Report of Independent Auditors
and Financial Statements with
Supplemental Information for

Washington State Housing Finance Commission

June 30, 2014 and 2013

MOSS-ADAMS LLP

Certified Public Accountants | Business Consultants

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REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners
Washington State Housing Finance Commission

Report on Financial Statements

We have audited the accompanying financial statements of the Washington State Housing Finance Commission, which comprise the statements of net position as of June 30, 2014 and 2013, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements. The supplemental schedules of program net position, program revenues, expenses, and changes in program net position, program cash flows and notes and bonds payable on pages 35 through 51 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules of program net position, program revenues, expenses, and changes in program net position, program cash flows and notes and bonds payable are fairly stated in all material respects in relation to the financial statements as a whole.

Moss Adams LLP

Seattle, Washington
November 20, 2014

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, 2014. 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, 2014 ("FY 2014"):

Net position increased $30.0 million to $268.5 million primarily due to the increase to the Program Investment Fund's ("PIF") revenues over expenses totaling $14.9 million as a result of down payment assistance revenues from the daily pricing program. The increase in bond program net position is due to reductions of the interest expense caused by reduction in bonds payable in the single family program.

Total assets decreased by $47.6 million due, in part, to a decrease in net mortgage-backed securities ("MBSs") and mortgage loans ($61.0 million) following an increase in prepayments from borrowers and decreases of $5.6 million in fees and other related receivables. These decreases were partially offset by increases in cash and cash equivalents and investments ($19.7 million) as new conduit bonds were issued and bond proceeds were held to subsequently fund conduit project costs.

Deferred outflows of resources decreased by $0.4 million to $1.1 million due to the decrease in the notional value of the interest rate swaps. Because the interest rate swaps are considered to be effective hedges, the decrease in deferred outflows is offset entirely by the decrease in the liability titled Derivative instrument - interest rate swaps.

Total bonds and notes payable of $3.4 billion were outstanding, net of premiums and discounts. This is a net decrease of $80.8 million (2.3%) resulting from the issuance of bonds ($481.5 million) and the payment of principal ($562.3 million).

Bond program revenues (mortgage interest, unrealized loss on mortgage-backed securities, investment and other,) increased by $34.1 million due mostly to the decrease in the unrealized losses on mortgage-backed securities. General Operating revenue increased by $4.8 million due primarily to an increase in program fees ($3.7 million) largely due to the revenue associated with the Home Advantage daily pricing program that began July 1, 2012 and the increase in grant revenues ($0.6 million).

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 position, the statement of revenues, expenses, and changes in net position, 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The financial statements report information for all Commission programs and operations. The statement of net position includes all of the Commission's assets, liabilities and deferred inflows and outflows of resources. All of the revenues and expenses of the Commission are accounted for in the statement of revenues, expenses, and changes in net position. 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, 2014, program activity in most bond programs increased as the economy continued to rebound from the Great Recession. In the Homeownership Division, production was primarily funded through our new daily-priced program using traditional, taxable mortgage funding rather than with proceeds of tax-exempt bonds issued by the Commission. We anticipate continuing to utilize this funding mechanism for the foreseeable future. Tax-exempt interest rates remain low by historical standards resulting in continued compression with taxable rates. Demand for the Housing Tax Credits remains high though we saw a decrease in the number of applications as some developers recognized that their projects would not be highly competitive under our current allocation plan.

FINANCIAL ANALYSIS OF THE COMMISSION

Statements of Net Position

The following table summarizes the changes in assets and deferred outflows of resources, liabilities, and net position between June 30, 2014 and 2013, in millions:

	2014	2013	Change	
Assets				
Cash and cash equivalents	$ 183.4	$ 210.2	$ (26.8)	(12.8%)
Investments	175.6	129.0	46.6	36.1
Accrued interest receivable	8.2	10.9	(2.7)	(24.8)
Fees receivable, net	3.6	5.1	(1.5)	(29.4)
Other receivables	0.7	2.1	(1.4)	(66.7)
Mortgage-backed securities, net	741.5	891.9	(150.4)	(16.9)
Mortgage loans, net	2,715.1	2,625.7	89.4	3.4
Prepaid fees and other	0.3	1.1	(0.8)	(72.7)
Total assets	3,828.4	3,876.0	(47.6)	(1.2)
Deferred outflows of resources	1.1	1.5	(0.4)	(26.7)
Total assets and deferred outflows of resources	$ 3,829.5	$ 3,877.5	$ (48.0)	(1.2%)

FINANCIAL ANALYSIS OF THE COMMISSION (CONTINUED)

	2014	2013	Change	
Liabilities				
Accounts payable and other liabilities	$ 101.8	$ 95.5	$ 6.3	6.6%
Accrued interest payable	20.4	19.6	0.8	4.1
Unearned revenue and other	14.0	17.4	(3.4)	(19.5)
Derivative instrument - interest rate swap	1.1	1.5	(0.4)	(26.7)
Project equity held for borrower	5.3	5.8	(0.5)	(8.6)
Bonds and notes payable, net	3,418.4	3,499.2	(80.8)	(2.3)
Total liabilities	$ 3,561.0	$ 3,639.0	$ (78.0)	(2.1%)
Net position				
Restricted				
Bond operations	$ 124.5	$ 120.2	$ 4.3	3.6%
Grants and donations to PIF	1.1	1.1	-	-
Net investment in capital assets	0.1	-	0.1	100.0
Unrestricted				
General operations	17.9	18.0	(0.1)	(0.6)
Housing Washington	0.3	-	0.3	-
Program Investment Fund	124.6	99.2	25.4	25.6
Total net position	$ 268.5	$ 238.5	$ 30.0	12.6%

Assets increased as cash and cash equivalents and investments were held to fund mortgage commitments. Scheduled and early redemptions exceeded the amount of new bond issuances resulting in a decrease of $80.8 million in the bond payable balance. The net position of the Commission increased $30.0 million from the June 30, 2013 amount. Of this increase in net position, $12.5 million resulted from the operating income in the General Operating Fund and $14.9 operating income in the Program Investment Fund.

The net position of the bond programs is 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 $124.6 million which includes $36.9 million in partner investments and $1.1 million donations received.

FINANCIAL ANALYSIS OF THE COMMISSION (CONTINUED)

Statements of Revenues, Expenses, and Changes in Net Position

The following table summarizes the changes in revenues and expenses between 2014 and 2013 (in millions):

	2014	2013	Change	
Revenues				
Bond programs mortgage interest	$ 94.4	$ 101.3	$ (6.9)	(6.8%)
Bond programs investments and other income	3.6	(4.0)	7.6	(190.0)
Bond program gain (loss) on mortgage-backed securities	(7.0)	(42.1)	35.1	(83.4)
Other bond fees	7.7	9.4	(1.7)	(18.1)
Program fees and grants	44.0	38.6	5.4	14.0
General Operating Fund interest income	0.6	-	0.6	100.0
Total revenues	$ 143.3	$ 103.2	$ 40.1	38.9%
Expenses				
Bond programs interest expense	$ 88.5	$ 94.9	$ (6.4)	(6.7%)
Other bond programs expenses	7.7	10.1	(2.4)	(23.8)
Salaries and wages	6.3	5.4	0.9	16.7
Other General Operating Fund and Program Investment Fund expenses	10.8	11.2	(0.4)	(3.6)
Total expenses	$ 113.3	$ 121.6	$ (8.3)	(6.8%)
Change in net position	$ 30.0	$ (18.4)	$ 48.4	(263.0%)

The primary components of total revenues for the bond funds are mortgage-related interest earnings ($94.4 million) and the unrealized loss on mortgage-backed securities ($7.0 million). Bond interest expense ($88.5 million) is the primary component of total expense for the bond funds. During FY 2014, the Commission's General Operating Fund revenue and expense included $5.3 million of housing counseling and foreclosure relief funds received and disbursed to qualifying counseling agencies. The remaining Commission revenues in the General Operating Fund are generated primarily from issuer fees and the premium generated from the Home Advantage daily pricing program.

DEBT ADMINISTRATION

The Commission has long-term debt obligations of $3.4 billion, net of bond premium and discounts, at June 30, 2014. 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, 2014, amounts held by the trustees and paying agents represent full funding of these requirements.

DEBT ADMINISTRATION (CONTINUED)

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 equal to the credit rating of the United States by Moody's Investors Service or 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.

The Commission evaluates and uses available debt management techniques to achieve its goals of reducing interest expense and preserving the maximum amount of bonding authority in the Single-family Homeownership Program. In implementing these techniques, the Commission often retires higher interest rate debt as opportunities for economic refunding occur, to reduce overall borrowing costs 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.

DEBT ADMINISTRATION (CONTINUED)

Net bonds and notes payable as of June 30, 2014 was $3.4 billion, a decrease of about $0.1 million from 2013. Changes by program are summarized in the following table (in millions):

	2013	Issued	Redeemed	Changes	2014
Single-family	$ 534.8	$ 35.9	$ 163.2	$ (127.3)	$ 407.5
Home Ownership (NIPB)	318.6	-	69.4	(69.4)	249.2
Multifamily Housing	1,632.4	186.3	124.5	61.8	1,694.2
Nonprofit Housing	666.2	187.5	137.6	49.9	716.1
Nonprofit Facilities	347.2	71.8	67.6	4.2	351.4
	$ 3,499.2	$ 481.5	$ 562.3	$ (80.8)	$ 3,418.4

COMPARISON OF FISCAL YEAR 2013 WITH 2012

Statements of Net Position

The following table summarizes the changes in combined adjusted net position between June 30, 2013 and 2012 (in millions):

	2013	2012	Change	
Assets				
Cash and cash equivalents	$ 210.2	$ 148.9	$ 61.3	41.2%
Investments	129.0	113.4	15.6	13.8
Accrued interest receivable	10.9	8.9	2.0	22.5
Fees receivable, net	5.1	2.0	3.1	155.0
Other receivables	2.1	0.3	1.8	600.0
Mortgage-backed securities, net	891.9	1,134.6	(242.7)	(21.4)
Mortgage loans, net	2,625.7	2,598.1	27.6	1.1
Prepaid fees and other	1.1	1.2	(0.1)	(8.3)
Total assets	3,876.0	4,007.4	(131.4)	(3.3)
Deferred outflows of resources	1.5	2.3	(0.8)	(34.8)
Total assets and deferred outflows of resources	$ 3,877.5	$ 4,009.7	$ (132.2)	(3.3%)
Liabilities				
Accounts payable and other liabilities	$ 95.5	$ 87.8	$ 7.7	8.8%
Accrued interest payable	19.6	17.4	2.2	12.6
Accrued arbitrage rebate	-	-	-	-
Unearned revenue and other	17.4	6.4	11.0	171.9
Derivative instrument - interest rate swap	1.5	2.3	(0.8)	(34.8)
Project equity held for borrower	5.8	11.2	(5.4)	(48.2)
Bonds and notes payable, net	3,499.2	3,627.7	(128.5)	(3.5)
Total liabilities	$ 3,639.0	$ 3,752.8	$ (113.8)	(3.0%)

COMPARISON OF FISCAL YEARS 2013 WITH 2012 (CONTINUED)

	2013	2012	Change	
Net position				
Restricted				
Bond operations	$ 120.2	$ 159.7	$ (39.5)	(24.7%)
Grants and donations to PIF	1.1	1.1	-	-
Net investment in capital assets	-	0.1	(0.1)	(100.0)
Unrestricted				
General operations	18.0	17.9	0.1	0.6
Program Investment Fund	99.2	78.1	21.1	27.0
Total net position	$ 238.5	$ 256.9	$ (18.4)	(7.2%)

The following summarizes the changes in revenues and expenses between fiscal years 2013 and 2012 (in millions):

	2013	2012	Change	
Revenues				
Bond programs mortgage interest	$ 101.3	$ 104.1	$ (2.8)	(2.7%)
Bond programs investments and other income	(4.0)	4.1	(8.1)	(197.6)
Bond program gain (loss) on mortgage-backed securities	(42.1)	20.0	(62.1)	(310.5)
Other bond fees	9.4	4.8	4.6	95.8
Program fees and grants	38.6	44.7	(6.1)	(13.6)
General Operating Fund interest income	-	0.8	(0.8)	(100.0)
Total revenues	$ 103.2	$ 178.5	$ (75.3)	(42.2%)
Expenses				
Bond programs interest expense	$ 94.9	$ 96.5	$ (1.6)	(1.7%)
Other bond programs expenses	10.1	6.1	4.0	65.6
Salaries and wages	5.4	5.4	-	-
Other General Operating Fund and Program Investment Fund expenses	11.2	33.3	(22.1)	(66.4)
Total expenses	$ 121.6	$ 141.3	$ (19.7)	(13.9%)
Change in net position	$ (18.4)	$ 37.2	$ (55.6)	(149.5%)

During the fiscal year ended June 30, 2013, the Commission's total assets decreased by $131.4 million attributable to a decrease in net mortgage loans caused by an increase in prepayments, offset by an increase in cash equivalents and investments from bond proceeds on hand used to fund conduit borrower project costs and purchase single family MBSs.

COMPARISON OF FISCAL YEARS 2013 WITH 20121 (CONTINUED)

Of the Commission's $18.4 million decrease in net position, $39.5 million represents expense over revenues generated by the bond fund, partially offset by the increase in the program investment fund ($21.1 million). The decrease in the bond fund is mostly due to the recognition of an unrealized loss of on MBSs in the Bond Program coupled with a corresponding reduction in the average rate of the associated debt through strategic redemptions. The increase in net position of the Program Investment Fund resulted from an increase of revenues over expenses of $12.7 million and an $8.4 million transfer from the General Operating Fund.

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).

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	June 30, 2014	June 30, 2013
CASH AND CASH EQUIVALENTS	$ 183,407,729	$ 210,213,262
INVESTMENTS		
U.S. government and agencies securities	54,179,174	86,181,398
Investment agreements	121,385,088	42,872,060
	175,564,262	129,053,458
ACCRUED INTEREST RECEIVABLE	8,246,227	10,946,711
FEES RECEIVABLE, net	3,582,484	5,133,731
OTHER RECEIVABLES	658,835	2,058,485
MORTGAGE-BACKED SECURITIES, cost	685,983,711	829,339,456
Cumulative unrealized gain on mortgage-backed securities	55,516,496	62,531,577
MORTGAGE-BACKED SECURITIES, fair value	741,500,207	891,871,033
MORTGAGE LOANS, net	2,715,099,678	2,625,718,966
PREPAID FEES AND OTHER	304,814	1,110,378
TOTAL ASSETS	3,828,364,236	3,876,106,024
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in fair value of hedging derivatives	1,151,447	1,469,629
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 3,829,515,683	$ 3,877,575,653

 See accompanying notes to financial statements.

LIABILITIES AND NET POSITION

	June 30, 2014	June 30, 2013
ACCOUNTS PAYABLE AND OTHER LIABILITIES	$ 101,835,181	$ 95,487,038
ACCRUED INTEREST PAYABLE	20,431,005	19,621,500
UNEARNED REVENUE AND OTHER	14,022,599	17,429,270
DERIVATIVE INSTRUMENT - INTEREST RATE SWAP	1,151,447	1,469,629
PROJECT EQUITY HELD FOR BORROWER	5,257,506	5,839,662
BONDS PAYABLE		
Current interest bonds	3,291,896,807	3,341,959,025
Taxable bonds	119,564,158	149,038,029
Unamortized bond discount	(356,250)	(926,129)
Unamortized bond premium	7,290,207	9,123,146
	3,418,394,922	3,499,194,071
TOTAL LIABILITIES	3,561,092,660	3,639,041,170
NET POSITION		
Restricted		
Bond operations	124,489,389	120,246,319
Grants and donations to Program Investment Fund	1,082,696	1,082,696
Net investment in capital assets	109,490	28,994
Unrestricted		
General operations	17,890,510	17,971,006
Housing Washington	275,069	-
Program Investment Fund	124,575,869	99,205,468
	268,423,023	238,534,483
TOTAL LIABILITIES AND NET POSITION	$ 3,829,515,683	$ 3,877,575,653

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Years Ended June 30, 2014	Years Ended June 30, 2013
REVENUES		
Interest earned on mortgage loans and mortgage-backed securities	$ 94,419,510	$ 101,267,184
Other interest and investment income (loss)	4,185,153	(4,009,594)
Unrealized loss on mortgage-backed securities	(7,015,082)	(42,108,828)
Other fee income	44,751,474	39,811,220
Nonoperating revenues - grants	6,934,190	8,249,064
	143,275,245	103,209,046
EXPENSES		
Interest on debt	88,520,562	94,922,223
Amortization of bond discount	754,969	100,874
Amortization of bond premium	(2,132,274)	(1,578,494)
Bond issuance costs	5,063,465	8,229,541
Amortization of bond insurance premium	955,367	72,369
Servicing and commission fees	2,267,999	2,405,180
Salaries and wages	6,250,836	5,351,980
Communication and office expense	1,730,445	1,580,752
Professional fees	1,444,164	1,309,429
Trustee and paying agent fees	207,302	243,700
Other	2,975,385	1,357,553
Nonoperating expenses - grants	5,348,485	7,602,161
	113,386,705	121,597,268
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	29,888,540	(18,388,222)
NET POSITION		
Balance, beginning of year	238,534,483	256,922,705
Balance, end of year	$ 268,423,023	$ 238,534,483

See accompanying notes to financial statements.

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENTS OF CASH FLOWS

	Years Ended June 30, 2014	Years Ended June 30, 2013
OPERATING ACTIVITIES		
Receipts for interest on mortgages	$ 100,099,780	$ 103,871,532
Receipts for other fee income	45,605,473	46,867,590
Receipts for loans and mortgage prepayments	525,495,849	615,186,902
Payments for acquisition of loans and mortgages	(463,514,762)	(431,210,956)
Payments for bond program expenses	(8,291,598)	(6,760,962)
Payments to employees and suppliers	(15,838,704)	(17,914,435)
Net cash from operating activities	183,556,038	310,039,671
INVESTING ACTIVITIES		
Purchase of investments	(197,843,459)	(143,345,199)
Sale of investments	153,796,079	121,609,935
Interest received on investments	1,515,111	2,172,773
Net cash used for investing activities	(42,532,269)	(19,562,491)
CAPITAL FINANCING ACTIVITIES		
Project equity used, net	(582,156)	(5,360,333)
Proceeds from sale of bonds and notes	476,281,296	507,672,753
Interest paid on debt	(87,711,054)	(92,661,993)
Debt repayments	(555,817,388)	(638,757,264)
Net cash used for capital financing activities	(167,829,302)	(229,106,837)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(26,805,533)	61,370,343
CASH AND CASH EQUIVALENTS		
Beginning of year	210,213,262	148,842,919
End of year	$ 183,407,729	$ 210,213,262

See accompanying notes to financial statements.

	Years Ended June 30, 2014	Years Ended June 30, 2013
RECONCILIATION OF EXCESS (DEFICIT) OF REVENUES OVER EXPENSES TO NET CASH USED FOR OPERATING ACTIVITIES		
Excess (deficit) of revenues over expenses	$ 29,888,540	$ (18,388,222)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash from operating activities		
Amortization of mortgage discount	(2,080,230)	(2,598,298)
Amortization of mortgage premium	280,066	220,924
Amortization of bond insurance premium	(955,367)	(72,369)
Amortization of bond premium	(2,132,274)	(1,578,494)
Amortization of bond discount	754,969	100,874
Amortization of unearned fee income	955,367	72,369
Acquisition of mortgage loans	(470,945,260)	(436,567,314)
Repayments of mortgage loans	525,495,849	614,871,120
Unrealized loss on securities	4,455,939	48,035,563
Cash from changes in operating assets and liabilities		
Interest and other receivables	7,182,238	(8,352,045)
Interest and other payables	90,656,201	114,295,563
Net cash from operating activities	$ 183,556,038	$ 310,039,671

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, beginning farmers/ranchers, sustainable energy and energy efficiency retrofit programs. 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 Commerce, 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, homeownership daily pricing program, housing 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. Earnings in excess of the reserve requirements are transferred to the Program Investment Fund, except for a portion of earnings on the homeownership daily pricing program which are transferred to the Single Family Indenture.

Note 1 - Description of Business (Continued)

Program Investment Fund - The Program Investment Fund, established by the Commission in 1989, is comprised of reserves above those required by the General Operating Fund Reserve Policy. This fund strategically invests in programs to support the financing and production of low-income housing, special needs housing and facilities that provide community services. Investments also include resources provided by other funders for use in established down payment assistance and other programs in which our missions align. Revenues include interest on these investments and down payment assistance fees associated with the homeownership daily pricing program.

Bond Fund - All activities of Commission-issued bond transactions are established under separate Indentures of Trust, Funding or Financing Agreements. Financial activities under such documents 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. The program consists of three indentures, the General (Single-family) Indenture, the Homeownership Bond Program (NIBP) Indenture and the Special Single Family Program Indenture. Activities of the program are, in general, limited to the purchase of MBSs 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 multiple series indentures within the three program 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 on the MBS pools 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, 2014 and 2013, the assets so pledged were $755.9 million and $953.6 million, respectively.

Loans in the programs are made to first-time homebuyers (except for some in targeted areas) whose income does not exceed the limits established by the Commission. Mortgage rates for these programs ranged from 2.50% to 6.75%.

The General (Single-family) and the Special Single Family Program indentures are reported together on the supplemental schedules of program net position, results of program revenues, expenses, and changes in program net position, and program cash flows.

Conduit Financing Programs - All bonds issued by the Commission, except for the Single-family Homeownership Program discussed above, are conduit debt, i.e., limited-obligation bonds issued 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 MBSs from mortgage lenders. The issuer of the MBSs, 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.

Note 1 - Description of Business (Continued)

Although the conduit debt securities bear the name of the Commission, it has no obligation for payment of 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 or financing 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, paying 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, 2014 and 2013, the assets so pledged were \$2.8 billion and \$2.7 billion, respectively.

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.

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 and Energy Programs - 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, to purchase loans on behalf of beginning farmers and ranchers and to purchase loans qualified under the Commission's energy programs. The Nonprofit Facilities and Energy loans may be secured by real and/or personal property used by borrowers. 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. The more significant of the Commission's accounting policies are described below.

Measurement Focus and Basis of Accounting - All accounts and transactions of the Commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred inflows and outflows of resources and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in net position for all funds present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. 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 Statement of Net Position - The Commission's business cycle is greater than one year. As such, all assets and liabilities as shown on the statement of net position are unclassified.

Cash and Cash Equivalents - 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. Cash deposits in the Bond Fund are held in the corporate trust departments of commercial banks in the bond issue's name. As of June 30, 2014 and 2013, the total amount of uncollateralized or uninsured cash equivalents in the bond fund were $74.1 million and $81.8 million, respectively, virtually all of which was held in government money market funds. 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").

Investments - Investments in the General Operating and Program Investment Funds are managed by Nuveen Asset Management and are comprised of marketable securities issued or guaranteed by the U.S. government. These securities are valued at fair value based upon quoted market prices as of June 30, 2014 and 2013. 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, 2014, commercial paper, repurchase agreements, and US government backed securities were held by the trustee for conduit bond issues for six issues 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, 2014 and 2013.

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 unamortized bond insurance premiums associated with the loans, which are amortized over the life of the loans.

Note 2 - Summary of Significant Accounting Policies (Continued)

Provision for Loan Losses - The provision for loan losses is estimated for each 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.

Program Investment Fund - The Commission provides for estimated losses on the loans it funds in the 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). The loan loss reserve was $4,610,945 and $2,520,340 as of June 30, 2014 and 2013, respectively. No provision for loss is made on loan balances funded by partner investments because return of those investments is not guaranteed by the Commission.

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 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 enhancements 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 those privately placed with a lender. 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.

Note 2 - Summary of Significant Accounting Policies (Continued)

Unearned Revenue - Unearned revenue represents the unearned portion of the Commission's bond fees, tax credit reservation fees, 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 position when earned.

Deferred Outflow of Resources - Deferred outflow of resources represents the year-end estimated negative fair value of the Commission's derivative instruments as of June 30. Additional information on the derivative is found in Note 6.

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.

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

Bond Issuance Costs - Bond issuance costs, including underwriter's fees are expensed at issuance.

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-exempt 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 exempt 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.

Note 2 - Summary of Significant Accounting Policies (Continued)

Net Position - Net position is classified into three components:

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

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

Unrestricted net position consists of the remaining assets and liabilities.

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

In addition, the Commission earns fees on its bond issues and the sale of MBSs originated in the Home Advantage Program, which are allocated to the Bond, General Operating and Program Investment Funds all of which are recorded as other fee income on the statement of revenues, expenses and changes in net position. Other fee income is comprised of the following at June 30:

	2014	2013
Commission fees	$ 8,121,689	$ 8,387,870
HomeOwnership Program fees	20,667,181	16,491,929
Other program fees	8,938,931	6,222,431
Other income	7,023,673	8,708,990
	$ 44,751,474	$ 39,811,220

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 rebate obligations vary by bond type:

<u>Single Family Homeownership Program</u> - Arbitrage earnings that are owed to the United States Department of the Treasury are recorded as accrued arbitrage rebate and are based on calculations performed by independent valuation specialists on an ongoing basis.

<u>Conduit Financing Programs</u> - The liability for potential arbitrage earnings on conduit programs remains the responsibility of the borrower and is not accrued by the Commission.

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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 generally consistent with the investment limitations on public funds. The Commission has entered into an agreement with Nuveen Asset Management 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.

Note 3 - Investments (Continued)

4. Federal National Mortgage Association notes, debentures, and guaranteed certificates of participation.

5. The obligations of certain government-sponsored entities whose obligations are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System.

6. Shares of mutual funds with portfolios consisting of only U.S. government bonds or U.S. government guaranteed bonds issued by federal agencies with average maturities of less than four years.

Investments in State Investment Pool - The Commission is a voluntary participant in the Local Agency Investment Pool operated by the State Treasurer pursuant to RCW 43.250. Investments in the pool are reported at fair value.

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

The investments of the Funds are registered and are held by the Commission's agent in the Commission's agent's name and therefore subject to custodial credit risk. However, the Commission addresses this custodial credit risk by pre-qualifying institutions with which the Commission places investments.

Examining the maturities of the Funds' securities can reveal information about interest rate risk. Cash, cash equivalents and investment securities along with maturities of the Commission's debt securities, as of June 30, 2014 consist of the following:

		Maturities (In Years)	
Type	Market	Less than 1	1-5
Deposits	$ 4,635,766	$ 4,635,766	$ -
Money market fund	16,467,166	16,467,166	-
US Agencies	19,291,901	1,668,148	17,623,753
US Treasuries	34,887,273	318,628	34,568,645
	$ 75,282,106	$ 23,089,708	$ 52,192,398

Note 3 - Investments (Continued)

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 contracts ("GICs") with institutions whose credit rating is investment grade (Baa or BBB and higher for Moody's and Standard and Poor's, respectively). 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 - Investments in the Single-family Homeownership Program indenture as of June 30, 2014 are comprised of MBSs and GICs.

GICs - The Commission places no limit on the amount that may be invested in any one GIC provider. GICs were held with DEPFA Bank in the Single-family Homeownership Programs in the amounts of $9,196,743 and $15,833,507 at June 30, 2014 and 2013, respectively.

Non-Purpose MBS - During the year, the Commission invests available Single Family bond fund reserves by purchasing MBSs originated through its Single Family Homeownership programs in advance of issuing bonds. These investments are recorded at fair market value. While no such investments were held at June 30, 2014, at June 30, 2013 these investments totaled $32.4 million.

Conduit Financing Programs - Concentration risk in these programs does not affect the Commission since the risk is borne by the borrower. At June 30, 2014, a portion of bond proceeds for five conduit bond issuances were invested in US government backed securities, collateralized repurchase agreements, and commercial paper and held by the trustee. At June 30, 2014, the total market value of the US government backed securities, collateralized repurchase agreements, and commercial paper was $106.2 million. At June 30, 2013, a portion of bond proceeds for five conduit bond issuances were invested in US government backed securities and commercial paper and held by the trustee. At June 30, 2013, the total market value of the US government backed securities and commercial paper was $25.6 million. Funds not in GICs, US government backed securities, collateralized repurchase agreements, 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 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. Four bond issues in the Conduit Financing Programs also contain mortgage-backed securities.

For the fiscal years ended June 30, 2014 and 2013, the net decrease in fair market value from that of the prior year end, based upon quoted market price at the fiscal year end, was $7,015,082 and $42,108,828, respectively. The following table shows the sources of the gains and losses on mortgage-backed securities on the statements of revenue, expenses, and changes in net position for 2014 and 2013 by program.

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

	2014				2013			
	Single Family Program Bonds	Homeownership Program Bonds	Multifamily & Non-Profit Housing	Total	Single Family Program Bonds	Homeownership Program Bonds	Multifamily & Non-Profit Housing	Total
Unrealized gain (loss) due to adjustment to market value	$ (7,388,584)	$ 1,047,128	$ (673,626)	$ (7,015,082)	$ (29,079,498)	$ (12,928,734)	$ (100,596)	$ (42,108,828)

Cumulative unrealized gains at June 30 2014 and 2013 were $55,516,496 and $62,531,577, respectively, and are included in the balance of mortgage-backed securities on the statement of net position.

Note 5 - Furniture, Fixtures and Equipment

Furniture, fixtures and equipment as shown below at June 30, 2014 and 2013 are included in prepaid fees and other on the statements of net position.

	Useful Life	July 1, 2013	Increase	Decrease	June 30, 2014
Furniture, fixtures and equipment	3 to 10 years	$ 1,431,809	$ 100,203	$ -	$ 1,532,012
Leasehold improvements	4 to 5 years	176,058	-	-	176,058
Total assets		1,607,867	100,203	-	1,708,070
Less accumulated depreciation		(1,578,873)	(19,707)	-	(1,598,580)
Net book value		$ 28,994	$ 80,496	$ -	$ 109,490

	Useful Life	July 1, 2012	Increase	Decrease	June 30, 2013
Furniture, fixtures and equipment	3 to 10 years	$ 1,431,546	$ 263	$ -	$ 1,431,809
Leasehold improvements	4 to 5 years	176,058	-	-	176,058
Total assets		1,607,604	263	-	1,607,867
Less accumulated depreciation		(1,531,757)	(47,116)	-	(1,578,873)
Net book value		$ 75,847	$ (46,853)	$ -	$ 28,994

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, undisbursed bond proceeds and the earnings thereon held under the indenture authorizing the bonds.

As of June 30, 2014, the Commission had outstanding notes and bonds of $3.4 billion bearing interest varying in rates as listed below:

	Low	High
Single-family Program	0.06%	5.75%
Homeownership Program	1.10%	5.30%
Multi Family Program	0.01%	9.50%
Nonprofit Housing Program	0.05%	8.00%
Nonprofit Facilities Program	0.04%	6.63%

Derivative Instruments - Interest Rate Swaps

Single-Family Homeownership Program - The Commission has entered into interest rate swap agreements ("swaps") 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 swaps are considered to be hedging derivative instruments. Additional information, including the fair market value of each swap, is listed below.

Using rates as of June 30, 2014, 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
2015	$ 14,020,000	$ 11,364	$ 465,655	$ 14,497,019
2016	11,397,500	9,257	378,871	11,785,628
2017	8,972,500	7,305	298,551	9,278,356
2018	6,740,000	5,503	224,521	6,970,024
2019	4,697,500	3,849	156,703	4,858,052
2020	2,837,500	2,334	94,803	2,934,637
2021	1,272,500	1,061	42,757	1,316,318
2022	310,000	279	4,537	314,816

Note 6 - Bonds and Notes Payable (Continued)

The terms and counterparty credit ratings of the outstanding swaps as of June 30, 2014 are shown below. The notional amounts of the swaps match principal amounts of the associated debt as of June 30, 2014. The notional amounts are expected to approximately follow scheduled 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	Counterparty Credit Rating
2008 VR-1A	$ 8,095,000	$ 8,095,000	July 22, 2008	3.629%	SIFMA plus 10bps	$ (688,315)	December 1, 2021	Aaa
2008 VR-2N	6,605,000	6,605,000	September 25, 2008	3.249%	SIFMA plus 5 bps	(463,132)	June 1, 2021	Aaa
	$ 14,700,000	$ 14,700,000				$ (1,151,447)		

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, 2014. A negative fair value represents the amount payable by the Commission had the swaps been terminated on June 30, 2014.

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 might not be able to obtain subsequent interest rate agreements that limit interest at or below these levels.

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

The terms of the swaps expose the Commission to potential credit risk with the counterparties upon the occurrence of a termination event. The swap agreements contain collateral requirements based upon counterparty credit ratings and the fair value of the swaps. These bi-lateral requirements are established to mitigate potential credit risk exposure. These requirements were met as of June 30, 2014.

Note 6 - Bonds and Notes Payable (Continued)

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

The Commission incurs the potential risk that the variable interest payments on its bonds will not equal the variable interest receipts from its swaps. This basis risk exists because the Commission pays a variable rate on its bonds based on a weekly remarking rate but, under the terms of its swap, receives a variable rate based upon the weekly SIFMA rate, plus a specified spread as outlined in the table on page 28, which is based upon AA variable rate demand bonds. Basis risk will vary over time due to inter-market conditions. As of June 30, 2014, the interest rate on the Commission's variable rate debt ranged from 0.07% to 0.09% per annum while the variable interest rate on the corresponding swaps was 0.06% per annum (SIFMA at June 30, 2014). 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.

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

Bond Defeasance

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. Because of the nature of the programs, reporting varies.

<u>Single-Family Homeownership Program</u> - 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.

Note 6 - Bonds and Notes Payable (Continued)

On January 28, 2014 the Commission issued Series 2014 1A-R, 1N, and 1N-R bonds of $36,700,000 with an effective interest rate of 3.71%. The bond proceeds were used to refund $17,885,000 of outstanding 2004 Series 1 and 2004 Series 4 bonds. As a result of the current refunding, the Commission reduced its total debt service requirements by $4,557,513, which resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of $4,345,163.

On January 30, 2013, the Commission issued 2013 Series A Homeownership Program Refunding Bonds of $23,764,362 with an interest rate of 2.45%. The bond proceeds were used on February 1st to refund $23,764,362 of outstanding 2009 Series B1 and B2 Homeownership Program Bonds with a weighted average interest rate of 3.81%. As a result of the current refunding, the commission reduced its total debt service requirements by $7,702,739, which resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of $6,608,455.

On March 27, 2013 the Commission issued 2013 Series 1A-R, 1N, and 1N-R Single-Family Program Bonds of $52,515,000, with a weighted-average interest rate of 3.21% of which $23,170,000 of the bond proceeds were used to refund portions of the following bond issues:

> In April 2013, $6,505,000 of outstanding 2003 Series 1A and 1N Single-Family Program Bonds with a weighted average interest rate of 4.76%. As a result of this current refunding, the Commission increased its debt service requirements by $1,206,824, which resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of $595,494.
>
> In June 2013, $16,665,000 of outstanding 2003 Series 3A and 3N Single-Family Program Bonds with a weighted average interest rate of 4.84%. As a result of this current refunding, the Commission decreased its debt service requirements by $833,052, which resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of $2,439,455.

Conduit Financing Programs - 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.

Note 6 - Bonds and Notes Payable (Continued)

Future Principal and Interest Payments and Bonds Outstanding - Bonds mature in varying amounts through 2054. The following table is based on scheduled terms of the bond agreements; however, refinancing or early redemptions may periodically occur. As of June 30, 2014, future principal and interest requirements per the bond agreements are as follows:

Fiscal Year June 30,	Total Principal Redemptions	Total Interest Payments	Total Debt Service
2015	$ 51,668,289	$ 88,566,059	$ 140,234,348
2016	72,212,830	88,885,262	161,098,092
2017	32,615,039	86,817,493	119,432,532
2018	30,171,430	85,739,799	115,911,229
2019	45,978,926	84,486,760	130,465,686
2020-2024	280,580,679	389,859,179	670,439,858
2025-2029	440,236,772	326,157,080	766,393,852
2030-2034	593,840,151	234,596,275	828,436,426
2035-2039	659,854,657	152,461,355	812,316,012
2040-2044	879,423,315	77,475,596	956,898,911
2045-2049	310,128,877	19,579,529	329,708,406
2050-2054	14,750,000	31,838	14,781,838
	$ 3,411,460,965	$ 1,634,656,225	$ 5,046,117,190

Changes in bonds outstanding during the fiscal year ended June 30, 2014 are summarized in the following table:

June 30, 2013	Issued	Redeemed	June 30, 2014
$ 3,490,997,054	$ 482,125,274	$ 561,661,363	$ 3,411,460,965

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, 2014 are shown below:

Mortgage Loan, Commitments Program	Amount
Multifamily Housing Program	$ 3,925,304
Nonprofit Housing Program	79,801,316
Nonprofit Facilities Program	118,967
	$ 83,845,587

Note 7 - Commitments (Continued)

Operating Lease - The Commission has lease commitments for office space on a long-term basis. Lease expense for the fiscal years ended June 30, 2014 and 2013 was $630,382 and $682,235, respectively. Future minimum lease payments for the lease agreement that ends in fiscal year 2016 are below:

For the Year Ending June 30:		
2015	$	622,633
2016		677,231
	$	1,299,864

Line of Credit - On April 22, 2013, the Commission agreed to provide Impact Capital, a Community Development Financial Institution, a revolving liquidity loan, with an amount not to exceed $2 million. As of June 30, 2014, no funds had been drawn.

Note 8 - Employee Benefit Plans

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

Retirement Plan - The Commission's employees participate in the Public Employees' Retirement System ("PERS") of the State. The legislature established PERS in 1947. PERS is a cost-sharing multiple-employer retirement system. Membership in the system includes elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of legislative committees; community college, college and university employees not in national higher education retirement programs such as TIAA/CREF; judges of district and municipal courts; noncertified employees of school districts, and employees of local government. Approximately 50% 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 in added, based on the Seattle Consumer Price Index, capped at 3% annually.

Note 8 - Employee Benefit Plans (Continued)

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"). 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, 2014, 2013 and 2012:

	2014	2013	2012
Gross covered salaries	$ 4,495,553	$ 3,943,726	$ 3,997,180
Commission's contribution	$ 416,941	$ 284,536	$ 286,885
Commission's contribution rate	9.27%	7.21%	7.18%
Employees' contribution	$ 224,621	$ 185,388	$ 189,050
Employees' contribution rate	5.00%	4.70%	4.73%

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 2014 annual financial report, which may be obtained at:

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

Note 9 - Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; natural disasters and acts of terrorism for which the agency carries commercial insurance. As of June 30, 2014, there were no known asserted or unasserted claims or judgments against the Commission.

Note 9 - Risk Management (Continued)

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

Note 10 - Related Party Transactions

The Commission provides staff and administrative services to the following state agencies as of and for the years ended June 30, 2014 and 2013:

Charges for Services	2014	2013
Washington Higher Education Facilities Authority	$ 222,263	$ 214,020
Tobacco Settlement Authority	$ 469,444	$ 40,061
Receivable From		
Washington Higher Education Facilities Authority	$ 33,243	$ 159,134
Tobacco Settlement Authority	$ 7,636	$ 16,560

Note 11 - Subsequent Events

Subsequent to June 30, 2014, the Commission issued $133.4 million in additional bonds and the trustees, under the normal and early redemption provisions of the trust indenture, have redeemed $67.7 million in bonds.

SUPPLEMENTAL INFORMATION

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM NET POSITION

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Restricted Bond Fund		
	Single-family Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
CASH AND CASH EQUIVALENTS	$ 50,616,181	$ 19,271,838	$ 66,285,107
INVESTMENTS			
U.S. government and agencies securities	-	-	-
Investment agreements and other investments	9,196,743	-	8,041,691
	9,196,743	-	8,041,691
ACCRUED INTEREST RECEIVABLE	1,736,482	810,226	3,376,132
FEES RECEIVABLE, net	-	-	-
OTHER RECEIVABLES	489,537	-	-
MORTGAGE-BACKED SECURITIES, cost	411,399,822	241,313,662	33,270,227
Cumulative unrealized gain on mortgage-backed securities	34,811,287	20,009,939	695,270
MORTGAGE-BACKED SECURITIES, fair value	446,211,109	261,323,601	33,965,497
MORTGAGE LOANS, net	-	-	1,621,409,305
PREPAID FEES AND OTHER	-	-	31,509
TOTAL ASSETS	508,250,052	281,405,665	1,733,109,241
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivatives	1,151,447	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 509,401,499	$ 281,405,665	$ 1,733,109,241

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	June 30, 2014	June 30, 2013
$ 24,819,095	$ 1,312,576	$ 20,576,500	$ 526,432	$ 183,407,729	$ 210,213,262
-	-	9,646,767	44,532,407	54,179,174	86,181,398
82,266,898	21,879,756	-	-	121,385,088	42,872,060
82,266,898	21,879,756	9,646,767	44,532,407	175,564,262	129,053,458
1,163,390	351,456	258,022	550,519	8,246,227	10,946,711
-	-	3,582,484	-	3,582,484	5,133,731
-	-	6,276	163,022	658,835	2,058,485
-	-	-	-	685,983,711	829,339,456
-	-	-	-	55,516,496	62,531,577
-	-	-	-	741,500,207	891,871,033
647,316,048	329,338,858	-	117,035,467	2,715,099,678	2,625,718,966
-	-	273,305	-	304,814	1,110,378
755,565,431	352,882,646	34,343,354	162,807,847	3,828,364,236	3,876,106,024
-	-	-	-	1,151,447	1,469,629
$ 755,565,431	$ 352,882,646	$ 34,343,354	$ 162,807,847	$ 3,829,515,683	$ 3,877,575,653

	Restricted Bond Fund		
LIABILITIES AND NET POSITION	Single-family Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
ACCOUNTS PAYABLE AND OTHER LIABILITIES	$ 5,504,683	$ 502,330	$ 27,366,713
ACCRUED INTEREST PAYABLE	1,344,399	2,153,192	5,219,983
UNEARNED-REVENUE AND OTHER	-	-	-
DERIVATIVE INSTRUMENT - INTEREST RATE SWAP	1,151,447	-	-
PROJECT EQUITY HELD FOR BORROWER	-	-	5,257,506
BONDS PAYABLE			
Current interest bonds	379,340,000	229,935,000	1,623,631,222
Taxable bonds	26,187,845	17,259,409	70,572,234
Unamortized bond discount	-	-	-
Unamortized bond premium	1,948,310	2,040,160	12,583
	407,476,155	249,234,569	1,694,216,039
TOTAL LIABILITIES	415,476,684	251,890,091	1,732,060,241
NET POSITION			
Restricted			
Bond operations	93,924,815	29,515,574	1,049,000
Grants and donations to Program Investment Fund	-	-	-
Net investment in capital assets	-	-	-
Unrestricted			
General operations	-	-	-
Housing Washington	-	-	-
Program Investment Fund	-	-	-
	93,924,815	29,515,574	1,049,000
TOTAL LIABILITIES AND NET POSITION	$ 509,401,499	$ 281,405,665	$ 1,733,109,241

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	June 30, 2014	June 30, 2013
$ 28,493,550	$ 772,937	$ 2,236,641	$ 36,958,327	$ 101,835,181	$ 95,487,038
10,952,012	761,419	-	-	20,431,005	19,621,500
-	-	13,831,644	190,955	14,022,599	17,429,270
-	-	-	-	1,151,447	1,469,629
-	-	-	-	5,257,506	5,839,662
711,291,965	347,698,620	-	-	3,291,896,807	3,341,959,025
1,895,000	3,649,670	-	-	119,564,158	149,038,029
(356,250)	-	-	-	(356,250)	(926,129)
3,289,154	-	-	-	7,290,207	9,123,146
716,119,869	351,348,290	-	-	3,418,394,922	3,499,194,071
755,565,431	352,882,646	16,068,285	37,149,282	3,561,092,660	3,639,041,170
-	-	-	-	124,489,389	120,246,319
-	-	-	1,082,696	1,082,696	1,082,696
-	-	109,490	-	109,490	28,994
-	-	17,890,510	-	17,890,510	17,971,006
-	-	275,069	-	275,069	-
-	-	-	124,575,869	124,575,869	99,205,468
-	-	18,275,069	125,658,565	268,423,023	238,534,483
$ 755,565,431	$ 352,882,646	$ 34,343,354	$ 162,807,847	$ 3,829,515,683	$ 3,877,575,653

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM REVENUES, EXPENSES AND CHANGES IN PROGRAM NET POSITION

	Restricted Bond Fund		
	Single-family Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
REVENUES			
Interest earned on mortgage loans and mortgage-backed securities	$ 23,752,226	$ 10,603,128	$ 28,304,739
Other interest and investment income (loss)	3,659,678	16,797	150,350
Gain (loss) on mortgage-backed securities	(7,388,584)	1,047,128	(673,626)
Other fee income	1,444,638	701,053	1,356,016
Nonoperating revenues - grants	-	-	-
	21,467,958	12,368,106	29,137,479
EXPENSES			
Interest on debt	19,225,050	9,703,351	28,385,800
Amortization of bond discount	-	-	138,036
Amortization of bond premium	(1,102,808)	(638,856)	(111,646)
Bond issuance costs	456,244	5,000	1,353,752
Amortization of bond insurance premium	-	-	2,263
Servicing and commission fees	1,508,594	701,053	58,352
Salaries and wages	-	-	-
Communication and office expense	-	-	-
Professional fees	-	-	350,136
Trustee and paying agent fees	121,108	69,758	16,436
Other	283,287	-	-
Nonoperating expenses - grants	-	-	-
	20,491,475	9,840,306	30,193,129
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	976,483	2,527,800	(1,055,650)
NET POSITION			
Balance, beginning of year	98,672,929	19,468,740	2,104,650
Contribution (distribution) of equity	(5,724,597)	7,519,034	-
Balance, end of year	$ 93,924,815	$ 29,515,574	$ 1,049,000

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Years Ended June 30, 2014	2013
$ 26,404,156	$ 5,355,261	$ -	$ -	$ 94,419,510	$ 101,267,184
(211,479)	(3,608)	573,415	-	4,185,153	(4,009,594)
-	-	-	-	(7,015,082)	(42,108,828)
3,520,650	680,923	21,017,845	16,030,349	44,751,474	39,811,220
-	-	5,348,485	1,585,705	6,934,190	8,249,064
29,713,327	6,032,576	26,939,745	17,616,054	143,275,245	103,209,046
25,854,708	5,351,653	-	-	88,520,562	94,922,223
616,933	-	-	-	754,969	100,874
(278,964)	-	-	-	(2,132,274)	(1,578,494)
2,567,546	680,923	-	-	5,063,465	8,229,541
953,104	-	-	-	955,367	72,369
-	-	-	-	2,267,999	2,405,180
-	-	6,250,836	-	6,250,836	5,351,980
-	-	1,730,445	-	1,730,445	1,580,752
-	-	1,094,028	-	1,444,164	1,309,429
-	-	-	-	207,302	243,700
-	-	-	2,692,098	2,975,385	1,357,553
-	-	5,348,485	-	5,348,485	7,602,161
29,713,327	6,032,576	14,423,794	2,692,098	113,386,705	121,597,268
-	-	12,515,951	14,923,956	29,888,540	(18,388,222)
-	-	18,000,000	100,288,164	238,534,483	256,922,705
-	-	(12,240,882)	10,446,445	-	-
$ -	$ -	$ 18,275,069	$ 125,658,565	$ 268,423,023	$ 238,534,483

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM CASH FLOWS

	Restricted Bond Fund		
	Single-family Housing Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
OPERATING ACTIVITIES			
Receipts for interest on mortgages	$ 22,768,180	$ 10,822,818	$ 30,421,782
Receipts for other fee income	1,587,221	701,053	-
Receipts for loans and mortgage prepayments	130,271,314	63,359,538	117,859,920
Payments for acquisition of loans and mortgages	(45,593,526)	(7,507,077)	(194,092,842)
Payments for bond program expenses	(2,302,008)	(777,352)	(1,778,677)
Payments to employees and suppliers	-	-	-
Net cash from (used for) operating activities	106,731,181	66,598,980	(47,589,817)
INVESTING ACTIVITIES			
Purchase of investments	(43,690,611)	-	(15,427,665)
Sale of investments	85,284,670	-	28,016,627
Interest received on investments	1,316,431	16,835	142,654
Net cash from (used for) investing activities	42,910,490	16,835	12,731,616
NONCAPITAL FINANCING ACTIVITIES			
Contributions	(5,724,597)	7,519,034	-
CAPITAL FINANCING ACTIVITIES			
Project equity used, net	-	-	(582,156)
Proceeds from sale of bonds and notes	36,700,000	-	179,696,049
Interest paid on debt	(20,073,393)	(10,276,043)	(28,878,029)
Debt repayments	(163,232,225)	(68,768,148)	(117,859,920)
Net cash from (used for) capital financing activities	(146,605,618)	(79,044,191)	32,375,944
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,688,544)	(4,909,342)	(2,482,257)
CASH AND CASH EQUIVALENTS			
Beginning of year	53,304,725	24,181,180	68,767,364
End of year	$ 50,616,181	$ 19,271,838	$ 66,285,107

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Year Ended June 30, 2014
$ 29,977,646	$ 6,109,354	$ -	$ -	$ 100,099,780
-	-	26,679,024	16,638,175	45,605,473
138,142,300	67,814,795	-	8,047,982	525,495,849
(140,618,789)	(54,201,134)	-	(21,501,394)	(463,514,762)
(2,752,638)	(680,923)	-	-	(8,291,598)
-	-	(14,742,904)	(1,095,800)	(15,838,704)
24,748,519	19,042,092	11,936,120	2,088,963	183,556,038
(100,423,440)	(22,072,308)	(978,636)	(15,250,799)	(197,843,459)
40,305,838	188,944	-	-	153,796,079
(455,581)	(7,621)	502,393	-	1,515,111
(60,573,183)	(21,890,985)	(476,243)	(15,250,799)	(42,532,269)
-	-	(12,240,882)	10,446,445	-
-	-	-	-	(582,156)
187,902,463	71,982,784	-	-	476,281,296
(23,125,676)	(5,357,913)	-	-	(87,711,054)
(138,142,300)	(67,814,795)	-	-	(555,817,388)
26,634,487	(1,189,924)	-	-	(167,829,302)
(9,190,177)	(4,038,817)	(781,005)	(2,715,391)	(26,805,533)
34,009,272	5,351,393	21,357,505	3,241,823	210,213,262
$ 24,819,095	$ 1,312,576	$ 20,576,500	$ 526,432	$ 183,407,729

	Restricted Bond Fund		
	Single-family Housing Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
RECONCILIATION OF EXCESS (DEFICIT) OF REVENUES OVER EXPENSES TO NET CASH FROM OPERATING ACTIVITIES			
Excess (deficit) of revenues over expenses	$ 976,483	$ 2,527,800	$ (1,055,650)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash from operating activities			
Amortization of mortgage discount	(1,463,297)	-	-
Amortization of mortgage premium	474	-	628
Amortization of bond insurance premium	-	-	(2,263)
Amortization of bond premium	(1,102,808)	(638,856)	(111,646)
Amortization of bond discount	-	-	138,036
Amortization of unearned fee income	-	-	2,263
Acquisition of mortgage loans	(45,593,526)	(7,507,077)	(196,091,041)
Repayments of mortgage loans	130,271,314	63,359,538	117,859,920
Unrealized (gain) loss on securities	4,829,442	(1,047,128)	673,625
Cash from changes in operating assets and liabilities			
Interest and other receivables	(479,177)	202,892	614,575
Interest and other payables	19,292,276	9,701,811	30,381,736
Net cash from (used for) operating activities	$ 106,731,181	$ 66,598,980	$ (47,589,817)

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Year Ended June 30, 2014
$ -	$ -	$ 12,515,951	$ 14,923,956	$ 29,888,540
(616,933)	-	-	-	(2,080,230)
278,964	-	-	-	280,066
(953,104)	-	-	-	(955,367)
(278,964)	-	-	-	(2,132,274)
616,933	-	-	-	754,969
953,104	-	-	-	955,367
(146,077,471)	(54,174,751)	-	(21,501,394)	(470,945,260)
138,142,300	67,814,795	-	8,047,982	525,495,849
-	-	-	-	4,455,939
2,508,495	76,778	996,143	3,262,532	7,182,238
30,175,195	5,325,270	(1,575,974)	(2,644,113)	90,656,201
$ 24,748,519	$ 19,042,092	$ 11,936,120	$ 2,088,963	$ 183,556,038

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2014	Balance Outstanding 2013
Single-family (Open Indenture)					
Single-family 2004 1A/1N	03/18/04	$ 37,325,000	12/01/34	$ -	$ 12,545,000
Single-family 2004 3A/3N	08/25/04	33,500,000	06/01/35	-	250,000
Single-family 2004 4A/4N	12/09/04	23,790,000	12/01/35	-	11,335,000
Single-family 2005 1A/1N	03/31/05	25,000,000	12/01/35	7,240,000	12,805,000
Single-family 2005 2A/VR-2A	06/16/05	30,000,000	03/01/36	14,820,000	17,955,000
Single-family 2005 3A	08/04/05	19,795,000	06/01/36	8,880,000	12,265,000
Single-family 2005 4	09/29/05	24,380,000	06/01/36	7,580,000	13,065,000
Single-family 2005 5	12/15/05	24,535,000	06/01/36	-	2,615,000
Single-family 2006 1	01/25/06	99,265,000	06/01/37	6,970,000	18,075,000
Single-family 2006 2	04/12/06	79,370,000	12/01/37	18,775,000	23,890,000
Single-family 2006 3	07/13/06	55,000,000	12/01/37	4,705,000	10,970,000
Single-family 2006 4	08/23/06	55,000,000	06/01/37	1,615,000	2,615,000
Single-family 2006 5	10/12/06	55,000,000	12/01/37	23,300,000	36,755,000
Single-family 2006 6	11/02/06	53,795,000	12/01/37	14,155,000	29,965,000
Single-family 2007 1	02/08/07	54,490,000	06/01/38	20,025,000	33,365,000
Single-family 2007 2	03/29/07	55,000,000	06/01/48	44,160,000	52,815,000
Single-family 2007 3	05/17/07	55,000,000	06/01/48	26,310,000	36,355,000
Single-family 2007 4	06/20/07	54,980,000	06/01/48	19,630,000	25,950,000
Single-family 2007 5	10/25/07	80,005,000	12/01/47	14,195,000	15,615,000
Single-family 2008 1	07/01/08	55,000,000	06/01/49	8,735,000	10,330,000
Single-family 2008 2	09/25/08	41,000,000	06/01/48	7,225,000	11,720,000
Single-family 2009 1	06/25/09	20,000,000	06/01/39	6,550,000	8,595,000
Single-family 2009 2N	10/28/09	24,820,000	06/01/40	16,905,000	21,590,000
Single-family 2010 1A-R/1N-R	11/30/10	35,175,000	12/01/35	16,725,000	22,695,000
Single-family 2013 1A-R/1N-R	03/27/13	62,515,000	06/01/43	58,395,000	62,515,000
Single-family 2014 1A-R/1N-R	01/28/14	36,700,000	06/01/43	35,605,000	-
Special Single family	10/18/12	26,171,376	10/01/42	23,027,845	25,410,070
				405,527,845	532,060,070
Unamortized Bond Premium				1,948,310	2,751,783
Unamortized Bond Discount				-	-
				407,476,155	534,811,853
Homeownership Program Bonds					
HPB 09 B - NBIP	12/21/09	50,000,000	10/01/40	8,845,000	12,940,000
HPB 09 Series AC1/2010 Series A - NBIP	06/29/10	100,000,000	10/01/41	63,360,000	83,285,000
Homeownership Program Bonds 09 AC2/11 A (3/24/11)	03/24/11	99,990,000	10/01/41	69,750,000	88,745,000
Homeownership Program Bonds 09 AC3/11 B (9/29/11)	09/29/11	116,440,000	10/01/41	87,980,000	109,260,000
Homeownership Program Bonds 2013A	01/30/13	23,675,203	03/01/40	17,259,409	21,732,556
				247,194,409	315,962,556
Unamortized Bond Premium				2,040,160	2,679,016
Unamortized Bond Discount				-	-
				249,234,569	318,641,572
Streamlined Tax Exempt Private Placement - Multifamily Housing					
Canyon Lakes	07/28/93	4,565,000	07/01/18	-	3,445,000
Canyon Lakes II	10/19/94	6,935,000	10/01/19	-	5,240,000
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
LTC Properties	12/13/95	8,300,000	12/01/15	1,400,000	2,035,000
Courtside Apartments	02/28/96	10,600,000	01/01/26	8,155,000	8,325,000
Lake Washington Apartments	10/30/96	10,750,000	10/01/26	-	8,730,000
Brittany Park Project	11/07/96	14,200,000	11/01/21	11,290,000	11,565,000
Pacific Inn Apartments	11/08/96	5,900,000	05/01/28	4,020,000	4,205,000
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
Anchor Village	12/10/97	10,750,000	12/15/27	10,750,000	10,750,000
Private Placement Lake Washington Apartments	01/27/98	600,000	06/30/36	-	600,000
Brittany Park II	08/12/98	5,800,000	11/01/21	3,925,000	4,200,000
Boardwalk Apartments	09/14/98	12,400,000	09/01/28	9,920,000	10,160,000

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2014	Balance Outstanding 2013
Streamlined Tax Exempt Private Placement - Multifamily Housing (Continued)					
Oxford Square Apartments	11/30/98	$ 6,000,000	12/01/28	$ -	$ 4,505,000
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	6,955,000	7,135,000
Summer Ridge Apartments	12/13/99	4,740,000	12/01/29	-	3,600,000
Mill Pointe	12/21/99	14,500,000	01/01/30	9,425,000	9,425,000
Holly Village	12/23/99	8,800,000	07/15/32	6,765,000	6,940,000
Burke Gilman Place 2000	02/16/00	4,495,000	07/01/35	-	3,835,000
Vintage at Bremerton Senior Project	09/29/00	7,600,000	05/15/33	6,200,000	6,200,000
Granite Falls	10/03/00	3,930,000	10/01/27	2,930,000	3,055,000
Greens at Merrill Creek	10/12/00	17,310,000	06/01/24	15,136,000	15,324,000
Kingsbury Terrace	02/09/01	4,100,000	07/01/42	-	3,785,000
Lakewood Meadows	11/21/00	7,850,000	07/15/33	6,580,000	6,740,000
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	10,385,000	10,705,000
Monticello Park Project	08/13/01	10,475,000	08/01/26	-	9,235,000
Woodlands Apartments Project 2001	12/07/01	6,600,000	07/15/34	5,675,000	5,775,000
Ocean Ridge Apartments 2001	12/21/01	9,000,000	11/01/38	8,239,646	8,345,002
Tama Qua (Whisperwood)	05/14/02	7,900,000	05/15/35	6,480,000	6,685,000
Valley View Apartments 2002	02/19/02	2,880,000	09/15/20	2,680,000	2,680,000
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	7,990,000	8,140,000
Bridgewood at Four Seasons	10/04/02	9,800,000	10/01/32	-	8,780,000
Deer Run	10/01/02	4,900,000	05/01/30	3,968,669	4,100,997
Alderwood Court	05/17/02	7,645,000	06/15/35	6,610,000	6,825,000
Quail Run	12/06/02	7,150,000	07/01/35	6,574,408	6,658,402
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	4,465,000	4,575,000
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	5,612,400	5,753,696
Vintage at Mt. Vernon	06/05/03	10,000,000	01/15/37	8,430,000	8,540,000
Alaska House	07/15/04	8,040,000	07/20/45	7,455,000	7,535,000
International House	07/15/04	7,390,000	07/20/45	6,840,000	6,915,000
Rosemont Retirement & Assisted Living Comm	10/20/03	8,250,000	10/01/36	-	7,775,000
Stonebrook Apartments	10/28/04	15,710,000	02/01/37	13,175,000	13,425,000
Rainier Court Apartments	12/23/03	17,000,000	12/15/36	15,855,000	16,080,000
Rolling Hills Apartments	05/27/04	8,750,000	06/15/37	7,730,000	7,940,000
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	-	5,805,000
Silver Creek Retirement & Assisted Living	11/16/04	15,300,000	11/01/40	14,615,000	14,865,000
Silver Creek Apartments	05/26/04	17,500,000	12/15/37	12,675,000	12,875,000
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	16,065,000	16,285,000
Vintage at Richland	06/29/04	11,750,000	01/15/38	7,535,000	7,535,000
Ballinger Court Apartments	09/01/04	5,800,000	09/15/37	5,190,000	5,290,000
Burke-Gilman 2004 Refunding	07/19/04	3,835,000	07/01/18	-	2,845,000
Arbor Park Apt Homes	07/30/04	9,135,000	07/30/21	7,891,148	8,114,332
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	28,310,000	28,715,000
Merrill Gardens at Renton	12/17/04	23,100,000	12/01/40	22,055,000	22,400,000
Valley View Apartments	12/22/04	29,675,000	05/01/38	26,807,000	27,325,000
Vintage at Burien Apartments Project	12/22/04	7,300,000	01/15/38	6,570,000	6,780,000
Vintage at Sequim	01/27/05	8,390,000	03/01/38	6,186,627	6,266,882
Park Vista Retirement Project	03/07/05	15,250,000	03/01/41	14,515,000	14,765,000
Cedar Landings Apartments	01/03/05	8,260,000	01/01/15	6,457,421	6,751,438
Highland Park	06/30/05	11,300,000	07/15/38	10,275,000	10,485,000
Fairwinds - Redmond	07/15/05	27,500,000	07/01/41	24,075,000	24,450,000
Pinehurst Apartments	09/27/05	14,185,000	03/15/39	12,925,000	13,140,000
The Vintage at Silverdale	09/29/05	19,575,000	09/15/39	14,880,000	14,880,000
Lodge at Eagle Ridge	08/17/05	13,550,000	08/01/41	12,910,000	12,910,000
Scenic Vista Senior Apartment	11/22/05	6,100,000	01/01/39	5,896,439	5,938,222
Kamiakin Apartments	11/23/05	8,275,000	05/01/42	7,531,685	7,619,554
Cedar Ridge Retirement and Assisted Living Facility	10/25/05	15,100,000	10/01/41	14,875,000	15,100,000
Vintage at Vancouver	02/10/06	8,900,000	04/01/36	8,207,032	8,318,424
Merrill at Tacoma	09/01/06	19,600,000	09/15/40	18,750,000	19,065,000

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2014	Balance Outstanding 2013
Streamlined Tax Exempt Private Placement - Multifamily Housing (Continued)					
Vintage at Spokane Senior Living	07/17/06	$ 17,200,000	08/15/40	$ 16,295,000	$ 16,295,000
Forrest Creek	11/30/06	13,815,000	06/15/40	13,680,000	13,680,000
Crowne Pointe Apartments	05/26/06	8,740,000	12/01/47	8,371,572	8,439,251
Orchard Hills	11/03/06	9,060,000	07/01/39	8,649,859	8,730,488
Ballard Landmark	12/15/06	35,100,000	12/15/41	35,100,000	35,100,000
Eagle's Landing Apartments	07/24/06	13,400,000	08/15/39	12,730,000	12,880,000
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	4,819,569	4,857,628
Covington Place	11/02/07	9,975,000	12/01/25	9,652,615	9,739,371
The Season	12/20/06	37,500,000	12/15/40	37,300,000	37,300,000
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	7,274,491	7,327,059
Northgate Village	12/08/06	5,990,000	06/01/43	5,630,198	5,700,166
Island Skagit Partner Portfolio	02/28/07	3,850,000	03/01/37	2,036,162	2,079,490
Three County Partners Portfolio	02/28/07	5,900,000	03/01/37	3,800,893	3,881,769
Barkely Ridge Apartments	08/28/07	10,400,000	09/01/40	10,090,000	10,190,000
Linden Square Apartments 2007	11/29/07	45,150,000	06/01/42	44,155,438	44,670,976
Merrill Gardens at Kirkland	10/04/07	34,000,000	04/15/41	24,600,000	24,600,000
Merrill Gardens University Village	10/04/07	55,000,000	04/15/41	48,540,000	48,540,000
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	6,633,033	6,753,350
Rosecreek Apts Refunding 07	12/03/07	3,570,000	01/01/38	3,235,889	3,296,719
Greentree Apartment Homes 08	01/30/08	13,965,000	02/01/26	14,212,460	14,344,438
Queen Anne Manor	12/20/07	19,005,000	07/01/40	-	19,005,000
Arrowhead Gardens Senior Living	12/05/07	35,000,000	01/01/42	34,900,164	35,000,000
First Liberty Apartments 07	12/11/07	5,965,000	04/01/40	4,840,000	4,910,000
Talon Hills Apartments	05/30/08	4,115,000	09/01/40	3,250,000	3,290,000
APD WA RD 2007 Portfolio	07/31/08	9,940,000	02/01/40	5,684,922	5,751,484
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	3,200,000	3,200,000
Appian Way	12/31/08	13,610,000	07/01/40	5,755,940	5,861,501
Lake City Way Mixed Use	12/23/09	15,600,000	01/01/44	15,600,000	15,600,000
Lake City Senior Refunding	08/28/09	16,250,000	07/01/44	16,250,000	16,250,000
Washington Terrace Refunding	02/16/10	11,250,000	02/15/43	11,250,000	11,250,000
New Haven Refunding	12/15/09	19,000,000	12/15/44	19,000,000	19,000,000
Cambridge Refunding	12/15/09	12,650,000	12/15/44	12,650,000	12,650,000
Rose Street Apts (Grid)	02/08/10	9,600,000	02/01/27	4,152,230	4,194,317
Discovery Heights Apts	12/22/10	33,175,000	12/01/43	32,610,000	33,055,000
Evergreen Vista Apts A&B	05/03/11	7,300,000	11/01/27	4,696,892	4,762,637
12th Ave & Jefferson Apts WW	05/25/11	6,281,847	05/01/28	2,479,319	2,509,868
Columbia City Station WW	06/28/11	6,220,000	06/28/28	2,435,567	2,470,000
Palouse Family Apts.	05/25/11	12,250,000	06/01/43	12,163,344	12,250,000
Tomason Place II WW	06/29/11	2,770,000	06/01/28	1,030,484	1,043,133
55th Avenue Apts, Series 2011AB	08/16/11	9,600,000	07/01/29	9,600,000	9,600,000
Downtowner Apts	06/06/12	24,000,000	07/01/30	24,000,000	24,000,000
La Venture Workforce WWHP	08/03/11	3,940,000	01/29/28	2,262,375	2,294,195
Willow Tree Grove Apts	08/04/11	21,840,000	02/01/44	20,935,000	21,840,000
Traditions @ South Hill	08/15/11	14,780,000	08/01/44	14,780,000	14,780,000
Vintage @ Tacoma	08/15/11	17,800,000	07/15/29	17,800,000	17,800,000
Copper Ridge Apts	12/28/11	15,570,000	01/01/44	15,570,000	15,570,000
Urban Center Apts aka Ash Way	06/11/12	41,400,000	07/01/47	41,400,000	31,200,000
Interurban Senior Living	07/11/12	14,750,000	07/01/52	14,750,000	14,750,000
Tri-Court Apts	08/01/12	15,900,000	08/01/29	15,900,000	15,781,548
Desert Villa Apartments	07/30/12	11,100,000	07/01/30	10,965,000	11,100,000
North City Apts	06/07/12	20,150,000	06/01/44	20,150,000	11,033,643
Affinity at Southridge	07/12/12	13,850,000	07/01/45	13,850,000	11,200,000
Quilceda Creek Apartments 2012	11/13/12	21,020,000	07/01/30	21,020,000	21,020,000
Affinity at Olympia 2012	11/21/12	19,350,000	11/01/45	19,350,000	10,600,000
Alder Ridge Senior Apts	12/27/12	8,000,000	01/01/15	-	8,000,000
Rainier Court phase III-MFH	08/08/13	7,200,000	08/08/13	7,200,000	-
Ashwood Downs	01/11/13	6,250,000	07/01/14	-	6,250,000
Atherton Woods	01/11/13	6,500,000	07/01/14	-	6,500,000
Sunny View Village-MFH	06/04/14	200,660	06/04/14	200,660	-
Parklane Apartments	03/28/13	17,420,000	11/01/46	17,420,000	14,770,068

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2014	Balance Outstanding 2013
Streamlined Tax Exempt Private Placement - Multifamily Housing (Continued)					
Villas at Lakewood	03/22/13	$ 24,180,000	03/01/31	$ 22,842,794	$ 2,574,509
The District Apts Series 2013	05/31/13	32,250,000	05/01/45	28,206,596	8,502,841
Des Moines Family Housing-MFH	09/13/13	50,000	03/13/14	1,246,768	-
Ballard Senior Apartments-MFH	11/15/13	68,087	12/01/15	2,359,401	-
Copper Landing Apts-MFH	08/15/13	11,500,000	08/01/15	11,500,000	-
Vantage-MFH	12/05/13	8,185,997	12/01/31	16,047,754	-
Mercy Housing 2013-MFH	12/12/13	17,225,000	12/01/15	17,225,000	-
Reserve at Everett-MFH	12/23/13	3,385,357	12/01/31	6,288,107	-
Monroe Family Village	05/23/14	133,086	12/01/45	133,087	-
Copper Trail Apts-MFH	10/03/13	3,780,605	10/01/45	13,246,866	-
Park 16-MFH	12/02/13	4,223,461	12/01/31	9,403,298	-
Beaver Creek Apts-MFH	02/03/14	6,700,000	08/01/15	6,700,000	-
Lake Washington 2014-MFH	03/14/14	12,226,629	09/01/26	14,095,513	-
Vintage at Lakewood-MFH	04/03/14	1,870,913	10/01/17	1,880,983	-
Olympia Vista-MFH	05/05/14	873,481	06/01/17	1,530,449	-
Hirabayashi Place-MFH	05/16/14	50,001	11/16/34	50,045	-
Celebration Senior Living East-MFH	06/10/14	1,774,145	06/01/47	1,774,145	-
Fir @ 17th	12/16/94	1,250,000	07/01/20	-	563,842
Riverside Landing	12/12/97	2,043,000	06/01/29	-	1,573,988
Mt. Baker Apts	10/15/98	2,320,000	10/01/28	1,620,310	1,688,138
Covington Commons Apts	06/11/99	2,600,000	07/01/29	1,022,884	1,054,776
Rockwood Terrace	09/29/99	1,551,107	10/01/14	1,156,231	1,197,455
Terrace Apartments	08/28/00	1,222,000	08/01/30	951,183	981,979
Yakima Gardens	12/18/98	942,500	01/01/29	664,824	692,024
Oregon Place	07/14/00	2,500,000	08/01/30	980,475	1,014,121
Westgage Terrace Apts	08/31/05	3,218,000	03/01/22	2,800,459	2,864,027
Parkland Terrace Apts	08/31/05	1,600,000	04/01/22	1,392,397	1,424,005
Hiawatha Artist's Loft	12/01/06	8,500,000	12/01/28	3,558,611	3,623,079
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	162,945	172,202
Traditions @ Walla Walla	03/30/11	9,552,000	05/01/21	9,044,793	9,178,040
Copper Lantern Apts	12/21/11	1,834,000	01/01/27	1,772,541	1,798,975
Pioneer Human Services 11	12/16/11	6,603,000	12/01/31	6,017,446	6,268,778
Appleway Court II	03/15/13	2,000,000	05/06/15	2,000,000	50,500
				1,694,203,456	1,632,367,327
Unamortized Bond Premium				12,583	124,229
Unamortized Bond Discount				-	(138,036)
				1,694,216,039	1,632,353,520
Streamlined Tax Exempt Private Placement - Multifamily Nonprofit Housing					
Nikkei Concerns	10/20/94	6,250,000	10/01/19	2,230,000	2,560,000
Nikkei Manor	11/06/96	3,100,000	10/01/21	1,550,000	1,700,000
Panorama City	01/29/97	24,300,000	01/01/27	11,650,000	12,850,000
Rockwood Retirement Communities	11/23/99	27,000,000	01/01/30	-	20,005,000
Living Care Centers	10/26/00	14,950,000	10/01/30	11,385,000	11,780,000
Pioneer Human Services 2001	08/02/01	7,100,000	08/01/19	1,785,000	2,185,000
Rockwood Forest Estates	05/23/02	9,560,000	01/01/34	-	8,005,000
Nickerson Area Properties	08/20/03	10,745,000	01/01/05	-	8,945,000
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	-	17,495,000
Mercy Housing	09/19/03	6,445,215	09/19/33	4,626,311	5,314,281
Mercy Housing - Cobble Knoll, Phase II	11/30/04	3,900,000	11/01/34	3,262,637	3,345,476
Hearthstone	12/02/04	12,000,000	12/01/29	-	9,855,000
Horizon House	10/05/05	56,700,000	10/01/35	-	51,140,000
Mirabella	11/03/06	256,745,000	03/01/36	30,750,000	30,750,000
Skyline at First Hill	02/28/07	214,700,000	01/01/38	103,015,000	104,905,000
Wesley Homes Lea Hill Refunding	04/02/07	57,610,000	01/01/36	42,425,000	43,375,000
Panorama Apartments	04/03/08	28,500,000	04/01/43	28,000,000	28,000,000
Edmonds Community College	07/16/08	16,155,000	07/01/43	15,990,000	16,065,000
Pioneer Human Services 2009	06/30/09	10,460,000	07/01/29	9,335,000	9,655,000
Odd Fellows 2010 Refi	07/15/10	8,609,000	07/01/20	7,293,440	7,649,035
Crista Ministries Ref	12/29/10	13,495,000	01/01/26	11,043,074	11,793,016
San Franciscan Apts WW	12/22/10	1,250,000	01/01/31	1,178,385	1,200,520
Mt Baker/Cedar Village WW	12/21/10	2,444,000	12/01/21	2,342,078	2,384,234
Mount Vista Apts WW	03/29/11	1,100,000	04/01/41	1,036,900	1,057,872

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2014	Balance Outstanding 2013
Streamlined Tax Exempt Private Placement - Multifamily Nonprofit Housing (Continued)					
Purple Sage Apts WW	05/12/11	$ 1,100,000	05/01/21	$ 1,063,012	$ 1,086,620
Littlerock Road Housing WW	05/27/11	3,568,621	06/01/43	3,282,848	3,356,000
Park Place Townhomes	08/19/11	1,200,000	09/01/41	1,141,386	1,164,101
Kline Galland Center Ref	12/08/11	20,880,000	12/01/26	18,129,771	19,267,614
Skyline 2012 Refunding	03/23/12	8,000,000	01/01/19	5,465,000	8,000,000
Judson Park 2012	05/31/12	21,505,000	02/01/37	19,761,351	20,633,176
Housing Hope 2012	08/31/12	1,713,769	09/01/42	1,669,662	1,695,348
Mirabella Refunding	12/27/12	89,240,000	10/01/47	81,440,000	87,255,000
Riverview Retirement Community 2012	12/03/12	15,695,000	01/01/48	15,530,000	15,695,000
Emerald Heights Refunding	02/07/13	29,845,000	07/01/33	29,245,000	29,845,000
Tacoma Lutheran Retirement Community	03/22/13	13,000,000	04/01/43	12,685,761	10,000,000
Presbyterian Retirement Comm NW	06/19/13	14,840,000	01/01/43	14,720,000	14,840,000
Bellevue Duplexes 2013	07/01/13	820,000	08/01/23	809,498	-
The Hearthstone 2013	07/03/13	25,000,000	07/01/41	14,117,518	-
Rockwood Retirement 2014	02/13/14	103,755,000	01/01/49	103,755,000	-
Heritage Heights 2013	07/31/13	1,700,000	08/01/28	1,666,825	-
Green River Comm College Refunding	08/28/13	14,885,000	07/01/35	14,550,211	-
Horizon House 2014	03/06/14	49,400,444	04/01/39	49,210,262	-
Wilton Apts	06/21/95	620,000	10/01/15	281,294	314,109
Bellevue Apartments	03/28/97	575,700	03/01/22	-	314,055
3904 Martin Luther King Way Apts	03/01/00	561,000	04/01/25	356,736	378,369
Brentwood Apartments	08/27/02	1,491,000	09/01/32	1,193,385	1,227,939
Clallam County Hostelries	11/25/02	366,843	12/01/22	202,620	221,439
St. Andrew's Place	07/29/97	3,000,000	08/01/27	1,945,167	2,069,317
Der Garten Haus	09/21/98	650,000	10/01/18	456,476	475,378
Nuuanu Pali Apartments Project	01/31/02	725,000	02/01/32	576,846	593,740
Northaven II Assisted Living Project	10/27/93	2,134,000	11/01/03	-	1,129,423
Meadowdale Apartments	02/18/05	5,680,000	02/01/15	4,853,930	4,966,769
Christian Health Care Center	10/13/05	7,532,219	10/02/20	3,522,832	3,945,487
Josephine Sunset Home	08/04/05	7,320,000	08/01/25	5,600,188	5,859,188
Tall Firs	07/15/10	2,850,000	07/01/45	2,850,000	2,850,000
Mt Baker View	09/30/10	1,250,000	10/01/40	1,171,561	1,194,295
				713,186,965	663,426,801
Unamortized Bond Premium				3,289,154	3,568,118
Unamortized Bond Discount				(356,250)	(788,093)
				716,119,869	666,206,826
Streamlined Tax Exempt Private Placement - Nonprofit Facilities					
Community College of Spokane Foundation	09/24/98	3,155,000	07/01/08	-	1,410,000
YMCA-Inland Northwest	04/08/99	5,800,000	07/01/29	4,330,000	4,500,000
St. Vincent dePaul Project	02/01/00	5,000,000	02/01/30	3,040,000	3,185,000
Community College of Spokane Foundation 2000	08/04/00	8,800,000	07/01/30	7,200,000	7,390,000
Southwest WA Pipe Trades Training Center	10/31/00	4,230,000	10/01/25	2,650,000	2,805,000
Evergreen School 2002	06/27/02	9,500,000	07/01/28	6,695,000	7,050,000
Tacoma Art Museum	06/04/02	10,000,000	06/01/32	10,000,000	10,000,000
Overlake School	10/02/03	10,030,000	10/01/29	7,075,000	7,385,000
Bertschi School	06/15/06	6,300,000	06/01/35	5,525,000	5,680,000
Antioch University Project	05/18/05	6,780,000	01/01/27	4,540,000	4,825,000
Forest Ridge School	06/30/05	12,765,000	07/01/32	-	11,085,000
Seattle Art Museum	10/06/05	50,000,000	07/01/33	-	6,500,000
The Bush School	04/17/06	24,000,000	04/01/34	-	10,040,000
Gig Harbor YMCA	08/01/06	12,500,000	12/01/32	9,715,000	10,240,000
Eastside Catholic	02/12/07	75,800,000	07/01/38	21,740,000	22,365,000
Allied Trades Training Center	11/02/06	7,225,000	11/01/32	5,655,000	5,885,000
YMCA of Snohomish County	12/01/06	17,345,000	12/01/33	12,390,000	13,235,000
Overlake School 2008	08/15/08	10,350,000	10/01/29	8,955,000	9,350,000
YMCA - Inland Northwest	09/11/08	11,000,000	07/01/33	10,550,000	10,775,000
Billings Middle School	05/06/10	1,484,000	06/01/20	1,073,909	1,175,318
Benton-Franklin Children's Center	07/28/09	624,000	08/01/19	469,295	504,300
South Sound YMCA Refunding	01/15/10	4,145,000	02/01/20	3,110,502	3,363,800
YMCA of Pierce/Kitsap Counties	06/01/10	27,000,000	07/01/36	-	23,010,000
Eastside Catholic	12/30/09	30,000,000	07/01/38	26,525,000	28,200,000
Multi-Service Center	12/30/09	1,750,014	09/30/40	1,226,241	1,249,883
Girl Scouts of W. WA Refi STE	09/08/11	2,741,250	06/01/42	2,640,006	2,691,599
Villa Academy '11 Refunding	12/01/11	8,262,000	12/01/21	7,795,053	6,617,840

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2014	Balance Outstanding 2013
Streamlined Tax Exempt Private Placement - Nonprofit Facilities (Continued)					
Northwest School Ref 2012	05/24/12	$ 16,665,000	06/01/39	$ 16,435,024	$ 10,000,000
Seattle Country Day School Ref	07/20/12	9,450,000	08/01/37	9,210,000	9,450,000
Lutheran Community Services 2012 (STEP)	08/01/12	3,450,000	01/01/37	3,335,623	3,421,492
YMCA of Greater Seattle Ref	07/31/12	30,000,000	09/01/37	29,380,000	30,000,000
Seattle Prep 2013	05/31/13	10,000,000	08/01/38	5,550,000	50,000
ACRS Project 2013	11/26/13	3,500,000	11/26/38	3,456,231	-
YMCA of Pierce & Kitsap 2014	03/26/14	44,040,000	06/01/39	43,700,000	-
Whatcom CC Foundation 2014	03/31/14	7,740,000	04/01/39	7,642,015	-
STEP People for People Series 2014	04/30/14	918,000	05/01/24	911,670	-
Westside School	06/02/14	175,000	06/01/25	175,000	-
Work Force Development	05/23/96	1,027,000	12/01/21	494,428	549,784
ElderHealth Northwest	12/06/96	1,200,000	12/01/11	-	582,048
Genesis House	06/12/97	660,000	06/01/07	-	204,616
Little Red School House	04/29/98	385,941	05/01/23	191,482	209,402
People for People 1999	04/30/99	1,500,000	05/01/14	-	834,678
Pacific NW Research Institute	05/06/99	2,700,000	07/01/14	135,000	390,000
SEED Homesight Project	05/13/99	616,000	07/01/09	431,748	451,521
Pullman Community Action Center	03/30/00	700,000	04/01/30	526,646	544,880
Island School Expansion and Remodel	11/01/01	1,300,000	11/01/26	509,180	543,918
Harlequin Productions Project	11/08/01	538,750	11/01/21	75,638	84,483
Artist Trust Project	11/30/01	350,000	11/30/31	252,797	270,956
Girl Scouts-Totem Council Project	12/28/01	2,576,000	01/01/32	2,022,205	2,084,073
Hyla Middle School Project	12/26/01	650,000	01/01/27	298,671	323,648
Tomorrows Hope	04/05/02	860,000	04/01/27	584,390	621,969
Southside Senior Center	05/22/02	650,000	06/01/22	247,432	290,859
New Horizon's School	07/31/02	875,000	08/01/32	667,830	701,191
Goodwill Industries of Inland NW	12/23/02	3,000,000	01/01/23	-	659,031
Harbor Montessori	07/02/03	1,300,000	07/01/28	906,790	955,036
Opportunity Council	09/04/03	1,350,000	09/01/23	833,580	900,560
Martha & Mary	12/09/03	1,416,000	12/01/28	810,814	851,760
Whatcom Family YMCA 2004	02/04/04	1,100,000	02/01/24	637,095	692,435
French American School	04/21/04	1,875,000	02/01/25	1,151,353	1,265,407
Metropolitan Development Council	12/30/04	2,403,530	12/01/31	1,842,695	1,920,880
NW Pipe Trade - Local 26 Educational Dev. Trust	07/20/05	3,500,000	04/01/31	2,539,739	2,647,714
Morningside	11/07/05	2,244,118	11/01/30	359,297	410,376
Valley Residential Services	11/09/05	640,000	11/01/20	506,392	525,469
Goodwill Industries - Spokane Complex	03/01/06	2,400,000	03/01/26	457,551	645,918
Richland Health Science Center - Columbia Basin	03/30/06	2,950,000	09/01/31	2,368,060	2,585,139
N.E.W.J.A. Training Center	05/05/06	874,989	05/01/06	476,579	537,363
Whatcom Community College Foundation	05/11/06	1,076,990	06/01/31	-	909,845
SKCAC Industries	08/01/06	1,100,000	08/01/21	911,241	941,166
Re Sources Sustainable Living Center	10/31/06	2,025,000	11/01/31	1,679,054	1,747,657
Tacoma Musical Playhouse	11/01/06	1,425,000	11/01/18	1,095,965	1,185,540
Archbishop Thomas Murphy School	05/02/07	8,500,000	05/01/27	6,527,034	6,904,472
University Cooperative School	05/09/07	1,000,000	06/01/37	930,845	944,144
Perry Technical Institute	10/26/07	5,000,000	11/01/27	4,056,781	4,265,550
Alliance Center	12/19/07	2,150,000	12/31/37	1,926,658	1,967,258
West Sound Academy	04/01/08	4,640,000	04/01/28	4,218,720	4,321,699
French American School	04/03/08	2,290,000	10/01/28	1,666,719	1,801,381
Soundview School	10/01/08	2,890,000	10/01/18	2,536,148	2,607,048
2008 Hopelink	11/21/08	3,525,000	01/02/14	-	267,410
Open Window School (STEP)	08/02/10	7,710,000	08/01/35	6,443,210	6,822,732
TVW Refunding STEP	09/30/11	1,187,251	10/01/21	1,114,572	1,142,945
Alpha SLS STEP	01/29/13	1,336,000	02/01/38	1,289,124	1,324,592
Compass Health	07/10/12	500,000	07/01/27	447,366	475,004
Swauk Wind	12/27/12	9,000,000	12/20/32	8,700,000	8,938,000
YMCA of Greater Seattle 2013	12/27/12	2,030,000	07/01/20	1,781,987	-
Town & Country	12/27/12	23,000	03/01/30	58,000	-
Tregoning Beginning Farmers	04/30/08	250,000	05/01/33	190,430	201,462
Glasso Beginning Farmers	05/23/08	184,800	06/01/33	148,025	154,050
Pottratz Beginning Farmers	08/06/08	72,000	01/02/33	54,790	57,858
Torres Beginning Farmers	01/07/09	326,500	01/01/24	225,560	247,435
Craig & Pamela Cleveringa	09/22/09	142,000	01/01/39	123,520	126,772
Kenneth & Carrie Little	08/24/09	217,500	08/01/39	193,849	199,309

WASHINGTON STATE HOUSING FINANCE COMMISSION
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Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2014	Balance Outstanding 2013
Streamlined Tax Exempt Private Placement - Nonprofit Facilities (Continued)					
Daniel & Kimberly Hulse	09/22/09	$ 195,000	09/01/39	$ 175,953	$ 180,484
John & Sara Burns	08/31/09	305,000	08/01/39	273,636	280,943
Sage Shelton	11/18/09	225,000	11/01/39	206,199	211,197
Kyle Chamberlain	11/20/09	132,603	10/01/39	121,153	124,082
Brent & Melissa Favilla	01/15/10	127,500	01/01/35	113,628	117,154
Aaron Otto & Kim Denend	01/29/10	213,000	01/01/40	194,260	198,982
Scott Johnson & Erika Britney	03/04/10	400,000	03/01/35	332,973	350,432
Ross and Deborah Landt	04/29/10	242,000	01/01/34	214,082	220,937
Cody Schoesler	05/21/10	165,000	03/01/35	132,063	140,384
Wesley Wasson & Karen Temen	06/25/10	265,000	03/01/40	226,333	235,884
Jacob Wyles (8/6/2010)-BFL	08/06/10	278,500	01/01/31	247,017	258,024
Nicholas Wyles (3/11/11)-BFL	03/11/11	262,000	01/01/36	238,705	246,252
Jason Salvo & Siri Brown	08/17/11	197,500	08/01/41	186,666	190,780
Josh Hyatt & Melissa Henderso	05/18/12	150,000	05/01/42	143,913	147,090
Gary Johnson	04/21/14	200,000	05/01/49	199,150	-
				351,348,290	347,180,300
Unamortized Bond Premium				-	-
Unamortized Bond Discount				-	-
				351,348,290	347,180,300
Totals - Net				$ 3,418,394,922	$ 3,499,194,071
Totals Gross				$ 3,411,460,965	$ 3,490,997,054