(25,230,705)</u>	<u>-</u>	<u>-</u>	<u>(138,074,177)</u>
(30,099,604)	16,674,292	472,143	(5,602,772)	97,522,243
<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>
<u>\$ 18,825,517</u>	<u>\$ 26,951,950</u>	<u>\$ 7,455,665</u>	<u>\$ 5,364,640</u>	<u>\$ 271,890,996</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2010

	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	\$ 44,930,267	\$ 68,807
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash from operating activities		
Amortization of mortgage discount	(2,059,724)	-
Amortization of mortgage premium	592	2,264
Amortization of bond insurance premium	-	465
Amortization of bond issuance costs	1,909,369	6,949,524
Amortization of bond premium	(643,094)	(34,648)
Amortization of bond discount	521	8,266
Amortization of deferred fee income	-	(6,943,393)
Purchase of mortgage loans	(166,089,653)	(115,019,579)
Repayments of mortgage loans	163,369,514	148,698,035
Unrealized gain (loss) on securities	(39,761,645)	(1,089,391)
Cash from changes in operating assets and liabilities		
Interest and other receivables	(3,695,234)	(239,131)
Interest and other payables	51,286,870	20,859,397
Net cash (from) used for operating activities	<u>\$ 49,247,783</u>	<u>\$ 53,260,616</u>

<u>Nonprofit Housing Bond Program</u>	<u>Nonprofit Facilities Bond Program</u>	<u>General Operating Fund</u>	<u>Program Investment Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 6,072,515	\$ 914,680	\$ 51,986,269
(53,800)	-	-	-	(2,113,524)
206,317	-	-	-	209,173
-	-	-	-	465
3,052,715	926,637	-	-	12,838,245
(206,317)	-	-	-	(884,059)
53,800	-	-	-	62,587
(3,052,715)	(926,637)	-	-	(10,922,745)
(29,044,700)	(25,587,575)	-	(20,360,602)	(356,102,109)
108,025,524	54,088,538	-	5,694,502	479,876,113
-	-	-	-	(40,851,036)
(4,799,022)	333,088	(2,166,449)	(357,230)	(10,923,978)
<u>8,666,870</u>	<u>7,198,084</u>	<u>4,070,842</u>	<u>-</u>	<u>92,082,063</u>
<u>\$ 82,848,672</u>	<u>\$ 36,032,135</u>	<u>\$ 7,976,908</u>	<u>\$ (14,108,650)</u>	<u>\$ 215,257,464</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE
YEARS ENDED JUNE 30, 2010 WITH COMPARATIVE TOTALS FOR 2009

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2010	2009
Single family (Stand Alones)					
Single family 1998 CRA-A	11/19/98	\$ 5,300,000	01/01/31	\$ -	\$ 1,375,000
Single family 1999 CRA-A	07/29/99	5,350,000	07/01/31	-	550,000
				<u>-</u>	<u>1,925,000</u>
Single family (Open Indenture)					
Single family 1998 1A/1N/1T	02/26/98	20,000,000	06/01/29	850,000	3,990,000
Single family 1998 2A/2T	04/23/98	16,000,000	06/01/29	-	3,020,000
Single family 1998 3A/3N/3T	06/04/98	34,480,000	12/01/29	1,400,000	1,840,000
Single family 1998 4A/4T, 4A (CAB) *	08/27/98	35,002,696	06/01/30	240,000	11,445,000
Single family 1998 5A/5N/5T, 5A (CAB) *	11/19/98	22,217,675	06/01/30	8,005,000	9,315,000
Single family 1999 1A/1N/1T, 1A (CAB) *	02/24/99	25,001,382	06/01/30	5,780,000	6,705,000
Single family 1999 2A/2N//2T, 2A (CAB) *	05/27/99	23,500,452	12/01/30	3,340,000	4,225,000
Single family 1999 3A/3T	06/24/99	30,000,000	12/01/30	-	2,845,000
Single family 1999 4A/4N/4T	08/25/99	35,000,000	12/01/30	-	4,880,000
Single family 1999 5A/5N/5T	11/02/99	32,575,000	06/01/31	-	10,330,000
Single family 2001 1A/N	02/28/01	20,000,000	12/01/32	2,230,000	2,535,000
Single family 2001 2A	05/30/01	27,000,000	12/01/32	760,000	1,145,000
Single family 2001 4A/4T	07/26/01	30,000,000	12/01/32	12,530,000	13,670,000
Single family 2001 5A	11/15/01	20,000,000	06/01/33	2,775,000	3,155,000
Single family 2002 1A	03/14/02	20,000,000	06/01/33	320,000	1,045,000
Single family 2002 2A, 3A/ 3N-R	05/30/02	43,110,000	12/01/33	915,086	3,230,987
Single family 2002 4A	08/30/02	25,000,000	12/01/33	7,830,000	9,065,000
Single family 2002 5A	01/15/03	23,580,000	12/01/33	13,783,510	14,736,720
Single family 2003 1A/1N	05/21/03	20,000,000	06/01/26	9,520,000	11,120,000
Single family 2003 2A/2N	09/25/03	24,500,000	12/01/24	13,801,817	15,094,528
Single family 2003 3A/3N	11/19/03	23,885,000	06/01/34	19,182,187	19,897,490
Single family 2004 1A/1N	03/18/04	37,325,000	12/01/34	20,986,018	23,752,222
Single family 2004 2A/2N	07/07/04	38,885,000	06/01/35	20,260,300	28,123,613
Single family 2004 3A/3N	08/25/04	33,500,000	06/01/35	22,733,658	24,906,628
Single family 2004 4A/4N	12/09/04	23,790,000	12/01/35	16,918,768	18,312,783
Single family 2005 1A/1N	03/31/05	25,000,000	12/01/35	19,000,000	20,345,000
Single family 2005 2A/VR-2A	06/16/05	30,000,000	03/01/36	25,310,000	27,335,000
Single family 2005 3A	08/04/05	19,795,000	06/01/36	17,130,000	18,420,000
Single family 2005 4	09/29/05	24,380,000	06/01/36	18,795,000	21,250,000
Single family 2005 5	12/15/05	24,535,000	06/01/36	19,410,000	21,800,000
Single family 2006 1	01/25/06	99,265,000	06/01/37	39,640,000	43,855,000
Single family 2006 2	04/12/06	79,370,000	12/01/37	41,225,000	44,700,000
Single family 2006 3	07/13/06	55,000,000	12/01/37	51,870,000	53,180,000
Single family 2006 4	08/23/06	55,000,000	06/01/37	52,585,000	53,380,000
Single family 2006 5	10/12/06	55,000,000	12/01/37	52,845,000	53,620,000
Single family 2006 6	11/02/06	53,795,000	12/01/37	45,720,000	50,040,000
Single family 2007 1	02/08/07	54,490,000	06/01/38	49,460,000	52,595,000
Single family 2007 2	03/29/07	55,000,000	06/01/48	54,055,000	54,430,000
Single family 2007 3	05/17/07	55,000,000	06/01/48	54,090,000	54,460,000
Single family 2007 4	06/20/07	54,980,000	06/01/48	48,220,000	53,340,000
Single family 2007 5	10/25/07	80,005,000	12/01/47	49,425,000	49,705,000
Single family 2008 1	07/01/08	55,000,000	06/01/49	15,720,000	54,815,000
Single family 2008 2	09/25/08	41,000,000	06/01/48	28,930,000	40,865,000
Single family 2009 1	06/25/09	20,000,000	06/01/39	19,825,000	20,000,000
SF 09 2N (NON-AMT)	10/28/2009	24,820,000	06/01/40	24,735,000	-
HPB 09 A - Escrow Bond NBIP	12/23/2009	170,000,000	10/01/41	110,000,000	-
HPB 09 B - NBIP	12/21/2009	50,000,000	10/01/40	50,000,000	-
HPB 09 Series AC1/2010 Series A - NBIP	6/29/2010	100,000,000	10/01/41	100,000,000	-
				<u>1,172,151,344</u>	<u>1,036,519,971</u>
Unamortized Bond Premium				4,753,798	4,476,732
Unamortized Bond Discount				<u>(2,257)</u>	<u>(2,778)</u>
				<u>1,176,902,885</u>	<u>1,042,918,925</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEARS ENDED JUNE 30, 2010 WITH COMPARATIVE TOTALS FOR 2009

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2010	2009
Multi-Family Housing					
Mill Plain	02/25/88	\$ 12,400,000	01/01/10	\$ -	\$ 12,400,000
Multifamily 1990A&B - (11b)	12/18/90	9,200,000	07/01/23	-	620,000
Canyon Lakes	07/28/93	4,565,000	07/01/18	3,820,000	3,930,000
Canyon Lakes II	10/19/94	6,935,000	10/01/19	5,805,000	5,975,000
Multifamily Preservation Program	10/13/94	2,611,300	10/01/24	-	432,999
Inglenook Court	05/25/95	8,300,000	07/01/25	8,300,000	8,300,000
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	4,535,000	4,680,000
LTC Properties	12/13/95	8,300,000	12/01/15	3,730,000	4,225,000
Courtside Apartments	02/28/96	10,600,000	01/01/26	8,775,000	8,905,000
Lake Washington Apartments	10/30/96	10,750,000	10/01/26	9,180,000	9,310,000
Brittany Park Project	11/07/96	14,200,000	11/01/21	12,270,000	12,470,000
Pacific Inn Apartments	11/08/96	5,900,000	05/01/28	4,685,000	4,830,000
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
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	4,405,000	4,510,000
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	4,885,000	5,105,000
Boardwalk Apartments	09/14/98	12,400,000	09/01/28	10,815,000	11,015,000
Oxford Square Apartments	11/30/98	6,000,000	12/01/28	4,975,000	5,110,000
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	7,615,000	7,755,000
Summer Ridge Apartments	12/13/99	4,740,000	12/01/29	3,955,000	4,060,000
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	10,130,233	10,155,232
Holly Village	12/23/99	8,800,000	07/15/32	7,395,000	7,525,000
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	6,250,000	6,360,000
Granite Falls	10/03/00	3,930,000	10/01/27	3,390,000	3,485,000
Greens at Merrill Creek	10/12/00	17,310,000	06/01/24	15,822,000	15,966,000
Evergreen 2000 (Ginnie Mae)	10/17/00	5,950,000	01/01/36	5,435,000	5,505,000
Kingsbury Terrace	02/09/01	4,100,000	07/01/42	3,900,000	3,930,000
Lakewood Meadows	11/21/00	7,850,000	07/15/33	7,170,000	7,295,000
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	11,545,000	11,785,000
Monticello Park Project	08/13/01	10,475,000	08/01/26	9,690,000	9,820,000
Parkside Apartments	10/30/01	11,700,000	01/20/43	10,305,000	10,540,000
Woodlands Apartments Project 2001	12/07/01	6,600,000	07/15/34	6,190,000	6,290,000
Silverwood Apartments Project 2001	12/11/01	3,825,000	11/01/38	2,407,615	2,407,615
Ocean Ridge Apartments 2001	12/21/01	9,000,000	11/01/38	8,611,170	8,685,507
Tama Qua (Whisperwood)	05/14/02	7,900,000	05/15/35	6,995,000	7,100,000
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
Parkway Apartments	06/20/02	9,180,000	07/20/37	8,530,000	8,640,000
Bridgewood at Four Seasons	10/04/02	9,800,000	10/01/32	9,210,000	9,335,000
Park Hill	08/27/02	7,000,000	04/01/34	6,488,917	6,541,905
Deer Run	10/01/02	4,900,000	05/01/30	4,438,876	4,534,306
Alderwood Court	05/17/02	7,645,000	06/15/35	7,140,000	7,245,000
Quail Run	12/06/02	7,150,000	07/01/35	6,873,076	6,933,771
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	4,875,000	4,965,000
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	6,120,765	6,226,369
Auburn Meadows	07/02/03	8,600,000	07/01/36	-	8,490,000

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEARS ENDED JUNE 30, 2010 WITH COMPARATIVE TOTALS FOR 2009

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2010	2009
Multi-Family Housing (Continued)					
Vintage at Mt. Vernon	06/05/03	\$ 10,000,000	01/15/37	\$ 8,900,000	\$ 9,000,000
Alaska House	07/15/04	8,040,000	07/20/45	7,755,000	7,820,000
International House	07/15/04	7,390,000	07/20/45	7,120,000	7,180,000
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
Stonebrook Apartments	10/28/04	15,710,000	02/01/37	14,105,000	14,305,000
Rainier Court Apartments	12/23/03	17,000,000	12/15/36	16,700,000	16,800,000
Rolling Hills Apartments	05/27/04	8,750,000	06/15/37	8,350,000	8,450,000
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	6,455,000	6,645,000
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	13,415,000	13,515,000
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	17,035,000	17,240,000
Vintage at Richland	06/29/04	11,750,000	01/15/38	7,535,000	7,535,000
Columbia Heights Retirement	10/15/04	12,925,000	10/01/39	-	12,925,000
Ballinger Court Apartments	09/01/04	5,800,000	09/15/37	5,600,000	5,700,000
Burke-Gilman 2004 Refunding	07/19/04	3,835,000	07/01/18	3,255,000	3,375,000
Arbor Park Apt Homes	07/30/04	9,135,000	07/30/21	8,669,974	8,801,784
Washington Terrace Apt	09/30/04	11,250,000	09/15/37	-	11,250,000
Deer Run West	12/22/04	6,270,000	06/15/37	6,130,000	6,130,000
Merrill Gardens at Queen Anne	12/17/04	30,200,000	12/01/40	29,760,000	30,080,000
Merrill Gardens at Renton	12/17/04	23,100,000	12/01/40	23,280,000	23,490,000
Valley View Apartments	12/22/04	29,675,000	05/01/38	28,713,000	29,128,000
Vintage at Burien Apartments Project	12/22/04	7,300,000	01/15/38	7,095,000	7,200,000
Vintage at Sequim	01/27/05	8,390,000	03/01/38	6,481,282	6,544,776
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	7,580,716	7,722,899
Highland Park	06/30/05	11,300,000	07/15/38	11,000,000	11,100,000
Ridgeview Apartments	04/29/05	12,390,000	11/01/22	9,745,949	9,901,560
Fairwinds - Redmond	07/15/05	27,500,000	07/01/41	24,450,000	27,500,000
Pinehurst Apartments	09/27/05	14,185,000	3/15/2039	13,780,000	13,985,000
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	12,910,000	13,550,000
New Haven Apartments	09/27/05	19,000,000	3/15/2039	-	19,000,000
Cambridge Apartments	09/27/05	12,650,000	3/15/2039	-	12,650,000
Yesler Apartments	11/28/05	13,788,000	1/1/2024	11,524,368	11,659,232
Scenic Vista Senior Apartment	11/22/05	6,100,000	1/1/2039	6,044,643	6,074,622
Kamiakin Apartments	11/23/05	8,275,000	5/1/2042	7,850,308	8,128,348
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	11,780,346	11,967,766
Vintage at Vancouver	02/10/06	8,900,000	4/1/2036	8,603,281	8,683,867
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	13,680,000	13,815,000
Crowne Pointe Apartments	05/26/06	8,740,000	12/1/2047	8,616,984	8,668,687
Orchard Hills	11/03/06	9,060,000	7/1/2039	8,956,274	9,020,176
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
Eagle's Landing Apartments	07/24/06	13,400,000	08/15/39	13,295,000	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	4,958,533	4,988,183
Covington Place	11/02/07	9,975,000	12/01/25	9,975,000	9,057,374
The Season	12/20/06	37,500,000	12/15/40	37,400,000	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	7,466,487	7,470,000

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEARS ENDED JUNE 30, 2010 WITH COMPARATIVE TOTALS FOR 2009

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2010	2009
Multi-Family Housing (Continued)					
Northgate Village	12/08/06	\$ 5,990,000	06/01/43	\$ 5,885,194	\$ 5,939,295
Island Skagit Partner Portfolio	02/28/07	3,850,000	03/01/37	2,195,945	2,230,636
Three County Partners Portfolio	02/28/07	5,900,000	03/01/37	4,099,804	4,164,523
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	7,070,730	7,163,494
Rosecreek Apts Refunding 07	12/03/07	3,570,000	01/01/38	3,458,888	3,506,813
Greentree Apartment Homes 08	01/30/08	13,965,000	02/01/26	14,701,218	14,737,500
Prairie View Apartment	12/28/07	23,880,000	01/01/26	22,807,500	22,807,500
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	4,600,000	4,580,000
First Liberty Apartments 07	12/11/07	5,965,000	04/01/40	5,090,000	5,965,000
Talon Hills Apartments	05/30/08	4,115,000	09/01/40	4,115,000	3,782,390
APD WA RD 2007 Portfolio	07/31/08	9,940,000	02/01/40	5,929,709	8,548,403
Parkview Apartments	07/28/08	3,060,000	08/01/43	3,060,000	3,060,000
Artspace Everett Lofts	12/23/08	7,500,000	12/01/41	7,500,000	7,500,000
Senior City (KWA)	11/14/08	9,900,000	06/01/11	9,592,960	261,732
Appian Way	12/31/08	13,610,000	07/01/40	6,135,000	3,372,176
Lake City Way Mixed Use	12/23/2009	15,600,000	01/01/44	15,600,000	-
New Tacoma Phase 1	12/28/2009	11,400,000	01/01/40	11,400,000	-
Lake City Senior Refunding	8/28/2009	16,250,000	07/01/44	16,250,000	-
Washington Terrace Refunding	2/16/2010	11,250,000	02/15/43	11,250,000	-
New Haven Refunding	12/15/2009	19,000,000	12/15/44	19,000,000	-
Cambridge Refunding	12/15/2009	12,650,000	12/15/44	12,650,000	-
Rose Street Apts (Grid)	2/8/2010	9,600,000	02/01/27	54,175	-
Walton Place Two Step (Grid)	12/21/2009	7,030,000	12/21/11	2,654,986	-
Streamlined Tax Exempt Private Placement -					
Multi-Family Housing					
Fir @ 17th	12/16/94	1,250,000	07/01/20	761,865	819,181
Riverside Landing	12/12/97	2,043,000	06/01/29	1,716,823	1,758,064
Arrowhead	05/31/94	1,200,000	06/01/09	-	729,033
Heritage Sunset	11/15/94	1,260,000	12/01/09	-	810,465
Heritage Grove	02/17/95	1,600,000	03/01/10	-	1,055,686
Bayswater Apts	05/04/95	925,000	05/01/10	-	597,729
Assembly Apts	09/10/97	3,000,000	05/01/23	2,403,646	2,472,463
Mt. Baker Apts	10/15/98	2,320,000	10/01/28	1,868,004	1,920,862
Covington Commons Apts	06/11/99	2,600,000	07/01/29	1,138,529	1,162,894
Rockwood Terrace	09/29/99	1,551,107	10/01/14	1,305,484	1,336,840
Terrace Apartments	08/28/00	1,222,000	08/01/30	1,062,522	1,085,853
Yakima Gardens	12/18/98	942,500	01/01/29	764,008	785,173
Oregon Place	07/14/00	2,500,000	08/01/30	1,103,124	1,129,214
Westgate Terrace Apts	08/31/05	3,218,000	03/01/22	3,036,140	3,088,077
Parkland Terrace Apts	08/31/05	1,600,000	04/01/22	1,509,579	1,535,402
Hiawatha Artist's Loft	12/01/06	8,500,000	12/01/28	3,795,126	3,850,231
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	1,500,598	2,574,154
				1,491,211,354	1,526,561,761
Unamortized Bond Discount				(161,590)	(169,857)
Unamortized Bond Premium				474,568	509,216
				1,491,524,332	1,526,901,120

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YEARS ENDED JUNE 30, 2010 WITH COMPARATIVE TOTALS FOR 2009

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2010	2009
Non-Profit Housing					
Gonzaga University	04/08/93	\$ 6,500,000	07/01/14	\$ -	\$ 2,720,000
Nikkei Concerns	10/20/94	6,250,000	10/01/19	3,450,000	3,710,000
Nikkei Manor	11/06/96	3,100,000	10/01/21	2,100,000	2,200,000
Panorama City	01/29/97	24,300,000	01/01/27	16,000,000	16,900,000
Riverview Lutheran	07/23/97	4,000,000	07/01/22	2,720,000	2,860,000
Crista Ministries Projects & Refunding	06/08/98	17,475,000	07/01/17	6,685,000	8,080,000
WA Odd Fellows Home	10/15/98	10,100,000	07/01/28	8,020,000	8,270,000
Presbyterian Ministries Rev & Refunding	02/25/99	11,965,000	01/01/29	9,640,000	9,925,000
Tacoma Lutheran 1999	07/15/99	6,510,000	01/01/24	4,950,000	5,160,000
The Kline Galland Center	09/23/99	27,500,000	07/01/29	24,395,000	24,980,000
Rockwood Retirement Communities	11/23/99	27,000,000	01/01/30	22,120,000	22,745,000
Living Care Centers	10/26/00	14,950,000	10/01/30	12,845,000	13,160,000
Pioneer Human Services 2001	08/02/01	7,100,000	08/01/19	3,265,000	4,160,000
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	8,630,000	8,815,000
Nickerson Area Properties	08/20/03	10,745,000	01/01/05	9,665,000	9,890,000
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	18,355,000	18,570,000
Emerald Heights 03 Expansion	07/01/03	38,460,000	07/01/33	34,435,000	35,165,000
Mercy Housing	09/19/03	6,445,215	09/19/33	5,725,961	5,851,344
Mercy Housing - Cobble Knoll, Phase II	11/30/04	3,900,000	11/01/34	3,569,296	3,636,684
Hearthstone	12/02/04	12,000,000	12/01/29	10,780,000	11,055,000
Horizon House	10/05/05	56,700,000	10/01/35	54,410,000	55,395,000
Mirabella	11/03/06	256,745,000	03/01/36	134,950,000	202,450,000
Judson Park Refunding '07	01/30/07	37,010,000	02/01/37	22,295,000	22,780,000
Skyline at First Hill	02/28/07	214,700,000	01/01/38	193,860,000	214,700,000
Wesley Homes Lea Hill Refunding	04/02/07	57,610,000	01/01/36	45,940,000	46,710,000
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	16,155,000
Pioneer Human Services 2009	06/30/09	10,460,000	07/01/29	10,460,000	10,460,000
Streamlined Tax Exempt Private Placement - Multi-Family Nonprofit Housing					
Mental Health North	07/14/92	1,255,147	07/01/10	11,063	130,027
Summerfield	06/28/93	1,945,000	06/01/10	-	1,357,103
Wilton Apts	06/21/95	620,000	10/01/15	398,220	422,074
Adams Apartment	05/29/96	310,000	06/01/11	239,117	246,843
Bellevue Apartments	03/28/97	575,700	03/01/22	391,547	412,842
Blue Mountain Apartments	02/01/00	248,800	02/01/25	193,989	201,224
3904 Martin Luther King Way Apts	03/01/00	561,000	04/01/25	435,181	451,708
Brentwood Apartments	08/27/02	1,491,000	09/01/32	1,319,791	1,346,853
Clallam County Hostels	11/25/02	366,843	12/01/22	272,033	287,114
Interaction/Transition House	03/04/03	600,000	03/01/18	527,329	538,919
Episcopal Homes	11/09/93	5,850,000	05/01/10	-	3,506,539
Warm Beach	10/25/95	1,800,000	05/01/16	787,127	896,301
St. Andrew's Place	07/29/97	3,000,000	08/01/27	2,350,806	2,425,306
Der Garten Haus	09/21/98	650,000	10/01/18	525,382	540,040
Nuuanu Pali Apartments Project	01/31/02	725,000	02/01/32	638,322	651,358
Northaven II Assisted Living Project	10/27/93	2,134,000	11/01/03	1,351,423	1,417,638
Meadowdale Apartments	02/18/05	5,680,000	02/01/15	5,266,460	5,354,676
Christian Health Care Center	10/13/05	7,532,219	10/02/20	5,543,822	6,795,801
Josephine Sunset Home	08/04/05	7,320,000	08/01/25	6,559,188	6,771,188
				<u>771,386,057</u>	<u>879,411,582</u>
Unamortized Bond Discount				(772,850)	(826,649)
Unamortized Bond Premium				<u>696,761</u>	<u>903,077</u>
				<u>771,309,968</u>	<u>879,488,010</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
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Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2010	2009
Non-Profit Facilities					
Pioneer Human Services	10/17/91	\$ 4,595,000	07/01/11	\$ -	\$ 220,000
Plumbers & Pipe fitters	12/07/95	3,400,000	07/01/20	2,075,000	2,205,000
Community College of Spokane Foundation	09/24/98	3,155,000	07/01/08	1,970,000	2,155,000
YMCA-Puyallup/Pierce County	12/02/98	11,000,000	12/01/08	-	7,070,000
YMCA-Inland Northwest	04/08/99	5,800,000	07/01/29	4,955,000	5,095,000
YMCA-Columbia/Willamette Valley	08/12/99	3,900,000	08/01/24	2,890,000	3,030,000
South Sound YMCA 1999	09/30/99	5,500,000	01/01/24	-	4,320,000
St. Vincent dePaul Project	02/01/00	5,000,000	02/01/30	3,570,000	3,685,000
University Prep Academy	05/04/00	7,000,000	07/01/30	5,800,000	6,000,000
Community College of Spokane Foundation 2000	08/04/00	8,800,000	07/01/30	7,880,000	8,010,000
Seattle Academy of Arts & Sciences	10/02/00	15,445,000	01/01/31	14,855,000	14,950,000
Southwest WA Pipe Trades Training Center	10/31/00	4,230,000	10/01/25	3,220,000	3,345,000
Open Window School	08/05/03	6,600,000	08/01/28	5,440,000	5,730,000
Evergreen School 2002	06/27/02	9,500,000	07/01/28	8,070,000	8,390,000
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	4,580,000	4,835,000
United Way of King County	03/11/03	8,500,000	03/01/28	4,620,000	4,960,000
Overlake School	10/02/03	10,030,000	10/01/29	8,225,000	8,475,000
Gonzaga Preparatory School	09/18/03	10,000,000	09/01/33	7,405,000	7,590,000
Bertschi School	06/15/06	6,300,000	06/01/35	6,050,000	6,160,000
Antioch University Project	05/18/05	6,780,000	01/01/27	5,640,000	5,900,000
The Northwest School - Northwest Addition	06/07/05	11,000,000	06/01/32	4,100,000	4,410,000
Lutheran Community Services	10/05/05	6,200,000	10/01/32	2,740,000	2,800,000
Forest Ridge School	06/30/05	12,765,000	07/01/32	12,135,000	12,455,000
Seattle Art Museum	10/06/05	50,000,000	07/01/33	16,600,000	33,200,000
The Bush School	04/17/06	24,000,000	04/01/34	23,420,000	24,000,000
Gig Harbor YMCA	08/01/06	12,500,000	12/01/32	11,500,000	11,900,000
Seattle Country Day School	06/13/06	12,800,000	07/01/32	12,700,000	12,800,000
Eastside Catholic	02/12/07	75,800,000	07/01/38	65,575,000	66,550,000
Allied Trades Training Center	11/02/06	7,225,000	11/01/32	6,855,000	7,045,000
YMCA of Snohomish County	12/01/06	17,345,000	12/01/33	15,770,000	16,615,000
Villa Academy	12/03/07	7,170,000	12/01/34	6,970,000	7,070,000
St. Thomas School Project	07/16/07	31,390,000	07/01/36	30,820,000	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	10,350,000
YMCA - Inland Northwest	09/11/08	11,000,000	07/01/33	11,000,000	11,000,000
Billings Middle School	05/06/10	1,484,000	06/01/20	1,484,000	-
Benton-Franklin Children's Center	07/28/09	624,000	08/01/19	599,811	-
South Sound YMCA Refunding	01/15/10	4,145,000	02/01/20	4,049,044	-
YMCA of Pierce/Kitsap Counties	06/01/10	27,000,000	07/01/36	27,000,000	-
Pioneer Human Services Refunding	12/30/09	3,855,000	07/01/29	-	-
PAWS	03/03/92	308,813	02/28/17	-	127,990
Audubon Society	04/17/96	100,000	05/01/11	19,596	24,420
Work Force Development	05/23/96	1,027,000	12/01/21	684,045	721,780
ElderHealth Northwest	12/06/96	1,200,000	12/01/11	642,056	656,287
Genesis House	06/12/97	660,000	06/01/07	331,843	367,723
Little Red School House	04/29/98	385,941	05/01/23	258,872	274,704
People for People 1999	04/30/99	1,500,000	05/01/14	1,025,540	1,085,927
Pacific NW Research Institute	05/06/99	2,700,000	07/01/14	1,070,000	1,275,000
SEED Homesight Project	05/13/99	616,000	07/01/09	505,811	522,352
Benton-Franklin Support Network	07/09/99	920,000	08/01/09	-	611,816
Nova Services	03/01/00	650,000	03/01/20	-	438,036
Pullman Community Action Center	03/30/00	700,000	04/01/30	592,884	606,884
Washington School Principal's Project	06/01/01	700,000	06/01/21	176,178	275,700
Tacoma-Pierce County Humane Society	10/02/01	1,915,000	11/02/11	944,645	1,050,576
Island School Expansion and Remodel	11/01/01	1,300,000	11/01/26	641,298	663,863
Nova School Project	11/02/01	845,000	11/01/11	185,312	200,507
Harlequin Productions Project	11/08/01	538,750	11/01/21	137,971	145,864
Artist Trust Project	11/30/01	350,000	11/30/31	308,531	314,777
Girl Scouts-Totem Council Project	12/28/01	2,576,000	01/01/32	2,248,389	2,296,757

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Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2010	2009
Streamlined Tax Exempt Private Placement - Nonprofit Facilities					
Hyla Middle School Project	12/26/01	\$ 650,000	01/01/27	\$ 379,148	\$ 536,631
Spokane Valley Community Center	05/22/02	682,500	06/01/22	262,208	289,921
Tomorrows Hope	04/05/02	860,000	04/01/27	710,252	733,005
Southside Senior Center	05/22/02	650,000	06/01/22	459,989	487,406
The Institute for Family Development	06/28/02	750,000	02/01/27	594,076	616,981
New Horizon's School	07/31/02	875,000	08/01/32	796,052	811,663
Children's Village Foundation Project	09/06/01	975,000	09/01/21	586,736	621,374
Goodwill Industries of Inland NW	12/23/02	3,000,000	01/01/23	1,917,802	2,039,044
Harbor Montessori	07/02/03	1,300,000	07/01/28	1,074,603	1,110,901
Puget Sound Electrical Apprenticeship	05/20/03	4,614,004	05/01/18	-	2,728,195
Opportunity Council	09/04/03	1,350,000	09/01/23	1,062,119	1,109,127
Martha & Mary	12/09/03	1,416,000	12/01/28	948,886	978,031
Whatcom Family YMCA 2004	02/04/04	1,100,000	02/01/24	847,529	896,057
French American School	04/21/04	1,875,000	02/01/25	1,547,337	1,616,012
Columbia Basin College Foundation	04/08/04	799,802	10/01/10	-	169,532
Metropolitan Development Council	12/30/04	2,403,530	12/01/31	2,138,105	2,204,059
NW Pipe Trade - Local 26 Educational Dev. Trust	07/20/05	3,500,000	04/01/31	3,141,857	3,245,957
Morningside	11/07/05	2,244,118	11/01/30	548,358	726,887
Valley Residential Services	11/09/05	640,000	11/01/20	574,801	589,513
Goodwill Industries - Spokane Complex	03/01/06	2,400,000	03/01/26	2,096,616	2,175,133
Richland Health Science Center - Columbia Basin	03/30/06	2,950,000	09/01/31	3,029,147	3,130,038
N.E.W.J.A. Training Center	05/05/06	874,989	05/01/06	701,678	747,524
Whatcom Community College Foundation	05/11/06	1,076,990	06/01/31	990,157	1,013,148
SKCAC Industries	08/01/06	1,100,000	08/01/21	1,021,805	1,044,103
TVW-Jeannette C. Hayner Media Center	10/04/06	2,662,820	10/01/36	1,090,795	1,107,358
Re Sources Sustainable Living Center	10/31/06	2,025,000	11/01/31	1,886,453	1,928,321
Tacoma Musical Playhouse	11/01/06	1,425,000	11/01/18	1,317,891	1,349,879
United Way of Snohomish County	01/19/07	2,100,000	02/01/32	1,969,329	2,011,312
Archbishop Thomas Murphy School	05/02/07	8,500,000	05/01/27	7,932,117	8,210,703
University Cooperative School	05/09/07	1,000,000	06/01/37	973,688	982,311
Youth Care - Orion Center	05/03/07	2,149,000	06/01/27	2,007,367	2,057,744
Perry Technical Institute	10/26/07	5,000,000	11/01/27	4,842,908	5,000,000
Alliance Center	12/19/07	2,150,000	12/31/37	2,077,078	2,110,056
West Sound Academy	04/01/08	4,640,000	04/01/28	4,505,351	4,569,619
French American School	04/03/08	2,290,000	10/01/28	2,101,229	1,316,420
Soundview School	10/01/08	2,890,000	10/01/18	2,797,098	2,853,818
2008 Hopelink	11/21/08	3,525,000	01/02/14	2,441,900	3,104,561
Sanchez Beginning Farmers	03/31/08	250,000	03/01/33	230,884	242,317
Tregoning Beginning Farmers	04/30/08	250,000	05/01/33	233,151	242,875
Glasso Beginning Farmers	05/23/08	184,800	06/01/33	171,039	179,003
Pottratz Beginning Farmers	08/06/08	72,000	01/02/33	67,364	70,248
Martinez Beginning Farmers	09/03/08	187,000	10/01/33	176,484	183,608
Burechi Beginning Farmers	08/29/08	225,000	09/01/33	214,135	220,475
Torres Beginning Farmers	01/07/09	326,500	01/01/24	308,323	326,500
Craig & Pamela Cleveringa	09/22/09	142,000	01/01/39	135,744	-
Kenneth & Carrie Little	08/24/09	217,500	08/01/39	214,311	-
Daniel & Kimberly Hulse	09/22/09	195,000	09/01/39	192,581	-
John & Sara Burns	08/31/09	305,000	08/01/39	300,593	-
Sage Shelton	11/18/09	225,000	11/01/39	225,000	-
Kyle Chamberlain	11/20/09	132,603	10/01/39	132,603	-
Brent & Melissa Favilla	01/15/10	127,500	01/01/35	127,500	-
Aaron Otto & Kim Denend	01/29/10	213,000	01/01/40	211,661	-
Scott Johnson & Erika Britney	03/04/10	400,000	03/01/35	397,493	-
Ross and Deborah Landt	04/29/10	242,000	01/01/34	242,000	-
Cody Schoesler	05/21/10	165,000	03/01/35	165,000	-
Wesley Wasson & Karen Temen	06/25/10	265,000	03/01/40	265,000	-
				476,069,157	493,390,092
Unamortized Bond Discount				-	-
				476,069,157	493,390,092
Totals				\$ 3,915,806,342	\$ 3,942,698,147