REPORT OF INDEPENDENT AUDITORS AND FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

FOR

WASHINGTON STATE HOUSING FINANCE COMMISSION

June 30, 2017 and 2016

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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, 2017 and 2016, 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 we have 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, 2017 and 2016, 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 management's discussion and analysis on pages 3 through 10 and the schedules of proportionate share of net pension liability and schedule of contributions on page 42 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.

Supplemental 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 43 through 59 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 16, 2017

As management of the Washington State Housing Finance Commission (the "Commission", "we", or "our"), 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, 2017. 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, 2017 ("FY 2017"):

Net position increased $57.3 million to $405.4 million primarily due to the $68.2 million increase in net position of the Program-Related Investments ("PRI"), partially offset by a decrease in net position in the bond funds of $10.9 million. The increase in the PRI resulted from an excess of revenues over expenses totaling $51.0 million mostly due from the down payment assistance revenues from Homeownership's Home Advantage daily-priced mortgage program ("Home Advantage") coupled with the operating transfer from the General Operating Fund ("GOF") of $17.2 million. The decrease in the bond fund net position is due to the excess of expenses over revenues ($14.5 million) primarily caused by the reduction in the unrealized gain on mortgage-backed securities ("MBSs") offset by the operating transfer of $3.6 million from GOF.

During the fiscal year, mortgage loans increased by $568.4 million due to the issuance of new loans while MBS's decreased by $31.7 million as payments exceeded new purchases. Proceeds held for future draws in cash, cash equivalents, and investments increased by $77.0 million. Primarily due to these factors, total assets and deferred outflows of resources increased by $611.8 million.

Total bonds and notes payable of $4.3 billion were outstanding, net of premiums and discounts, $563.0 million (15.1%) above the prior year balance. This increase resulted from the net issuance of bonds ($1,209.8 million) and the net payment of principal ($646.8 million).

PRI and GOF program fees and grant revenue increased by $19.6 million due primarily to an increase in program fees associated with Home Advantage. Bond program revenues (mortgage interest, unrealized loss on MBSs, investment and other) increased by $12.7 million due to higher cost of issuance and interest revenue from an increase in issuances in the multifamily portfolio partially offset by a reduction in the unrealized gain on MBSs.

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 statements of net position, the statements of revenues, expenses, and changes in net position, and the statements of cash flows. The financial statements are presented in a manner similar to that of a private business, using the economic resources measurement focus and the accrual basis of accounting.

The financial statements report information for all Commission programs and operations. The statements of net position include all Commission assets, liabilities and deferred inflows and outflows of resources. All revenues and expenses of the Commission are accounted for in the statements of revenues, expenses, and changes in net position. Program financial statements are presented as supplemental schedules. These schedules separate the financial statements into General Operating Fund, Program-Related Investments, and Bond Fund.

Economic Outlook

Loan production in the multifamily housing program during the fiscal year continued at a strong pace, like the prior year. Continued demand for tax-exempt bond financing coupled with 4% Housing Credit supported this production. Developers continued to use this as an alternative to the 9% Housing Credit where demand exceeds supply.

Homeownership Home Advantage loan production grew over the prior year resulting in 7,465 loans totaling $1.6 billion. That program uses traditional, taxable mortgage funding. During the year, we also issued tax-exempt bonds of $89 million for the HouseKey Opportunity program targeted to first-time homebuyers in a lower income range.

The Federal Reserve (the "Fed") raised its federal funds target rate twice during the fiscal year, a total of 50 basis points (one-half of one percent). The rate at June 30, 2017, is 1%. A trended analysis of interest rates for the fiscal year shows a similar effect across the yield curve, with slightly higher impact on longer durations. The Fed has issued guidance that it expects to continue raising the federal funds target rate over the next year. We expect this action to have a similar effect across the yield curve.

Washington State continues to grow, benefiting from a robust economy. The demand for housing, especially in urban areas, is high. While our programs are somewhat interest-rate sensitive, as rates increase the value of the exemption from federal income tax of our tax-exempt bonds will be enhanced. We expect these factors will continue to support demand for our programs.

FINANCIAL ANALYSIS OF THE COMMISSION

Statements of Net Position

The following table summarizes the changes in assets and deferred outflows of resources, liabilities, deferred inflows of resources, and net position between June 30, 2017 and 2016, in millions:

	2017	2016	Change	
Assets				
Cash and cash equivalents	$ 274.0	$ 128.4	$ 145.6	113.4%
Investments	182.8	251.4	(68.6)	(27.3)
Accrued interest receivable	15.7	17.1	(1.4)	(8.2)
Fees receivable, net	5.4	5.8	(0.4)	(6.9)
Other receivables	1.0	1.4	(0.4)	(28.57)
Mortgage-backed securities, net	524.4	556.1	(31.7)	(5.7)
Mortgage loans, net	3,864.6	3,296.2	568.4	17.2
Prepaid fees and other	0.7	0.6	0.1	16.7
Total assets	4,868.6	4,257.0	611.6	14.4
Deferred outflows of resources	1.4	1.2	0.2	16.7
Total assets and deferred outflows of resources	$ 4,870.0	$ 4,258.2	$ 611.8	14.4%

	2017	2016	Change	
Liabilities				
Accounts payable and other liabilities	$ 126.2	$ 138.4	$ (12.2)	(8.8%)
Accrued interest payable	28.9	24.6	4.3	17.48
Unearned revenue and other	9.1	10.2	(1.1)	(10.8)
Derivative instrument - interest rate swap	0.3	0.7	(0.4)	(57.1)
Project equity held for borrower	2.1	0.6	1.5	250.0
Bonds and notes payable, net	4,298.0	3,735.0	563.0	15.1
Total liabilities	4,464.6	3,909.5	555.1	14.2
Deferred inflows of resources	-	0.6	(0.6)	(100.0)
Net position				
Restricted				
Bond operations	112.9	123.8	(10.9)	(8.8)
Grants and donations to PRI	1.1	1.1	-	-
Net investment in capital assets	0.3	0.3	-	-
Unrestricted				
General operations	15.5	15.5	-	-
Housing Washington	0.3	0.3	-	-
Program-Related Investments	275.3	207.1	68.2	32.9
Total net position	405.4	348.1	57.3	16.5
Total liabilities, deferred inflows of resources, and net position	$ 4,870.0	$ 4,258.2	$ 611.8	14.4%

FINANCIAL ANALYSIS OF THE COMMISSION (continued)

Mortgage loans outstanding increased $568.4 million over the prior year and was the primary component of an increase of assets of $611.8 million. The increase in both the bonds and notes payable ($563.0 million) and total liabilities ($555.1 million) closely reflected the change in mortgage loans outstanding.

The net position of the Commission increased $57.3 million from the June 30, 2016 amount. This increase resulted from the net operating income, before contributions and distributions, in the GOF ($20.8 million) and PRI ($51.0 million) offset by the net operating loss, caused solely by non-realized reductions in the market value of securities, in the bond fund ($14.5 million).

The net position of the bond programs is classified as restricted because trust indentures direct the use of the funds. The Commission has designated its remaining net position to a General Operating Fund and to Program-Related Investments.

The General Operating Fund net position is a reserve to protect the Commission from future uncertainty. With the reserve in place, the Commission is positioned to meet its future, long-term project monitoring commitments and independently meet unforeseen fiscal or legal challenges.

The Commission has also designated net position for Program-Related Investments of ten to thirty years. They target strategic, higher-risk programs that support the financing and production of low-income and special needs housing and facilities used to provide community services primarily to low-income persons. These investments complement, supplement and enhance other Commission programs and have been a catalyst to generate $36.6 million in investments and donations by partners who wish to support the program purpose and represent 13% of the designated net position of $276.3 million in Program-Related Investments. The Commission manages and deploys the funds in addition to its own.

Statements of Revenues, Expenses, and Changes in Net Position

The following table summarizes the changes in revenues and expenses between 2017 and 2016 (in millions):

	2017	2016	Change	
Revenues				
Bond programs mortgage interest	$ 128.1	$ 107.7	$ 20.4	18.9%
Bond programs investments and other income	1.6	1.2	0.4	33.3
Bond program gain (loss) on mortgage-backed securities	(20.8)	(6.8)	(14.0)	205.9
Other bond fees	14.0	7.4	6.6	89.2
Program fees and grants	92.5	72.9	19.6	26.9
General Operating Fund interest income	0.5	1.5	(1.0)	(66.7)
Total revenues	$ 215.9	$ 183.9	$ 32.0	17.4%
Expenses				
Bond programs interest expense	$ 124.7	$ 102.0	$ 22.7	22.3%
Other bond programs expenses	12.6	7.8	4.8	61.5
Salaries and wages	8.4	7.8	0.6	7.7
Other General Operating Fund and Program-Related Investments expenses	12.9	13.1	(0.2)	(1.5)
Total expenses	$ 158.6	$ 130.7	$ 27.9	21.3%
Change in net position from operations	$ 57.3	$ 53.2	$ 4.1	7.7%

The primary components of total revenues for the bond fund are mortgage-related interest earnings ($128.1 million) and the unrealized loss on MBSs ($20.8 million). Bond interest expense ($124.6 million) is the primary component of total expense for the bond fund. Commission revenues in the General Operating Fund are generated primarily from issuer fees and the premium generated from Home Advantage mortgage-backed security sales. During FY 2017, the Commission's General Operating Fund revenue and expense included $3.6 million of housing counseling and foreclosure relief funds received and disbursed to qualifying counseling agencies.

DEBT ADMINISTRATION

The Commission has long-term debt obligations of $4.3 billion, net of bond premium and discounts, at June 30, 2017. A trustee or paying agent administers monetary activities and holds all funds in the Commission's bond program. They ensure that bond resolution requirements are met, including payments of debt service and funding of necessary reserves. At June 30, 2017, amounts held by the trustees and paying agents represent full funding of these requirements.

Most of the debt issued by the Commission is tax-exempt, issued under the Internal Revenue Code and Treasury Regulations. The Federal Tax Reform Act of 1986 imposes an annual cap on the aggregate amount of federally tax-exempt private activity bonds. The Commission's Single-family Homeownership, Multifamily Housing and Beginning Farmer/Rancher 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 also issues limited amounts of taxable debt to supplement its tax-exempt authority and for lending where program requirements are inconsistent with federal restrictions.

The Commissioners have adopted policies that govern the process followed to issue debt. The Commission issues bonds in the Single-family Homeownership Program to purchase MBSs backed by Federal National Mortgage Association ("Fannie Mae"), Government National Mortgage Association ("Ginnie Mae"), or Federal Home Loan Mortgage Corporation ("Freddie Mac"). These securities carry a credit rating agency rating equal to that of the United States. 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 practices, the Commission often retires higher interest rate debt as opportunities for economic refunding occur, to reduce overall borrowing costs and to preserve bonding authority.

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

Net bonds and notes payable as of June 30, 2017 was $4.3 billion, an increase of about $563.0 million from 2016. Changes enumerated by program are summarized in the following table (in millions):

	2016	Issued	Redeemed	Changes	2017
Single-family	$ 333.3	$ 135.9	$ 111.2	$ 24.7	$ 358.0
Home Ownership (NIPB)	152.6	-	41.0	(41.0)	111.6
Multifamily Housing	2,079.3	748.4	262.7	485.7	2,565.0
Nonprofit Housing	855.4	296.8	195.8	101.0	956.4
Nonprofit Facilities	314.4	28.7	36.1	(7.4)	307.0
	$ 3,735.0	$ 1,209.8	$ 646.8	$ 563.0	$ 4,298.0

COMPARISON OF FISCAL YEAR 2016 WITH 2015

Statements of Net Position

The following table summarizes the changes in combined adjusted net position between June 30, 2016 and 2015 (in millions):

	2016	2015	Change	
Assets				
Cash and cash equivalents	$ 128.4	$ 233.2	$ (104.8)	(44.9%)
Investments	251.4	139.4	112.0	80.3
Accrued interest receivable	17.1	8.9	8.2	92.1
Fees receivable, net	5.8	4.8	1.0	20.8
Other receivables	1.4	0.7	0.7	100.00
Mortgage-backed securities, net	556.1	615.5	(59.4)	(9.7)
Mortgage loans, net	3,296.2	2,862.4	433.8	15.2
Prepaid fees and other	0.6	0.4	0.2	50.0
Total assets	4,257.0	3,865.3	391.7	10.1
Deferred outflows of resources	1.2	1.3	(0.1)	(7.7)
Total assets and deferred outflows of resources	$ 4,258.2	$ 3,866.6	$ 391.6	10.1%

	2016	2015	Change	
Liabilities				
Accounts payable and other liabilities	$ 138.4	$ 108.5	$ 29.9	27.6%
Accrued interest payable	24.6	20.4	4.2	20.59
Unearned revenue and other	10.2	13.6	(3.4)	(25.0)
Derivative instrument - interest rate swap	0.7	0.9	(0.2)	(22.2)
Project equity held for borrower	0.6	1.2	(0.6)	(50.0)
Bonds and notes payable, net	3,735.0	3,425.7	309.3	9.0
Total liabilities	3,909.5	3,570.3	339.2	9.5
Deferred inflows of resources	0.6	1.4	(0.8)	(57.1)
Net position				
Restricted				
Bond operations	123.8	121.8	2.0	1.6
Grants and donations to PRI	1.1	1.1	-	--
Net investment in capital assets	0.3	0.1	0.2	200.0
Unrestricted				
General operations	15.5	13.8	1.7	12.3
Housing Washington	0.3	0.2	0.1	50.0
Program-Related Investments	207.1	157.9	49.2	31.2
Total net position	348.1	294.9	53.2	18.0
Total liabilities, deferred inflows of resources, and net position	$ 4,258.2	$ 3,866.6	$ 391.6	10.1%

COMPARISON OF FISCAL YEAR 2016 WITH 2015 (continued)

The following summarizes the changes in revenues and expenses between fiscal years 2016 and 2015 (in millions):

	2016	2015	Change	
Revenues				
Bond programs mortgage interest	$ 107.7	$ 95.8	$ 11.9	12.4%
Bond programs investments and other income	1.2	0.4	0.8	200.0
Bond program gain (loss) on mortgage-backed securities	(6.8)	(10.7)	3.9	(36.4)
Other bond fees	7.4	3.4	4.0	117.6
Program fees and grants	72.9	53.8	19.1	35.5
General Operating Fund interest income	1.5	0.7	0.8	114.3
Total revenues	$ 183.9	$ 143.4	$ 40.5	28.2%
Expenses				
Bond programs interest expense	$ 102.0	$ 90.5	$ 11.5	12.7%
Other bond programs expenses	7.8	3.5	4.3	122.9
Salaries and wages	7.8	7.1	0.7	9.9
Other General Operating Fund and Program-Related Investments expenses	13.1	12.1	1.0	8.3
Total expenses	$ 130.7	$ 113.2	$ 17.5	15.5%
Change in net position from operations	$ 53.2	$ 30.2	$ 23.0	76.2%

During the fiscal year ended June 30, 2016, the Commission's total assets increased by $391.7 million largely attributable to an increase in net mortgage loans ($433.8 million), partially offset by the decrease in MBSs ($59.4 million) as payments exceeded new MBS purchases. The net increase in cash, cash equivalents and investments of $7.2 million also contributed to the increase in net position and resulted from new conduit bonds issued with proceeds held to fund project costs.

The Commission's $53.2 million increase in net position, resulted primarily from the PRI ($49.2 million), GOF ($2.0 million) and the bond fund ($2.0 million). PRI's increase of $37.7 million, was mainly due to down payment assistance revenues from Home Advantage coupled with a $11.5 million transfer from the General Operating Fund.

ADDITIONAL INFORMATION

Please direct questions and inquiries 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, 2017	June 30, 2016
CASH AND CASH EQUIVALENTS	$ 274,011,972	$ 128,429,813
INVESTMENTS		
U.S. government and agencies securities	125,903,361	77,799,191
Investment agreements	56,887,117	173,627,453
	182,790,478	251,426,644
ACCRUED INTEREST RECEIVABLE	15,714,320	17,078,192
FEES RECEIVABLE, net	5,426,796	5,832,235
OTHER RECEIVABLES	1,000,944	1,403,785
MORTGAGE-BACKED SECURITIES, cost	507,203,804	518,028,542
Cumulative unrealized gain on mortgage-backed securities	17,197,803	38,063,063
MORTGAGE-BACKED SECURITIES, fair value	524,401,607	556,091,605
MORTGAGE LOANS, net	3,864,644,876	3,296,178,288
PREPAID FEES AND OTHER	739,883	597,856
TOTAL ASSETS	4,868,730,876	4,257,038,418
DEFERRED OUTFLOWS OF RESOURCES	1,382,400	1,235,300
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 4,870,113,276	$ 4,258,273,718

See accompanying notes to financial statements.

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

	June 30, 2017	June 30, 2016
ACCOUNTS PAYABLE AND OTHER LIABILITIES	$ 126,215,480	$ 138,429,515
ACCRUED INTEREST PAYABLE	28,946,292	24,602,969
UNEARNED REVENUE AND OTHER	9,131,403	10,226,551
DERIVATIVE INSTRUMENT - INTEREST RATE SWAP	323,769	663,459
PROJECT EQUITY HELD FOR BORROWER	2,087,670	637,277
BONDS PAYABLE		
Current interest bonds	4,135,256,814	3,580,332,725
Taxable bonds	135,906,951	147,346,292
Unamortized bond discount	(357,924)	(136,051)
Unamortized bond premium	27,172,809	7,429,697
	4,297,978,650	3,734,972,663
TOTAL LIABILITIES	4,464,683,264	3,909,532,434
DEFERRED INFLOWS OF RESOURCES	-	617,309
NET POSITION		
Restricted		
Bond operations	112,923,906	123,827,331
Grants and donations to Program-Related Investments	1,082,696	1,082,696
Net investment in capital assets	349,592	329,256
Unrestricted		
General operations	15,502,441	15,523,475
Housing Washington	321,539	298,379
Program Related Investments	275,249,838	207,062,838
	405,430,012	348,123,975
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	$ 4,870,113,276	$ 4,258,273,718

See accompanying notes to financial statements.

Washington State Housing Finance Commission
Statements of Revenues, Expenses and Changes in Net Position

	Years Ended June 30, 2017	Years Ended June 30, 2016
REVENUES		
Interest earned on mortgage loans and mortgage-backed securities	$ 128,076,614	$ 107,656,146
Other interest and investment income	2,103,995	2,719,584
Unrealized loss on mortgage-backed securities	(20,865,257)	(6,791,481)
Other fee income	102,709,642	74,699,985
Nonoperating revenues - grants	3,807,952	5,577,935
	215,832,946	183,862,169
EXPENSES		
Interest on debt	124,705,112	102,026,326
Amortization of bond discount	21,680	172,214
Amortization of bond premium	(2,724,430)	(1,523,692)
Bond issuance costs	13,350,550	6,961,632
Amortization of bond insurance premium	2,160	2,200
Servicing and commission fees	1,699,702	1,863,460
Salaries and wages	8,363,747	7,811,389
Communication and office expense	2,050,888	2,481,315
Professional fees	1,219,243	1,274,791
Trustee and paying agent fees	133,088	138,837
Other	158,175	180,322
Nonoperating expenses - grants	9,546,994	9,292,909
	158,526,909	130,681,703
EXCESS OF REVENUES OVER EXPENSES	57,306,037	53,180,466
NET POSITION		
Balance, beginning of year	348,123,975	294,943,509
Balance, end of year	$ 405,430,012	$ 348,123,975

See accompanying notes to financial statements.

Washington State Housing Finance Commission
Statements of Cash Flows

	Years Ended June 30, 2017	Years Ended June 30, 2016
OPERATING ACTIVITIES		
Receipts for interest on mortgages	$ 142,299,138	$ 105,173,097
Receipts for other fee income	93,175,761	69,468,073
Receipts for loans and mortgage prepayments	532,716,359	385,916,414
Payments for acquisition of loans and mortgages	(1,087,553,983)	(742,079,617)
Payments for bond program expenses	(11,582,886)	(6,545,431)
Payments to employees and suppliers	(18,542,324)	(16,773,632)
Net cash from operating activities	(349,487,935)	(204,841,096)
INVESTING ACTIVITIES		
Purchase of investments	(754,164,090)	(858,811,690)
Sale of investments	822,839,264	746,838,934
Interest received on investments	2,004,601	2,291,706
Net cash from investing activities	70,679,775	(109,681,050)
NONCAPITAL FINANCING ACTIVITIES		
Project equity used, net	1,450,393	(597,902)
Proceeds from sale of bonds and notes	1,099,840,439	762,166,415
Proceeds from short-term loan	30,500,000	35,000,000
Interest paid on debt	(120,544,824)	(97,775,492)
Short-term loans funded	(30,500,000)	(35,000,000)
Debt repayments	(556,355,689)	(454,054,546)
Net cash from capital financing activities	424,390,319	209,738,475
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	145,582,159	(104,783,671)
CASH AND CASH EQUIVALENTS		
Beginning of year	128,429,813	233,213,484
End of year	$ 274,011,972	$ 128,429,813

See accompanying notes to financial statements.

	Years Ended June 30, 2017	2016
RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO NET CASH USED FOR OPERATING ACTIVITIES		
Excess of revenues over expenses	$ 57,306,037	$ 53,180,466
Adjustments to reconcile excess of revenues over expenses to net cash from operating activities		
Amortization of mortgage discount	(512,907)	(718,215)
Amortization of mortgage premium	1,529,430	275,645
Amortization of bond insurance premium	(246,449)	(357,877)
Amortization of bond premium	(2,480,141)	(1,168,016)
Amortization of bond discount	21,680	172,214
Amortization of unearned fee income	2,160	2,200
Acquisition of mortgage loans	(1,075,930,390)	(766,388,611)
Repayments of mortgage loans	532,716,359	385,916,414
Unrealized loss on securities	20,596,562	6,791,481
Cash from changes in operating assets and liabilities		
Interest and other receivables	3,051,314	(8,191,244)
Interest and other payables	114,458,410	125,644,447
Net cash from operating activities	$ (349,487,935)	$ (204,841,096)

Note 1 – Description of Business

Organization – The Washington State Housing Finance Commission (the “Commission,” “WSHFC,” “we,” or “our”) 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 governor appoints the remaining eight members to four-year terms, subject to confirmation by the Washington State Senate.

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-Related Investments, and Bond Fund.

General Operating Fund – The General Operating Fund accounts for the fiscal activities related to the administration of our 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-Related Investments. Except for certain pass-through grants and loans, all funds we receive are generated by its activities and are not direct appropriations from the State.

The Commission adopted a General Operating Fund Reserve Policy (“Reserve Policy”) in 1989. General reserves provide income to fund current operations, help to ensure a sufficient revenue stream so we can remain independent of State funds and safeguard our ability to meet future legal and program obligations. Earnings in excess of the reserve requirements are generally transferred to the Program-Related Investments at the direction of the Commissioners, except for a portion of earnings on the homeownership daily pricing program which are transferred to the Single-Family Indenture.

Effective June 30, 2016, the Reserve Policy requires that we maintain general reserves of $20 million based upon capital adequacy analyses, net of the impact of any deferred pension liability as required by Governmental Accounting Standards Board (“GASB”) No. 68. Therefore, the reserves reflect $15.9 million for the years ending June 30, 2017 and 2016.

Note 1 – Description of Business (continued)

Program-Related Investments – The Reserve Policy dedicates the use of reserves above those needed in the General Operating Fund for Program-Related Investments (the “PRI”). We strategically invest the PRI in programs that support our activities such as the financing and production of low-income and 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 – A Trust, Funding Agreement, or Financing Agreement dictates the terms of each bond transaction. We record these activities in the bond fund and further separate them by program type as follows:

Single-Family Homeownership Program – Transactions recorded in this program are those arising from the sale of Single-family Homeownership Program mortgage revenue bonds, the purchase of mortgage-backed securities (“MBSs”) of our pooled loans and the related debt service transactions on the bonds. There are three program indentures, the General (Single-family) Indenture, the Homeownership Bond Program (NIBP) Indenture and the Special Single Family Program Indenture, under which there are multiple series indentures. Each constitutes a special obligation of the Commission, payable solely from the bond funds established pursuant to the indenture. Debt service comes from payments received on the MBS pools and from any other money held in the trust estate by the bond trustee. Assets of the indenture are pledged as collateral for the debt and are $543.9 million and $576.3 million as of June 30, 2017 and 2016, respectively. We loan proceeds of this program to first-time homebuyers whose income does not exceed established limits. Mortgage rates for these programs range from 2.50% to 7.45%.

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

Conduit Financing Programs – All bonds that we issue, 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 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.

Conduit debt securities bear the name of the Commission. However, we have no obligation for payment of such debt beyond the resources provided by the loan with the third-party beneficiary.

Note 1 – Description of Business (continued)

At the time of a Conduit Financing Program bond issuance, we assign 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 under the indenture. The pledge of assets of each bond provides the collateral for the debt. As of June 30, 2017 and 2016, the assets so pledged were $3.9 billion and $3.4 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.

Underwriters sell bonds in the capital market, or we privately place them with a sophisticated investor such as a financial institution. Proceeds of the conduit bonds may be used in any of the following programs:

Multifamily Housing Program, Beginning Farmers/Ranchers and Energy Programs – This program accounts for financing issued on behalf of developers of multifamily housing. The proceeds are used to purchase, construct, refinance and/or renovate projects containing affordable housing and housing for the elderly, to purchase loans on behalf of beginning farmers and ranchers and to purchase loans qualified under our energy programs.

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 renovate projects containing housing consistent with the organization's IRS approved purpose.

Nonprofit Facilities Program – This program accounts for the bonds and notes sold to purchase loans of 501(c)(3) organizations whose proceeds are used for capital acquisitions and/or improvements.

Note 2 – Summary of Significant Accounting Policies

Our financial statements 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. We have applied all applicable GASB pronouncements. The remainder of this note describes our more significant accounting policies.

Measurement focus and basis of accounting – We use the flow of economic resources measurement as the focus of our accounting of transactions. With this measurement focus, the statement of net position reflects all assets, deferred inflows and outflows of resources and all liabilities associated with our operations. The statement of revenues, expenses, and changes in net position for all funds present increases (e.g., revenues) and decreases (e.g., expenses) in our net total position. We use the accrual basis of accounting, recording revenue when earned and expenses when we incur the liability.

Unclassified statement of net position – Our business cycle is greater than one year. As such, all assets and liabilities on the statement of net position are shown as 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 held in the Bond Fund are held in the corporate trust departments of commercial banks in the bond issue’s name. As of June 30, 2017 and 2016, they held $82.3 million and $39.6 million, respectively, in uncollateralized or uninsured cash equivalents in the bond fund, primarily in government money market funds. Cash deposits held by the General Operating Fund are 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 – We categorize investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy uses valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments are reported at fair value, unless they meet an exception as outlined under accounting standards generally accepted in the United States of America.

Nuveen Asset Management manages some of our investments in the General Operating and Program-Related Investment Funds. Our investments include marketable securities issued or guaranteed by the U.S. government. We determine and record fair value based on quoted market prices as of June 30, 2017 and 2016.

Investments in the Bond Fund at June 30, 2017 and June 30, 2016, include guaranteed investment contracts, commercial paper, certificates of deposit, and US government-backed securities held by the trustee. Guaranteed investment contracts (GICs) held in the Bond Funds are non-participating and have redemption terms that are not affected by market rates. GICs have been specifically excluded from the requirement to be listed at fair value and are therefore stated at cost. For additional information regarding investments, see Note 3.

Note 2 – Summary of Significant Accounting Policies (continued)

Mortgage-backed securities – Mortgage-backed securities are presented at their fair value based on quoted market prices as of June 30, 2017 and 2016.

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.

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-Related Investments – We estimate losses on our loans in Program-Related Investments 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 $14,354,051 and $9,809,724 as of June 30, 2017 and 2016, respectively. No provision for loss is made on loan balances funded by partner investments because the Commission does not guarantee return of those investments.

Bond Fund – We purchase mortgage loans and MBSs with the proceeds of non-recourse revenue bonds payable solely from the assets specifically pledged under the trust indenture for the bonds. No assets of the Commission, other than those assets held under such trust indentures, are pledged to the payment of the bonds.

Single-Family Homeownership Program Mortgage Loans – We do not reserve for loan loss provisions because the assets held by all the outstanding Single-family Homeownership Program indentures are MBSs 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.

Note 2 – Summary of Significant Accounting Policies (continued)

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.

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. We record these fees when earned as other fee income on the statement of revenues, expenses and changes in net position.

Interfund transfers and balances for single-family program liquidity management – Interfund transfers may be completed for short-term program purposes and are considered loans to and from the impacted funds. At fiscal year-end, we record any balance as an interfund loan in the corresponding fund.

During the fiscal years ending June 30, 2017, and June 30, 2016, the Commission supported its Home Advantage program's Master Servicer by purchasing and holding certain loans for a short time until pooled into MBSs. Resources used from the Single-Family Program fund, Homeownership Program fund and the PRI were in excess of those needed for program purposes. Balances remaining outstanding are as follows:

	Single-family Bond Program	Homeownership Bond Program (NIBP)	Program -Related Investments	Total
At June 30, 2017				
Interfund Loans Receivable (Payable)	$ (5,000,000)	$ -	$ 5,000,000	$ -
At June 30, 2016				
Interfund Loans Receivable (Payable)	$ (30,000,000)	$ 4,000,000	$ 26,000,000	$ -

Deferred outflow and inflow of resources – Deferred outflows of resources represent consumption of resources that are applicable to future reporting periods and deferred inflows of resources represent acquisition of resources that are applicable to future reporting periods. Deferred outflow of resources represents the year-end estimated negative fair value of the Commission's derivative instruments as of June 30 and the value of pension contributions made during fiscal year, which is after the pension liability measurement date. The difference between actuarial projected and actual earnings on pension plan assets are represented as deferred outflows (inflows) of resources. For additional information regarding the derivative, see Note 6 and regarding pension liability and the related deferred outflows and inflows of resources, see Note 8.

Note 2 – Summary of Significant Accounting Policies (continued)

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) of the State of Washington and additions to or deductions from PERS's fiduciary net position have been determined on the same basis as PERS reports them.

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 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 borrower requests the funds 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 they are requisitioned and released to the borrower.

Compensated absences – Permanent employees of the Commission earn annual leave, sick leave and may earn compensatory leave or exchange time. Annual leave is earned based on length of service, and an employee may accumulate a maximum of 240 hours. An employee receives compensation for their unused annual leave upon termination. Employees earn eight hours of sick leave per month. In many cases, employees receive 25% of the value of accrued sick leave upon termination. Non-exempt work period employees earn compensatory time at the rate of time-and-one-half for more than 40 hours worked in a week, with a maximum accrual of 240 hours. Employees classified as exempt work period employees may earn exchange time for actual time worked beyond their work schedule, up to a maximum of 174 hours. Upon separation or transfer to another agency, the employee may use accumulated, authorized compensatory or exchange time to postpone his/her cessation of employment. In consideration of these factors, the Commission accrues all costs associated with compensated absences and 25% of sick leave, including an allowance for payroll taxes.

Net position – We classify net position 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. We do not hold any debt related to capital assets.

Unrestricted net position consists of the remaining assets and liabilities.

Note 2 – Summary of Significant Accounting Policies (continued)

Revenue recognition – We recognize revenue on an accrual basis. The primary source of our revenue is interest earned on mortgage loans outstanding, MBSs and other investments. We use this revenue 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. We allocate them to the Bond, General Operating Fund and Program-Related Investments. We record these as other fee income on the statement of revenues, expenses and changes in net position. Our other fee income by category at June 30 is:

	2017	2016
Commission fees	$ 10,250,293	$ 8,945,717
HomeOwnership Program fees	66,521,902	47,373,955
Other program fees	12,308,677	11,327,733
Other income	13,628,770	7,052,580
	$ 102,709,642	$ 74,699,985

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:

Single-Family Homeownership Program – An independent valuation specialist that we engage calculates arbitrage earnings. We accrue any liability and make required payments to the United States Department of the Treasury.

Conduit Financing Programs – The borrowers are responsible for the calculation and payment of any arbitrage earnings on the conduit financing programs. Therefore, we do not accrue or pay arbitrage in these programs.

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, valuation of certain investments, valuation of interest rate swap, arbitrage rebate liability, loan loss provisions, accrued sick leave and other contingencies. Actual results may differ from those estimates.

Risks and uncertainties – The Commission is authorized to invest in securities and loans that are exposed to interest rate, market, credit and/or other risks. It is possible that changes in the values of these assets will occur in the near term, and those changes could subsequently affect the amounts reported in the statement of net position.

Note 3 – Cash, Cash Equivalents and Investments

General Operating and Program-Related Investment Funds

Cash and cash equivalents – External entities hold the Commission's deposits, exposing them to custodial credit risk, meaning that if an institution fails, we might lose the funds. We minimize this risk by limiting deposits to those 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). As of June 30, 2017 and 2016, cash deposits held by the General Operating Fund met these requirements.

We hold most of our deposits in money market funds in the Local Government Investment Pool operated by the State Treasurer pursuant to RCW 43.250 in which the Commission is a voluntary participant. We report amortized cost on these funds.

Cash and cash equivalents by institution at June 30:

	2017		2016	
Bank of America	$ 3,924,824	7.57%	$ 2,281,332	35.74%
Local Government Investment Pool	47,603,599	91.79%	3,508,498	54.96%
All Others	331,849	0.64%	593,510	9.30%
	$ 51,860,272	100%	$ 6,383,340	100%

Investments

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 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 adopted an investment policy that requires the investments held by the Funds, be subject to the following policy. Limiting investments to those authorized in this policy minimizes the Commission's exposure to credit risk on these Funds.

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

1. Treasury bills, notes, and other obligations issued by the United States Department of the Treasury and backed by the full faith and credit of the U.S. government.

2. Federal Home Loan Bank notes and bonds.

3. Federal Land Bank bonds.

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

Note 3 – Cash, Cash Equivalents and Investments (continued)

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 are managed to this policy through an agreement with Nuveen Asset Management.

Custodial credit risk is the risk that, in the event that a depository institution or counterparty fails, the Commission could not recover the value of its investments or collateral security. We manage this risk by prequalifying institutions that we use to place investments. As of June 30, 2017 and 2016, investment securities were registered and held in our custodian agent's name.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. We manage this risk by limiting investments to those permitted in our investment policies, diversifying the investment portfolio and prequalifying the institutions where we place the investments.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Our policy limits the investment in any single institution (except for United States Government Securities) to no more than 20% of the portfolio.

As of June 30, 2017		Fair Value Measurements Using		
Classification/Provider	Total Investment	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government and Agency Obligations				
US Treasury Notes	$ 32,079,761	$ 32,079,761	$ -	$ -
US Agencies	13,594,056	-	13,594,056	-
Other Municipal Agencies	796,823	-	796,823	-
Total General and PRI Fund Investments	$ 46,470,640	$ 32,079,761	$ 14,390,879	$ -

Note 3 – Cash, Cash Equivalents and Investments (continued)

As of June 30, 2016

		Fair Value Measurements Using		
Classification/Provider	Total Investment	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government and Agency Obligations				
US Treasury Notes	$ 11,196,395	$ 11,196,395	$ -	$ -
US Agencies	39,638,787	-	39,638,787	-
Other Municipal Agencies	1,038,872	-	1,038,872	-
Total General and PRI Fund Investments	$ 51,874,054	$ 11,196,395	$ 40,677,659	$ -

Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. Examining the maturities of our investment securities, listed in the following table, can reveal information about interest rate risk.

Investments as of June 30, 2017

		Maturities (In Years)		
Type	Total	Less than 1	1-5	>5
US Treasury Notes	$ 32,079,761	$ 3,543,639	$ 28,536,122	$ -
US Agencies	13,594,056	-	13,594,056	-
Other government securities	796,823	318,776	478,047	-
	$ 46,470,640	$ 3,862,415	$ 42,608,225	$ -

Investments as of June 30, 2016

		Maturities (In Years)		
	Total	Less than 1	1-5	>5
US Treasury Notes	$ 39,638,787	$ 3,160,326	$ 36,434,584	$ 43,877
US Agencies	11,196,395	-	11,196,395	-
Other government securities	1,038,872	720,887	317,985	-
	$ 51,874,054	$ 3,881,213	$ 47,948,964	$ 43,877

Investment Securities – Bond Funds

Bond Funds

Single-Family Homeownership Program – The Single-family program indentures require that investments be made with proper regard for the preservation of principal and with maturities that provide sufficient liquidity to meet obligations.

During the fiscal years ending June 30, 2017 and 2016, investments held in the Single-family program indentures included non-purpose MBSs, and short-term repurchase agreements.

Note 3 – Cash, Cash Equivalents and Investments (continued)

US Agencies (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. Non-Purpose MBSs held at June 30, 2017 were $10,237,780. No non-purpose MBSs were held at June 30, 2016.

Short-term repurchase agreements – In April 2015, the Commission entered into a Mortgage Loan purchase and sale agreement (“ML Liquidity Repurchase Agreement”) with its Master Servicer, Alabama Housing Finance Authority (“AHFA”), to provide funds to the Master Servicer to purchase approved mortgage loans originated under our Home Advantage program. The purpose of this agreement is to promote the continued success of the program by assuring timely purchase of qualified mortgage loans. We intend to hold such loans less than 120 days. For reporting purposes, we consider these as non-purpose investments in the Single-Family bond program.

AHFA agrees to repurchase these mortgage loans on the earlier of each monthly settlement date, immediately upon receipt of funds resulting from the sale of the security including the mortgage loans or 120 days following purchase. AHFA guarantees the repurchase of each mortgage loan, regardless of disposition and at the original principal amount funded plus interest at the note rate from funding to repurchase date. The repurchase agreement is collateralized by the underlying loans and held by the Commission until repurchase, minimizing custody risk. The loans are conveyed using an assignment of ownership. The maximum duration of 120 days limits the Commission’s interest rate risk. The short-term nature of the investments as well as the fact that each loan within the collateral pool was originated under the Home Advantage program guidelines and approved for purchase after Commission review, mitigates concentration risk.

During the year ended June 30, 2017, the Commission purchased $408.5 million of loans while AHFA repurchased $476.9. As of June 30, 2017, no balance remained outstanding. During the prior year, ended June 30, 2016, the Commission purchased $435.6 million of loans while AHFA repurchased $367.2 million. As of June 30, 2016 the Commission held 322 loans with a total principal balance remaining of $68.4 million.

We consider the fair value to be the loan face value because AHFA, an agency with a general obligation Moody’s rating of Aaa, guarantees the principal return and the holding period is short-term. The repurchase agreement does not have an observable market; therefore, the fair value classification is a Level 3 input.

Note 3 – Cash, Cash Equivalents and Investments (continued)

Single Family Bond Program Investments as of June 30, 2017

Classification/Provider	Total Investment	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government and Agnecy Obligations				
US Agencies	$ 10,237,780	$ -	$ 10,237,780	
Total Single Family Bond Program Investments	$ 10,237,780	$ -	$ 10,237,780	$ -

Single Family Bond Program Investments as of June 30, 2016

Classification/Provider	Total Investment	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Repurchase agreements				
Alabama Housing Finance Agency	$ 68,381,225	$ -	$ -	$ 68,381,225
Total Single Family Bond Program Investments	$ 68,381,225	$ -	$ -	$ 68,381,225

Conduit Financing Programs – Investment risk in the bond programs accrues to the borrower in the Conduit Financing Programs. The indenture for each bond issue outlines the permitted investments for that transaction. During the fiscal years ending June 30, 2017 and June 30, 2016, investments consisted of GICs, US Treasuries, US government agencies, certificates of deposit, and commercial paper. A Trustee holds investments in the name of the bond issue, thereby minimizing custodial credit risk. We do not have concentration and interest rate risk in these programs; rather the borrower bears these risks.

Note 3 – Cash, Cash Equivalents and Investments (continued)

Investments held at June 30:

Conduit Bond Program Investments as of June 30, 2017

Classification/Provider	Total Investment	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government and Agency Obligations				
US Treasury Notes and Bills	$ 58,961,791	$ 58,961,791	$ -	$ -
US Agencies	10,233,150	-	10,233,150	-
Total Government and Agency Obligations	69,194,941	58,961,791	10,233,150	-
Other Investments				
Commercial Paper	53,152,232	-	53,152,232	-
Certificates of Deposit	3,115,664	-	3,115,664	-
Guaranteed Investment Contracts (stated at cost)	619,221	-	-	-
Total Other Investments	56,887,117	-	56,267,896	-
Total Bond Fund Investments	$ 126,082,058	$ 58,961,791	$ 66,501,046	$ -

Conduit Bond Program Investments as of June 30, 2016

Classification/Provider	Total Investment	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government and Agency Obligations				
US Treasury Notes and Bills	$ 13,493,142	$ 13,493,142	$ -	$ -
US Agencies	12,431,995	-	12,431,995	-
Total Government and Agency Obligations	25,925,137	13,493,142	12,431,995	-
Other Investments				
Commercial Paper	101,101,659	-	101,101,659	-
Guaranteed Investment Contracts (stated at cost)	4,144,569	-	-	-
Total Other Investments	105,246,228	-	101,101,659	-
Total Bond Fund Investments	$ 131,171,365	$ 13,493,142	$ 113,533,654	$ -

Note 4 – Mortgage-Backed Securities

The Commission has used the proceeds from all Single-family Homeownership Program bond issues since 1988 to purchase mortgage-backed securities. Ginnie Mae, Fannie Mae or Freddie Mac, backed by the full faith and credit of the U.S. government, guarantee the payment of principal and interest on the MBSs. Two bond issues in our Conduit Financing Programs also contain MBSs.

For the fiscal years ended June 30, 2017 and 2016, the net decrease in fair market value from that of the prior year-end based upon quoted market prices was $20,865,257and $6,791,481, respectively. The following table shows the sources of the gains and losses on MBSs on the statements of revenue, expenses, and changes in net position for 2017 and 2016 by program.

Unrealized loss on MBSs as of June 30:

	2017				2016			
	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	$ (15,344,673)	$ (5,506,227)	$ (14,357)	$ (20,865,257)	$ (3,839,575)	$ (2,901,542)	$ (50,364)	$ (6,791,481)

Cumulative unrealized gains at June 30, 2017 and 2016, were $17,197,803 and $38,063,063, respectively, and are included in the balance of MBSs on the statement of net position.

Note 5 – Furniture, Fixtures and Equipment

Furniture, fixtures and equipment as shown below at June 30, 2017 and 2016, are included in prepaid fees and other on the statements of net position.

	Useful Life	July 1, 2016	Increase	Decrease	June 30, 2017
Furniture, fixtures and equipment	3 to 10 years	$ 1,823,094	$ 63,325		$ 1,886,419
Leasehold improvements	4 to 5 years	176,058	-	-	176,058
Total assets		1,999,152	63,325	-	2,062,477
Less accumulated depreciation		(1,669,896)	(42,989)	-	(1,712,885)
Net book value		$ 329,256	$ 20,336	$ -	$ 349,592

	Useful Life	July 1, 2015	Increase	Decrease	June 30, 2016
Furniture, fixtures and equipment	3 to 10 years	$ 1,606,648	$ 228,302	$ (11,856)	$ 1,823,094
Leasehold improvements	4 to 5 years	176,058	-	-	176,058
Total assets		1,782,706	228,302	(11,856)	1,999,152
Less accumulated depreciation		(1,630,086)	(39,810)	-	(1,669,896)
Net book value		$ 152,620	$ 188,492	$ (11,856)	$ 329,256

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.

Note 6 – Bonds and Notes Payable (continued)

As of June 30, 2017, the Commission had outstanding notes and bonds of $4.3 billion bearing interest varying in rates as listed below:

	Low	High
Single-Family Program	0.78%	4.60%
Homeownership Program	2.45%	5.30%
Multi Family Program	0.94%	9.50%
Nonprofit Housing Program	0.90%	8.00%
Nonprofit Facilities Program	0.90%	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 swaps are intended to create debt with synthetic interest rates lower than would have been attainable from long-term fixed rate bonds to achieve our goal of lending to low- and moderate-income first-time homebuyers at below market, fixed interest rates. The swaps are hedging derivative instruments. Additional information, including the fair market value of each swap, is listed below.

Using rates as of June 30, 2017, 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 change, variable rate bond interest payments and net swap payments will vary.

Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2018	$ 6,740,000	$ 63,749	$ 167,231	$ 6,970,980
2019	4,697,500	44,437	116,774	4,858,711
2020	2,837,500	26,846	70,684	2,935,030
2021	1,272,500	12,047	31,941	1,316,488
2022	310,000	2,945	3,426	316,371

The terms and counterparty credit ratings of the outstanding swaps as of June 30, 2017 are shown below. The notional amounts of the swaps match principal amounts of the associated debt as of June 30, 2017. 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	$ 4,215,000	$ 4,215,000	July 22, 2008	3.629%	SIFMA plus 10bps	$ (205,817)	December 1, 2021	Aaa
2008 VR-2N	3,060,000	3,060,000	September 25, 2008	3.249%	SIFMA plus 5 bps	(117,952)	June 1, 2021	Aaa
	$ 7,275,000	$ 7,275,000				$ (323,769)		

Note 6 – Bonds and Notes Payable (continued)

The swap counterparties estimated the fair values presented in the preceding table. They approximate the termination payments that would have been due had we terminated them as of June 30, 2017. A negative fair value represents the estimated amount payable by the Commission had we terminated the swaps on June 30, 2017. The interest rate swaps do not have an observable market; therefore, the fair value classification is a Level 3 input.

The variable debt maturity exceeds that of the swaps by a range of 14.5 to 27 years. After the swaps terminate, we may not obtain subsequent interest rate agreements that limit interest at or below these levels.

The International Swap Dealers Association Master Agreement is the model for our swap agreements. They include standard termination events 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. We have termination risk if we become liable for termination payments to the counterparty or if we cannot find a replacement to the swaps under favorable financial terms. Our swap contracts reduce this risk by limiting 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 us to credit risk with the counterparties on 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. There are no collateral requirements as of June 30, 2017 and 2016.

The Commission may incur amortization risk because we 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 our 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, we may terminate the swaps at market value at any time.

The Commission bears basis risk, the risk that the variable interest payments on our bonds will not equal the variable interest receipts from our swaps. Basis risk exists because we pay a variable rate on its bonds based on a weekly remarketing rate while we receive a variable rate based upon the weekly SIFMA rate, plus a spread shown in the preceding table. Basis risk will vary over time due to inter-market conditions. As of June 30, 2017, the interest rate on our variable rate debt with swaps ranged from 0.94% to 0.95% per annum while the variable interest rate on the corresponding swaps was 0.91% per annum (SIFMA at June 30, 2017). As of June 30, 2016, the interest rate on the Commission's variable rate debt with swaps ranged from 0.42% to 0.43% per annum while the variable interest rate on the corresponding swaps was 0.41% per annum (SIFMA at June 30, 2016). We considered the risk when structuring the related bonds and determined it was within acceptable tolerance levels.

A change in the tax code could fundamentally alter the long-term historical relationship between taxable and tax-exempt short-term interest rates, changing the Commission's receipts under its swap contracts. We determined that it was not economically feasible to transfer this tax risk to the swap counterparties.

Conduit Financing Programs – Borrowers in these programs may enter into interest rate swaps. The Commission is neither a party to, nor a beneficiary of these contracts and does not include them in its financial statements.

Note 6 – Bonds and Notes Payable (continued)

Bond Refunding

The Commission refunds bonds on a current or advanced basis. Current refundings result from redemption of the old, prior bonds within 90 days of the issuance of the new, refunding bonds while advance refundings occur more than 90 days after issuance. In an advance refunding, the refunding bond proceeds are invested in qualifying U.S. government securities held in an irrevocable trust that provides all future debt service payments on the bonds; this results in the defeasance of the debt. All obligations are considered extinguished, so we do not reflect the assets or the liabilities of defeased bonds in our financial statements. Our reporting of refunded and advance refunded bonds varies by program.

Single-Family Homeownership Program – The Commission defers and amortizes the difference between the cost to defease outstanding debt and the carrying value of bonds defeased by refunding bonds using the straight-line method over the shorter of the remaining term of the refunded bonds or the refunding bonds. Results of current refundings are:

		REFUNDING ISSUE							
Fiscal Year	Date of Issue	Bond Series	Amount	Premium and Other	Effective Rate	Bond Series	Amount	Reduction in Debt Service	Economic Gain (Loss)
2017	11/30/2016	Series 2016 2 A-R	$ 32,045,000	$ 1,056,618	3.034%	2007 Series 2A	$ 33,110,000	$ 15,655,815	$ 8,553,347
						2007 Series 3A			
2017	04/27/2017	Series 2017 1 A-R	$ 13,315,000	$ 439,164	3.320%	2007 Series 5A	$ 13,755,000	$ 13,631,964	$ 4,925,854
2016	12/10/2015	Series 2015 1 A-R	$ 38,845,000	$ 1,018,164	3.022%	2006 Series 2A	$ 39,865,000	$ 8,759,339	$ 6,766,031
						2006 Series 3A			
						2006 Series 5A			
2016	5/26/2016	Series 2016 1 A-R	$ 30,500,000	$ 1,216,802	2.869%	Series 2005 VR-2A	$ 31,720,000	$ 2,765,038	$ 3,534,988
						Series 2006 6A			
						Series 2007 1A			

On November 30, 2016 the Commission issued Series 2016 2 A-R bonds of $32,045,000 with an effective interest rate of 3.0335%. The bond proceeds, including premium received of $1,056,618, refunded $33,110,000 of outstanding 2007 Series 2A, & 2007 Series 3A. The current refunding reduced the Commission's total debt service requirements by $15,655,815, resulting in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of $8,553,347.

On April 27, 2017 the Commission issued Series 2017 1 A-R bonds of $13,315,000 with an effective interest rate of 3.320%. The bond proceeds and other resources including premium of $439,164 refunded $13,755,000 of outstanding 2007 Series 5A Bonds. This current refunding reduced our total debt service requirements by $13,631,964, resulting in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of $4,925,854.

The fiscal year ended June 30, 2016 included the following defeasance transactions:

On December 10, 2015, the Commission issued Series 2015 1 A-R bonds of $38,845,000 with an effective interest rate of 3.022%. The bond proceeds, including premium received of $1,018,164 were used to refund $39,865,000 of outstanding 2006 Series 2, 2006 Series 3, 2006 Series 5. The current refunding reduced our total debt service requirements by $8,759,339, resulting in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of $6,766,031.

Note 6 – Bonds and Notes Payable (continued)

Future principal and interest payments and bonds outstanding – Bonds mature in varying amounts On May 26, 2016, the Commission issued Series 2016 1 A-R bonds of $30,500,000 with an effective interest rate of 2.869%. The bond proceeds and the premium of $1,216,802 were used to refund $31,720,000 of outstanding 2005 Series VR-2, 2006 Series 6, 2007 Series 1. As a result of the current refunding, the Commission reduced its total debt service requirements by $2,765,038, which resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of $3,534,988.

Conduit Financing Programs – As the conduit issuer, we do not calculate, amortize or disclose differences between the cost to defease outstanding debt and the carrying value of bonds defeased by refunding bonds since the cash flows and economic gain or loss accrues to the borrower.

through 2060 based on their scheduled terms. However, some may be refinanced or redeemed early. As of June 30, 2017, future principal and interest requirements are as follows:

Fiscal Year June 30,	Total Principal Redemptions	Total Interest Payments	Total Debt Service
2018	$ 33,835,661	$ 139,666,091	$ 173,501,752
2019	79,676,609	139,826,577	219,503,186
2020	67,966,482	140,163,730	208,130,212
2021	70,684,489	136,450,383	207,134,872
2022	90,752,002	133,746,332	224,498,334
2022-2027	320,096,540	633,923,068	954,019,608
2027-2032	590,857,890	551,735,912	1,142,593,802
2032-2037	974,264,386	378,916,082	1,353,180,468
2037-2042	953,339,952	262,933,511	1,216,273,463
2042-2047	523,831,049	165,029,457	688,860,506
2047-2052	462,077,143	56,436,006	518,513,149
2052-2057	68,881,562	11,979,864	80,861,426
2057-2060	34,900,000	4,636,667	39,536,667
	$ 4,271,163,765	$ 2,755,443,680	$ 7,026,607,445

Changes in bonds outstanding during the fiscal year ended June 30, 2017, are summarized in the following table:

June 30, 2016	Issued	Redeemed	June 30, 2017
$ 3,727,679,017	$ 1,190,090,180	$ 646,605,432	$ 4,271,163,765

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, 2017, are shown below:

Mortgage Loan, Commitments Program	Amount
Single Family Housing Program	$ 64,572
Multifamily Housing Program	74,159,347
Nonprofit Housing Program	108,083,800
Nonprofit Facilities Program	132,451
	$ 182,440,170

Operating lease – The Commission has a lease commitment for office space on a long-term basis. Lease expense for the fiscal years ended June 30, 2017 and 2016 was $703,890 and $690,600, respectively. Future minimum lease payments for the lease agreement that ends in fiscal year 2021 are below:

For the Year Ending June 30:	
2018	$ 754,406
2019	754,406
2020	754,406
2021	754,406
	$ 3,017,624

Lines 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. We renewed the agreement on January 28, 2016. As of June 30, 2017 and 2016, the liquidity loan balance outstanding was $1,000,000 and $0, respectively.

During the fiscal year ending June 30, 2016, the Commission, as a nonmember borrower of the Federal Home Loan Bank ("FHLB"), entered into a collateralized line of credit agreement. This agreement allows the Commission to access short term funds to meet liquidity needs. There was no balance outstanding as of June 30, 2017 and June 30, 2016, however, draws made during the years were $15 million and $4 million respectively.

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 permits our employees to defer a portion of their salaries until future years. The State pays the deferred compensation to employees upon termination, retirement, death or unforeseeable emergency. We record the funds as salary expense when paid to the State; therefore, neither an asset nor liability is recorded on our financial statements.

Retirement (pension) plan – The Commission's employees participate in the Public Employees' Retirement System ("PERS") of the State. PERS, established by the legislature in 1947, 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 colleges, 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. Our employees are eligible to participate in Plans 2 and 3. Plan 2 and a portion of Plan 3 are defined benefit plans. Plan 3 includes a defined contribution component. Each employee is responsible for their plan selection.

Commission employees may retire at the age of 65 with five years of service or at age 55 with 20 years of service. The employee's retirement benefit is the product of three factors, the PERS plan percentage (Plan 2, 2%, Plan 3, 1%), average final compensation (the greatest compensation during any consecutive 60-month period) and years of service. Retirement benefits taken before age 65 are actuarially reduced. A cost-of-living allowance on the benefit is added, based on the Seattle Consumer Price Index, capped at 3% annually. PERS Plans 2 and 3 benefits include duty and non-duty disability payments and a one-time duty-related death benefit.

A combination of investment earnings and employer and employee contributions finance PERS retirement. Employee contributions accrue interest at a rate specified by the Department of Retirement Services (DRS). The DRS-established rate of interest on employee contributions was 5.5%, compounded quarterly. Retirement benefit provisions are established in State statutes and may be amended only by the State legislature. An employee can withdraw their total contributions and interest earnings upon their termination. PERS defined benefits are vested after an employee completes five years of eligible service for Plan 2 participants. For PERS plan 3 participants, defined benefits are vested after ten years of eligible service or after five years if twelve months of that service are earned after age 44.

Each biennium the legislature establishes employer and employee contribution rates. The Office of the State Actuary determine the contribution requirements to fully fund the plan in accordance with chapters RCW 41.40 and 41.45. All employers are required to contribute at the level established by the legislature. PERS Plan 1 accepts no new enrollments, and no Commission employees participate in the plan. However, the employer rate for participants in Plans 2 and 3 includes a component to address the PERS Plan 1 unfunded actuarial accrued liability.

Note 8 – Employee Benefit Plans (continued)

The Commission and employee required contribution rates and amounts to the pension plan for the fiscal years 2017 and 2016 are:

	2017			2016		
	Rate		Amount	Rate		Amount
Employer contributions						
Plan 1 component	4.77%	$	274,794	4.77%	$	252,076
Plan 2 and 3 component	6.41%		369,352	6.41%		339,133
	11.18%	$	644,146	11.18%	$	591,209
Employee contributions						
Plan 2	6.12%	$	305,109	6.12%	$	278,258

Detailed information about the pension plan's fiduciary net position is available in the separately issued DRS financial statements, which are available from:

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

The DRS retirement plans are accounted for in pension trust funds using the flow of economic-resources-measurement focus and the accrual basis of accounting. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. DRS reports investments held by the plans at fair value. As of the most recent period available, fiscal year ended June 30, 2016, DRS reports a total net pension liability for Plan 1 of $5.4 billion, and a total net pension liability for Plan 2 and 3 of $5.0 billion.

At June 30, 2017, the Commission recognized its proportionate share of the net pension liabilities of Plan 1, and Plans 2 and 3 of $2,361,147 and $2,845,451 respectively and included them in accounts payable and other liabilities within the General Operating Fund. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016. Plan liabilities were rolled forward using each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments. The Commission's proportion of net pension liability was based upon its contributions in relation to all other employer and non-employer contributions to the plan. The Commission's proportions used for measurement of its obligations as of June 30, 2017 and 2016, were:

	2017	2016	Change
Plan 1	0.0439%	0.0415%	0.00240%
Plans 2 and 3	0.0564%	0.0536%	0.00280%

Note 8 – Employee Benefit Plans (continued)

The change in Commission proportions was determined to be immaterial, therefore a deferral of the impact of the change was not recognized.

For the years ended June 30, 2017 and 2016, the Commission recognized pension expense of $623,546 and $635,648, respectively. For those years we recognized deferred outflows and inflows of resources related to pension obligations from the following sources:

As of June 30, 2017	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments:		
Plan 1	$ 64,950	$ -
Plans 2 and 3	370,833	-
Contributions subsequent to the measurement date	622,848	-
Total	$ 1,058,631	$ -

June 30, 2016	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments:		
Plan 1	$ -	$ 116,920
Plans 2 and 3	-	500,389
Contributions subsequent to the measurement date	571,841	-
Total	$ 571,841	$ 617,309

The $622,848 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows for years ending June 30:

2018	$ 38,445
2019	38,445
2020	(309,745)
2021	(202,928)

Note 8 – Employee Benefit Plans (continued)

The total pension liability in the June 30, 2015, actuarial valuation, which was rolled forward to June 30, 2016, was determined using the following actuarial assumptions.

Inflation:	
Economic	3.00%
Salary	3.75%
(Salaries are also expected to grow by promotions and longevity)	
Investment rate of return	7.50%
Discount rate	7.50%

Mortality rates were based on the RP-2000 report's combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The Office of State Actuary applied offsets to the table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year through his or her lifetime.

The long-term expected rate of return on pension plan investments was determined using a building-block method. The Washington State Investment Board ("WSIB") used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of the WSIB's Capital Market Assumptions ("CMAs"). WSIB uses the CMAs and their target asset allocations to simulate future investment returns at various future times. The long-term expected rate of return of 7.50% approximately equals the median of the simulated investment returns over a 50-year time horizon, adjusted to remove or dampen any short-term changes to WSIB's CMAs that aren't expected over the entire 50-year measurement period.

The target allocation and best estimates of arithmetic real rates of return for each major asset class (as of PERS year-end June 30, 2016), including an inflation component of 2.20%, are summarized in the following table:

Asset Class	Target Allocation	% Long-Term Expected Rate of Return
Fixed Income	20%	1.70%
Tangible Assets	5%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	100%	

Note 8 – Employee Benefit Plans (continued)

The discount rate used to measure the total pension liability was 7.50%. The rate was determined by completing an asset sufficiency test on whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members.

Consistent with current law, the asset sufficiency test included an assumed 7.70% long-term discount rate to determine funding liabilities for calculation of future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.50% future investment rate of return on investment assets was assumed for the test. Contributions from plan members and employers are assumed to continue at contractually required rates. Based upon those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50% was used to determine the total liability.

The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.50% as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	Discount Rate Sensitivity		
	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Plan 1	$ 2,846,246	$ 2,361,147	$ 1,942,054
Plan 2 and 3	$ 5,226,972	$ 2,845,450	$ (1,477,824)

Note 9 – Risk Management

The Commission is subject to various risks of loss related to torts; theft of, damage 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, 2017, there were no known asserted or unasserted claims or judgments against the Commission.

The Commission may be subject to various threatened or pending legal actions, contingencies and commitments in the normal course of conducting its business. The Commission provides for costs or income related to a settlement of these matters when a loss or gain is probable and the amount can be reasonably estimated. The effect of the outcome of these matters on the Commission's future results of operations and liquidity is not predictable because any such effect depends on future results of operations and the amount and timing of the resolution of any such matters. However, 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, 2017 and 2016:

Charges for Services	2017	2016
Washington Higher Education Facilities Authority	$ 265,278	$ 241,432
Tobacco Settlement Authority	$ 27,069	$ 25,508
Receivable From		
Washington Higher Education Facilities Authority	$ 62,404	$ 38,094
Tobacco Settlement Authority	$ 7,356	$ 4,656

Note 11 – Subsequent Events

Subsequent to June 30, 2017, the Commission issued $321.9 million in additional bonds and the trustees, under the normal and early redemption provisions of the trust indenture, have redeemed $107.5 million in bonds.

Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability

PLAN 1	2017	2016	2015
WSHFC's portion of net pension liability	0.0439%	0.0415%	0.0411%
WSHFC's proportionate share of the net pension liability	$ 2,361,147	$ 2,165,498	$ 2,065,694
WSHFC's covered employee payroll	N/A	N/A	N/A
WSHFC's proportionate share of the net pension liability as a percentage of its covered employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	57.03%	59.10%	61.19%

PLAN 2 and 3	2017	2016	2015
WSHFC's portion of net pension liability	0.0564%	0.0536%	0.0529%
WSHFC's proportionate share of the net pension liability	$ 2,845,451	$ 1,936,303	$ 1,047,010
WSHFC's covered employee payroll	$ 5,293,776	$ 4,764,468	$ 4,556,682
WSHFC's proportionate share of the net pension liability as a percentage of its covered employee payroll	53.75%	40.64%	22.98%
Plan fiduciary net position as a percentage of the total pension liability	85.82%	89.20%	93.29%

Schedule of Contributions

PLAN 1	2017	2016	2015
Statutorily-required contributions	$ 249,236	$ 190,655	$ 181,929
Contributions in related to the statutorily-required contributions	249,236	190,655	181,929
Contribution (deficiency) excess	$ -	$ -	$ -
WSHFC's covered-employee payroll	N/A	N/A	N/A
Contribution as a percentage of covered-employee payroll	N/A	N/A	N/A

PLAN 2 and 3	2017	2016	2015
Statutorily-required contributions	$ 325,504	$ 238,702	$ 223,548
Contributions in related to the statutorily-required contributions	325,504	238,702	223,548
Contribution (deficiency) excess	$ -	$ -	$ -
WSHFC's covered-employee payroll	$ 5,293,776	$ 4,764,468	$ 4,556,682
Contribution as a percentage of covered-employee payroll	6.15%	5.01%	4.91%

Plan 1 – No Commission employees are eligible for PERS 1. Commission contributions are required in order to address the PERS 1 unfunded actuarial accrured liability. Therefore, covered payroll and contributions as a percentage of covered payroll is not applicable to Plan 1.

Supplemental Information

Washington State Housing Finance Commission
Schedule of Program Net Position

	Restricted Bond Fund		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Single-family Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
CASH AND CASH EQUIVALENTS	$ 61,958,871	$ 15,382,208	$ 68,877,281
INVESTMENTS			
U.S. government and agencies securities	10,237,780	-	51,485,641
Investment agreements and other investments	-	-	619,221
	10,237,780	-	52,104,862
ACCRUED INTEREST RECEIVABLE	1,074,663	365,950	4,905,718
FEES RECEIVABLE, net	-	-	-
OTHER RECEIVABLES	-	-	-
INTERFUND LOANS	(5,000,000)	-	-
MORTGAGE-BACKED SECURITIES, cost	384,249,881	109,228,486	13,725,437
Cumulative unrealized gain on mortgage-backed securities	9,986,264	7,189,716	21,823
MORTGAGE-BACKED SECURITIES, fair value	394,236,145	116,418,202	13,747,260
MORTGAGE LOANS, net	-	-	2,476,971,789
PREPAID FEES AND OTHER	-	-	24,917
TOTAL ASSETS	462,507,459	132,166,360	2,616,631,827
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivatives & other	323,769	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 462,831,228	$ 132,166,360	$ 2,616,631,827

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program-Related Investments	June 30, 2017	June 30, 2016
$ 73,238,767	$ 2,694,573	$ 15,309,138	$ 36,551,134	$ 274,011,972	$ 128,429,813
17,709,300	-	9,185,738	37,284,902	125,903,361	77,799,191
56,267,896	-		-	56,887,117	173,627,453
73,977,196	-	9,185,738	37,284,902	182,790,478	251,426,644
8,173,688	193,099	237,134	764,068	15,714,320	17,078,192
-	-	4,978,562	448,234	5,426,796	5,832,235
-	-	1,000,944	-	1,000,944	31,403,785
-	-	-	5,000,000	-	-
-	-	-	-	507,203,804	518,028,542
-	-	-	-	17,197,803	38,063,063
-	-	-	-	524,401,607	556,091,605
848,958,836	306,885,879	-	231,828,372	3,864,644,876	3,296,178,288
-	-	714,966	-	739,883	597,856
1,004,348,487	309,773,551	31,426,482	311,876,710	4,868,730,876	4,287,038,418
-	-	1,058,631	-	1,382,400	1,235,300
$ 1,004,348,487	$ 309,773,551	$ 32,485,113	$ 311,876,710	$ 4,870,113,276	$ 4,288,273,718

Washington State Housing Finance Commission
Schedule of Program Net Position (continued)

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	Restricted Bond Fund Single-family Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
ACCOUNTS PAYABLE AND OTHER LIABILITIES	$ 10,013,205	$ 496,564	$ 41,146,447
ACCRUED INTEREST PAYABLE	1,065,633	693,781	8,205,206
UNEARNED-REVENUE AND OTHER	-		-
DERIVATIVE INSTRUMENT - INTEREST RATE SWAP	323,769		-
PROJECT EQUITY HELD FOR BORROWER	-		2,087,670
BONDS PAYABLE			
Current interest bonds	340,560,000	59,725,000	2,507,232,949
Taxable bonds	12,407,641	51,347,734	57,932,828
Unamortized bond discount	-	-	(240,470)
Unamortized bond premium	5,092,463	615,089	-
	358,060,104	111,687,823	2,564,925,307
TOTAL LIABILITIES	369,462,711	112,878,168	2,616,364,630
DEFERRED INFLOWS OF RESOURCES	-	-	-
NET POSITION			
Restricted			
Bond operations	93,368,517	19,288,192	267,197
Grants and donations to Program-Related Investments	-	-	-
Net investment in capital assets	-	-	-
Unrestricted			
General operations	-	-	-
Housing Washington	-	-	-
Program-Related Investments	-	-	-
	93,368,517	19,288,192	267,197
TOTAL LIABILITIES, DEFERRED INFLOW OF AND NET POSITION	$ 462,831,228	$ 132,166,360	$ 2,616,631,827

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program-Related Investments	June 30, 2017	June 30, 2016
$ 29,724,842	$ 2,110,108	$ 7,180,138	$ 35,544,176	$ 126,215,480	$ 138,429,515
18,204,108	777,564	-	-	28,946,292	24,602,969
-	-	9,131,403	-	9,131,403	10,226,551
-	-	-	-	323,769	663,459
-	-	-	-	2,087,670	637,277
921,521,931	306,216,934	-	-	4,135,256,814	3,580,332,725
13,549,803	668,945	-	-	135,906,951	147,346,292
(117,454)	-	-	-	(357,924)	(136,051)
21,465,257	-	-	-	27,172,809	7,429,697
956,419,537	306,885,879	-	-	4,297,978,650	3,734,972,663
1,004,348,487	309,773,551	16,311,541	35,544,176	4,464,683,264	3,909,532,434
-	-	-	-	-	617,309
-	-	-	-	112,923,906	123,827,331
-	-	-	1,082,696	1,082,696	1,082,696
-	-	349,592	-	349,592	329,256
-	-	15,502,441	-	15,502,441	15,523,475
-	-	321,539	-	321,539	298,379
-	-	-	275,249,838	275,249,838	207,062,838
-	-	16,173,572	276,332,534	405,430,012	348,123,975
$ 1,004,348,487	$ 309,773,551	$ 32,485,113	$ 311,876,710	$ 4,870,113,276	$ 4,258,273,718

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	$ 14,902,783	$ 4,938,595	$ 61,075,779
Other interest and investment income (loss)	1,703,229	48,889	(51,983)
Gain (loss) on mortgage-backed securities	(15,344,673)	(5,506,227)	(14,357)
Other fee income	1,774,943	328,193	5,374,533
Nonoperating revenues - grants	-	-	-
	3,036,282	(190,550)	66,383,972
EXPENSES			
Interest on debt	10,350,300	4,447,169	61,320,521
Amortization of bond discount	-	-	3,083
Amortization of bond premium	(950,740)	(244,289)	-
Bond issuance costs	1,479,749	-	5,372,373
Amortization of bond insurance premium	-	-	2,160
Servicing and commission fees	1,347,346	328,193	24,163
Salaries and wages	-	-	-
Communication and office expense	-	-	-
Professional fees	-	-	-
Trustee and paying agent fees	90,495	36,727	5,866
Other	158,175	-	-
Nonoperating expenses - grants	-	-	-
	12,475,325	4,567,800	66,728,166
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	(9,439,043)	(4,758,350)	(344,194)
NET POSITION			
Balance, beginning of year	99,169,398	24,046,542	611,391
Contribution (distribution) of equity	3,638,162	-	-
Balance, end of year	$ 93,368,517	$ 19,288,192	$ 267,197

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program-Related Investments	Years Ended June 30, 2017	2016
$ 39,793,106	$ 7,366,351	$ -	$ -	$ 128,076,614	$ 107,656,146
(83,139)	-	486,999	-	2,103,995	2,719,584
-	-	-	-	(20,865,257)	(6,791,481)
5,876,506	621,922	31,997,999	56,735,546	102,709,642	74,699,985
-	-	3,614,395	193,557	3,807,952	5,577,935
45,586,473	7,988,273	36,099,393	56,929,103	215,832,946	183,862,169
41,220,771	7,366,351	-	-	124,705,112	102,026,326
18,597	-	-	-	21,680	172,214
(1,529,401)	-	-	-	(2,724,430)	(1,523,692)
5,876,506	621,922	-	-	13,350,550	6,961,632
-	-	-	-	2,160	2,200
-	-	-	-	1,699,702	1,863,460
-	-	8,363,747	-	8,363,747	7,811,389
-	-	2,050,888	-	2,050,888	2,481,315
-	-	1,219,243	-	1,219,243	1,274,791
-	-	-	-	133,088	138,837
-	-	-	-	158,175	180,322
-	-	3,614,395	5,932,599	9,546,994	9,292,909
45,586,473	7,988,273	15,248,273	5,932,599	158,526,909	130,681,703
-	-	20,851,120	50,996,504	57,306,037	53,180,466
-	-	16,151,110	208,145,534	348,123,975	294,943,509
-	-	(20,828,658)	17,190,496	-	-
$ -	$ -	$ 16,173,572	$ 276,332,534	$ 405,430,012	$ 348,123,975

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	$ 14,657,586	$ 5,071,509	$ 64,000,588
Receipts for other fee income	2,365,523	328,193	-
Receipts for loans and mortgage prepayments	64,948,774	39,884,936	172,487,974
Payments for acquisition of loans and mortgages	(93,708,033)	-	(601,324,758)
Payments for bond program expenses	(602,733)	(365,171)	(5,645,955)
Payments to employees and suppliers	-	-	-
Net cash from (used for) operating activities	(12,338,883)	44,919,467	(370,482,151)
INVESTING ACTIVITIES			
Purchase of investments	(486,510,504)	-	(55,813,195)
Sale of investments	544,922,644	-	12,904,622
Interest received on investments	1,373,850	42,462	(250,251)
Net cash from (used for) investing activities	59,785,990	42,462	(43,158,824)
NONCAPITAL FINANCING ACTIVITIES			
Project equity used, net	-	-	1,450,393
Proceeds from sale of bonds and notes	134,415,000	-	658,407,295
Proceeds from Short term loan from other fund	30,500,000	-	-
Repayments of Short term loans from other fund	(55,500,000)	4,000,000	-
Short term loan provided to other fund	-	-	-
Interest paid on debt	(10,383,052)	(4,715,193)	(59,119,828)
Debt repayments	(111,231,854)	(40,731,362)	(172,487,974)
Contributions	3,638,162	-	-
Net cash from (used for) noncapital financing activities	(8,561,744)	(41,446,555)	428,249,886
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	38,885,363	3,515,374	14,608,911
CASH AND CASH EQUIVALENTS			
Beginning of year	23,073,508	11,866,834	54,268,370
End of year	$ 61,958,871	$ 15,382,208	$ 68,877,281

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program-Related Investments	Year Ended June 30, 2017
$ 50,458,811	$ 8,110,644	$ -	$ -	$ 142,299,138
-	-	33,849,444	56,632,601	93,175,761
195,751,191	36,153,308	-	23,490,176	532,716,359
(290,612,985)	(28,570,006)	-	(73,338,201)	(1,087,553,983)
(4,347,105)	(621,922)	-	-	(11,582,886)
-	-	(15,715,342)	(2,826,982)	(18,542,324)
(48,750,088)	15,072,024	18,134,102	3,957,594	(349,487,935)
(206,192,517)	-	-	(5,647,874)	(754,164,090)
253,960,709	-	11,051,289	-	822,839,264
219,989	(1,432)	619,983	-	2,004,601
47,988,181	(1,432)	11,671,272	(5,647,874)	70,679,775
-	-	-	-	1,450,393
278,335,619	28,682,525	-	-	1,099,840,439
-	-	-	-	30,500,000
-	-	-	51,500,000	-
-	-	-	(30,500,000)	(30,500,000)
(39,025,098)	(7,301,653)	-	-	(120,544,824)
(195,751,191)	(36,153,308)	-	-	(556,355,689)
-	-	(20,828,658)	17,190,496	-
43,559,330	(14,772,436)	(20,828,658)	38,190,496	424,390,319
42,797,423	298,156	8,976,716	36,500,216	145,582,159
30,441,344	2,396,417	6,332,422	50,918	128,429,813
$ 73,238,767	$ 2,694,573	$ 15,309,138	$ 36,551,134	$ 274,011,972

Washington State Housing Finance Commission
Schedule of Program Cash Flows (continued)

	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	$ (9,439,043)	$ (4,758,350)	$ (344,194)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash from operating activities			
Amortization of mortgage discount	(491,227)	-	(3,083)
Amortization of mortgage premium	29	-	-
Amortization of bond insurance premium	-	(244,289)	(2,160)
Amortization of bond premium	(950,740)	-	-
Amortization of bond discount	-	-	3,083
Amortization of unearned fee income	-	-	2,160
Acquisition of mortgage loans	(93,708,033)	-	(603,715,209)
Repayments of mortgage loans	64,948,774	39,884,936	172,487,974
Unrealized (gain) loss on securities	15,075,978	5,506,227	14,357
Cash from changes in operating assets and liabilities			
Interest and other receivables	(597,953)	84,025	(2,390,339)
Interest and other payables	12,823,332	4,446,918	63,465,260
Net cash from (used for) operating activities	$ (12,338,883)	$ 44,919,467	$ (370,482,151)

	Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program-Related Investments	Year Ended June 30, 2017
	$ -	$ -	$ 20,851,120	$ 50,996,504	$ 57,306,037
	(18,597)	-	-	-	(512,907)
	1,529,401	-	-	-	1,529,430
	-	-	-	-	(246,449)
	(1,529,401)	-	-	-	(2,480,141)
	18,597	-	-	-	21,680
	-	-	-	-	2,160
	(276,347,786)	(28,821,161)	-	(73,338,201)	(1,075,930,390)
	195,751,191	36,153,308	-	23,490,176	532,716,359
	-	-	-	-	20,596,562
	3,361,534	122,372	(1,776,150)	4,247,825	3,051,314
	28,484,973	7,617,505	(940,868)	(1,438,710)	114,458,410
	$ (48,750,088)	$ 15,072,024	$ 18,134,102	$ 3,957,594	$ (349,487,935)

Washington State Housing Finance Commission
Schedule of Notes and Bonds Payable
Year Ended June 30, 2017 with Comparative Totals for 2016

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2017	Balance Outstanding 2016
Single-family (Open Indenture)					
Single-family Series 2007 2	03/29/07	$ 55,000,000	06/01/48	$ -	$ 32,215,000
Single-family Series 2007 3	05/17/07	55,000,000	06/01/48	-	1,430,000
Single-family Series 2007 4	06/20/07	54,980,000	06/01/48	-	-
Single-family Series 2007 5	10/25/07	80,005,000	12/01/47	-	13,755,000
Single-family Series 2008 1	07/01/08	55,000,000	06/01/49	4,215,000	5,770,000
Single-family Series 2008 2	09/25/08	41,000,000	06/01/48	3,060,000	4,120,000
Single-family Series 2009 1	06/25/09	20,000,000	06/01/39	6,000,000	6,000,000
Single-family Series 2009 2N	10/28/09	24,820,000	06/01/40	540,000	4,070,000
Single-family Series 2010 1A-R/1N-R	11/30/10	35,175,000	12/01/35	7,940,000	9,855,000
Single-family Series 2013 1A-R/1N-R	03/27/13	62,515,000	06/01/43	39,430,000	51,550,000
Single-family Series 2014 1A-R/1N-R	01/28/14	36,700,000	06/01/43	7,265,000	16,595,000
Single family Series 2014 2A-R 2N 2N-R	12/18/14	50,515,000	06/01/44	30,850,000	41,305,000
Single-family Series 2015 1A-R/1N	12/10/15	63,845,000	06/01/38	50,940,000	62,565,000
Single family Series 2016 1A-R 1N VR-1N	05/26/16	65,500,000	12/01/46	57,265,000	65,500,000
Single family Series 2016 2A-R 2N	11/30/16	67,045,000	12/01/46	65,685,000	-
Single family Series 2017 1A-R 1N	04/27/17	67,370,000	12/01/47	67,370,000	-
Special Single family	10/18/12	26,171,376	10/01/42	12,407,641	15,054,496
				352,967,641	329,784,496
Unamortized Bond Premium				5,092,463	3,576,033
Unamortized Bond Discount				-	-
				358,060,104	333,360,529
Homeownership Program Bonds					
HPB 09 B - NBIP	12/21/09	50,000,000	10/01/40	2,390,000	4,530,000
HPB 09 Series AC1/2010 Series A - NBIP	06/29/10	100,000,000	10/01/41	7,585,000	11,800,000
Homeownership Program Bonds 09 AC2/11 A	03/24/11	99,990,000	10/01/41	10,275,000	14,960,000
Homeownership Program Bonds 09 AC3/11 B	09/29/11	116,440,000	10/01/41	39,475,000	52,025,000
Homeownership Program Bonds 2013A	01/30/13	23,675,203	03/01/40	8,667,734	12,209,096
Homeownership Program Bonds2015 AB	05/28/15	69,370,000	05/01/41	42,680,000	56,280,000
				-	-
				111,072,734	151,804,096
Unamortized Bond Premium				615,089	859,377
Unamortized Bond Discount				-	-
				111,687,823	152,663,473
Multifamily Bonds					
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
Brittany Park Project	11/07/96	14,200,000	11/01/21	9,765,000	10,480,000
Pacific Inn Apartments	11/08/96	5,900,000	05/01/28	-	3,630,000
Meridian Court	12/12/96	8,000,000	12/01/28	6,700,000	6,700,000
Anchor Village	12/10/97	10,750,000	12/15/27	10,750,000	10,750,000
Brittany Park II	08/12/98	5,800,000	11/01/21	3,480,000	3,480,000
Boardwalk Apartments	09/14/98	12,400,000	09/01/28	9,920,000	9,920,000
Avalon Ridge Apartments	10/14/99	18,755,000	05/15/26	-	17,690,000
Regency Park Apartments	09/23/99	11,150,000	09/01/29	-	7,805,000
WoodRose Apartments	11/09/99	9,000,000	06/15/32	6,750,000	6,750,000
Granite Falls	10/03/00	3,930,000	10/01/27	-	2,650,000
Greens at Merrill Creek	10/12/00	17,310,000	06/01/24	14,495,000	14,723,000
Lakewood Meadows	11/21/00	7,850,000	07/15/33	6,280,000	6,280,000
Springfield Meadows Apartments Project	08/06/01	17,000,000	01/01/34	-	11,050,000
Country Club Apartments Project	08/09/01	12,920,000	08/01/32	-	9,690,000
Woodlands Apartments Project 2001	12/07/01	6,600,000	07/15/34	5,155,000	5,365,000
Ocean Ridge Apartments 2001	12/21/01	9,000,000	11/01/38	7,862,416	7,999,268
Alderwood Court	05/17/02	7,645,000	06/15/35	6,180,000	6,295,000
Tama Qua (Whisperwood)	05/14/02	7,900,000	05/15/35	6,240,000	6,240,000

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2017	Balance Outstanding 2016
Multifamily Bonds (continued)					
Valley View Apartments	02/19/02	$ 2,880,000	09/15/20	$ 2,365,000	$ 2,475,000
Olympic Heights Apartments 2002	02/19/02	5,165,000	09/15/20	4,780,000	4,995,000
Deer Run	10/01/02	4,900,000	05/01/30	3,665,822	3,772,014
Quail Run	12/06/02	7,150,000	07/01/35	6,277,322	6,384,495
Heatherwood Apartments.	12/11/02	21,350,000	01/01/35	14,525,000	14,525,000
Mallard Lake Park Apartments.	11/26/02	18,500,000	05/15/35	-	14,405,000
Fort Vancouver	04/03/03	6,668,000	09/01/39	5,302,914	5,403,781
Vintage at Mt. Vernon	06/05/03	10,000,000	01/15/37	8,025,000	8,155,000
Alaska House	07/15/04	8,040,000	07/20/45	7,175,000	7,275,000
International House	07/15/04	7,390,000	07/20/45	6,585,000	6,675,000
Rainier Court Apartments	12/23/03	17,000,000	12/15/36	14,990,000	15,325,000
Rolling Hills Apartments	05/27/04	8,750,000	06/15/37	-	7,415,000
Highlander Apartments II	04/30/04	10,000,000	05/01/37	8,350,000	8,350,000
Silver Creek Apartments	05/26/04	17,500,000	12/15/37	12,250,000	12,250,000
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	15,750,000	15,750,000
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	4,885,000	4,985,000
Deer Run West	12/22/04	6,270,000	06/15/37	5,390,000	5,390,000
Merrill Gardens at Queen Anne	12/17/04	30,200,000	12/01/40	27,180,000	27,375,000
Merrill Gardens at Renton	12/17/04	23,100,000	12/01/40	20,915,000	21,410,000
Valley View Apartments	12/22/04	29,675,000	05/01/38	25,073,000	25,682,000
Vintage at Burien Apartments Project	12/22/04	7,300,000	01/15/38	6,570,000	6,570,000
Vintage at Sequim	01/27/05	8,390,000	03/01/38	5,915,643	6,011,310
Park Vista Retirement Project	03/07/05	15,250,000	03/01/41	13,780,000	14,040,000
Highland Park	06/30/05	11,300,000	07/15/38	9,630,000	9,860,000
Fairwinds - Redmond	07/15/05	27,500,000	07/01/41	22,895,000	23,270,000
Pinehurst Apartments	09/27/05	14,185,000	03/15/39	12,160,000	12,390,000
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	5,748,109	5,801,711
Kamiakin Apartments	11/23/05	8,275,000	05/01/42	7,229,634	7,337,165
Vintage at Vancouver	02/10/06	8,900,000	04/01/36	7,813,294	7,955,292
Merrill at Tacoma	09/01/06	19,600,000	09/15/40	17,975,000	18,285,000
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	8,138,927	8,221,750
Orchard Hills	11/03/06	9,060,000	07/01/39	8,330,388	8,442,831
Eagle’s Landing Apartments	07/24/06	13,400,000	08/15/39	12,730,000	12,730,000
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	4,690,041	4,735,939
Covington Place	11/02/07	9,975,000	12/01/25	9,362,929	9,464,659
The Season Apartments	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	7,095,654	7,159,013
Northgate Village	12/08/06	5,990,000	06/01/43	5,393,198	5,476,970
Island Skagit Partner	02/28/07	3,850,000	03/01/37	1,890,748	1,941,936
Three County Partners	02/28/07	5,900,000	03/01/37	3,529,464	3,625,012
Barkely Ridge Apartments	08/28/07	10,400,000	09/01/40	9,985,000	9,985,000
Linden Square Apartments 2007	11/29/07	45,150,000	06/01/42	42,463,246	43,055,848
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
Clark Island 2007	11/09/07	5,560,000	11/01/42	5,560,000	5,560,000
Greentree Apartment Homes 2008	01/30/08	13,965,000	02/01/26	13,772,264	13,926,767
Arrowhead Gardens Senior Living	12/05/07	35,000,000	01/01/42	34,079,579	34,374,211
First Liberty Apartments 2007	12/11/07	5,965,000	04/01/40	4,620,000	4,700,000
APD WA RD 2007	07/31/08	9,940,000	02/01/40	5,460,672	5,539,756
Parkview Apartments	07/28/08	3,060,000	08/01/43	3,060,000	3,060,000
Talon Hills Apartments	05/30/08	4,115,000	09/01/40	3,125,000	3,170,000
Lake City Way Mixed Use	12/23/09	15,600,000	01/01/44	14,885,000	15,135,000
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	5,396,472	5,521,004
Lake City Senior	08/28/09	16,250,000	07/01/44	16,250,000	16,250,000

Washington State Housing Finance Commission
Schedule of Notes and Bonds Payable (continued)
Year Ended June 30, 2017 With Comparative Totals for 2016

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2017	Balance Outstanding 2016
Multifamily Bonds (continued)					
Washington Terrace	02/16/10	$ 11,250,000	02/15/43	$ 11,250,000	$ 11,250,000
New Haven	12/15/09	19,000,000	12/15/44	19,000,000	19,000,000
Cambridge	12/15/09	12,650,000	12/15/44	12,650,000	12,650,000
Rose Street Apartments	02/08/10	9,600,000	02/01/27	4,011,074	4,061,069
55th Avenue Apartments 2011 A&B	08/16/11	9,600,000	07/01/29	6,285,000	6,345,000
Discovery Heights Apartment	12/22/10	33,175,000	12/01/43	31,385,000	31,895,000
Downtowner Apartments	06/06/12	24,000,000	07/01/30	23,725,000	24,000,000
Evergreen Vista Apartments	05/03/11	7,300,000	11/01/27	4,476,875	4,554,569
12th Ave & Jefferson Apartments WW	05/25/11	6,281,847	05/01/28	2,376,136	2,412,769
Columbia City Station WW	06/28/11	6,220,000	06/28/28	2,320,953	2,361,314
LaVenture Workforce Housing WW	08/03/11	3,940,000	01/29/28	2,156,143	2,193,611
Tomason Place II WW	06/29/11	2,770,000	06/01/28	987,744	1,002,921
Willow Tree Grove Apartments	08/04/11	21,840,000	02/01/44	20,140,000	20,360,000
Traditions at South Hill	08/15/11	14,780,000	08/01/44	13,080,000	13,295,000
Vintage at Tacoma	08/15/11	17,800,000	07/15/29	17,585,000	17,750,000
Copper Lantern Apartments	12/21/11	1,834,000	01/01/27	1,683,844	1,715,064
Pioneer Human Services 2011	12/16/11	6,603,000	12/01/31	-	5,491,442
Interurban Senior Living	07/11/12	14,750,000	07/01/52	14,535,000	14,640,000
Tri-Court Apartments	08/01/12	15,900,000	08/01/29	15,230,676	15,473,199
Urban Center Apartments aka Ash Way	06/11/12	41,400,000	07/01/47	40,670,000	40,990,000
Desert Villa Apartments	07/30/12	11,100,000	07/01/30	10,515,000	10,670,000
North City Apartments	06/07/12	20,150,000	06/01/44	19,283,839	19,631,178
Quilceda Creek Apartments 2012	11/13/12	21,020,000	07/01/30	21,020,000	21,020,000
Rainier Court Phase III	08/08/13	7,200,000	08/08/13	-	7,200,000
Sunny View Village	06/04/14	3,068,000	06/01/33	1,188,049	1,205,000
Parklane Apartments	03/28/13	17,420,000	11/01/46	16,355,571	16,508,830
Villas at Lakewood	03/22/13	24,180,000	03/01/31	23,709,195	23,971,519
The District Apartments 2013	05/31/13	32,250,000	05/01/45	31,409,822	31,947,332
Des Moines Family Housing	09/13/13	5,850,000	03/13/34	2,554,838	5,558,194
Vantage Apartments (Speedway)	12/05/13	24,300,000	12/01/31	23,843,735	24,078,432
Reserve at Everett	12/23/13	16,350,000	12/01/31	15,481,356	15,602,660
Monroe Family Village	05/23/14	6,800,000	12/01/45	4,180,779	6,703,762
Copper Trail Apartments	10/03/13	26,300,000	10/01/45	21,499,730	21,829,960
Park 16 Apartments	12/02/13	32,750,000	12/01/31	33,643,500	33,941,191
Lake Washington 2014	03/14/14	28,000,000	09/01/26	27,797,142	28,000,000
Vintage at Lakewood	04/03/14	20,200,000	10/01/47	18,343,632	20,200,000
Olympia Vista	05/05/14	10,500,000	06/01/17	-	10,500,000
Hirabayashi Place	05/16/14	15,250,000	11/16/34	3,223,554	15,250,000
Lilac Terrace	10/09/08	5,200,000	11/01/25	131,043	142,413
15 West Apartments	07/02/14	12,850,000	07/01/54	9,826,657	12,850,000
Summit Ridge Apartments	10/28/14	11,600,000	11/01/52	11,519,905	11,519,905
Towne Square Apartments	09/11/14	3,600,000	04/30/31	635,394	644,760
Celebration Senior Living East	06/10/14	22,400,000	06/01/47	17,485,103	21,909,426
The Reserve at Renton	07/29/14	24,000,000	08/01/49	24,000,000	24,000,000
Kitt's Corner	09/12/14	27,500,000	10/01/49	27,500,000	27,500,000
High Point Apartments	09/08/14	44,000,000	10/01/47	43,546,577	21,189,950
Axis Apartments	10/15/14	41,500,000	11/01/47	40,895,404	32,604,668
Grand View Apartments	10/23/14	42,000,000	11/01/47	37,894,330	14,396,703
Market Street Apartments	11/21/14	12,000,000	12/01/51	2,500,000	2,500,000
Polaris at Covington Apartments	11/01/14	24,800,000	12/01/46	22,370,288	22,796,375
The Douglas	12/23/14	9,000,000	01/01/32	7,595,632	8,412,171
Ridpath Apartments	05/26/17	10,000,000	08/01/59	5,400,000	-
Scriber Creek	02/28/15	44,400,000	03/01/52	44,400,000	15,526,597
Copper Lane Apartments	01/28/15	19,000,000	02/01/33	18,462,858	19,000,000
The Reserve at SeaTac	03/03/15	33,000,000	04/01/53	33,000,000	33,000,000
The Winthrop	05/05/15	28,000,000	06/01/32	17,281,388	22,518,467
CAC 515 Preservation	09/10/15	6,450,000	10/01/18	-	6,450,000
HopeSource 2015	03/10/16	7,390,000	04/01/19	-	7,390,000
Adriana Senior Apartments	12/21/15	16,000,000	01/01/34	11,701,485	4,328,045
CityCenter Apartments	09/11/15	43,150,000	10/01/33	39,458,971	17,748,297
Ruby 2015 A&B	10/08/15	13,000,000	11/01/32	12,665,910	11,653,247
Reserve at Lynnwood	12/14/15	36,772,519	01/01/35	30,438,666	12,654,031
Marion Court	07/29/15	13,200,000	08/01/32	11,584,503	12,891,054
South Hill Apartments	09/30/15	25,000,000	10/01/33	25,000,000	8,159,239
Ballard Landmark Inn	08/03/15	45,150,000	12/15/41	45,150,000	45,150,000
Mountlake Senior Living	10/02/15	13,209,000	11/01/27	12,389,504	12,004,434

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2017	Balance Outstanding 2016
Multifamily Bonds (continued)					
Isabella Court	11/16/15	$ 7,000,000	12/01/33	$ 6,746,923	$ 4,260,077
The Estates at Hillside Gardens 2015	02/25/16	15,400,000	03/01/34	15,322,072	4,484,746
Promenade Apartments 2016	02/24/16	54,000,000	03/01/34	32,965,149	6,001,288
Mercy Othello Plaza East 2015	12/10/15	13,418,435	06/10/36	13,070,475	496,032
13 West Apartments 2015	12/04/15	11,050,000	12/01/33	10,673,965	4,006,514
Madison Way 2016	05/04/16	27,500,000	12/01/33	7,037,117	50,096
Gateway Apartments	12/22/15	34,000,000	01/01/33	26,402,037	5,419,243
Celebration Senior Living West	12/22/15	21,100,000	12/01/34	20,104,923	12,896,313
Beaver Cove Apartments 2015	02/09/16	17,050,000	02/01/32	17,048,200	14,529,625
The Timbers 2016	03/04/16	20,300,000	04/01/33	20,300,000	17,909,189
The Meadows 2016	03/04/16	13,300,000	04/01/33	13,300,000	10,636,410
Lynnwood City Center Senior Living 2016	03/11/16	39,756,000	04/01/29	29,254,451	2,080,547
The Vintage at Arlington 2016	03/04/16	10,950,000	04/01/33	10,950,000	9,985,331
The Vintage at Bellingham 2016	03/04/16	10,000,000	04/01/33	10,000,000	8,056,519
Columbia Gardens at Rainier CT	07/15/16	6,800,000	08/01/31	6,715,685	-
LARC at Kent	06/28/16	14,250,000	07/01/34	4,132,635	1,328,389
Wright Park House 16	08/10/16	9,200,000	09/01/33	7,717,692	-
Shag Affordable Senior Living '16	08/05/16	29,722,000	09/01/34	29,024,292	-
Vintage at Holly Village 2016	06/30/16	23,500,000	07/01/33	23,098,025	19,581,742
Vintage at Mill Creek '16	08/05/16	35,000,000	09/01/34	18,706,743	-
The Villas at Auburn	09/29/16	48,175,000	04/01/34	23,725,231	-
Reserve at Auburn	09/29/16	46,965,000	04/01/34	18,213,596	-
Copper Valley Apts	12/16/16	25,050,000	01/01/35	4,933,391	-
Copper River Apartments	09/27/16	23,000,000	10/01/34	9,337,649	-
Linden Flats Apartments-MFH	11/03/16	32,000,000	12/01/34	11,449,486	-
Southside by Vintage 16 - MFH	09/08/16	55,000,000	10/01/34	11,860,592	-
Copper Wood Apts-MFH	10/26/16	24,220,000	11/01/34	11,321,790	-
Puget Park Apts-MFH	12/21/16	54,512,963	12/10/34	5,998,586	-
Trailside Apts-MFH	03/31/17	35,000,000	03/01/59	35,000,000	-
Parkside Apts Proj	02/28/17	40,000,000	03/01/34	40,000,000	-
Royal Hills 17 MFH	05/19/17	46,000,000	05/01/59	46,000,000	-
Thai Binh Apts - MFH	03/10/17	40,000,000	03/01/35	55,360	-
Boulevard Place Sr Living-MFH	03/08/17	50,500,000	10/01/30	6,055,351	-
Basalt Ridge LLC MF	12/01/16	25,050,000	12/01/34	12,216,766	-
Mt Baker Village Apts - MFH	04/17/17	32,473,671	01/01/37	9,620,221	-
Mt. Baker Apts - MFH	12/21/16	7,900,000	07/01/36	3,697,518	-
Avaire Apts Project - MFH	04/21/17	11,008,000	05/01/34	11,008,000	-
Chehalis Ave Apts-MFH	02/28/17	5,835,000	03/01/34	4,605,131	-
Evergreen Village Apts Project 17 - MFH	04/21/17	44,000,000	05/01/34	29,077,367	-
Compass Health	07/10/12	500,000	07/01/27	359,414	389,597
Swauk Wind	12/27/12	9,000,000	12/20/32	7,955,499	8,299,499
YMCA of Greater Seattle 2013	07/12/13	2,030,000	07/01/20	935,926	1,224,791
Town & Country	03/06/14	1,150,000	03/06/14	977,497	1,054,165
Seattle Art Museum	05/04/16	2,802,964	05/04/31	2,710,059	2,802,964
Matthew Tregoning	04/30/08	250,000	05/01/33	166,347	174,386
Michael Pottratz	08/06/08	72,000	01/02/33	47,732	50,166
Jose Torres	01/07/09	326,500	01/01/24	163,668	184,846
Craig & Pamela Cleveringa	09/22/09	142,000	01/01/39	113,377	116,975
Daniel & Kimberly Hulse	09/22/09	195,000	09/01/39	162,499	166,901
John & Sara Burns	08/31/09	305,000	08/01/39	252,335	259,422
Sage Shelton	11/18/09	225,000	11/01/39	190,412	195,965
Kyle Chamberlain	11/20/09	132,603	10/01/39	111,852	115,147
Aaron Otto & Kim Denend	01/29/10	213,000	01/01/40	179,432	184,383
Scott Johnson & Erika Britney	03/04/10	400,000	03/01/35	281,325	298,444
Ross and Deborah Landt	04/29/10	242,000	01/01/34	191,582	199,516
Cody Schoesler	05/21/10	165,000	03/01/35	95,174	107,337
Wesley Wasson & Karen Temen	06/25/10	265,000	03/01/40	208,921	215,151
Jacob Wyles	08/06/10	278,500	01/01/31	212,480	224,470
Nicholas Wyles	03/11/11	262,000	01/01/36	214,887	223,325
Jason Salvo & Siri Brown	08/17/11	197,500	08/01/41	-	173,064
Gary Johnson	04/21/14	200,000	05/01/29	-	58,248

Washington State Housing Finance Commission
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Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2017	Balance Outstanding 2016
Multifamily Bonds (continued)					
Jeffrey and Arienne Pauls	11/18/15	$ 215,000	12/01/45	$ 209,918	$ 214,390
Keith and Ashley Luft	04/28/16	455,000	10/01/41	453,384	455,000
Jacob & Rachel Reister	11/15/16	295,000	12/01/46	292,744	-
Mt. Baker Apartments	10/15/98	2,320,000	10/01/28	-	1,471,284
Covington Commons Apartments	06/11/99	2,600,000	07/01/29	913,253	952,282
Terrace Apartments	08/28/00	1,222,000	08/01/30	844,870	882,794
Yakima Gardens	12/18/98	942,500	01/01/29	572,551	605,258
Oregon Place	07/14/00	2,500,000	08/01/30	865,698	906,414
Westgage Terrace Apartments	08/31/05	3,218,000	03/01/22	2,589,699	2,663,646
Parkland Terrace Apartments	08/31/05	1,600,000	04/01/22	1,287,611	1,324,373
Hiawatha Artist Lofts	12/01/06	8,500,000	12/01/28	3,341,782	3,418,441
Creston Point Apartments 2007	10/19/07	2,000,000	11/01/37	1,788,889	1,922,222
				2,565,165,777	2,079,246,457
Unamortized Bond Premium				-	-
Unamortized Bond Discount				(240,470)	-
				2,564,925,307	2,079,246,457
Nonprofit Housing					
Nikkei Concerns	10/20/94	6,250,000	10/01/19	-	1,505,000
Nikkei Manor	11/06/96	3,100,000	10/01/21	1,100,000	1,250,000
Panorama City	01/29/97	24,300,000	01/01/27	7,690,000	9,010,000
Living Care Centers	10/26/00	14,950,000	10/01/30	10,065,000	10,530,000
Pioneer Human Services 2001	08/02/01	7,100,000	08/01/19	-	920,000
Franke Tobey Jones	08/27/03	13,035,000	09/01/33	13,035,000	13,035,000
Mercy Housing	09/19/03	6,445,215	09/19/33	3,331,851	4,336,183
Mercy Housing - Cobble Knoll, Phase II	11/30/04	3,900,000	11/01/34	2,983,238	3,083,790
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	-	98,930,000
Wesley Homes Lea Hill	04/02/07	57,610,000	01/01/36	-	40,370,000
Panorama Apartments	04/03/08	28,500,000	04/01/43	28,000,000	28,000,000
Pioneer Human Services 2009	06/30/09	10,460,000	07/01/29	-	8,625,000
Odd Fellows 2010	07/15/10	8,609,000	07/01/20	6,120,481	6,530,442
Crista Ministries	12/29/10	13,495,000	01/01/26	8,619,618	9,457,457
San Franciscan Apartments WW	12/22/10	1,250,000	01/01/31	1,105,541	1,130,945
Mt Baker/Cedar Village WW	12/21/10	2,444,000	12/01/21	2,204,364	2,252,358
Mount Vista Apartments WW	03/29/11	1,100,000	04/01/41	968,757	992,433
Purple Sage Apartments WW	05/12/11	1,100,000	05/01/21	984,953	1,012,306
Littlerock Road Housing WW	05/27/11	3,568,621	06/01/43	3,115,428	3,174,193
Park Place Townhomes	08/19/11	1,200,000	09/01/41	1,067,663	1,093,264
Kline Galland Center	12/08/11	20,880,000	12/01/26	14,467,644	15,733,234
Judson Park 2012	05/31/12	21,505,000	02/01/37	17,145,879	18,017,703
Housing Hope 2012	08/31/12	1,713,769	09/01/42	1,584,230	1,614,176
Mirabella	12/27/12	89,240,000	10/01/47	79,320,000	80,070,000
Riverview Retirement Community 2012	12/03/12	15,695,000	01/01/48	14,990,000	15,180,000
Emerald Heights	02/07/13	29,845,000	07/01/33	26,255,000	27,275,000
Tacoma Lutheran Retirement Community	03/22/13	13,000,000	04/01/43	11,819,874	12,117,620
Presbyterian Retirement Community NW	06/19/13	14,840,000	01/01/43	7,160,000	14,240,000
Bellevue Duplexes 2013	07/01/13	820,000	08/01/23	768,060	782,532
The Hearthstone 2013	07/03/13	25,000,000	07/01/41	19,633,273	23,500,711
Rockwood Retirement 2014	02/13/14	103,755,000	01/01/49	75,965,000	84,465,000
Heritage Heights 2013	07/31/13	1,700,000	08/01/28	1,537,259	1,582,265
Green River Community College	08/28/13	14,885,000	07/01/35	13,096,335	13,598,726
Horizon House 2014	03/06/14	61,000,000	04/01/39	57,117,911	58,553,613
Wesley Homes at Lea Hill	09/30/14	10,000,000	10/01/39	-	9,949,188
Liberty Park	10/30/14	1,160,000	11/02/44	1,122,210	1,137,701
Meadowdale Apartments	05/26/15	7,000,000	06/01/31	6,864,204	6,496,247
Heron's Key	08/06/15	145,055,000	07/01/50	145,055,000	145,055,000
Skyline 2015	12/02/15	8,740,000	01/01/45	8,410,000	8,525,000
ECCO Properties Project 2015	09/29/15	15,740,000	07/01/43	15,560,000	15,740,000
Crista Ministries 2015	10/09/15	3,000,000	10/01/30	3,000,000	3,000,000
Cannon House 2016	03/09/16	4,875,000	03/01/41	4,731,458	4,844,783
Bayview Retirement Community 2016	08/03/16	57,460,000	07/01/51	57,245,000	-

Washington State Housing Finance Commission
Schedule of Notes and Bonds Payable (continued)
Year Ended June 30, 2017 with Comparative Totals for 2016

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2017	Balance Outstanding 2016
Nonprofit Housing (continued)					
Fairview Apartments 2016	05/31/16	$ 1,300,000	06/01/46	$ 1,273,045	$ 1,300,000
Presbyterian Retirement Community NW	10/05/16	130,290,000	01/01/51	128,790,000	-
Wesley Homes Lea Hill 2016	09/23/16	51,360,000	07/01/51	51,360,000	-
Wesley Homes Bradley Park	12/13/16	83,030,000	07/01/49	17,390,000	-
Wesley Homes Des Moines	11/07/16	25,000,000	07/01/49	7,370,000	-
Pioneer Human Services Projects	05/05/17	23,280,000	05/01/37	13,891,866	-
Wilton Apartments	06/21/95	620,000	10/01/15	165,585	207,268
Brentwood Apartments	08/27/02	1,491,000	09/01/32	1,076,111	1,117,615
Clallam County Hostelries	11/25/02	366,843	12/01/22	139,485	161,706
St. Andrew’s Place	07/29/97	3,000,000	08/01/27	-	1,687,370
Der Garten Haus	09/21/98	650,000	10/01/18	391,992	414,867
Christian Health Care Center	10/13/05	7,532,219	10/02/20	2,088,333	2,584,512
Josephine Sunset Home	08/04/05	7,320,000	08/01/25	4,723,188	5,074,188
Tall Firs Apartments	07/15/10	2,850,000	07/01/45	1,325,000	1,350,000
Mt Baker View	09/30/10	1,250,000	10/01/40	1,096,898	1,122,910
				935,071,734	852,487,306
Unamortized Bond Premium				21,465,257	2,994,287
Unamortized Bond Discount				(117,454)	(136,051)
				956,419,537	855,345,542
Nonprofit Facilities					
YMCA of the Inland NW	04/08/99	5,800,000	07/01/29	3,770,000	3,965,000
Southwest WA Pipe Trades Training Center	10/31/00	4,230,000	10/01/25	2,135,000	2,315,000
Evergreen School 2002	06/27/02	9,500,000	07/01/28	5,570,000	5,955,000
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	6,050,000	6,410,000
Gig Harbor YMCA	08/01/06	12,500,000	12/01/32	-	8,665,000
Allied Trades Training Center	11/02/06	7,225,000	11/01/32	-	5,175,000
Overlake School 2008	08/15/08	10,350,000	10/01/29	7,660,000	8,110,000
YMCA - Inland Northwest	09/11/08	11,000,000	07/01/33	8,155,000	9,240,000
Billings Middle School	05/06/10	1,484,000	06/01/20	867,267	938,937
Benton-Franklin Children's Center	07/28/09	624,000	08/01/19	353,657	394,060
South Sound YMCA	01/15/10	4,145,000	02/01/20	2,267,313	2,563,175
Multi-Service Center	12/30/09	1,750,014	09/30/40	1,153,255	1,177,025
Girl Scouts of W. WA	09/08/11	2,741,250	06/01/42	2,473,083	2,530,959
Villa Academy 2011	12/01/11	8,262,000	12/01/21	7,034,571	7,295,265
Northwest School 2012	05/24/12	16,665,000	06/01/39	9,116,816	9,419,190
Seattle Country Day School Ref	07/20/12	9,450,000	08/01/37	5,930,000	8,700,000
Lutheran Community Services 2012	08/01/12	3,450,000	01/01/37	3,057,912	3,154,125
YMCA of Greater Seattle	07/31/12	30,000,000	09/01/37	27,325,000	28,045,000
Seattle Prep 2013	05/31/13	10,000,000	08/01/38	9,271,732	9,537,743
ACRS Project 2013	11/26/13	3,500,000	11/26/38	3,168,847	3,267,958
YMCA of Pierce & Kitsap 2014	03/26/14	44,040,000	06/01/39	38,550,000	40,750,000
Whatcom CC Foundation 2014	03/31/14	7,740,000	04/01/39	5,889,670	6,490,869
STEP People for People 2014	04/30/14	918,000	05/01/24	668,945	752,769
Westside School	06/02/14	8,775,000	06/01/25	8,073,000	8,424,000
Hamlin Robinson School	07/02/14	15,000,000	08/01/37	10,000,000	10,000,000
Pierce County AIDS Foundation	07/30/14	1,120,000	07/30/34	882,099	916,492
Amara Project 2015	06/30/15	5,400,000	12/31/25	4,671,172	5,324,919
Puget Sound Regional Services	12/22/14	1,700,000	01/01/45	1,625,333	1,657,823
Pacific Science Center	04/28/15	2,397,000	05/01/30	2,147,381	2,270,495
Eastside Catholic School	02/25/15	46,765,000	07/01/38	42,925,000	45,115,000
Dawson Place Child Advocacy	04/28/15	1,196,590	05/01/25	1,130,508	1,163,032
Sea-Mar Community Project	09/28/16	6,000,000	10/01/41	720,000	-
YMCA of Pierce & Kitsap Refunding	07/13/16	8,665,000	12/01/32	8,135,000	-
Gonzaga Prep 2016	08/02/16	6,226,107	08/01/36	6,115,751	-
Seattle Academy of Art & Science	10/13/16	27,500,000	11/01/41	100,000	-
Children's Institute for Learning	09/29/16	4,578,000	10/01/26	4,499,207	-
Hopelink Projects	04/13/17	12,000,000	04/01/47	3,240,000	-
Work Force Development	05/23/96	1,027,000	12/01/21	-	376,823
Little Red School House	04/29/98	385,941	05/01/23	133,431	153,524

Washington State Housing Finance Commission
Schedule of Notes and Bonds Payable (continued)
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Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2017	Balance Outstanding 2016
Nonprofit Facilities (continued)					
SEED Homesight Project	05/13/99	$ 616,000	07/01/09	$ 366,848	$ 389,453
Pullman Community Action Center	03/30/00	700,000	04/01/30	464,122	486,354
Island School Expansion and Remodel	11/01/01	1,300,000	11/01/26	401,049	437,966
Harlequin Productions Project	11/08/01	538,750	11/01/21	49,052	58,713
Artist Trust Project	11/30/01	350,000	11/30/31	200,536	213,982
Girl Scouts-Totem Council Project	12/28/01	2,576,000	01/01/32	-	1,886,439
Hyla Middle School Project	12/26/01	650,000	01/01/27	234,443	256,109
Tomorrows Hope	04/05/02	860,000	04/01/27	465,938	506,112
Southside Senior Center	05/22/02	650,000	06/01/22	143,716	176,858
New Horizon's School	07/31/02	875,000	08/01/32	584,867	613,523
Harbor Montessori	07/02/03	1,300,000	07/01/28	750,262	804,301
Martha & Mary	12/09/03	1,416,000	12/01/28	665,507	715,131
Whatcom Family YMCA 2004	02/04/04	1,100,000	02/01/24	459,112	520,229
French American School	04/21/04	1,875,000	02/01/25	787,728	912,661
NW Pipe Trade - Local 26 Educational Dev. Trust	07/20/05	3,500,000	04/01/31	2,185,535	2,311,087
Morningside	11/07/05	2,244,118	11/01/30	99,744	210,927
Valley Residential Services	11/09/05	640,000	11/01/20	437,194	461,198
Richland Health Science Center - Columbia Basin	03/30/06	2,950,000	09/01/31	1,760,727	1,963,229
N.E.W.J.A. Training Center	05/05/06	874,989	05/01/06	-	348,862
SKCAC Industries	08/01/06	1,100,000	08/01/21	819,838	849,047
Re Sources Sustainable Living Center	10/31/06	2,025,000	11/01/31	1,458,975	1,534,876
Tacoma Musical Playhouse	11/01/06	1,425,000	11/01/18	819,941	913,544
University Cooperative School	05/09/07	1,000,000	06/01/37	881,616	898,769
Perry Technical Institute	10/26/07	5,000,000	11/01/27	3,364,756	3,608,266
West Sound Academy	04/01/08	4,640,000	04/01/28	4,001,527	4,049,311
French American School	04/03/08	2,290,000	10/01/28	1,237,422	1,384,927
Soundview School	10/01/08	2,890,000	10/01/18	-	2,382,273
Open Window School	08/02/10	7,710,000	08/01/35	5,450,394	5,750,416
TVW - Jeannette C. Hayner Media Center	09/30/11	1,187,251	10/01/21	1,021,529	1,053,989
Alpha Supported Living Services	01/29/13	1,336,000	02/01/38	1,175,579	1,214,712
Columbia Basin 2015	07/29/15	7,000,000	07/01/45	4,109,328	50,000
The Bertschi School Project 2015	09/09/15	7,500,000	09/01/40	5,153,401	5,310,975
Alliance Center 2015	09/29/15	1,936,100	10/01/40	1,860,191	1,906,712
Railway History Center 2015	02/29/16	3,600,000	02/01/41	3,566,286	2,528,713
Senior Life Res Fowler Street	06/06/16	1,500,000	06/01/36	1,444,285	1,500,000
Archbishop Thomas Murphy High School 2016	05/27/16	5,892,815	06/01/31	5,598,481	5,892,815
				306,885,879	314,356,662
Unamortized Bond Premium				-	-
Unamortized Bond Discount				-	-
				$ 306,885,879	$ 314,356,662