



**WASHINGTON STATE HOUSING
FINANCE COMMISSION**

**Report of Independent Auditors
and Financial Statements
with Supplemental Information**

June 30, 2011 and 2010

MOSS-ADAMS_{LLP}

Certified Public Accountants | Business Consultants

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REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners
Washington State Housing Finance Commission

We have audited the accompanying statements of net assets of the Washington State Housing Finance Commission (the "Commission") as of June 30, 2011 and 2010 and the related statements of revenues, expenses and changes in net assets and of cash flows for the years then ended. These financial statements are the responsibility of the Washington State Housing Finance Commission management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Washington State Housing Finance Commission as of June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Washington State Housing Finance Commission management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Moss Adams LLP

Seattle, Washington
November 11, 2011

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2011 AND 2010**

As management of the Washington State Housing Finance Commission (the "Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the year ended June 30, 2011. 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, 2011 ("FY 2011"):

- Net assets increased \$19.2 million to \$228.5 million primarily due to the revenue over expense in the Bond Fund (\$13 million) and the increase in the Program Investment Fund (\$6.2 million). The increase in bond program net assets is partly due to the recognition of the increase in the fair market value of the mortgage-backed securities ("MBS") (\$3.6 million). Also, stability in interest rates on the MBS in the Single Family Bond Program coupled with a corresponding reduction in the average interest rate of the associated debt through strategic redemptions resulted in a greater increase to net assets. The increase in the net assets of the Program Investment Fund resulted from operating income of \$0.7 million and a \$5.4 million transfer of net assets from the General Operating Fund.
- Total Assets decreased by \$135.8 million due, in part, to:
 - ✓ A decrease in net mortgage loans (\$66.7 million) following an increase in prepayments from conduit borrowers, partially offset by an increase in MBS (\$56.7).
 - ✓ A decrease in cash and equivalents (\$82.4 million), available to purchase first-time homebuyer MBS.
 - ✓ A decrease in investments (\$29.1 million) as bond proceeds on hand were used to fund project costs.
- Total bonds and notes payable of \$3.7 billion were outstanding, net of premiums and discounts. This is a net decrease of \$194.4 million (5%) from the net effect of issuance of bonds (\$259.8 million) and a decrease from principal payments (\$454.2 million).
- Bond program revenues (mortgage interest, investment and other, gain on mortgage-backed securities) decreased by \$37.3 million due to the decline in the unrealized gains on mortgage-backed securities. General Operating interest income decreased by \$0.7 million due to depressed interest rates. However, these reductions were offset by an increase in program fees and non-operating grant revenue (\$57.9 million) primarily due to project subsidies received from tax credit programs funded by the American Recovery and Reinvestment Act of 2009 ("ARRA") of \$91.8 million. Because of the pass-through nature of the ARRA funds, these disbursements also contributed to the increase in general operating fund expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: Management's Discussion and Analysis, the basic financial statements, and the notes to the financial statements. The basic financial statements include the statement of net assets, the statement of revenues, expenses, and changes in net assets, and the statement of cash flows. The financial statements are presented in a manner similar to that of a private business, using the economic resources measurement focus and the accrual basis of accounting.

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2011 AND 2010**

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

Economic Outlook

During the fiscal year ended June 30, 2011 we began to see some increased program activity despite the uneven recovery from the Great Recession. The outlook for financial markets remains uncertain as both domestic and global economic and political events continue to unfold. While federal programs such as the Housing and Economic Recovery Act of 2008 ("HERA"), the American Recovery and Reinvestment Act of 2009 ("ARRA") and the U.S. Treasury's New Issue Bond Program ("NIBP") helped the Commission provide financing alternatives during the recession, those programs have largely run their course. The pricing for Housing Tax Credits has returned to pre-recession levels, but tax-exempt interest rates have remained tightly compressed with taxable rates continuing to restrict use of our bond financing products. However, we expect modestly increasing levels of program activity during the next fiscal year.

FINANCIAL ANALYSIS OF THE COMMISSION

Statements of Net Assets

The following table summarizes the changes in assets, liabilities, and net assets between June 30, 2011 and 2010, in millions.

	<u>2011</u>	<u>2010</u>	<u>Change</u>	
Assets				
Cash and cash equivalents	\$ 189.5	\$ 271.9	\$ (82.4)	(30.3%)
Investments	114.7	143.8	(29.1)	(20.2)
Accrued interest receivable	8.2	14.1	(5.9)	(41.8)
Fees receivable, net	0.3	1.8	(1.5)	(83.3)
Other receivables	0.5	0.3	0.2	66.7
Mortgage-backed securities, net	1,159.4	1,102.7	56.7	5.1
Mortgage loans, net	2,554.9	2,621.6	(66.7)	(2.5)
Unamortized bond issuance costs	65.6	72.0	(6.4)	(8.9)
Prepaid fees and other	3.9	4.6	(0.7)	(15.2)
	<u>\$ 4,097.0</u>	<u>\$ 4,232.8</u>	<u>\$ (135.8)</u>	<u>(3.2%)</u>

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>	<u>Change</u>	
Liabilities				
Accounts payable and other liabilities	\$ 97.1	\$ 78.8	\$ 18.3	23.2%
Accrued interest payable	17.2	18.5	(1.3)	(7.0)
Accrued arbitrage rebate	0.4	0.4	-	-
Deferred revenue and other	7.2	7.7	(0.5)	(6.5)
Project equity held for borrower	5.2	2.3	2.9	126.1
Obligations under reverse repurchase agreement	20.0	-	20.0	-
Notes payable and bond fund financing	0.6	0.6	-	-
Bonds payable, net	<u>3,720.8</u>	<u>3,915.2</u>	<u>(194.4)</u>	<u>(5.0)</u>
Total liabilities	<u>\$ 3,868.5</u>	<u>\$ 4,023.5</u>	<u>\$ (155.0)</u>	<u>(3.9%)</u>
Net assets				
Restricted				
Bond operations	\$ 138.1	\$ 125.1	\$ 13.0	10.4%
Grants and donations to PIF	1.1	0.5	0.6	120.0
Invested in capital assets	0.2	0.3	(0.1)	(33.3)
Unrestricted				
General operations	17.8	17.7	0.1	0.6
Program Investment Fund	<u>71.3</u>	<u>65.7</u>	<u>5.6</u>	<u>8.5</u>
Total net assets	<u>\$ 228.5</u>	<u>\$ 209.3</u>	<u>\$ 19.2</u>	<u>9.2%</u>

Assets decreased as cash equivalents and investments were used to fund mortgage commitments. Scheduled and early redemptions, coupled with less new bond issuances during the fiscal year resulted in a decreased bond payable balance of \$194.4 million. The net assets of the Commission increased \$19.2 million from the June 30, 2010 amount. Of this increase in net assets, \$13.0 million resulted from interest earned on investments, mortgage loans and mortgage-backed securities (including the unrealized gain on the securities) in excess of bond related expense. The remaining \$6.2 increase is attributable to the General Operating Fund and Program Investment Fund operating income of \$5.5 million and \$0.7 million, respectively.

Net assets of the bond programs are classified as restricted because the uses of the funds are directed by trust indentures. The Commission has designated a General Operating Fund reserve dedicated to maintaining its future commitments and ensuring its ability to meet unforeseen fiscal or legal challenges. Additionally, it has created the Program Investment Fund to make strategic investments in higher-risk programs to support the financing and production of low-income housing, special needs housing, and facilities that provide community services primarily to low-income persons. The total amount designated for this purpose is \$71.3 million.

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2011 AND 2010**

Statements of Revenues, Expenses, and Changes in Net Assets

The following table summarizes the changes in revenues and expenses between 2011 and 2010 (in millions):

	<u>2011</u>	<u>2010</u>	<u>Change</u>	
Revenues				
Bond programs mortgage interest	\$ 107.1	\$ 106.4	\$ 0.7	0.7%
Bond programs investments and other income	2.6	3.3	(0.7)	(21.2)
Bond program gain on mortgage-backed securities	3.6	40.9	(37.3)	(91.2)
Program fees	127.1	69.2	57.9	83.7
General Operating Fund interest income	0.8	1.5	(0.7)	(46.7)
Total revenues	<u>\$ 241.2</u>	<u>\$ 221.3</u>	<u>\$ 19.9</u>	9.0%
Expenses				
Bond programs interest expense	\$ 99.9	\$ 103.7	\$ (3.8)	(3.7%)
Other bond programs expenses	10.5	15.8	(5.3)	(33.5)
Salaries and wages	5.4	5.4	-	-
Other General Operating Fund and Program Investment Fund expenses	106.2	44.4	61.8	139.2
Total expenses	<u>\$ 222.0</u>	<u>\$ 169.3</u>	<u>\$ 52.7</u>	31.1%
Change in net assets	<u>\$ 19.2</u>	<u>\$ 52.0</u>	<u>\$ (32.8)</u>	(63.1%)

The primary components of total revenues for the bond funds are mortgage related interest earnings (\$107.1 million) and the unrealized gain on mortgage-backed securities (\$3.6 million) while bond interest expense (\$99.9 million) is the primary component of total expense for the bond funds. During FY 2011 the Commission's General Operating Fund revenue included \$91.8 million of tax credit assistance funds received through the ARRA. These funds were also included as program expenses (\$91.8 million) in the General Operating Funds as all funds received were disbursed to qualifying projects. The remaining Commission revenues in the General Operating Fund are generated primarily from issuer fees (\$13.2 million).

DEBT ADMINISTRATION

The Commission has long-term debt obligations of \$3.7 billion, net of bond premium and discounts at June 30, 2011. The Commission's bond program funds are held by a trustee or paying agent who ensures that bond resolution requirements are met, including payments of debt service and funding of necessary reserves. At June 30, 2011, amounts held by the trustees and paying agents represent full funding of these requirements.

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2011 AND 2010**

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

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

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

In the Commission's Single-family Homeownership Program, it continually investigates and uses available debt management techniques to achieve its goals of reducing interest expense and preserving the maximum amount of bonding authority. The Commission retires higher interest rate debt as opportunities for economic refunding occur, and for preservation of bonding authority.

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

Net bonds and notes payable as of June 30, 2011 was \$3.7 billion, a decrease of \$194.4 million from 2010. Changes by program are summarized in the following table (in millions):

	<u>2010</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Changes</u>	<u>2011</u>
Single-family	\$ 916.2	\$ 34.8	\$ 159.4	\$ (124.6)	\$ 791.6
Home Ownership (NIPB)	260.7	100.4	67.3	33.1	293.8
Multifamily Housing	1,491.6	52.5	54.6	(2.1)	1,489.5
Nonprofit Housing	771.3	32.1	75.9	(43.8)	727.5
Nonprofit Facilities	476.0	40.0	97.0	(57.0)	419.0
	<u>\$ 3,915.8</u>	<u>\$ 259.8</u>	<u>\$ 454.2</u>	<u>\$ (194.4)</u>	<u>\$ 3,721.4</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2011 AND 2010

COMPARISON OF FISCAL YEARS 2010 WITH 2009

Statements of Net Assets

The following table summarizes the changes in combined adjusted net assets between June 30, 2010 and 2009 (in millions):

	2010	2009	Change	
Assets				
Cash and cash equivalents	\$ 271.9	\$ 174.4	\$ 97.5	55.9%
Investments	143.8	157.4	(13.6)	(8.6)
Accrued interest receivable	14.1	11.6	2.5	21.6
Fees receivable, net	1.8	0.2	1.6	800.0
Other receivables	0.3	0.2	0.1	50.0
Mortgage-backed securities, net	1,102.7	1,058.5	44.2	4.2
Mortgage loans, net	2,621.6	2,735.5	(113.9)	(4.2)
Unamortized bond issuance costs	72.0	82.6	(10.6)	(12.8)
Prepaid fees and other	4.6	3.9	0.7	17.9
Total assets	\$ 4,232.8	\$ 4,224.3	\$ 8.5	0.2%
Liabilities				
Accounts payable and other liabilities	\$ 78.8	\$ 92.8	\$ (14.0)	(15.1%)
Accrued interest payable	18.5	19.1	(0.6)	(3.1)
Accrued arbitrage rebate	0.4	0.5	(0.1)	(20.0)
Deferred revenue and other	7.7	2.9	4.8	165.5
Project equity held for borrower	2.3	9.0	(6.7)	(74.4)
Notes payable and bond fund financing	0.6	0.6	-	-
Bonds payable, net	3,915.2	3,942.1	(26.9)	(0.7)
Total liabilities	\$ 4,023.5	\$ 4,067.0	\$ (43.5)	(1.1%)
Net assets				
Restricted				
Bond operations	\$ 125.1	\$ 80.1	\$ 45.0	56.2%
Grants and donations to PIF	0.5	0.5	-	-
Invested in capital assets	0.3	0.4	(0.1)	(25.0)
Unrestricted				
General operations	17.7	17.6	0.1	0.6
Program Investment Fund	65.7	58.7	7.0	11.9
Total net assets	\$ 209.3	\$ 157.3	\$ 52.0	33.1%

**WASHINGTON STATE HOUSING FINANCE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2011 AND 2010**

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

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

During the fiscal year ended June 30, 2010 the Commission's total assets increased by \$8.5 million, mostly attributable to the increase in cash and cash equivalents caused by the proceeds generated through the issuance of Single Family program New Issue Bond Program escrow bonds and the increase in the market value of the MBS, offset by the decrease in net mortgage loans caused by greater repayments. Of the Commission's combined total revenues over expenses of \$52 million, \$40.9 million represents recognition of the unrealized gain on the market value of MBS. The FY 2010 \$52 million increase in net assets represents a 16.1% decrease over the \$62 million increase in net assets from FY 2009. This \$10 million decrease was largely due to a slowing of the continued increase in the market value of MBS that, while required to be recognized by accounting standards, is generally not expected to be realized as most MBS are held to maturity.

ADDITIONAL INFORMATION

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

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF NET ASSETS
JUNE 30, 2011 AND 2010

ASSETS	<u>2011</u>	<u>2010</u>
CASH AND CASH EQUIVALENTS	\$ 189,462,328	\$ 271,890,996
INVESTMENTS		
U.S. government and agencies securities	38,321,090	36,061,376
Investment agreements	<u>76,410,588</u>	<u>107,732,532</u>
	114,731,678	143,793,908
ACCRUED INTEREST RECEIVABLE	8,208,568	14,148,585
FEES RECEIVABLE, net	267,254	1,792,834
OTHER RECEIVABLES	501,154	311,042
MORTGAGE-BACKED SECURITIES, cost	1,074,742,302	1,021,681,663
Cumulative unrealized gain on mortgaged-backed securities	<u>84,638,714</u>	<u>81,055,631</u>
MORTGAGE-BACKED SECURITIES, fair value	1,159,381,016	1,102,737,294
MORTGAGE LOANS, net	2,554,937,461	2,621,631,310
UNAMORTIZED BOND ISSUANCE COSTS	65,637,908	71,953,503
PREPAID FEES AND OTHER	<u>3,906,840</u>	<u>4,557,878</u>
TOTAL ASSETS	<u><u>\$ 4,097,034,207</u></u>	<u><u>\$ 4,232,817,350</u></u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF NET ASSETS (CONTINUED)
JUNE 30, 2011 AND 2010

LIABILITIES AND NET ASSETS	2011	2010
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 97,137,370	\$ 78,784,001
ACCRUED INTEREST PAYABLE	17,196,120	18,503,039
ACCRUED ARBITRAGE REBATE	333,364	394,070
DEFERRED REVENUE AND OTHER	7,201,920	7,688,982
PROJECT EQUITY HELD FOR BORROWER	5,214,405	2,301,395
OBLIGATIONS UNDER REVERSE REPURCHASE AGREEMENTS	19,995,000	-
PRIVATE PLACEMENT PROGRAMS, NOTES PAYABLE AND BOND FUND FINANCING	600,000	600,000
BONDS PAYABLE		
Current interest bonds	3,530,887,353	3,640,444,037
Taxable bonds	184,997,133	269,773,875
Unamortized bond discount	(873,858)	(936,697)
Unamortized bond premium	5,812,098	5,925,127
	3,720,822,726	3,915,206,342
TOTAL LIABILITIES	3,868,500,905	4,023,477,829
NET ASSETS		
Restricted		
Bond operations	138,149,207	125,128,981
Grants and donations to Program Investment Fund	1,079,424	500,000
Invested in capital assets	219,515	335,140
Unrestricted		
General operations	17,780,485	17,664,860
Program Investment Fund	71,304,671	65,710,540
	228,533,302	209,339,521
TOTAL LIABILITIES AND NET ASSETS	\$ 4,097,034,207	\$ 4,232,817,350

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
REVENUES		
Interest earned on mortgage loans and mortgage-backed securities	\$ 107,090,158	\$ 106,373,526
Other interest and investment income	3,389,887	4,775,285
Gain on mortgage-backed securities	3,583,083	40,901,154
Other fee income	24,030,389	27,418,185
Nonoperating revenues - grants	103,065,309	41,810,198
	241,158,826	221,278,348
EXPENSES		
Interest on debt	99,897,006	103,738,862
Amortization of bond discount	62,840	62,587
Amortization of bond premium	(952,117)	(884,059)
Amortization of bond issuance costs	8,117,347	12,838,245
Amortization of bond insurance premium	109,284	112,082
Servicing and commission fees	2,660,370	2,686,150
Salaries and wages	5,400,787	5,371,528
Communication and office expense	1,653,926	1,567,996
Professional fees	1,433,551	1,893,566
Trustee and paying agent fees	284,557	281,552
Other	1,157,185	367,796
Nonoperating expenses - grants	102,140,309	41,255,774
	221,965,045	169,292,079
EXCESS OF REVENUES OVER EXPENSES	19,193,781	51,986,269
NET ASSETS		
Balance, beginning of year	209,339,521	157,353,252
Balance, end of year	\$ 228,533,302	\$ 209,339,521

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
OPERATING ACTIVITIES		
Receipts for interest on mortgages	\$ 111,876,889	\$ 102,365,691
Receipts for other fee income	123,106,396	60,521,759
Receipts for loans and mortgage prepayments	394,623,491	479,877,439
Payments for acquisition of loans and mortgages	(354,577,123)	(374,381,832)
Payments for bond program expenses	(7,717,598)	(3,315,663)
Payments to employees and suppliers	(110,598,397)	(49,809,930)
Net cash provided by operating activities	156,713,658	215,257,464
INVESTING ACTIVITIES		
Purchase of investments	(228,530,171)	(236,321,910)
Sale of investments	258,348,249	251,488,298
Interest received on investments	3,333,677	5,172,568
Net cash provided by investing activities	33,151,755	20,338,956
CAPITAL FINANCING ACTIVITIES		
Project equity received (used), net	2,913,010	(6,716,530)
Proceeds from sale of bonds and notes	200,201,561	447,159,745
Interest paid on debt	(100,967,818)	(104,335,779)
Debt repayments	(374,440,834)	(474,181,613)
Net cash used for capital financing activities	(272,294,081)	(138,074,177)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(82,428,668)	97,522,243
CASH AND CASH EQUIVALENTS		
Beginning of year	271,890,996	174,368,753
End of year	\$ 189,462,328	\$ 271,890,996

WASHINGTON STATE HOUSING FINANCE COMMISSION
STATEMENT OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO NET CASH USED FOR OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 19,193,781	\$ 51,986,269
Adjustments to reconcile excess of revenues over expenses to net cash from operating activities		
Amortization of mortgage discount	(1,770,983)	(2,113,524)
Amortization of mortgage premium	141,763	209,173
Amortization of bond insurance premium	109,284	465
Amortization of bond issuance costs	8,117,347	12,838,245
Amortization of bond premium	(952,117)	(884,059)
Amortization of bond discount	62,840	62,587
Amortization of deferred fee income	(6,462,796)	(10,922,745)
Purchase of mortgage loans	(357,277,920)	(356,102,109)
Repayments of mortgage loans	394,623,491	479,876,113
Unrealized gain on securities	(3,583,084)	(40,851,036)
Cash from changes in operating assets and liabilities		
Interest and other receivables	4,422,963	(10,923,978)
Interest and other payables	100,089,089	92,082,063
Net cash provided by operating activities	\$ 156,713,658	\$ 215,257,464

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 1 - Description of Business

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

The Commission has eleven voting members. Two commissioners, the state treasurer and the director of the Department of Commerce, serve ex officio. The chair of the Commission is appointed by, and serves at the pleasure of, the governor. The remaining eight members are appointed by the governor to a four-year term.

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

Program Funds - The Commission summarizes its financial activities in the General Operating Fund, Program Investment Fund and Bond Fund.

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

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

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

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 1 - Description of Business (Continued)

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

Single-family Homeownership Program - The proceeds from the sale of Single-family Homeownership Program mortgage revenue bonds and the debt service requirements of these bonds are summarized in this program. The program consists of two indentures, the General (Single-family) Indenture and the HomeOwnership Bond Program (NIPB) Indenture. Activities of the program are, in general, limited to the purchase of mortgage-backed securities containing pools of mortgage loans originated under the Commission's First-time Homebuyer program which are secured by mortgages on single-family, owner-occupied, new or existing residential housing located in Washington State. The bonds, which are established under two trust indentures and multiple series indentures, constitute a special obligation of the Commission, are payable solely from the bond funds established pursuant to the indenture, and are funded primarily from payments received from the MBS pool and from any other money held by the bond trustee pursuant to the indenture. As such, the assets of the bond are pledged as collateral for the debt. As of June 30, 2011 the assets so pledged were \$1.2 billion.

Loans in the programs are made to first-time homebuyers (except for those in targeted areas) whose income does not exceed the limits established by the Commission. Mortgage rates for these programs ranged from 3.75% to 7.55%.

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

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

At the time of a Conduit Financing Program bond issuance, the Commission assigns its rights, title, and interest in the loan agreement (with certain exceptions and reservations), and in any collateral securing the loan, to a bond trustee or the lender pursuant to a trust indenture or financing agreement. The bond trustee, fiscal agent or the lender administers the bond issue. The bonds, which constitute a special obligation of the Commission, are payable solely from the bond fund established pursuant to the indenture, and principal and interest payments are funded primarily from payments made by the borrower to satisfy the loan agreement and from any other money held by the bond trustee pursuant to the indenture. As such, the assets of each bond are pledged as collateral for the debt. As of June 30, 2011, the assets so pledged were \$2.7 billion.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 1 - Description of Business (Continued)

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

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

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

Nonprofit Housing Program - This program accounts for bonds and notes issued on behalf of nonprofit housing organizations. The proceeds are used to purchase, construct, refinance, and/or remodel projects containing housing consistent with the organization's IRS approved purpose.

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

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission has applied all applicable GASB pronouncements. The more significant of the Commission's accounting policies are described below.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

Cash and Cash Equivalents - Cash deposits in the Bond Fund are held in the corporate trust departments of commercial banks in the bond issue's name. The total amount of uncollateralized or uninsured cash equivalents in the bond fund is \$115.1 million as of June 30, 2011. This amount includes \$50 million in proceeds of short-term, New Issue Bond Program bonds that will be refunded by December 31, 2011 by long-term Single-family Homeownership Program bonds. Cash deposits held by the General Operating Fund are entirely covered by the Federal Depository Insurance Corporation ("FDIC") or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission ("PDPC"). The Commission considers all highly liquid, interest-bearing instruments purchased with an original maturity of three months or less to be cash and cash equivalents.

Investments - Investments in the General Operating and Program Investment Funds are managed by Nuveen Asset Management and are comprised of securities issued or guaranteed by the U.S. government. These marketable securities are valued at fair value based upon quoted market prices as of June 30, 2011 and 2010. Guaranteed investment contracts held in the Bond Funds are non-participating and therefore stated at cost as the redemption terms are not affected by market rates. At June 30, 2011, commercial paper and US government backed securities were held by the trustee for conduit bond issues for three issues and are stated at market value at year end.

Mortgage-Backed Securities - Mortgage-backed securities are presented at their fair value based on quoted market prices as of June 30, 2011 and 2010.

Mortgage Loans, Net - Mortgage loans, net are stated at their unpaid principal balance, increased by mortgage premiums or reduced by unearned discounts, and reduced by deferred commitment fees and other fees associated with the loans, which are amortized over the life of the loans. The loan loss reserve was \$1,258,841 and \$433,003 as of June 30, 2011 and 2010.

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

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

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

Program Investment Fund - The Commission provides for estimated losses on the loans it funds in its Program Investment Fund based on its past loan loss experience, known and inherent risks in the portfolio and current economic conditions. The allowance for loan losses is increased by charges to expense and decreased by charge-offs (net of recoveries). No provision for loss is made on loan balances funded by partner investments.

Bond Fund - Mortgage loans and mortgage-backed securities are purchased with non-recourse revenue bonds payable solely from the assets specifically pledged under the trust indenture with respect to such bonds. No assets of the Commission, other than those assets held under such trust indentures, are pledged to payment of the bonds.

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

Conduit Financing Programs Mortgage Loans - Since borrowers through the Commission's Conduit Financing Programs obtain credit 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 private placements and bond fund issues. On bond issues where there have been delinquencies in the payment of debt service, workout agreements have been reached between the bond owner/investor and the borrower.

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

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

Bonds Payable - Current interest serial and term bonds are stated at their principal amounts outstanding, net of unamortized bond premium and discount, if any. Certain bonds in the single-family, multifamily and nonprofit programs are variable rate bonds remarketed on a periodic basis and are subject to market rate fluctuation.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Net Assets - Net assets are classified into three components:

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

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

Unrestricted net assets consist of the remaining assets and liabilities.

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

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

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

	<u>2011</u>	<u>2010</u>
Commission fees	\$ 9,881,942	\$ 9,341,963
Other program fees	6,449,334	6,357,620
Other income	<u>7,699,113</u>	<u>11,718,602</u>
	<u>\$ 24,030,389</u>	<u>\$ 27,418,185</u>

Interest and fees are recognized on the accrual basis.

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

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

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

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

Note 3 - Investments

General Operating and Program Investment Funds

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

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

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

1. Treasury bills, notes, and other obligations issued by the United States Department of the Treasury and backed by the full faith and credit of the U.S. government.
2. Federal Home Loan Bank notes and bonds.
3. Federal Land Bank bonds.
4. Federal National Mortgage Association notes, debentures, and guaranteed certificates of participation.
5. The obligations of certain government-sponsored entities whose obligations are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System.
6. Shares of mutual funds with portfolios consisting of only U.S. government bonds or U.S. government guaranteed bonds issued by federal agencies with average maturities of less than four years.

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

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

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 3 - Investments (Continued)

Examining the maturities of the Funds' securities can reveal information about interest rate risk. Cash, cash equivalents, and investment securities along with maturities of the Commission's debt securities, as of June 30, 2011 consist of the following:

<u>Type</u>	<u>Market</u>	<u>Maturities (In Years)</u>	
		<u>Less than 1</u>	<u>1-5</u>
Deposits	\$ 482,106	\$ 482,106	\$ -
Money market fund	22,690,815	22,690,815	-
US Agencies	18,270,584	3,821,875	14,448,709
US Treasuries	20,050,506	850,611	19,199,895
	<u>\$ 61,494,011</u>	<u>\$ 27,845,407</u>	<u>\$ 33,648,604</u>

Cash, Cash Equivalents and Investment Securities - Bond Funds

Bond Fund - Investment risk in the bond programs accrues to the Commission in the Single-family Homeownership Program and to the borrower in the Conduit Financing Programs. The indenture for each bond issue outlines the permitted investments for that transaction. Often, bond proceeds are invested in guaranteed investment contracts ("GICs") with institutions whose credit rating is investment grade (Baa or BBB and higher for Moody's and Standard and Poors, respectively). These GICs are binding agreements, but are not usually collateralized by specifically identified securities and, as such, are not tradable or subject to risk categorization. However, generally there are provisions in the GIC that require the provider to collateralize the investment in the event their rating is downgraded below the required standard, thereby minimizing the Commission's or borrower's exposure to credit risk within the bond funds. GICs are stated at cost as the redemption terms are not affected by market rates. Investments within the bond programs are held by the Trustee in the name of the bond issue, thereby minimizing custodial credit risk.

Single-family Homeownership Program - Investments in the Single-family Homeownership Program indenture as of June 30, 2011, are comprised of Reverse Repurchase agreements and GICs.

GICs - The Commission places no limit on the amount that may be invested in any one GIC provider. The following table lists GICs held by the Single-family Homeownership Programs in issuers that represent 5% or more of the total investments held by the Single-family Homeownership Program at June 30, 2011:

<u>Investment Issuer</u>	<u>Amount</u>
Bayerische Landesbank	\$ 276,403
CDC Funding Corporation	\$ 1,121,254
Pallas Capital Corporation	\$ 3,000,499
Trinity Funding Corporation	\$ 329,073

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 3 - Investments (Continued)

Reverse Repurchase Agreements - During the year the Commission entered into Reverse Repurchase agreements ("Reverse Repos") which are the sales of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The Reverse Repos have provided the Commission a mechanism to purchase mortgage-backed securities pooled with mortgages originated through its mortgage programs in advance of issuing bonds. After bond issuance, the proceeds are used to repurchase these securities into the bond indenture, minimizing the time bond proceeds are invested in historically low yield GICs or other investments.

The market value of the securities underlying the Reverse Repos normally exceeds the cash received, providing our counterparty a margin against the decline in market value of the securities. If the counterparty defaults on its obligation to resell these securities to the Commission, or provide securities or cash of equal value, the Commission would suffer an economic loss equal to the difference between the market value plus accrued interest on the underlying securities and the agreement obligation plus any accrued contract interest due to the counterparty. The Commission's credit exposure at year end was \$1.3 million.

As of June 30, 2011, outstanding reverse repurchase agreements were as follows (all amounts are fair values):

Agreement	Underlying Securities	Fair Value
1) \$14,520,000 received, to be repaid with interest of 0.99575% (per annum) on September 30, 2011	\$2,744,142 of Fannie Mae Securities with coupons of 3.5 - 4.5% \$12,669,832 Ginnie Mae Securities with coupons of 4.25 - 5%	\$ 15,413,974
2) \$5,475,000 received, to be repaid with interest of .99575% (per annum) on September 30, 2011	\$250,035 of Fannie Mae Securities with coupons of 3.5 - 3.75% \$5,570,106 Ginnie Mae Securities with coupons of 3.75 - 5%	5,820,141
Accrued interest		75,218
Total fair value of the agreements		<u>21,309,333</u>

The proceeds from these agreements are summarized as follows:

Agreement	
1	14,520,000
2	5,475,000
Accrued interest	553
Total obligation	<u>19,995,553</u>
Credit exposure	<u>\$ 1,313,780</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 3 - Investments (Continued)

Conduit Financing Programs - Concentration risk in these programs does not affect the Commission since the risk is borne by the borrower. At June 30, 2011, a portion of bond proceeds for three conduit bond issuances were invested in US government backed securities and commercial paper and held by the trustee. At June 30, 2011, the total market value of the US government backed securities and commercial paper was \$14.9 million. Funds not in GICs, US government backed securities or commercial paper are generally held in money market accounts in the name of the bond issuance. Although all of the program funds must be used for program purposes, certain other funds have been restricted for payment of debt service as required by the bond indentures.

Note 4 - Mortgage-Backed Securities

The bond proceeds for all Single-family Homeownership Program bond issues issued since 1988 have been used to purchase modified mortgage-backed securities in which principal and interest are guaranteed by either the Ginnie Mae, Freddie Mac, or Fannie Mae, whose guarantee is backed by the full faith and credit of the U.S. government. Ten bond issues in the Conduit Financing Programs also contain mortgage-backed securities.

For the fiscal year ended June 30, 2011, the net increase in fair market value from that of the prior year end, based upon quoted market price at the fiscal year end, was \$3,583,083. The following table shows the sources of the gains on mortgage-backed securities on the statements of revenue, expenses, and changes in net assets for 2011 and 2010 by program.

Gain on mortgage-backed securities as of June 30:

	2011				2010			
	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	\$ (2,243,090)	\$ 6,836,138	\$ (1,009,965)	\$ 3,583,083	\$ 33,863,271	\$ 5,948,492	\$ 1,089,391	\$ 40,901,154

Cumulative unrealized gains for fiscal years 2011 and 2010 were \$84,638,714 and \$81,055,631, respectively, and are included in the balance of mortgage-backed securities on the statement of net assets.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 5 - Furniture, Fixtures and Equipment

Furniture, fixtures and equipment as shown below at June 30, 2011 and 2010 are included in prepaid fees and other on the statements of net assets.

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

	<u>Useful Life</u>	<u>July 1, 2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2011</u>
Furniture, fixtures and equipment	3 to 10 years	\$ 1,479,184	\$ 40,659	\$ (99,890)	\$ 1,419,953
Leasehold improvements	4 to 5 years	176,058	-	-	176,058
Total assets		1,655,242	40,659	(99,890)	1,596,011
Less accumulated depreciation		(1,320,102)	(156,284)	99,890	(1,376,496)
Net book value		<u>\$ 335,140</u>	<u>\$ (115,625)</u>	<u>\$ -</u>	<u>\$ 219,515</u>

Note 6 - Bonds and Notes Payable

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

As of June 30, 2011, the Commission had outstanding notes and bonds of \$3.7 billion bearing interest varying in rates as listed below:

	<u>Low</u>	<u>High</u>
Single-family Program	0.06%	5.75%
Homeownership Program	0.08%	5.30%
Multi Family Program	0.07%	9.18%
Nonprofit Housing Program	0.06%	8.00%
Nonprofit Facilities Program	0.05%	7.48%

Derivative Instruments - Interest Rate Swaps

Single-family Homeownership Program - The Commission has entered into interest rate swap agreements ("swaps") in connection with issuing variable rate mortgage revenue bonds. The intention of the swaps are to create debt with synthetic interest rates with ranges that are lower than would have been achievable from long-term fixed rate bonds to achieve the Commission's goal of lending to low- and moderate-income first-time home buyers at below market, fixed interest rates. The swaps are considered to be hedging derivative instruments. Additional information, including the fair market value of each swap, is listed below.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 6 - Bonds and Notes Payable (Continued)

Using rates as of June 30, 2011, debt service requirements of the outstanding variable rate debt and associated net swap payments, assuming current interest rates remain the same for their term, are as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2012	\$ 33,070,000	\$ 32,298	\$ 1,052,267	\$ 34,154,565
2013	32,132,500	22,381	761,592	32,916,473
2014	21,960,000	15,492	530,665	22,506,157
2015	21,777,500	15,346	439,885	22,232,731
2016	21,575,000	15,184	355,431	21,945,615
2017	21,365,000	15,016	277,459	21,657,475
2018	21,152,500	14,846	205,719	21,373,065
2019	20,915,000	14,656	139,782	21,069,438
2020	20,672,500	14,462	81,101	20,768,063
2021	20,372,500	13,198	31,579	20,417,277
2022	9,585,000	3,235	2,221	9,590,456

The terms and counterparty credit ratings of the outstanding swaps as of June 30, 2011, are contained below. The notional amounts of the swaps match principal amounts of the associated debt as of June 30, 2011. The notional amounts are expected to approximately follow schedule or anticipated reductions in the principal amounts of the associated debt.

Associated Bond Series	Current Notional Amount	Current Principal Amount	Effective Date	Fixed Rate Paid	Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating
2005 - S VR2	\$ 10,000,000	\$ 10,000,000	June 16, 2005	3.30%	SIFMA over 3.92%	\$ (440,371)	December 1, 2012	AAZ/P-1
2008 VR-1A	12,685,000	12,685,000	July 22, 2008	3.629%	SIFMA plus 10bps	(961,115)	December 1, 2021	Aaa
2008 VR-2N	11,200,000	11,200,000	September 25, 2008	3.249%	SIFMA plus 5 bps	(676,207)	June 1, 2021	Aaa
	<u>\$ 33,885,000</u>	<u>\$ 33,885,000</u>				<u>\$ (2,077,693)</u>		

The fair values presented in the foregoing tables were estimated by the Commission's counterparties to the swaps and approximate the termination payments that would have been due had the swaps been terminated as of June 30, 2011. A negative fair value represents the amount payable by the Commission upon termination.

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

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 6 - Bonds and Notes Payable (Continued)

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

The terms of the swaps expose the Commission to potential credit risk with the counterparties upon the occurrence of a termination event. The swap agreements contain collateral requirements based upon counterparty credit ratings and the fair value of the swaps. These bilateral requirements are established to mitigate potential credit risk exposure. These requirements were met as of June 30, 2011.

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

The Commission incurs the potential risk that the variable interest payments on its bonds will not equal the variable interest receipts from its swaps. This basis risk exists because the Commission pays a variable rate on its bonds based on a weekly remarking rate but, under the terms of its swap, receives a variable rate based upon the weekly SIFMA rate, plus a specified spread as outlined in the table above, which is based upon AA variable rate demand bonds. Basis risk will vary over time due to inter-market conditions. As of June 30, 2011, the interest rate on the Commission's variable rate debt ranged from .06 % to .16% per annum while the variable interest rate on the corresponding swaps was .09% per annum (SIFMA at June 30, 2011). In order to reduce the cumulative effect of basis risk the variable rate determination structure included cash flow modeling with bond rate assumptions consistent with the terms of the associated swap.

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

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

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 6 - Bonds and Notes Payable (Continued)

Bond Defeasance

Single-family Homeownership Program - In the Single-family Homeownership Program, defeasance amounts are deposited in irrevocable trusts to provide for all future debt service payments on the bonds. Accordingly, neither the assets of the respective trust accounts or the liabilities for the defeased bonds are reflected in the Commission's financial statements. Funds held in the respective trust accounts are qualifying U.S. government securities and are assumed sufficient to service and redeem the defeased bonds. The difference between the cost to defease outstanding debt and the carrying value of bonds defeased by refunding bonds is deferred and amortized over the shorter of the remaining term of the refunded bonds or the term of the refunding bonds, using the straight-line method.

On November 30, 2010 the Commission issued 2010 Series 1A-R, 1N, and 1N-R Single-Family bonds of \$35,175,000, with a weighted average interest rate of 4.31% of which \$30,175,000 were used to refund portions of the following bond issues:

In December of 2010, \$7,555,000 of outstanding 1998 Series 5A Single-Family Bonds with a weighted average interest rate of 5.15%. As a result of this current refunding, the Commission reduced its total debt service requirements by \$68,062, which resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$368,167.

In December of 2010, \$3,010,000 of 1999 Series 2A Single-Family Bonds with a weighted average interest rate of 4.9%. As a result of this current refunding, the Commission increased its total debt service requirements by \$1,947,875, which resulted in an economic loss (the difference between the present value of the debt service payments on the old and new debt) of \$47,984.

In December of 2010, \$12,150,000 of 2001 Series 4A Single-Family Bonds with a weighted average interest rate of 5.60%. As a result of this current refunding, the Commission decreased its total debt service requirements by \$1,725,250, which resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$1,275,794.

In December of 2010, \$2,530,000 of 1999 Series 1A and \$3,000,000 of 1999 1N Single-Family Bonds with a weighted average interest rate of 5.18%. As a result of this current refunding, the Commission decreased its total debt service requirements by \$2,710,531, which resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$1,638,583.

In December of 2010, \$480,000 of 2001 Series 1A and \$1,450,000 of 2001 1N Single-Family Bonds with a weighted average interest rate of 5.07%. As a result of this current refunding, the Commission decreased its total debt service requirements by \$288,121, which resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$241,322.

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 6 - Bonds and Notes Payable (Continued)

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

Future Principal and Interest Payments and Bonds Outstanding - Bonds mature in varying amounts through 2049. Future principal and interest requirements are shown in the following table:

Fiscal Year Ending June 30	Total Principal Redemptions	Total Interest Redemptions	Total Debt Service
2012	\$ 85,776,614	\$ 93,335,565	\$ 179,112,179
2013	37,686,778	91,394,780	129,081,558
2014	39,277,802	89,779,058	129,056,860
2015	49,714,318	87,921,109	137,635,427
2016	40,678,607	86,010,496	126,689,103
2017 - 2021	243,406,305	403,036,850	646,443,155
2022 - 2026	437,856,771	333,714,447	771,571,218
2027 - 2031	511,327,788	236,630,686	747,958,474
2032 - 2036	826,196,574	151,145,465	977,342,039
2037 - 2041	937,527,200	65,273,453	1,002,800,653
2042 - 2046	489,528,529	15,324,043	504,852,572
2047 - 2049	17,507,200	1,142,653	18,649,853
	<u>\$ 3,716,484,486</u>	<u>\$ 1,654,708,605</u>	<u>\$ 5,371,193,091</u>

Changes in bonds outstanding during the fiscal year ended June 30, 2011 are summarized in the following table:

June 30, 2010	Issued	Redeemed	June 30, 2011
<u>\$ 3,910,817,912</u>	<u>\$ 259,830,266</u>	<u>\$ 454,163,692</u>	<u>\$ 3,716,484,486</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

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, 2011 are shown below:

<u>Mortgage Loan, Commitments Program</u>	<u>Amount</u>
Single-family Housing Program	\$ -
Homeownership Program	249,577
Multifamily Housing Program	22,644,012
Nonprofit Housing Program	25,105,067
Nonprofit Facilities Program	5,151,688
	<u>\$ 53,150,344</u>

Operating Lease - The Commission has lease commitments for office space on a long-term basis. Lease expense for the fiscal years ended June 30, 2011 and 2010 was \$679,742 and \$662,044, respectively. Future minimum lease payment for the lease agreement that ends in fiscal year 2016 are below.

<u>For the Year Ending June 30:</u>	
FYE 2012	\$ 623,528
FYE 2013	679,626
FYE 2014	624,080
FYE 2015	624,356
FYE 2016	680,454
	<u>\$ 3,232,044</u>

Note 8 - Tax Credit Assistance Program

The Commission was selected to administer the Housing and Urban Development ("HUD") ARRA funded Tax Credit Assistance Program ("TCAP") with a total award of \$43 million. This program was designed to provide cash to fill funding gaps on eligible tax credit projects that did not receive sufficient equity investment. These funds were provided to the projects through zero interest deferred loans with terms of up to 51 years. Due to the nature of the TCAP program, the Commission does not intend to collect on the outstanding balance and considers them to be forgivable loans. As such, TCAP draws and disbursements are recognized as nonoperating grant revenue and expense. As of June 30, 2011, nine agreements had been executed for allocations totaling \$43 million.

	<u>Agreements</u>	<u>Allocation</u>	<u>Draws at 6/30/10</u>	<u>FYE 11 Net Draws</u>	<u>Draws at 6/30/11</u>	<u>Disbursed Through 6/30/11</u>
TCAP Agreements	9	\$ 43,010,192	\$ 9,510,717	\$ 31,978,092	\$ 41,488,809	\$ 41,488,809

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 9 - Employee Benefit Plans

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

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

Commission employees may retire at the age of 65 with five years of service or at age 55 with 20 years of service, with an allowance of 2% per year of service of the average final salary (average final compensation is based on the greatest compensation during any consecutive 60-month period). Retirements prior to age 65 are actuarially reduced. A cost-of-living allowance on the benefit is added, based on the Seattle Consumer Price Index, capped at 3% annually.

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

Each biennium the legislature establishes employer and employee contribution rates. These rates are developed by the Office of the State Actuary to fully fund the plan. All employers are required to contribute at the level established by the legislature. The methods used to determine the contribution requirements are established under State statute in accordance with chapters RCW 41.40 and 41.45. The Commission and employee contributions to the pension plan are detailed below for the years ended June 30, 2011, 2010 and 2009:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Gross covered salaries	\$ 4,095,853	\$ 4,181,681	\$ 4,356,172
Commission's contribution	\$ 217,630	\$ 221,952	\$ 361,991
Commission's contribution rate	5.31%	5.31%	8.31%
Employees' contribution	\$ 168,735	\$ 174,970	\$ 238,471
Employees' contribution rate	4.12%	4.18%	5.47%

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 9 - Employee Benefit Plans (Continued)

The pension obligation was calculated on a pension system basis and cannot be disclosed on a plan basis. The Washington State Department of Retirement Services does not make separate measurements of pension benefit obligations of individual employers. Historical trend and other information regarding the plan are presented in the Washington State Department of Retirement Systems 2010 annual financial report, which may be obtained at:

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

Note 10 - Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; natural disasters and acts of terrorism for which the agency carries commercial insurance. As of June 30, 2011, there were no known asserted or unasserted claims or judgments against the Commission.

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

Note 11 - Related Party Transactions

The Commission provides staff and administrative services to the following state agencies as of and for the years ended June 30, 2011 and 2010:

Charges for Services	2011	2010
Washington Higher Education Facilities Authority	\$ 203,985	\$ 244,176
Tobacco Settlement Authority	\$ 27,471	\$ 29,650
Receivable From		
Washington Higher Education Facilities Authority	\$ 87,825	\$ 36,900
Tobacco Settlement Authority	\$ 5,997	\$ 34,507

WASHINGTON STATE HOUSING FINANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

Note 12 - Subsequent Events

Subsequent to June 30, 2011, the Commission issued \$186.3 million in additional bonds and the trustees, under the normal and early redemption provisions of the trust indenture, have redeemed \$164.1 million in bonds.

SUPPLEMENTAL INFORMATION

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM NET ASSETS
JUNE 30, 2011 AND 2010

ASSETS	Restricted Bond Fund			
	Single-family Bond Program	HomeOwnership Bond Program (NIBP)	Multifamily Housing Bond Program	Nonprofit Housing Bond Program
CASH AND CASH EQUIVALENTS	\$ 52,736,130	\$ 58,774,585	\$ 18,676,558	\$ 32,396,463
INVESTMENTS				
U.S. government and agencies securities	-	-	-	-
Investment agreements and other investments	25,961,346	-	25,841,708	22,748,006
	<u>25,961,346</u>	<u>-</u>	<u>25,841,708</u>	<u>22,748,006</u>
ACCRUED INTEREST RECEIVABLE	3,533,058	948,213	1,989,675	718,070
FEES RECEIVABLE, net	-	-	-	-
OTHER RECEIVABLES	13,728	260,065	-	-
MORTGAGE-BACKED SECURITIES, cost	777,419,898	240,876,746	56,445,658	-
Cumulative unrealized gain on mortgage- backed securities	69,685,295	12,784,629	2,168,790	-
	<u>69,685,295</u>	<u>12,784,629</u>	<u>2,168,790</u>	<u>-</u>
MORTGAGE-BACKED SECURITIES, fair value	847,105,193	253,661,375	58,614,448	-
MORTGAGE LOANS, net	-	-	1,370,463,792	688,263,611
UNAMORTIZED BOND ISSUANCE COSTS	6,703,449	1,497,058	39,443,702	12,753,158
PREPAID FEES AND OTHER	2,077,693	-	38,373	1,479,629
	<u>2,077,693</u>	<u>-</u>	<u>38,373</u>	<u>1,479,629</u>
TOTAL ASSETS	<u>\$ 938,130,597</u>	<u>\$ 315,141,296</u>	<u>\$ 1,515,068,256</u>	<u>\$ 758,358,937</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2011	2010
\$ 3,705,671	\$ 4,181,068	\$ 18,991,853	\$ 189,462,328	\$ 271,890,996
-	19,575,950	18,745,140	38,321,090	36,061,376
1,859,528	-	-	76,410,588	107,732,532
<u>1,859,528</u>	<u>19,575,950</u>	<u>18,745,140</u>	<u>114,731,678</u>	<u>143,793,908</u>
513,225	219,681	286,646	8,208,568	14,148,585
-	267,254	-	267,254	1,792,834
-	50,857	176,504	501,154	311,042
-	-	-	1,074,742,302	1,021,681,663
<u>-</u>	<u>-</u>	<u>-</u>	<u>84,638,714</u>	<u>81,055,631</u>
-	-	-	1,159,381,016	1,102,737,294
408,779,992	-	87,430,066	2,554,937,461	2,621,631,310
5,240,541	-	-	65,637,908	71,953,503
<u>-</u>	<u>311,145</u>	<u>-</u>	<u>3,906,840</u>	<u>4,557,878</u>
<u>\$ 420,098,957</u>	<u>\$ 24,605,955</u>	<u>\$ 125,630,209</u>	<u>\$ 4,097,034,207</u>	<u>\$ 4,232,817,350</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM NET ASSETS (CONTINUED)
JUNE 30, 2011 AND 2010

LIABILITIES AND NET ASSETS	Restricted Bond Fund			
	Single-family Bond Program	HomeOwnership Bond Program (NIBP)	Multifamily Housing Bond Program	Nonprofit Housing Bond Program
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 5,017,073	\$ 54,162	\$ 13,044,372	\$ 24,029,343
ACCRUED INTEREST PAYABLE	3,070,172	2,104,723	4,429,920	6,838,164
ACCRUED ARBITRAGE REBATE	333,364	-	-	-
DEFERRED REVENUE AND OTHER	2,077,693	-	-	-
PROJECT EQUITY HELD FOR BORROWER	-	-	5,214,405	-
OBLIGATIONS UNDER REVERSE REPURCHASE AGREEMENTS	19,995,000	-	-	-
PRIVATE PLACEMENT PROGRAMS, NOTES PAYABLE AND BOND FUND FINANCING	-	-	600,000	-
BONDS PAYABLE				
Current interest bonds	774,617,191	242,620,000	1,379,091,539	718,517,385
Taxable bonds	13,335,000	50,010,000	109,482,133	9,130,000
Unamortized bond discount	-	-	(153,739)	(720,119)
Unamortized bond premium	3,676,598	1,130,385	440,951	564,164
	<u>791,628,789</u>	<u>293,760,385</u>	<u>1,488,860,884</u>	<u>727,491,430</u>
TOTAL LIABILITIES	822,122,091	295,919,270	1,512,149,581	758,358,937
NET ASSETS				
Restricted				
Bond operations	116,008,506	19,222,026	2,918,675	-
Grants and donations to Program Investment Fund	-	-	-	-
Invested in capital assets	-	-	-	-
Unrestricted				
General operations	-	-	-	-
Program Investment Fund	-	-	-	-
	<u>116,008,506</u>	<u>19,222,026</u>	<u>2,918,675</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 938,130,597</u>	<u>\$ 315,141,296</u>	<u>\$ 1,515,068,256</u>	<u>\$ 758,358,937</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2011	2010
\$ 264,578	\$ 1,481,728	\$ 53,246,114	\$ 97,137,370	\$ 78,784,001
753,141	-	-	17,196,120	18,503,039
-	-	-	333,364	394,070
-	5,124,227	-	7,201,920	7,688,982
-	-	-	5,214,405	2,301,395
-	-	-	19,995,000	-
-	-	-	600,000	600,000
416,041,238	-	-	3,530,887,353	3,640,444,037
3,040,000	-	-	184,997,133	269,773,875
-	-	-	(873,858)	(936,697)
-	-	-	5,812,098	5,925,127
<u>419,081,238</u>	<u>-</u>	<u>-</u>	<u>3,720,822,726</u>	<u>3,915,206,342</u>
420,098,957	6,605,955	53,246,114	3,868,500,905	4,023,477,829
-	-	-	138,149,207	125,128,981
-	-	1,079,424	1,079,424	500,000
-	219,515	-	219,515	335,140
-	17,780,485	-	17,780,485	17,664,860
-	-	71,304,671	71,304,671	65,710,540
<u>-</u>	<u>18,000,000</u>	<u>72,384,095</u>	<u>228,533,302</u>	<u>209,339,521</u>
<u>\$ 420,098,957</u>	<u>\$ 24,605,955</u>	<u>\$ 125,630,209</u>	<u>\$ 4,097,034,207</u>	<u>\$ 4,232,817,350</u>

**WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM REVENUES, EXPENSES AND CHANGES IN
PROGRAM NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Restricted Bond Fund			
	Single-family Bond Program	HomeOwnership Bond Program (NIBP)	Multifamily Housing Bond Program	Nonprofit Housing Bond Program
REVENUES				
Interest earned on mortgage loans and mortgage-backed securities	\$ 45,309,380	\$ 8,308,698	\$ 27,591,772	\$ 18,410,408
Other interest and investment income (loss)	2,558,801	229,766	62,294	(216,200)
Gain (Loss) on mortgage-backed securities	(2,243,090)	6,836,138	(1,009,965)	-
Other fee income	386,695	3,239,814	2,689,801	1,787,951
Nonoperating revenues - grants	-	-	-	-
	<u>46,011,786</u>	<u>18,614,416</u>	<u>29,333,902</u>	<u>19,982,159</u>
EXPENSES				
Interest on debt	40,524,112	6,181,879	27,455,319	18,281,223
Amortization of bond discount	2,257	-	7,852	52,731
Amortization of bond premium	(705,670)	(73,084)	(33,617)	(139,746)
Amortization of bond issuance costs	1,518,580	240,624	2,691,959	1,681,140
Amortization of bond insurance premium	-	-	2,473	106,811
Servicing and commission fees	2,024,933	529,300	106,137	-
Salaries and wages	-	-	-	-
Communication and office expense	-	-	-	-
Professional fees	-	-	-	-
Trustee and paying agent fees	202,749	51,120	30,688	-
Other	179,767	2,500	-	-
Nonoperating expenses - grants	-	-	-	-
	<u>43,746,728</u>	<u>6,932,339</u>	<u>30,260,811</u>	<u>19,982,159</u>
EXCESS OF REVENUES OVER EXPENSES	2,265,058	11,682,077	(926,909)	-
NET ASSETS				
Balance, beginning of year	113,743,448	7,539,949	3,845,584	-
Distribution of equity	-	-	-	-
Balance, end of year	<u>\$ 116,008,506</u>	<u>\$ 19,222,026</u>	<u>\$ 2,918,675</u>	<u>\$ -</u>

Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total	
			2011	2010
\$ 7,469,900	\$ -	\$ -	\$ 107,090,158	\$ 106,373,526
(15,427)	770,653	-	3,389,887	4,775,285
-	-	-	3,583,083	40,901,154
1,985,044	13,156,549	784,535	24,030,389	27,418,185
-	93,461,297	9,604,012	103,065,309	41,810,198
<u>9,439,517</u>	<u>107,388,499</u>	<u>10,388,547</u>	<u>241,158,826</u>	<u>221,278,348</u>
7,454,473	-	-	99,897,006	103,738,862
-	-	-	62,840	62,587
-	-	-	(952,117)	(884,059)
1,985,044	-	-	8,117,347	12,838,245
-	-	-	109,284	112,082
-	-	-	2,660,370	2,686,150
-	5,400,787	-	5,400,787	5,371,528
-	1,653,926	-	1,653,926	1,567,996
-	1,433,551	-	1,433,551	1,893,566
-	-	-	284,557	281,552
-	-	974,918	1,157,185	367,796
-	93,461,297	8,679,012	102,140,309	41,255,774
<u>9,439,517</u>	<u>101,949,561</u>	<u>9,653,930</u>	<u>221,965,045</u>	<u>169,292,079</u>
-	5,438,938	734,617	19,193,781	51,986,269
-	18,000,000	66,210,540	209,339,521	157,353,252
-	(5,438,938)	5,438,938	-	-
<u>\$ -</u>	<u>\$ 18,000,000</u>	<u>\$ 72,384,095</u>	<u>\$ 228,533,302</u>	<u>\$ 209,339,521</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM CASH FLOWS
YEAR ENDED JUNE 30, 2011

	Restricted Bond Fund		
	Single-family Housing Bond Program	HomeOwnership Bond Program (NIBP)	Multifamily Housing Bond Program
OPERATING ACTIVITIES			
Receipts for interest on mortgages	\$ 42,982,994	\$ 7,786,651	\$ 30,135,692
Receipts for other fee income	1,916,445	3,791,258	-
Receipts for loans and mortgage prepayments	134,032,965	9,924,846	57,604,389
Payments for acquisition of loans and mortgages	(41,810,974)	(154,497,510)	(56,357,896)
Payments for bond program expenses	(4,273,842)	(2,132,007)	(658,858)
Payments to employees and suppliers	-	-	-
Net cash from (used for) operating activities	<u>132,847,588</u>	<u>(135,126,762)</u>	<u>30,723,327</u>
INVESTING ACTIVITIES			
Purchase of investments	(152,474,925)	-	(33,732,306)
Sale of investments	142,145,879	54,260,972	20,280,491
Interest received on investments	2,521,184	234,849	80,069
Net cash from (used for) investing activities	<u>(7,807,862)</u>	<u>54,495,821</u>	<u>(13,371,746)</u>
NONCAPITAL FINANCING ACTIVITIES			
Contributions	-	-	-
CAPITAL FINANCING ACTIVITIES			
Project equity received, net	-	-	2,913,010
Proceeds from sale of bonds and notes	29,927,965	42,554,846	55,566,707
Interest paid on debt	(40,839,190)	(4,622,624)	(28,804,831)
Debt repayments	<u>(134,032,965)</u>	<u>(9,924,846)</u>	<u>(57,604,389)</u>
Net cash from (used for) capital financing activities	<u>(144,944,190)</u>	<u>28,007,376</u>	<u>(27,929,503)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(19,904,464)	(52,623,565)	(10,577,922)
CASH AND CASH EQUIVALENTS			
Beginning of year	<u>72,640,594</u>	<u>111,398,150</u>	<u>29,254,480</u>
End of year	<u>\$ 52,736,130</u>	<u>\$ 58,774,585</u>	<u>\$ 18,676,558</u>

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program Investment Fund	Total
\$ 23,210,458	\$ 7,761,094	\$ -	\$ -	\$ 111,876,889
-	-	107,237,861	10,160,832	123,106,396
75,890,201	96,988,433	-	20,182,657	394,623,491
(22,377,362)	(64,390,717)	-	(15,142,664)	(354,577,123)
(467,662)	(185,229)	-	-	(7,717,598)
-	-	(101,770,306)	(8,828,091)	(110,598,397)
<u>76,255,635</u>	<u>40,173,581</u>	<u>5,467,555</u>	<u>6,372,734</u>	<u>156,713,658</u>
(19,287,482)	(18,960,203)	(4,075,255)	-	(228,530,171)
19,266,656	20,578,710	-	1,815,541	258,348,249
(227,492)	(46,974)	772,041	-	3,333,677
<u>(248,318)</u>	<u>1,571,533</u>	<u>(3,303,214)</u>	<u>1,815,541</u>	<u>33,151,755</u>
-	-	(5,438,938)	5,438,938	-
-	-	-	-	2,913,010
32,151,529	40,000,514	-	-	200,201,561
(18,697,699)	(8,003,474)	-	-	(100,967,818)
<u>(75,890,201)</u>	<u>(96,988,433)</u>	<u>-</u>	<u>-</u>	<u>(374,440,834)</u>
<u>(62,436,371)</u>	<u>(64,991,393)</u>	<u>-</u>	<u>-</u>	<u>(272,294,081)</u>
13,570,946	(23,246,279)	(3,274,597)	13,627,213	(82,428,668)
<u>18,825,517</u>	<u>26,951,950</u>	<u>7,455,665</u>	<u>5,364,640</u>	<u>271,890,996</u>
<u>\$ 32,396,463</u>	<u>\$ 3,705,671</u>	<u>\$ 4,181,068</u>	<u>\$ 18,991,853</u>	<u>\$ 189,462,328</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF PROGRAM CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2011

	Restricted Bond Fund		
	Single-family Housing Bond Program	HomeOwnership Bond Program (NIBP)	Multifamily Housing Bond Program
RECONCILIATION OF EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES TO NET CASH FROM OPERATING ACTIVITIES			
Excess (deficiency) of revenues over expenses	\$ 2,265,058	\$ 11,682,077	\$ (926,909)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash from operating activities			
Amortization of mortgage discount	(1,718,252)	-	-
Amortization of mortgage premium	1,496	-	521
Amortization of bond insurance premium	-	-	2,473
Amortization of bond issuance costs	1,518,580	240,624	2,691,959
Amortization of bond premium	(705,670)	(73,084)	(33,617)
Amortization of bond discount	2,257	-	7,852
Amortization of deferred fee income	-	-	(2,689,801)
Purchase of mortgage loans	(41,810,952)	(154,291,462)	(57,978,957)
Repayments of mortgage loans	134,032,965	9,924,846	57,604,389
Unrealized (gain) loss on securities	2,243,090	(6,836,138)	1,009,964
Cash from changes in operating assets and liabilities			
Interest and other receivables	(2,075,140)	(726,022)	1,961,547
Interest and other payables	39,094,156	4,952,397	29,073,906
Net cash (from) used for operating activities	<u>\$ 132,847,588</u>	<u>\$ (135,126,762)</u>	<u>\$ 30,723,327</u>

<u>Nonprofit Housing Bond Program</u>	<u>Nonprofit Facilities Bond Program</u>	<u>General Operating Fund</u>	<u>Program Investment Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 5,438,938	\$ 734,617	\$ 19,193,781
(52,731)	-	-	-	(1,770,983)
139,746	-	-	-	141,763
106,811	-	-	-	109,284
1,681,140	1,985,044	-	-	8,117,347
(139,746)	-	-	-	(952,117)
52,731	-	-	-	62,840
(1,787,951)	(1,985,044)	-	-	(6,462,796)
(23,958,778)	(64,095,107)	-	(15,142,664)	(357,277,920)
75,890,201	96,988,433	-	20,182,657	394,623,491
-	-	-	-	(3,583,084)
4,568,384	121,392	(25,322)	598,124	4,422,963
19,755,828	7,158,863	53,939	-	100,089,089
<u>\$ 76,255,635</u>	<u>\$ 40,173,581</u>	<u>\$ 5,467,555</u>	<u>\$ 6,372,734</u>	<u>\$ 156,713,658</u>

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE
YEARS ENDED JUNE 30, 2011 WITH COMPARATIVE TOTALS FOR 2010

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2011	2010
Single-family (Open Indenture)					
Single-family 1998 1A/1N/1T	02/26/98	20,000,000	06/01/29	\$ -	\$ 850,000
Single-family 1998 3A/3N/3T	06/04/98	34,480,000	12/01/29	-	1,400,000
Single-family 1998 4A/4T, 4A (CAB) *	08/27/98	35,002,696	06/01/30	-	240,000
Single-family 1998 5A/5N/5T, 5A (CAB) *	11/19/98	22,217,675	06/01/30	-	8,005,000
Single-family 1999 1A/1N/1T, 1A (CAB) *	02/24/99	25,001,382	06/01/30	-	5,780,000
Single-family 1999 2A/2N//2T, 2A (CAB) *	05/27/99	23,500,452	12/01/30	-	3,340,000
Single-family 2001 1A/N	02/28/01	20,000,000	12/01/32	-	2,230,000
Single-family 2001 2A	05/30/01	27,000,000	12/01/32	315,000	760,000
Single-family 2001 4A/4T	07/26/01	30,000,000	12/01/32	-	12,530,000
Single-family 2001 5A	11/15/01	20,000,000	06/01/33	1,555,000	2,775,000
Single-family 2002 1A	03/14/02	20,000,000	06/01/33	10,000	320,000
Single-family 2002 2A, 3A/ 3N-R	05/30/02	43,110,000	12/01/33	70,375	915,086
Single-family 2002 4A	08/30/02	25,000,000	12/01/33	6,545,000	7,830,000
Single-family 2002 5A	01/15/03	23,580,000	12/01/33	4,278,303	13,783,510
Single-family 2003 1A/1N	05/21/03	20,000,000	06/01/26	8,275,000	9,520,000
Single-family 2003 2A/2N	09/25/03	24,500,000	12/01/24	2,160,197	13,801,817
Single-family 2003 3A/3N	11/19/03	23,885,000	06/01/34	18,461,885	19,182,187
Single-family 2004 1A/1N	03/18/04	37,325,000	12/01/34	18,550,776	20,986,018
Single-family 2004 2A/2N	07/07/04	38,885,000	06/01/35	9,449,970	20,260,300
Single-family 2004 3A/3N	08/25/04	33,500,000	06/01/35	19,676,553	22,733,658
Single-family 2004 4A/4N	12/09/04	23,790,000	12/01/35	15,511,066	16,918,768
Single-family 2005 1A/1N	03/31/05	25,000,000	12/01/35	17,175,000	19,000,000
Single-family 2005 2A/VR-2A	06/16/05	30,000,000	03/01/36	23,055,000	25,310,000
Single-family 2005 3A	08/04/05	19,795,000	06/01/36	15,990,000	17,130,000
Single-family 2005 4	09/29/05	24,380,000	06/01/36	16,945,000	18,795,000
Single-family 2005 5	12/15/05	24,535,000	06/01/36	16,475,000	19,410,000
Single-family 2006 1	01/25/06	99,265,000	06/01/37	35,300,000	39,640,000
Single-family 2006 2	04/12/06	79,370,000	12/01/37	37,955,000	41,225,000
Single-family 2006 3	07/13/06	55,000,000	12/01/37	50,285,000	51,870,000
Single-family 2006 4	08/23/06	55,000,000	06/01/37	51,745,000	52,585,000
Single-family 2006 5	10/12/06	55,000,000	12/01/37	52,020,000	52,845,000
Single-family 2006 6	11/02/06	53,795,000	12/01/37	41,250,000	45,720,000
Single-family 2007 1	02/08/07	54,490,000	06/01/38	44,770,000	49,460,000
Single-family 2007 2	03/29/07	55,000,000	06/01/48	53,665,000	54,055,000
Single-family 2007 3	05/17/07	55,000,000	06/01/48	53,700,000	54,090,000
Single-family 2007 4	06/20/07	54,980,000	06/01/48	42,755,000	48,220,000
Single-family 2007 5	10/25/07	80,005,000	12/01/47	27,420,000	49,425,000
Single-family 2008 1	07/01/08	55,000,000	06/01/49	13,905,000	15,720,000
Single-family 2008 2	09/25/08	41,000,000	06/01/48	20,720,000	28,930,000
Single-family 2009 1	06/25/09	20,000,000	06/01/39	12,540,000	19,825,000
Single-family 2009 2N	10/28/2009	24,820,000	06/01/40	24,070,000	24,735,000
Single-family 2010 1A-R/1N-R	11/30/2010	35,175,000	12/01/35	31,353,066	-
				787,952,191	912,151,344
Unamortized Bond Premium				3,676,598	4,012,612
Unamortized Bond Discount				-	(2,257)
				791,628,789	916,161,699
HomeOwnership Program Bonds					
HPB 09 A - Escrow Bond NBIP	12/23/2009	170,000,000	10/01/41	50,010,000	110,000,000
HPB 09 B - NBIP	12/21/2009	50,000,000	10/01/40	45,365,000	50,000,000
HPB 09 Series AC1/2010 Series A - NBIP	6/29/2010	100,000,000	10/01/41	97,265,000	100,000,000
Homeownership Program Bonds 09 AC2/11 A (3/24/11)	3/24/2011	99,990,000	10/01/41	99,990,000	-
				292,630,000	260,000,000
Unamortized Bond Premium				1,130,385	741,186
Unamortized Bond Discount				-	-
				293,760,385	260,741,186

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEARS ENDED JUNE 30, 2011 WITH COMPARATIVE TOTALS FOR 2010

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2011	2010
Multifamily Housing					
Canyon Lakes	07/28/93	4,565,000	07/01/18	\$ 3,700,000	\$ 3,820,000
Canyon Lakes II	10/19/94	6,935,000	10/01/19	5,620,000	5,805,000
Inglenook Court	05/25/95	8,300,000	07/01/25	8,300,000	8,300,000
Wandering Creek Project	11/22/95	5,300,000	01/01/26	5,300,000	5,300,000
Pacific Crest Apartments	11/28/95	5,815,000	01/01/26	4,380,000	4,535,000
LTC Properties	12/13/95	8,300,000	12/01/15	3,200,000	3,730,000
Courtside Apartments	02/28/96	10,600,000	01/01/26	8,635,000	8,775,000
Lake Washington Apartments	10/30/96	10,750,000	10/01/26	9,040,000	9,180,000
Brittany Park Project	11/07/96	14,200,000	11/01/21	12,055,000	12,270,000
Pacific Inn Apartments	11/08/96	5,900,000	05/01/28	4,535,000	4,685,000
Meridian Court	12/12/96	8,000,000	12/01/28	6,700,000	6,700,000
Hamilton Place Senior Living	12/20/96	4,140,000	07/01/28	3,590,000	3,590,000
Larkin Apartments	12/20/96	5,565,000	07/01/28	4,825,000	4,825,000
Merrill Gardens	07/14/97	12,500,000	07/01/22	8,125,000	8,125,000
Anchor Village	12/10/97	10,750,000	12/15/27	10,750,000	10,750,000
1998 Ginnie Mae Refunding	01/21/98	7,515,000	07/01/30	4,295,000	4,405,000
Private Placement Lake Washington Apartments	01/27/98	600,000	06/30/36	600,000	600,000
Brittany Park II	08/12/98	5,800,000	11/01/21	4,675,000	4,885,000
Boardwalk Apartments	09/14/98	12,400,000	09/01/28	10,600,000	10,815,000
Oxford Square Apartments	11/30/98	6,000,000	12/01/28	4,830,000	4,975,000
Avalon Ridge Apartments	10/14/99	18,755,000	05/15/26	18,755,000	18,755,000
Regency Park Apartments	09/23/99	11,150,000	09/01/29	7,805,000	7,805,000
WoodRose Apartments	11/09/99	9,000,000	06/15/32	7,465,000	7,615,000
Summer Ridge Apartments	12/13/99	4,740,000	12/01/29	3,845,000	3,955,000
Mill Pointe	12/21/99	14,500,000	01/01/30	9,425,000	9,425,000
Silver Springs Apartments	12/22/99	10,270,000	12/22/29	10,092,964	10,130,233
Holly Village	12/23/99	8,800,000	07/15/32	7,255,000	7,395,000
Burke Gilman Place 2000	02/16/00	4,495,000	07/01/35	3,835,000	3,835,000
Vintage at Bremerton Senior Project	09/29/00	7,600,000	05/15/33	6,200,000	6,250,000
Granite Falls	10/03/00	3,930,000	10/01/27	3,285,000	3,390,000
Greens at Merrill Creek	10/12/00	17,310,000	06/01/24	15,666,000	15,822,000
Evergreen 2000 (Ginnie Mae)	10/17/00	5,950,000	01/01/36	5,360,000	5,435,000
Kingsbury Terrace	02/09/01	4,100,000	07/01/42	3,865,000	3,900,000
Lakewood Meadows	11/21/00	7,850,000	07/15/33	7,035,000	7,170,000
Springfield Meadows Apartments Project	08/06/01	17,000,000	01/01/34	11,050,000	11,050,000
Country Club Apartments Project	08/09/01	12,920,000	08/01/32	11,285,000	11,545,000
Monticello Park Project	08/13/01	10,475,000	08/01/26	9,550,000	9,690,000
Parkside Apartments	10/30/01	11,700,000	01/20/43	10,060,000	10,305,000
Woodlands Apartments Project 2001	12/07/01	6,600,000	07/15/34	5,985,000	6,190,000
Silverwood Apartments Project 2001	12/11/01	3,825,000	11/01/38	-	2,407,615
Ocean Ridge Apartments 2001	12/21/01	9,000,000	11/01/38	8,530,060	8,611,170
Tama Qua (Whisperwood)	05/14/02	7,900,000	05/15/35	6,890,000	6,995,000
Valley View Apartments 2002	02/19/02	2,880,000	09/15/20	2,880,000	2,880,000
Olympic Heights Apartments 2002	02/19/02	5,165,000	09/15/20	5,165,000	5,165,000
Parkway Apartments	06/20/02	9,180,000	07/20/37	8,410,000	8,530,000
Bridgewood at Four Seasons	10/04/02	9,800,000	10/01/32	9,080,000	9,210,000
Park Hill	08/27/02	7,000,000	04/01/34	6,431,103	6,488,917
Deer Run	10/01/02	4,900,000	05/01/30	4,335,318	4,438,876
Alderwood Court	05/17/02	7,645,000	06/15/35	7,035,000	7,140,000
Quail Run	12/06/02	7,150,000	07/01/35	6,807,246	6,873,076
Heatherwood Apts.	12/11/02	21,350,000	01/01/35	14,525,000	14,525,000
Tashiro Kaplan	04/30/03	5,290,000	01/20/45	4,780,000	4,875,000
Mallard Lake Park Apts.	11/26/02	18,500,000	05/15/35	14,405,000	14,405,000
Fort Vancouver	04/03/03	6,668,000	09/01/39	6,007,199	6,120,765

WASHINGTON STATE HOUSING FINANCE COMMISSION
SCHEDULE OF NOTES AND BONDS PAYABLE (CONTINUED)
YEARS ENDED JUNE 30, 2011 WITH COMPARATIVE TOTALS FOR 2010

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2011	2010
Multifamily Housing (Continued)					
Vintage at Mt. Vernon	06/05/03	\$ 10,000,000	01/15/37	\$ 8,770,000	\$ 8,900,000
Alaska House	07/15/04	8,040,000	07/20/45	7,685,000	7,755,000
International House	07/15/04	7,390,000	07/20/45	7,055,000	7,120,000
Rosemont Retirement & Assisted Living Comm	10/20/03	8,250,000	10/01/36	8,250,000	8,250,000
Olympic Place Retirement & Assisted Living Comm	11/24/03	10,575,000	11/01/36	10,575,000	10,575,000
Stonebrook Apartments	10/28/04	15,710,000	02/01/37	13,890,000	14,105,000
Rainier Court Apartments	12/23/03	17,000,000	12/15/36	16,495,000	16,700,000
Rolling Hills Apartments	05/27/04	8,750,000	06/15/37	8,145,000	8,350,000
Highlander Apartments II	04/30/04	10,000,000	05/01/37	8,350,000	8,350,000
Lowman Building	06/30/04	7,100,000	01/01/29	6,245,000	6,455,000
Silver Creek Retirement & Assisted Living	11/16/04	15,300,000	11/01/40	15,300,000	15,300,000
Silver Creek Apartments	05/26/04	17,500,000	12/15/37	13,195,000	13,415,000
Crestview West Apartments	12/01/04	14,000,000	12/15/37	14,000,000	14,000,000
Vintage at Everett	06/30/04	17,750,000	01/15/38	16,815,000	17,035,000
Vintage at Richland	06/29/04	11,750,000	01/15/38	7,535,000	7,535,000
Ballinger Court Apartments	09/01/04	5,800,000	09/15/37	5,500,000	5,600,000
Burke-Gilman 2004 Refunding	07/19/04	3,835,000	07/01/18	3,125,000	3,255,000
Arbor Park Apt Homes	07/30/04	9,135,000	07/30/21	8,539,045	8,669,974
Deer Run West	12/22/04	6,270,000	06/15/37	6,130,000	6,130,000
Merrill Gardens at Queen Anne	12/17/04	30,200,000	12/01/40	29,435,000	29,760,000
Merrill Gardens at Renton	12/17/04	23,100,000	12/01/40	22,985,000	23,280,000
Valley View Apartments	12/22/04	29,675,000	05/01/38	28,278,000	28,713,000
Vintage at Burien Apartments Project	12/22/04	7,300,000	01/15/38	6,990,000	7,095,000
Vintage at Sequim	01/27/05	8,390,000	03/01/38	6,413,957	6,481,282
Seaport Landing Retirement & Asst Living Comm	02/07/05	13,200,000	02/01/41	13,200,000	13,200,000
Park Vista Retirement Project	03/07/05	15,250,000	03/01/41	15,250,000	15,250,000
Cedar Landings Apartments	01/03/05	8,260,000	01/01/15	7,290,312	7,580,716
Highland Park	06/30/05	11,300,000	07/15/38	10,790,000	11,000,000
Ridgeview Apartments	04/29/05	12,390,000	11/01/22	9,581,708	9,745,949
Fairwinds - Redmond	07/15/05	27,500,000	07/01/41	24,450,000	24,450,000
Pinehurst Apartments	09/27/05	14,85,000	3/15/2039	13,570,000	13,780,000
The Vintage at Silverdale	09/29/05	19,575,000	9/15/2039	14,880,000	19,575,000
Lodge at Eagle Ridge	08/17/05	13,550,000	8/1/2041	12,910,000	12,910,000
Yesler Apartments	11/28/05	13,788,000	1/1/2024	-	11,524,368
Scenic Vista Senior Apartment	11/22/05	6,100,000	1/1/2039	6,012,071	6,044,643
Kamiakin Apartments	11/23/05	8,275,000	5/1/2042	7,778,505	7,850,308
Cedar Ridge Retirement and Assisted Living Facility	10/25/05	15,100,000	10/1/2041	15,100,000	15,100,000
Bluffs at Evergreen	12/07/05	12,300,000	1/1/2024	11,582,569	11,780,346
Vintage at Vancouver	02/10/06	8,900,000	4/1/2036	8,515,901	8,603,281
Merrill at Tacoma	09/01/06	19,600,000	9/15/2040	19,500,000	19,600,000
Vintage at Spokane Senior Living	07/17/06	17,200,000	8/15/2040	16,295,000	17,200,000
Forrest Creek	11/30/06	13,815,000	6/15/2040	13,680,000	13,680,000
Crowne Pointe Apartments	05/26/06	8,740,000	12/1/2047	8,561,678	8,616,984
Orchard Hills	11/03/06	9,060,000	7/1/2039	8,886,999	8,956,274
Ballard Landmark	12/15/06	35,100,000	12/15/2041	35,100,000	35,100,000
Eagle's Landing Apartments	07/24/06	13,400,000	08/15/39	13,190,000	13,295,000
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	4,926,974	4,958,533
Covington Place	11/02/07	9,975,000	12/01/25	9,899,662	9,975,000
The Season	12/20/06	37,500,000	12/15/40	37,300,000	37,400,000
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	7,422,872	7,466,487

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Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding	
				2011	2010
Multifamily Housing (Continued)					
Northgate Village	12/08/06	\$ 5,990,000	06/01/43	\$ 5,827,470	\$ 5,885,194
Island Skagit Partner Portfolio	02/28/07	3,850,000	03/01/37	2,159,272	2,195,945
Three County Partners Portfolio	02/28/07	5,900,000	03/01/37	4,030,641	4,099,804
Barkely Ridge Apartments	08/28/07	10,400,000	09/01/40	10,300,000	10,400,000
Linden Square Apartments 2007	11/29/07	45,150,000	06/01/42	45,150,000	45,150,000
Merrill Gardens at Kirkland	10/04/07	34,000,000	04/15/41	34,000,000	34,000,000
Merrill Gardens University Village	10/04/07	55,000,000	04/15/41	48,540,000	55,000,000
2007 Clark Island Portfolio	11/09/07	5,560,000	11/01/42	5,560,000	5,560,000
Twin Ponds Refunding 07	12/03/07	7,285,000	01/01/38	6,971,736	7,070,730
Rosecreek Apts Refunding 07	12/03/07	3,570,000	01/01/38	3,408,020	3,458,888
Greentree Apartment Homes 08	01/30/08	13,965,000	02/01/26	14,588,480	14,701,218
Prairie View Apartment	12/28/07	23,880,000	01/01/26	21,614,455	22,807,500
Queen Anne Manor	12/20/07	19,005,000	07/01/40	19,005,000	19,005,000
Arrowhead Gardens Senior Living	12/05/07	35,000,000	01/01/42	35,000,000	35,000,000
Pioneer Village Retirement Community	12/27/07	4,600,000	01/01/26	4,532,953	4,600,000
First Liberty Apartments 07	12/11/07	5,965,000	04/01/40	5,030,000	5,090,000
Talon Hills Apartments	05/30/08	4,115,000	09/01/40	3,360,000	4,115,000
APD WA RD 2007 Portfolio	07/31/08	9,940,000	02/01/40	5,873,689	5,929,709
Parkview Apartments	07/28/08	3,060,000	08/01/43	3,060,000	3,060,000
Artspace Everett Lofts	12/23/08	7,500,000	12/01/41	3,200,000	7,500,000
Senior City (KWA)	11/14/08	9,900,000	06/01/11	-	9,592,960
Appian Way	12/31/08	13,610,000	07/01/40	6,054,165	6,135,000
Lake City Way Mixed Use	12/23/2009	15,600,000	01/01/44	15,600,000	15,600,000
New Tacoma Phase 1	12/28/2009	11,400,000	01/01/40	11,400,000	11,400,000
Lake City Senior Refunding	8/28/2009	16,250,000	07/01/44	16,250,000	16,250,000
Washington Terrace Refunding	2/16/2010	11,250,000	02/15/43	11,250,000	11,250,000
New Haven Refunding	12/15/2009	19,000,000	12/15/44	19,000,000	19,000,000
Cambridge Refunding	12/15/2009	12,650,000	12/15/44	12,650,000	12,650,000
Rose Street Apts (Grid)	2/8/2010	9,600,000	02/01/27	8,915,091	54,175
Walton Place Two Step (Grid)	12/21/2009	7,030,000	12/21/11	4,030,000	2,654,986
Discovery Heights Apts-MFH	12/22/2010	33,175,000	12/01/43	33,175,000	-
Evergreen Vista Apts A&B-MFH	5/3/2011	7,300,000	11/01/27	3,907,304	-
12th Ave & Jefferson Apts WW-MFH	5/25/2011	6,281,847	05/01/28	100,000	-
Columbia City Station WW - MFH	6/28/2011	6,220,000	06/28/28	50,000	-
Palouse Family Apts-MFH	5/25/2011	12,250,000	06/01/43	55,000	-
Tomason Place II WW - MFH	6/29/2011	2,770,000	06/01/28	2,770,000	-
Streamlined Tax Exempt Private Placement - Multifamily Housing					
Fir @ 17th	12/16/94	1,250,000	07/01/20	698,460	761,865
Riverside Landing	12/12/97	2,043,000	06/01/29	1,672,549	1,716,823
Assembly Apts	09/10/97	3,000,000	05/01/23	2,330,176	2,403,646
Mt. Baker Apts	10/15/98	2,320,000	10/01/28	1,811,745	1,868,004
Covington Commons Apts	06/11/99	2,600,000	07/01/29	1,112,468	1,138,529
Rockwood Terrace	09/29/99	1,551,107	10/01/14	1,271,907	1,305,484
Terrace Apartments	08/28/00	1,222,000	08/01/30	1,037,515	1,062,522
Yakima Gardens	12/18/98	942,500	01/01/29	741,485	764,008
Oregon Place	07/14/00	2,500,000	08/01/30	1,075,321	1,103,124
Westgate Terrace Apts	08/31/05	3,218,000	03/01/22	2,981,507	3,036,140
Parkland Terrace Apts	08/31/05	1,600,000	04/01/22	1,482,415	1,509,579
Hiawatha Artist's Loft	12/01/06	8,500,000	12/01/28	3,740,812	3,795,126
Creston Point Apartments 07	10/19/07	2,000,000	11/01/37	2,000,000	2,000,000
Lilac Terrace	10/09/08	5,200,000	11/01/25	188,904	1,500,598
Traditions @ Walla Walla (STEP)-MFH	3/30/2011	9,552,000	05/01/21	2,219,989	-
				1,489,173,672	1,491,211,354
Unamortized Bond Discount				(153,739)	(161,590)
Unamortized Bond Premium				440,951	474,568
				1,489,460,884	1,491,524,332

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				2011	2010
Nonprofit Housing					
Nikkei Concerns	10/20/94	6,250,000	10/01/19	\$ 3,170,000	\$ 3,450,000
Nikkei Manor	11/06/96	3,100,000	10/01/21	2,000,000	2,100,000
Panorama City	01/29/97	24,300,000	01/01/27	15,040,000	16,000,000
Riverview Lutheran	07/23/97	4,000,000	07/01/22	2,570,000	2,720,000
Crista Ministries Projects & Refunding	06/08/98	17,475,000	07/01/17	-	6,685,000
WA Odd Fellows Home	10/15/98	10,100,000	07/01/28	-	8,020,000
Presbyterian Ministries Rev & Refunding	02/25/99	11,965,000	01/01/29	9,335,000	9,640,000
Tacoma Lutheran 1999	07/15/99	6,510,000	01/01/24	4,725,000	4,950,000
The Kline Galland Center	09/23/99	27,500,000	07/01/29	23,780,000	24,395,000
Rockwood Retirement Communities	11/23/99	27,000,000	01/01/30	21,455,000	22,120,000
Living Care Centers	10/26/00	14,950,000	10/01/30	12,510,000	12,845,000
Pioneer Human Services 2001	08/02/01	7,100,000	08/01/19	2,925,000	3,265,000
Kenney Home Project 2001	11/15/01	18,135,000	12/01/31	17,620,000	17,620,000
Rockwood Forest Estates	05/23/02	9,560,000	01/01/34	8,430,000	8,630,000
Nickerson Area Properties	08/20/03	10,745,000	01/01/05	9,435,000	9,665,000
Franke Tobey Jones	08/27/03	13,035,000	09/01/33	13,035,000	13,035,000
Green River Community College	07/24/03	19,050,000	07/01/15	18,105,000	18,355,000
Emerald Heights 03 Expansion	07/01/03	38,460,000	07/01/33	33,670,000	34,435,000
Mercy Housing	09/19/03	6,445,215	09/19/33	5,594,553	5,725,961
Mercy Housing - Cobble Knoll, Phase II	11/30/04	3,900,000	11/01/34	3,498,360	3,569,296
Hearthstone	12/02/04	12,000,000	12/01/29	10,490,000	10,780,000
Horizon House	10/05/05	56,700,000	10/01/35	53,375,000	54,410,000
Mirabella	11/03/06	256,745,000	03/01/36	125,950,000	134,950,000
Judson Park Refunding '07	01/30/07	37,010,000	02/01/37	21,910,000	22,295,000
Skyline at First Hill	02/28/07	214,700,000	01/01/38	153,175,000	193,860,000
Wesley Homes Lea Hill Refunding	04/02/07	57,610,000	01/01/36	45,130,000	45,940,000
Panorama Apartments	04/03/08	28,500,000	04/01/43	28,000,000	28,500,000
Edmonds Community College	07/16/08	16,155,000	07/01/43	16,135,000	16,155,000
Pioneer Human Services 2009	06/30/09	10,460,000	07/01/29	10,215,000	10,460,000
Odd Fellows 2010 Refi- NPH	7/15/2010	8,609,000	07/01/20	8,310,526	-
Crista Ministries Ref-NPH	12/29/2010	13,495,000	01/01/26	13,212,289	-
San Franciscan Apts WW-NPH	12/22/2010	1,250,000	01/01/31	1,241,856	-
Mt Baker/Cedar Village WW-NPH	12/21/2010	2,444,000	12/01/21	2,444,000	-
Mount Vista Apts WW-NPH	3/29/2011	1,100,000	04/01/41	1,097,236	-
Purple Sage Apts WW-NPH	5/12/2011	1,100,000	05/01/21	1,100,000	-
Littlerock Road Housing WW-NPH	5/27/2011	3,568,621	06/01/43	53,529	-
Streamlined Tax Exempt Private Placement - Multifamily					
Nonprofit Housing					
Mental Health North	07/14/92	1,255,147	07/01/10	-	11,063
Wilton Apts	06/21/95	620,000	10/01/15	372,387	398,220
Adams Apartment	05/29/96	310,000	06/01/11	-	239,117
Bellevue Apartments	03/28/97	575,700	03/01/22	368,823	391,547
Blue Mountain Apartments	02/01/00	248,800	02/01/25	186,220	193,989
3904 Martin Luther King Way Apts	03/01/00	561,000	04/01/25	417,503	435,181
Brentwood Apartments	08/27/02	1,491,000	09/01/32	1,291,024	1,319,791
Clallam County Hostelries	11/25/02	366,843	12/01/22	256,093	272,033
Interaction/Transition House	03/04/03	600,000	03/01/18	514,971	527,329
Warm Beach	10/25/95	1,800,000	05/01/16	-	787,127
St. Andrew's Place	07/29/97	3,000,000	08/01/27	2,272,747	2,350,806
Der Garten Haus	09/21/98	650,000	10/01/18	509,762	525,382
Nuuanu Pali Apartments Project	01/31/02	725,000	02/01/32	624,414	638,322
Northaven II Assisted Living Project	10/27/93	2,134,000	11/01/03	1,281,459	1,351,423
Meadowdale Apartments	02/18/05	5,680,000	02/01/15	5,172,644	5,266,460
Christian Health Care Center	10/13/05	7,532,219	10/02/20	5,216,990	5,543,822
Josephine Sunset Home	08/04/05	7,320,000	08/01/25	6,338,188	6,559,188
Tall Firs (STEP)-NPH	7/15/2010	2,850,000	07/01/45	2,850,000	-
Mt Baker View (STEP)-NPH	9/30/2010	1,250,000	10/01/40	1,236,811	-
				727,647,385	771,386,057
Unamortized Bond Discount				(720,119)	(772,850)
Unamortized Bond Premium				564,164	696,761
				727,491,430	771,309,968

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				2011	2010
Nonprofit Facilities					
Plumbers & Pipe fitters	12/07/95	3,400,000	07/01/20	\$ 1,940,000	\$ 2,075,000
Community College of Spokane Foundation	09/24/98	3,155,000	07/01/08	1,785,000	1,970,000
YMCA-Inland Northwest	04/08/99	5,800,000	07/01/29	4,810,000	4,955,000
YMCA-Columbia/Willamette Valley	08/12/99	3,900,000	08/01/24	2,745,000	2,890,000
St. Vincent dePaul Project	02/01/00	5,000,000	02/01/30	3,450,000	3,570,000
University Prep Academy	05/04/00	7,000,000	07/01/30	5,600,000	5,800,000
Community College of Spokane Foundation 2000	08/04/00	8,800,000	07/01/30	7,730,000	7,880,000
Seattle Academy of Arts & Sciences	10/02/00	15,445,000	01/01/31	-	14,855,000
Southwest WA Pipe Trades Training Center	10/31/00	4,230,000	10/01/25	3,090,000	3,220,000
Open Window School	08/05/03	6,600,000	08/01/28	-	5,440,000
Evergreen School 2002	06/27/02	9,500,000	07/01/28	7,740,000	8,070,000
Tacoma Art Museum	06/04/02	10,000,000	06/01/32	10,000,000	10,000,000
Annie Wright School	12/13/02	6,000,000	12/01/23	-	4,580,000
United Way of King County	03/11/03	8,500,000	03/01/28	4,280,000	4,620,000
Overlake School	10/02/03	10,030,000	10/01/29	7,960,000	8,225,000
Gonzaga Preparatory School	09/18/03	10,000,000	09/01/33	7,215,000	7,405,000
Bertschi School	06/15/06	6,300,000	06/01/35	5,935,000	6,050,000
Antioch University Project	05/18/05	6,780,000	01/01/27	5,375,000	5,640,000
The Northwest School - Northwest Addition	06/07/05	11,000,000	06/01/32	3,780,000	4,100,000
Lutheran Community Services	10/05/05	6,200,000	10/01/32	2,675,000	2,740,000
Forest Ridge School	06/30/05	12,765,000	07/01/32	11,795,000	12,135,000
Seattle Art Museum	10/06/05	50,000,000	07/01/33	11,600,000	16,600,000
The Bush School	04/17/06	24,000,000	04/01/34	10,820,000	23,420,000
Gig Harbor YMCA	08/01/06	12,500,000	12/01/32	11,100,000	11,500,000
Seattle Country Day School	06/13/06	12,800,000	07/01/32	12,600,000	12,700,000
Eastside Catholic	02/12/07	75,800,000	07/01/38	24,575,000	65,575,000
Allied Trades Training Center	11/02/06	7,225,000	11/01/32	6,660,000	6,855,000
YMCA of Snohomish County	12/01/06	17,345,000	12/01/33	14,925,000	15,770,000
Villa Academy	12/03/07	7,170,000	12/01/34	6,845,000	6,970,000
St. Thomas School Project	07/16/07	31,390,000	07/01/36	30,820,000	30,820,000
2007 YMCA of Greater Seattle	09/04/07	30,000,000	09/01/37	30,000,000	30,000,000
Overlake School 2008	08/15/08	10,350,000	10/01/29	10,095,000	10,350,000
YMCA - Inland Northwest	09/11/08	11,000,000	07/01/33	11,000,000	11,000,000
Billings Middle School	05/06/10	1,484,000	06/01/20	1,434,707	1,484,000
Benton-Franklin Children's Center	07/28/09	624,000	08/01/19	569,483	599,811
South Sound YMCA Refunding	01/15/10	4,145,000	02/01/20	3,832,177	4,049,044
YMCA of Pierce/Kitsap Counties	06/01/10	27,000,000	07/01/36	25,710,000	27,000,000
Eastside Catholic-NPF	12/30/09	30,000,000	07/01/38	29,800,000	-
Multi-Service Center-NPF	12/30/09	1,750,014	09/30/40	1,731,467	-
Streamlined Tax Exempt Private Placement - Nonprofit Facilities					
Audubon Society	04/17/96	100,000	05/01/11	-	19,596
Work Force Development	05/23/96	1,027,000	12/01/21	643,626	684,045
ElderHealth Northwest	12/06/96	1,200,000	12/01/11	626,738	642,056
Genesis House	06/12/97	660,000	06/01/07	293,463	331,843
Little Red School House	04/29/98	385,941	05/01/23	243,016	258,872
People for People 1999	04/30/99	1,500,000	05/01/14	963,564	1,025,540
Pacific NW Research Institute	05/06/99	2,700,000	07/01/14	855,000	1,070,000
SEED Homesight Project	05/13/99	616,000	07/01/09	488,514	505,811
Pullman Community Action Center	03/30/00	700,000	04/01/30	577,927	592,884
Washington School Principal's Project	06/01/01	700,000	06/01/21	-	176,178
Tacoma-Pierce County Humane Society	10/02/01	1,915,000	11/02/11	831,734	944,645
Island School Expansion and Remodel	11/01/01	1,300,000	11/01/26	613,018	641,298
Nova School Project	11/02/01	845,000	11/01/11	170,548	185,312
Harlequin Productions Project	11/08/01	538,750	11/01/21	130,341	137,971
Artist Trust Project	11/30/01	350,000	11/30/31	301,795	308,531
Girl Scouts-Totem Council Project	12/28/01	2,576,000	01/01/32	2,196,951	2,248,389

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				2011	2010
Hyla Middle School Project	12/26/01	\$ 650,000	01/01/27	\$ 363,074	\$ 379,148
Spokane Valley Community Center	05/22/02	682,500	06/01/22	233,293	262,208
Tomorrows Hope	04/05/02	860,000	04/01/27	685,989	710,252
Southside Senior Center	05/22/02	650,000	06/01/22	422,516	459,989
The Institute for Family Development	06/28/02	750,000	02/01/27	570,045	594,076
New Horizon's School	07/31/02	875,000	08/01/32	779,245	796,052
Children's Village Foundation Project	09/06/01	975,000	09/01/21	549,897	586,736
Goodwill Industries of Inland NW	12/23/02	3,000,000	01/01/23	1,789,155	1,917,802
Harbor Montessori	07/02/03	1,300,000	07/01/28	1,036,559	1,074,603
Opportunity Council	09/04/03	1,350,000	09/01/23	1,011,817	1,062,119
Martha & Mary	12/09/03	1,416,000	12/01/28	918,161	948,886
Whatcom Family YMCA 2004	02/04/04	1,100,000	02/01/24	797,438	847,529
French American School	04/21/04	1,875,000	02/01/25	1,468,213	1,547,337
Metropolitan Development Council	12/30/04	2,403,530	12/01/31	2,068,378	2,138,105
NW Pipe Trade - Local 26 Educational Dev. Trust	07/20/05	3,500,000	04/01/31	2,852,054	3,141,857
Morningside	11/07/05	2,244,118	11/01/30	504,750	548,358
Valley Residential Services	11/09/05	640,000	11/01/20	559,213	574,801
Goodwill Industries - Spokane Complex	03/01/06	2,400,000	03/01/26	963,953	2,096,616
Richland Health Science Center - Columbia Basin	03/30/06	2,950,000	09/01/31	2,946,129	3,029,147
N.E.W.J.A. Training Center	05/05/06	874,989	05/01/06	652,835	701,678
Whatcom Community College Foundation	05/11/06	1,076,990	06/01/31	965,731	990,157
SKCAC Industries	08/01/06	1,100,000	08/01/21	998,052	1,021,805
TVW-Jeannette C. Hayner Media Center	10/04/06	2,662,820	10/01/36	1,072,976	1,090,795
Re Sources Sustainable Living Center	10/31/06	2,025,000	11/01/31	1,841,809	1,886,453
Tacoma Musical Playhouse	11/01/06	1,425,000	11/01/18	1,284,140	1,317,891
United Way of Snohomish County	01/19/07	2,100,000	02/01/32	1,924,669	1,969,329
Archbishop Thomas Murphy School	05/02/07	8,500,000	05/01/27	7,612,957	7,932,117
University Cooperative School	05/09/07	1,000,000	06/01/37	964,487	973,688
Youth Care - Orion Center	05/03/07	2,149,000	06/01/27	1,122,084	2,007,367
Perry Technical Institute	10/26/07	5,000,000	11/01/27	4,652,150	4,842,908
Alliance Center	12/19/07	2,150,000	12/31/37	2,042,054	2,077,078
West Sound Academy	04/01/08	4,640,000	04/01/28	4,455,836	4,505,351
French American School	04/03/08	2,290,000	10/01/28	2,019,186	2,101,229
Soundview School	10/01/08	2,890,000	10/01/18	2,737,111	2,797,098
2008 Hopelink	11/21/08	3,525,000	01/02/14	1,749,033	2,441,900
Open Window School (STEP)-NPF	8/2/2010	7,710,000	08/01/35	7,472,083	-
Sanchez Beginning Farmers	03/31/08	250,000	03/01/33	218,543	230,884
Tregoning Beginning Farmers	04/30/08	250,000	05/01/33	222,955	233,151
Glasso Beginning Farmers	05/23/08	184,800	06/01/33	165,507	171,039
Pottratz Beginning Farmers	08/06/08	72,000	01/02/33	63,652	67,364
Martinez Beginning Farmers	09/03/08	187,000	10/01/33	-	176,484
Burechi Beginning Farmers	08/29/08	225,000	09/01/33	-	214,135
Torres Beginning Farmers	01/07/09	326,500	01/01/24	288,622	308,323
Craig & Pamela Cleveringa	09/22/09	142,000	01/01/39	133,036	135,744
Kenneth & Carrie Little	08/24/09	217,500	08/01/39	209,582	214,311
Daniel & Kimberly Hulse	09/22/09	195,000	09/01/39	188,809	192,581
John & Sara Burns	08/31/09	305,000	08/01/39	294,419	300,593
Sage Shelton	11/18/09	225,000	11/01/39	220,439	225,000
Kyle Chamberlain	11/20/09	132,603	10/01/39	129,477	132,603
Brent & Melissa Favilla	01/15/10	127,500	01/01/35	124,066	127,500
Aaron Otto & Kim Denend	01/29/10	213,000	01/01/40	207,725	211,661
Scott Johnson & Erika Britney	03/04/10	400,000	03/01/35	383,005	397,493
Ross and Deborah Landt	04/29/10	242,000	01/01/34	234,422	242,000
Cody Schoesler	05/21/10	165,000	03/01/35	156,501	165,000
Wesley Wasson & Karen Temen	06/25/10	265,000	03/01/40	253,837	265,000
Jacob Wyles (8/6/2010)-BFL	8/6/2010	278,500	01/01/31	278,500	-
Nicholas Wyles (3/11/11)-BFL	3/11/2011	262,000	01/01/36	262,000	-
				419,081,238	476,069,157
Unamortized Bond Discount				-	-
				419,081,238	476,069,157
Totals				\$ 3,721,422,726	\$ 3,915,806,342

* Capital Appreciation Bonds