REPORT OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION

WASHINGTON STATE HOUSING FINANCE COMMISSION

June 30, 2018 and 2017

MOSSADAMS

Table of Contents

Report of Independent Auditors

To the Board of Commissioners
Washington State Housing Finance Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the Washington State Housing Finance Commission, which comprise the statements of net position as of June 30, 2018 and 2017, and the related statements of revenues, expenses, and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Washington State Housing Finance Commission as of June 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended June 30, 2018, the Washington State Housing Finance Commission adopted new accounting guidance related to postemployment benefits other than pensions resulting in a cumulative adjustment to beginning net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 10 and the schedules of proportionate share of net pension liability and schedule of contributions on page 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements. The supplemental schedules of program net position, program revenues, expenses, and changes in program net position, program cash flows and notes and bonds payable on pages 47 through 64 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules of program net position, program revenues, expenses, and changes in program net position, program cash flows and notes and bonds payable are fairly stated in all material respects in relation to the financial statements as a whole.

Moss Adams LLP

Seattle, Washington
November 15, 2018

As management of the Washington State Housing Finance Commission (the "Commission", "we", or "our"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the year ended June 30, 2018. 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, 2018 (FY 2018):

Net position increased $42.8 million to $448.2 million primarily due to the $55.2 million increase in net position of the Program-Related Investments ("PRI"), partially offset by a decrease in net position in the Bond Fund and General Operating Fund ("GOF") of $8.6 million and 3.7 million, respectively. The increase in the PRI resulted from an excess of revenues over expenses totaling $39.3 million mostly from the down payment assistance revenues from Homeownership's Home Advantage daily-priced mortgage program ("Home Advantage") coupled with the operating transfer from the General Operating Fund of $15.9 million. The decrease in the Bond Fund net position is due to the excess of expenses over revenues ($11.7 million) primarily caused by the reduction in the unrealized gain on mortgage-backed securities ("MBSs") offset by the operating transfer of $3.0 million from GOF.

During the fiscal year, mortgage loans increased by $510.5 million due to the issuance of new loans while MBS's decreased by $63.8 million as payments exceeded new purchases. Proceeds held for future draws in cash, cash equivalents, and investments increased by $147.5 million. Assets and deferred outflows of resources increased by $599.0 million, largely due to these factors.

Total bonds and notes payable of $4.8 billion were outstanding, net of premiums and discounts, $536.9 million (12.5%) above the prior year balance. This increase resulted from the net issuance of bonds ($1.3 billion) and the net payment of principal ($491.0 million).

PRI and GOF program fees and grant revenue decreased by $16.9 million due primarily to a decrease in program fees associated with Home Advantage as a result of lowering the mortgage rate offered to our borrowers. Bond program revenues (mortgage interest, unrealized loss on MBSs, investment earnings and other) increased by $33.4 million due to increased interest revenue from higher interest rates coupled with an increase in the amount of mortgages outstanding.

As a member of retirement and other postemployment benefit ("OPEB") plans through the state of Washington, we implemented Governmental Accounting Standards Board ("GASB") statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.* This required us to reduce the beginning net position of the GOF by its proportionate share of the plan's Net Other Postemployment Benefit Liability ("NBL") and the related deferred outflow of resources. This net reduction at July 1, 2017 was $3.6 million. Additional information regarding implementation of this standard is in Note 2. Information regarding the NBL and the related deferred inflows and outflows of resources is in Note 8.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Economic Outlook

Single-family loan production remained strong in fiscal year 2018. In Homeownership's Home Advantage program, which uses traditional, taxable mortgage funding, 5,937 loans were purchased totaling $1.35 billion. Our HouseKey Opportunity program, funded by $105.7 million of tax-exempt bonds, was targeted to first-time homebuyers in lower-income households.

Loan production in the Multifamily Housing program also continued at a strong pace with $623 million in new loans, down 17% from the prior year's record. The demand for tax-exempt bond financing coupled with 4% Housing Credit supported this production. Developers use this program as an alternative to the 9% Housing Credit where demand exceeds supply.

During the recovery from the Great Recession, the Federal Reserve (the "Fed") held its federal funds target rate at zero percent for seven years. The Fed began raising interest rates in increments of 25 basis points (0.25%) starting in December 2015. It has raised rates three times in both fiscal year 2017 and 2018 and has provided guidance so that we expect continued increases over at least the next year. The Fed Fund Rate as of June 30, 2018 is 1.75%.

The spread between taxable and tax-exempt interest rates widens as interest rates rise, increasing the savings borrowers can realize from our tax-exempt bonds. Partially offsetting this, however, is the lower marginal federal income tax rates enacted by the Tax Cuts and Jobs Act of 2017.

The strength of Washington State's economy continues to apply pressure on both single-family and multifamily housing prices. Land values and construction costs have also been rising and continue to strain cash flows for new projects. However, in consideration of all these variables, we expect our financing programs to continue with strong production, but likely at levels lower than the levels of the past two record-breaking years.

FINANCIAL ANALYSIS OF THE COMMISSION

Statements of Net Position

The following table summarizes the changes in assets and deferred outflows of resources, liabilities, deferred inflows of resources, and net position between June 30, 2018 and 2017, in millions:

	2018	2017	Change	
Assets				
Cash and cash equivalents	$ 339.0	$ 274.0	$ 65.0	23.7%
Investments	269.2	182.8	86.4	47.3
Accrued interest receivable	16.2	15.7	0.5	3.2
Fees receivable, net	6.0	5.4	0.6	11.1
Other receivables	1.3	1.0	0.3	30.00
Mortgage-backed securities, net	460.6	524.4	(63.8)	(12.2)
Mortgage loans, net	4,375.1	3,864.6	510.5	13.2
Prepaid fees and other	0.6	0.7	(0.1)	(14.3)
Total assets	5,468.0	4,868.6	599.4	12.3
Deferred outflows of resources	1.0	1.4	(0.4)	(28.6)
Total assets and deferred outflows of resources	$ 5,469.0	$ 4,870.0	$ 599.0	12.3%

	2018	2017	Change	
Liabilities				
Accounts payable and other liabilities	$ 138.5	$ 126.2	$ 12.3	9.7%
Accrued interest payable	35.3	28.9	6.4	22.15
Unearned revenue and other	8.7	9.1	(0.4)	(4.4)
Derivative instrument - interest rate swap	-	0.3	(0.3)	(100.0)
Project equity held for borrower	2.3	2.1	0.2	9.5
Bonds and notes payable, net	4,834.9	4,298.0	536.9	12.5
Total liabilities	5,019.7	4,464.6	555.1	12.4
Deferred inflows of resources	1.1	-	1.1	100.0
Net position				
Restricted				
Bond operations	104.3	112.9	(8.6)	(7.6)
Grants and donations to PRI	1.1	1.1	-	-
Net investment in capital assets	0.2	0.3	(0.1)	(33.3)
Unrestricted				
General operations	11.8	15.5	(3.7)	(23.9)
Housing Washington	0.3	0.3	-	-
Program-Related Investments	330.5	275.3	55.2	20.1
Total net position	448.2	405.4	42.8	10.6
Total liabilities, deferred inflows of resources, and net position	$ 5,469.0	$ 4,870.0	$ 599.0	12.3%

FINANCIAL ANALYSIS OF THE COMMISSION (continued)

Mortgage loans outstanding increased $510.5 million over the prior year and was the primary component of an increase of assets of $599.4 million. The increase in both the bonds and notes payable and total liabilities closely reflected the change in mortgage loans outstanding.

The net position of the Commission increased $42.8 million from the June 30, 2017 amount. This increase resulted from the net operating income, before contributions and distributions, in the GOF and PRI offset by the net operating loss in the bond fund caused solely by non-realized reductions in the market value of securities, and the impact to the July 1, 2017 net position due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*

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

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

The Commission has also designated a net position for Program-Related Investments. Investments target strategic, higher-risk programs that support the financing and production of housing for low-income and special populations as well as facilities used to provide community services primarily to low-income persons. These investments complement, supplement and enhance other Commission programs and have been a catalyst to generate $35.0 million in investments and donations by partners who wish to support the program purpose. The Commission manages and deploys the funds in addition to its own.

Statements of Revenues, Expenses, and Changes in Net Position

The following table summarizes the changes in revenues and expenses between 2018 and 2017 (in millions):

	2018	2017	Change	
Revenues				
Bond programs mortgage interest	$ 162.3	$ 128.1	$ 34.2	26.7%
Bond programs investments and other income	1.9	1.6	0.3	18.8
Bond program gain (loss) on mortgage-backed securities	(16.6)	(20.8)	4.2	(20.2)
Other bond fees	8.7	14.0	(5.3)	(37.9)
Program fees and grants	75.6	92.5	(16.9)	(18.3)
General Operating Fund interest income	0.8	0.5	0.3	60.0
Total revenues	$ 232.7	$ 215.9	$ 16.8	7.8%
Expenses				
Bond programs interest expense	$ 160.0	$ 124.7	$ 35.3	28.3%
Other bond programs expenses	8.0	12.6	(4.6)	(36.5)
Salaries and wages	9.1	8.4	0.7	8.3
Other General Operating Fund and Program-Related Investments expenses	9.2	12.9	(3.7)	(28.7)
Total expenses	$ 186.3	$ 158.6	$ 27.7	17.5%
Change in net position from operations	$ 46.4	$ 57.3	$ (10.9)	(19.0%)

The primary components of total revenues for the bond fund are mortgage-related interest earnings and the unrealized loss on MBSs. Bond interest expense is the primary component of total expense for the bond fund. Commission revenues in the General Operating Fund are generated primarily from issuer fees and the premium generated from Home Advantage mortgage-backed security sales. During fiscal year 2018, the Commission's General Operating Fund revenue and expense included $2.2 million of housing counseling and foreclosure relief funds grants which were passed-through to qualifying counseling agencies.

DEBT ADMINISTRATION

The Commission has long-term debt obligations of $4.8 billion, net of bond premium and discounts, at June 30, 2018. A trustee or paying agent administers monetary activities and holds all monies in the Commission's Bond Fund. They ensure that bond resolution requirements are met, including payments of debt service and funding of necessary reserves. At June 30, 2018, amounts held by the trustees and paying agents represent full funding of these requirements.

Most of the debt issued by the Commission is tax-exempt, issued under the Internal Revenue Code and Treasury Regulations. The Federal Tax Reform Act of 1986 imposes an annual cap on the aggregate amount of federally tax-exempt private activity bonds. Our Single-family Homeownership, Multifamily Housing and Beginning Farmer/Rancher programs rely on private activity bonds subject to this volume cap. Bonds issued under the Nonprofit Programs are private activity bonds which are not subject to this cap. We also issue limited amounts of taxable debt to supplement its tax-exempt authority and for lending where program requirements are inconsistent with federal restrictions.

The Commissioners have adopted policies that govern the process followed to issue debt. We issue bonds in the Single-family Homeownership Program to purchase MBSs backed by Federal National Mortgage Association ("Fannie Mae"), Government National Mortgage Association ("Ginnie Mae"), or Federal Home Loan Mortgage Corporation ("Freddie Mac"). These securities carry a credit rating agency rating equal to that of the United States. Multifamily and Nonprofit Program publicly sold bond issues generally must have a minimum initial A rating by one of the major rating agencies.

The Commission evaluates and uses available debt management techniques to achieve our goals of reducing interest expense and preserving the maximum amount of bonding authority in the Single-family Homeownership Program. In implementing these practices, we often retire higher interest rate debt when opportunities for economic refunding occur. Multifamily bonding authority is recycled to new bond issues to the extent allowed by federal law.

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

Net bonds and notes payable as of June 30, 2018, was $4.8 billion, an increase of about $536.8 million from 2017. Changes enumerated by program are summarized in the following table (in millions):

	2017	Issued	Redeemed	Changes	2018
Single-family	$ 358.0	$ 106.2	$ 68.8	$ 37.4	$ 395.4
Home Ownership (NIPB)	111.6	-	28.5	(28.5)	83.1
Multifamily Housing	2,565.0	623.4	193.0	430.4	2,995.4
Nonprofit Housing	956.4	206.7	168.4	38.3	994.7
Nonprofit Facilities	307.0	91.6	32.3	59.3	366.3
	$ 4,298.0	$ 1,027.9	$ 491.0	$ 536.9	$ 4,834.9

COMPARISON OF FISCAL YEAR 2017 WITH 2016

Statements of Net Position

The following table summarizes the changes in combined adjusted net position between June 30, 2017 and 2016 (in millions):

	2017	2016	Change	
Assets				
Cash and cash equivalents	$ 274.0	$ 128.4	$ 145.6	113.4%
Investments	182.8	251.4	(68.6)	(27.3)
Accrued interest receivable	15.7	17.1	(1.4)	(8.2)
Fees receivable, net	5.4	5.8	(0.4)	(6.9)
Other receivables	1.0	1.4	(0.4)	(28.6)
Mortgage-backed securities, net	524.4	556.1	(31.7)	(5.7)
Mortgage loans, net	3,864.6	3,296.2	568.4	17.2
Prepaid fees and other	0.7	0.6	0.1	16.7
Total assets	4,868.6	4,257.0	611.6	14.4
Deferred outflows of resources	1.4	1.2	0.2	16.7
Total assets and deferred outflows of resources	$ 4,870.0	$ 4,258.2	$ 611.8	14.4%

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

COMPARISON OF FISCAL YEAR 2017 WITH 2016 (continued)

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

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

During the fiscal year ended June 30, 2017, the Commission's total assets increased by $611.6 million largely attributable to an increase in net mortgage loans. The net increase in cash, cash equivalents and investments of $77.0 million also contributed to the increase in net position and resulted from new conduit bonds issued with proceeds held to fund project costs.

The Commission's $57.3 million increase in net position resulted primarily from the net operating income, before contributions and distributions of PRI, GOF, partially offset by the net operating loss in the Bond Fund caused by the unrealized loss in the market value of the MBSs.

ADDITIONAL INFORMATION

Please direct questions and inquiries to the Senior Director of Finance or the Senior Controller at Washington State Housing Finance Commission, 1000 2nd Avenue, Suite 2700, Seattle, Washington 98104, or by telephone at 206-464-7139.

Washington State Housing Finance Commission
Statements of Net Position

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	June 30, 2018	June 30, 2017
CASH AND CASH EQUIVALENTS	$ 339,051,449	$ 274,011,972
INVESTMENTS		
U.S. government and agencies securities	125,474,655	125,903,361
Investment agreements	143,678,864	56,887,117
	269,153,519	182,790,478
ACCRUED INTEREST RECEIVABLE	16,166,530	15,714,320
FEES RECEIVABLE, net	6,060,306	5,426,796
OTHER RECEIVABLES	1,259,069	1,000,944
MORTGAGE-BACKED SECURITIES, cost	459,881,770	507,203,804
Cumulative unrealized gain on mortgage-backed securities	757,449	17,197,803
MORTGAGE-BACKED SECURITIES, fair value	460,639,219	524,401,607
MORTGAGE LOANS, net	4,375,079,910	3,864,644,876
PREPAID FEES AND OTHER	556,621	739,883
TOTAL ASSETS	5,467,966,623	4,868,730,876
DEFERRED OUTFLOWS OF RESOURCES	1,049,872	1,382,400
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 5,469,016,495	$ 4,870,113,276

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

	June 30, 2018	June 30, 2017
ACCOUNTS PAYABLE AND OTHER LIABILITIES	$ 138,514,681	$ 126,215,480
ACCRUED INTEREST PAYABLE	35,302,544	28,946,292
UNEARNED REVENUE AND OTHER	8,647,095	9,131,403
DERIVATIVE INSTRUMENT - INTEREST RATE SWAP	32,988	323,769
PROJECT EQUITY HELD FOR BORROWER	2,246,388	2,087,670
BONDS PAYABLE		
Current interest bonds	4,672,691,438	4,135,256,814
Taxable bonds	127,867,845	135,906,951
Unamortized bond discount	(351,864)	(357,924)
Unamortized bond premium	34,685,279	27,172,809
	4,834,892,698	4,297,978,650
TOTAL LIABILITIES	5,019,636,394	4,464,683,264
DEFERRED INFLOWS OF RESOURCES	1,128,925	-
NET POSITION		
Restricted		
Bond operations	104,245,670	112,923,906
Grants and donations to Program-Related Investments	1,082,696	1,082,696
Net investment in capital assets	234,330	349,592
Unrestricted		
General operations	11,826,323	15,502,441
Housing Washington	321,539	321,539
Program Related Investments	330,540,618	275,249,838
	448,251,176	405,430,012
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	$ 5,469,016,495	$ 4,870,113,276

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

	Years Ended June 30, 2017	Years Ended June 30, 2016
REVENUES		
Interest earned on mortgage loans and mortgage-backed securities	$ 162,321,763	$ 128,076,614
Other interest and investment income	2,697,847	2,103,995
Unrealized loss on mortgage-backed securities	(16,608,506)	(20,865,257)
Other fee income	82,151,897	102,709,642
Nonoperating revenues - grants	2,168,108	3,807,952
	232,731,109	215,832,946
EXPENSES		
Interest on debt	160,012,643	124,705,112
Amortization of bond discount	21,060	21,680
Amortization of bond premium	(2,950,635)	(2,724,430)
Bond issuance costs	9,040,960	13,350,550
Amortization of bond insurance premium	2,123	2,160
Servicing and commission fees	1,436,916	1,699,702
Salaries and wages	9,061,319	8,363,747
Communication and office expense	2,053,340	2,050,888
Professional fees	1,259,705	1,219,243
Trustee and paying agent fees	148,574	133,088
Other	4,032,852	5,897,217
Nonoperating expenses - grants	2,168,108	3,807,952
	186,286,965	158,526,909
EXCESS OF REVENUES OVER EXPENSES	46,444,144	57,306,037
NET POSITION		
Balance, beginning of year	405,430,012	348,123,975
Cumulative effect of change in accounting principle	(3,622,980)	-
Balance, end of year	$ 448,251,176	$ 405,430,012

 See accompanying notes to financial statements.

Washington State Housing Finance Commission
Statements of Cash Flows

	Years Ended June 30, 2018	2017
OPERATING ACTIVITIES		
Receipts for interest on mortgages	$ 171,523,309	$ 142,299,138
Receipts for other fee income	76,634,588	93,175,761
Receipts for loans and mortgage prepayments	436,218,230	532,716,359
Payments for acquisition of loans and mortgages	(886,831,245)	(1,087,553,983)
Payments for bond program expenses	(7,444,830)	(11,582,886)
Payments to employees and suppliers	(16,218,789)	(18,542,324)
Net cash from (used for) operating activities	(226,118,737)	(349,487,935)
INVESTING ACTIVITIES		
Purchase of investments	(311,716,928)	(754,164,090)
Sale of investments	224,774,508	822,839,264
Interest received on investments	2,403,132	2,004,601
Net cash from (used for) investing activities	(84,539,288)	70,679,775
NONCAPITAL FINANCING ACTIVITIES		
Project equity used, net	158,717	1,450,393
Proceeds from sale of bonds and notes	959,870,149	1,099,840,439
Proceeds from short-term loan	20,000,000	30,500,000
Interest paid on debt	(153,856,733)	(120,544,824)
Short-term loans funded	(20,000,000)	(30,500,000)
Debt repayments	(430,474,631)	(556,355,689)
Net cash from (used for) capital financing activities	375,697,502	424,390,319
INCREASE IN CASH AND CASH EQUIVALENTS	65,039,477	145,582,159
CASH AND CASH EQUIVALENTS		
Beginning of year	274,011,972	128,429,813
End of year	$ 339,051,449	$ 274,011,972

	Years Ended June 30, 2018	Years Ended June 30, 2017
RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO NET CASH USED FOR OPERATING ACTIVITIES		
Excess of revenues over expenses	$ 46,444,144	$ 57,306,037
Adjustments to reconcile excess of revenues over expenses to net cash from operating activities		
Amortization of mortgage discount	(369,909)	(512,907)
Amortization of mortgage premium	1,745,645	1,529,430
Amortization of bond insurance premium	(2,123)	(246,449)
Amortization of bond premium	(2,950,632)	(2,480,141)
Amortization of bond discount	21,060	21,680
Amortization of unearned fee income	2,123	2,160
Acquisition of mortgage loans	(911,269,198)	(1,075,930,390)
Repayments of mortgage loans	436,218,230	532,716,359
Unrealized loss on securities	16,687,225	20,596,562
Cash from changes in operating assets and liabilities		
Interest and other receivables	(844,300)	3,051,314
Interest and other payables	188,198,998	114,458,410
Net cash from (used for) operating activities	$ (226,118,737)	$ (349,487,935)

Note 1 – Description of Business

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

The Commission has eleven voting members. Two commissioners, the state treasurer and the director of the Department of Commerce, serve ex officio. The chair of the Commission is appointed by and serves at the pleasure of the governor. The governor appoints the remaining eight members to four-year terms, subject to confirmation by the Washington State Senate.

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

Program funds – The Commission summarizes its financial activities in the General Operating Fund, Program-Related Investments, and Bond Fund.

General Operating Fund – The General Operating Fund accounts for the fiscal activities related to the administration of our ongoing program responsibilities. Revenues are derived primarily from fees earned on bond issues, homeownership daily pricing program, housing tax credit allocations, and compliance monitoring, as well as interest income on General Operating Fund and Program-Related Investments. Except for certain pass-through grants and loans, all funds we receive are generated by our activities and are not direct appropriations from the State.

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

Note 1 – Description of Business (continued)

Effective June 30, 2016, our Reserve Policy requires that we maintain general reserves of $20 million based upon capital adequacy analyses, net of the impact of any deferred pension liability as required by Governmental Accounting Standards Board ("GASB") No. 68 and, effective July 1, 2017, any deferred other postemployment benefit ("OPEB") liability as required by GASB No. 75. Therefore, the reserves reflect $12.1 million and $ 15.9 million, respectively, for the years ending June 30, 2018 and 2017.

Program-Related Investments – The Reserve Policy dedicates the use of reserves above those needed in the General Operating Fund for Program-Related Investments (the "PRI"). We strategically invest the PRI in programs that support our activities such as the financing and production of low-income and special needs housing and facilities that provide community services. Investments also include resources provided by other funders for use in established down payment assistance and other programs in which our missions align. Revenues include interest on these investments and down payment assistance fees associated with the homeownership daily pricing program.

Bond Fund – A Trust, Funding Agreement, or Financing Agreement dictates the terms of each bond transaction. We record these activities in the Bond Fund and further separate them by program type as follows:

Single-Family Homeownership Program – Transactions in this program are from the sale of Single-family Homeownership Program mortgage revenue bonds, the purchase of mortgage-backed securities ("MBSs") of our pooled loans and the related debt service transactions on the bonds. There are three program indentures, each of which contains multiple series indentures: the General (Single-family) Indenture; the Homeownership Bond Program (NIBP) Indenture; and the Special Single Family Program Indenture. Each indenture is a special obligation of the Commission, payable solely from the bond funds established pursuant to the indenture. Debt service comes from payments received on the MBS pools and from any other money held in the trust estate by the bond trustee. Assets of the indentures are pledged as collateral for the debt and are $520.7 million and $543.9 million as of June 30, 2018 and 2017, respectively. We loan proceeds of this program to first-time homebuyers whose income does not exceed established limits. Mortgage rates for these programs range from 2.50% to 7.45%.

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

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

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

Note 1 – Description of Business (continued)

At the time of a Conduit Financing Program bond issuance, we assign its rights, title and interest in the loan or financing agreement (with certain exceptions and reservations), and in any collateral securing the loan, to a bond trustee or the lender pursuant to a trust indenture or financing agreement. The bond trustee, paying agent or the lender administers the bond issue. The bonds, which constitute a special obligation of the Commission, are payable solely from the bond fund established pursuant to the indenture, and principal and interest payments are funded primarily from payments made by the borrower to satisfy the loan agreement and from any other money held by the bond trustee under the indenture. The pledge of assets of each bond provides the collateral for the debt. As of June 30, 2018 and 2017, the assets so pledged were $4.5 billion and $3.9 billion, respectively.

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

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

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

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

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

Note 2 – Summary of Significant Accounting Policies

Our financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. We have applied all applicable GASB pronouncements. The remainder of this note describes our more significant accounting policies.

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

Unclassified statement of net position – Our business cycle is greater than one year. As such, all assets and liabilities on the statement of net position are shown as unclassified.

Cash and cash equivalents – The Commission considers all highly liquid, interest-bearing instruments purchased with an original maturity of three months or less to be cash and cash equivalents. Cash deposits held in the Bond Fund are held in the corporate trust departments of commercial banks in the bond issue’s name. As of June 30, 2018 and 2017, they held $59.9 million and $82.3 million, respectively, in uncollateralized or uninsured cash equivalents in the bond fund, primarily in government money market funds. Cash deposits of the General Operating Fund are covered by the Federal Depository Insurance Corporation (“FDIC”) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (“PDPC”).

Investments – We categorize investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy uses valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments are reported at fair value, unless they meet an exception as outlined under accounting standards generally accepted in the United States of America.

Nuveen Asset Management manages some of our investments in the General Operating and Program-Related Investment Funds. Our investments include marketable securities issued or guaranteed by the U.S. government. We determine and record fair value based on quoted market prices as of June 30, 2018 and 2017.

Investments in the Bond Fund at June 30, 2018, and June 30, 2017, include guaranteed investment contracts, commercial paper, certificates of deposit, and US government-backed securities held by the trustee. Guaranteed investment contracts (GICs) held in the Bond Funds are non-participating and have redemption terms that are not affected by market rates. GICs have been specifically excluded from the requirement to be listed at fair value and are therefore stated at cost. For additional information regarding investments, see Note 3.

Note 2 – Summary of Significant Accounting Policies (continued)

Mortgage-backed securities – Mortgage-backed securities are presented at their fair value based on quoted market prices as of June 30, 2018 and 2017.

Mortgage loans, net – Mortgage loans, net, are stated at their unpaid principal balance, increased by mortgage premiums or reduced by unearned discounts, and reduced by unamortized bond insurance premiums associated with the loans, which are amortized over the life of the loans.

Provision for loan losses – The provision for loan losses is estimated for each fund.

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

Program-Related Investments – We estimate losses on our loans in Program-Related Investments based on its past loan loss experience, known and inherent risks in the portfolio and current economic conditions. The allowance for loan losses is increased by charges to expense and decreased by charge-offs (net of recoveries). The loan loss reserve was $17,403,441 and $14,354,051 as of June 30, 2018 and 2017, respectively. No provision for loss is made on loan balances funded by partner investments because the Commission does not guarantee return of those investments.

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

Single-Family Homeownership Program Mortgage Loans – We do not reserve for loan loss provisions because the assets held by all the outstanding Single-family Homeownership Program indentures are MBSs guaranteed by Fannie Mae, Ginnie Mae, or Freddie Mac.

Conduit Financing Programs Mortgage Loans – Since borrowers through the Commission's Conduit Financing Programs obtain credit enhancements from a third party that pays or secures the payment of principal and interest on the bonds, no loan loss provisions are considered necessary. However, in some programs, the only collateral for the payment of principal and interest is the real estate loan. In these cases, the Commission has generally limited investment in such bonds to a small number of bond owners, such as banks or other 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. On bond issues where there have been delinquencies in the payment of debt service, workout agreements have been reached between the bond owner/investor and the borrower.

Note 2 – Summary of Significant Accounting Policies (continued)

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

Unearned revenue – Unearned revenue represents the unearned portion of the Commission's bond fees, tax credit reservation fees, and compliance monitoring fees that are received in advance. We record these fees when earned as other fee income on the statement of revenues, expenses and changes in net position.

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

During the fiscal years ending June 30, 2018, and June 30, 2017, the Commission supported its Home Advantage program's Master Servicer by purchasing and holding certain loans for a short time until pooled into MBSs. Resources used from the Single-Family Program fund and the PRI were in excess of those needed for program purposes. Balances remaining outstanding are as follows:

	Single-family Bond Program	Homeownership Bond Program (NIBP)	Program-Related Investments	Total
At June 30, 2018				
Interfund Loans Receivable (Payable)	$ (20,000,000)	$ -	$ 20,000,000	$ -

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

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

Note 2 – Summary of Significant Accounting Policies (continued)

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

Other Postemployment Benefits – For purposes of measuring the OPEB Liability, deferred outflows of resources and deferred inflows of resources, and expense related to OPEB, and information about any changes in the liability have been determined on the same basis as reported by the Office of Financial Management (OFM) of the State of Washington.

Bonds payable – Current interest serial and term bonds are stated at their principal amounts outstanding, net of unamortized bond premium and discount, if any. Certain bonds are variable rate bonds remarketed on a periodic basis and are subject to market rate fluctuation.

Unamortized bond premium, unamortized bond discount, and unamortized bond insurance premiums – Unamortized bond premium, unamortized bond discounts, and unamortized bond insurance premiums are amortized using the bonds outstanding method.

Bond issuance costs – Bond issuance costs, including underwriter's fees, are expensed at issuance.

Project equity held for borrower – Project equity held for borrower represents funds contributed by the borrower to the trust estate to complete the bond issuance, pursuant to the terms of the indenture. The borrower requests the funds for project expenditures, interest costs or to fund reserve funds or lag deposits necessary to meet rating agency requirements. The funds are accounted for as a liability until they are requisitioned and released to the borrower.

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

Note 2 – Summary of Significant Accounting Policies (continued)

Net position – We classify net position into three components:

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation. We do not hold any debt related to capital assets.

Unrestricted net position consists of the remaining assets and liabilities.

Revenue recognition – We recognize revenue on an accrual basis. The primary source of our revenue is interest earned on mortgage loans outstanding, MBSs and other investments. We use this revenue to pay interest expense on the bonds outstanding.

In addition, we earn fees on bond issues and the sale of MBSs originated in the Home Advantage Program. We record these as other fee income on the statement of revenues, expenses and changes in net position and allocate them to the Bond Fund, General Operating Fund, and Program-Related Investments. Our other fee income by category at June 30 is:

	2018	2017
Commission fees	$ 11,298,854	$ 10,250,293
HomeOwnership Program fees	53,912,730	66,521,902
Other program fees	7,522,678	12,308,677
Other income	9,417,635	13,628,770
	$ 82,151,897	$ 102,709,642

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

Arbitrage rebate – Arbitrage rebate obligations vary by bond type:

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

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

Note 2 – Summary of Significant Accounting Policies (continued)

Use of estimates – The preparation of the statements in accordance 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. We use estimates in determining the allowance for doubtful accounts, valuation of certain investments, valuation of interest rate swap, arbitrage rebate liability, loan loss provisions, accrued sick leave and other contingencies. Actual results may differ from those estimates.

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

Reclassifications – Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Adoption of new accounting pronouncements – In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.* The statement significantly changed how government measures and reports the long-term obligations and annual cost associated with the postemployment benefits other than pensions provided. The State of Washington ("the State") implemented this statement for the fiscal year 2018 financial reporting and chose to allocate the related costs, liability, deferred inflows and outflows of resources to all benefiting agencies, including the Commission. Prior to this implementation, the State did not allocate the costs or related liability to other benefiting agencies. Therefore, the Commission is now required to recognize its proportionate share of the OPEB liability and other related activity.

The statement is effective for financial statements of fiscal years beginning after June 15, 2017. The statement requires that the impact as of the year of implementation be recognized through restatement of the net position. Accordingly, the Commission's net position at July 1, 2017, has been restated:

Net position	
Balance, July 1, 2017	$ 16,173,572
Cumulative effect of change in accounting principle	(3,622,980)
Balance, July 1, 2017 as restated	$ 12,550,592

Note 3 – Cash, Cash Equivalents, and Investments

General Operating and Program-Related Investment Funds

Cash and cash equivalents – External entities hold our deposits, exposing them to custodial credit risk, meaning that if an institution fails, we might lose the funds. We minimize this risk by limiting deposits to those entirely covered by the Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). As of June 30, 2018 and 2017, cash deposits held by the General Operating Fund met these requirements.

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

Cash and cash equivalents by institution at June 30:

	2018		2017	
Bank of America	$ 1,802,326	3.18%	$ 3,924,824	7.57%
Local Government Investment Pool	53,965,026	95.28%	47,603,599	91.79%
All Others	869,602	1.54%	331,849	0.64%
	$ 56,636,954	100%	$ 51,860,272	100%

Investments

While RCW 43.180.080(5) grants us the authority to invest our funds, it provides no investment guidelines or restrictions. The State law limits the type and character of investment of "public funds." Considering our authorizing legislation, Washington State court decisions, and the sources of our dedicated funds, we find that the investment limitations on public funds do not apply to us. However, as a matter of policy, we believe that it is appropriate for us, at this time, to invest our dedicated funds in a manner generally consistent with the investment limitations on public funds. To minimize our exposure to credit risk, we have adopted an investment policy that limits investments, summarized as follows.

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

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

2. Federal Home Loan Bank notes and bonds.

3. Federal Land Bank bonds.

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

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

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

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

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

Custodial credit risk is the risk that we could not recover the value of our investments or collateral security in the event that a depository institution or counterparty fails. We manage this risk by prequalifying institutions that we use to place investments. As of June 30, 2018 and 2017, investment securities were registered and held in our custodian agent's name.

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

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

As of June 30, 2018		Fair Value Measurements Using		
Classification/Provider	Total Investment	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government and Agency Obligations				
US Treasury Notes	$ 13,947,939	$ 13,947,939	$ -	$ -
US Agencies	30,476,357	-	30,476,357	-
Other Municipal Agencies	1,127,138	-	1,127,138	-
Total General and PRI Fund Investments	$ 45,551,434	$ 13,947,939	$ 31,603,495	$ -

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

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

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

Investments as of June 30, 2018		Maturities (In Years)		
Type	Total	Less than 1	1-5	>5
US Treasury Notes	$ 13,947,939	$ -	$ 13,947,939	$ -
US Agencies	30,476,357	2,144,772	28,331,585	-
Other government securities	1,127,138	301,488	825,650	-
-	$ 45,551,434	$ 2,446,260	$ 43,105,174	$ -

Investments as of June 30, 2017		Maturities (In Years)		
Type	Total	Less than 1	1-5	>5
US Treasury Notes	$ 32,079,761	$ 3,543,639	$ 28,536,122	$ -
US Agencies	13,594,056	-	13,594,056	-
Other government securities	796,823	318,776	478,047	-
	$ 46,470,640	$ 3,862,415	$ 42,608,225	$ -

Investment Securities – Bond Funds

Bond Funds

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

During the fiscal years ending June 30, 2018 and 2017, investments held in the Single-family program indentures included non-purpose MBSs, and short-term repurchase agreements.

US Agencies (Non-Purpose MBS) – During the year, the Commission invests available Single-Family bond fund reserves by purchasing MBSs originated through its Single-Family Homeownership programs in advance of issuing bonds. These investments are recorded at fair market value. While there were no Non-Purpose MBSs held at June 30, 2018, $10,237,780 were held at June 30, 2017.

Short-term repurchase agreements – In April 2015, the Commission entered into a Mortgage Loan purchase and sale agreement (“ML Liquidity Repurchase Agreement”) with its then Master Servicer, Alabama Housing Finance Authority (“AHFA”), to provide funds to the Master Servicer to purchase approved mortgage loans originated under our Home Advantage program. The purpose of this agreement is to promote the continued success of the program by assuring timely purchase of qualified mortgage loans. We intend to hold such loans less than 120 days. For reporting purposes, we consider these as non-purpose investments in the Single-Family bond program. In December 2017, we also entered into an ML Liquidity Repurchase Agreement with our Master Servicer, Idaho Housing & Finance Association “IHFA”.

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

AHFA agrees to repurchase these mortgage loans on the earlier of each monthly settlement date, immediately upon receipt of funds resulting from the sale of the security including the mortgage loans or 120 days following purchase. AHFA guarantees the repurchase of each mortgage loan, regardless of disposition and at the original principal amount funded plus interest at the note rate from funding to repurchase date. The repurchase agreement is collateralized by the underlying loans and held by the Commission until repurchase, minimizing custody risk. The loans are conveyed using an assignment of ownership. The maximum duration of 120 days limits the Commission's interest rate risk. The short-term nature of the investments as well as the fact that each loan within the collateral pool was originated under the Home Advantage program guidelines and approved for purchase after Commission review, mitigates concentration risk. The agreement with IHFA matches these terms except that IHFA agrees to repurchase the mortgage loans on the earlier of each monthly settlement date, or 90 days following purchase.

Activity during the years are reported below:

Year ended June 30, 2018	Balance	Purchases	Repurchases	Balance
Alabama Housing Finance Authority	$ -	$ 2,330,042	$ (2,330,042)	$ -
Idaho Housing Finance Association	-	128,515,378	(77,780,405)	50,734,973
Total	$ -	$ 130,845,420	$ (80,110,447)	$ 50,734,973

Year ended June 30, 2017	Balance	Purchases	Repurchases	Balance
Alabama Housing Finance Authority	$ 68,381,225	$ 408,490,292	$ (476,871,517)	$ -

We consider the fair value to be the loan face value because AHFA, an agency with a general obligation Moody's rating of Aaa and IHFA, with a general obligation Moody's rating of A1, guarantees the principal return and the holding period is short-term. The repurchase agreement does not have an observable market; therefore, the fair value classification is a Level 3 input.

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

Single Family Bond Program Investments as of June 30, 2018		Fair Value Measurements Using		
Classification/Provider	Total Investment	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Repurchase Agreements				
Idaho Housing Finance Agency	$ 50,734,973	$ -	$ -	$ 50,734,973
Guaranteed Investment Contracts (stated at cost)	51,428,670	-	-	-
Total Single Family Bond Program Investments	$ 102,163,643	$ -	$ -	$ 50,734,973

Single Family Bond Program Investments as of June 30, 2017		Fair Value Measurements Using		
Classification/Provider	Total Investment	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government and Agency Obligations				
US Agencies	$ 10,237,780	$ -	$ 10,237,780	$ -
Total Single Family Bond Program Investments	$ 10,237,780	$ -	$ 10,237,780	$ -

Conduit Financing Programs – Investment risk in the bond programs accrues to the borrower in the Conduit Financing Programs. The indenture for each bond issue outlines the permitted investments for that transaction. During the fiscal years ending June 30, 2018, and June 30, 2017, investments consisted of GICs, US Treasuries, US government agencies, certificates of deposit, and commercial paper. A Trustee holds investments in the name of the bond issue, thereby minimizing custodial credit risk. We do not have concentration and interest rate risk in these programs; rather the borrower bears these risks.

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

Investments held at June 30:

Conduit Bond Program Investments as of June 30, 2018		Fair Value Measurements Using		
Classification/Provider	Total Investment	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government and Agency Obligations				
US Treasury Notes and Bills	$ 63,229,467	$ 63,229,467	$ -	$ -
US Agencies	16,693,754	-	16,693,754	-
Total US Government and Agency Obligations	79,923,221	63,229,467	16,693,754	-
Other Investments				
Commercial Paper	41,374,285	-	41,374,285	-
Guaranteed Investment Contracts (stated at cost)	140,936	-	-	-
Total Other Investments	41,515,221	-	-	-
Total Bond Fund Investments	$ 121,438,442	$ 126,458,934	$ 74,761,793	$ -

Conduit Bond Program Investments as of June 30, 2017		Fair Value Measurements Using		
Classification/Provider	Total Investment	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government and Agency Obligations				
US Treasury Notes and Bills	$ 58,961,791	$ 58,961,791	$ -	$ -
US Agencies	10,233,150	-	10,233,150	-
Total US Government and Agency Obligations	69,194,941	-	-	-
Other Investments				
Commercial Paper	53,152,232	-	53,152,232	-
Certificates of Deposit	3,115,664	-	3,115,664	-
Guaranteed Investment Contracts (stated at cost)	619,221	-	-	-
Total Other Investments	56,887,117	-	-	-
Total Bond Fund Investments	$ 126,082,058	$ 58,961,791	$ 66,501,046	$ -

Note 4 – Mortgage-Backed Securities

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

For the fiscal years ended June 30, 2018 and 2017, the net decrease in fair market value from that of the prior year-end based upon quoted market prices was $16,608,506 and $20,865,257, respectively. The following table shows the sources of the gains and losses on MBSs on the statements of revenue, expenses, and changes in net position for 2018 and 2017 by program.

	2018				2017			
	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 loss due to adjustment to market value	$ (12,321,634)	$ (4,096,897)	$ (189,975)	$ (16,608,506)	$ (15,344,673)	$ (5,506,227)	$ (14,357)	$ (20,865,257)

Cumulative unrealized gains at June 30, 2018 and 2017, were $757,449 and $17,197,803, respectively, and are included in the balance of MBSs on the statement of net position.

Note 5 – Furniture, Fixtures and Equipment

Furniture, fixtures and equipment as shown below at June 30, 2018 and 2017, are included in prepaid fees and other on the statements of net position.

	Useful Life	July 1, 2017	Increase	Decrease	June 30, 2018
Furniture, fixtures and equipment	3 to 10 years	$ 1,886,419	$ -	$ -	$ 1,886,419
Leasehold improvements	4 to 5 years	176,058	-	-	176,058
Total assets		2,062,477	-	-	2,062,477
Less accumulated depreciation		(1,712,885)	(115,262)	-	(1,828,147)
Net book value		$ 349,592	$ (115,262)	$ -	$ 234,330

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

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, 2018, we had outstanding notes and bonds of $4.8 billion bearing interest varying in rates as listed below:

	FYE 2018	
	Low	High
Single-Family Program	1.05%	4.60%
Homeownership Program	2.45%	5.30%
Multi Family Program	1.35%	9.50%
Nonprofit Housing Program	1.00%	8.00%
Nonprofit Facilities Program	1.51%	6.63%

Derivative Instruments – Interest Rate Swaps

Single-Family Homeownership Program – The Commission has entered into interest rate swap agreements ("swaps") in connection with issuing variable rate mortgage revenue bonds. The swaps are intended to create debt with synthetic interest rates lower than would have been attainable from long-term fixed rate bonds to achieve our goal of lending to low- and moderate-income first-time homebuyers at below market, fixed interest rates. The swaps are hedging derivative instruments. Additional information, including the fair market value of each swap, is listed below.

In December 2017, in conjunction with the refunding of 2008 Series VR-1A and VR-2N variable rate bonds, the related swaps were deemed terminated with respect to the refunded bonds and treated collectively as a new hedge, effectively reallocating the swaps to 2016 Series VR-1N Bonds.

Using rates as of June 30, 2018, debt service requirements of the outstanding variable rate debt and associated net swap payments, assuming current interest rates remain the same for their term, are as follows. As rates change, variable rate bond interest payments and net swap payments will vary.

Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2019	$ 4,697,500	$ 75,160	$ 74,682	$ 4,847,342
2020	2,837,500	45,400	45,134	2,928,034
2021	1,272,500	20,360	20,277	1,313,137
2022	310,000	4,960	2,106	317,066

Note 6 – Bonds and Notes Payable (continued)

The terms and counterparty credit ratings of the outstanding swaps as of June 30, 2018, are shown below. The notional amounts of the swaps match principal amounts of the associated debt as of June 30, 2018. The notional amounts are expected to approximately follow scheduled or anticipated reductions in the principal amounts of the associated debt.

Associated Bond Series	Current Notional Amount	Current Principal Amount	Effective Date	Fixed Rate Paid	Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating
2016 VR-1N	$ 3,075,000	$ 3,075,000	July 22, 2008	3.629%	SIFMA plus 10bps	$ 20,389	December 1, 2021	Aaa
2016 VR-1N	2,110,000	2,110,000	September 25, 2008	3.249%	SIFMA plus 5 bps	12,599	June 1, 2021	Aaa
	$ 5,185,000	$ 5,185,000				$ 32,988		

The swap counterparties estimated the fair values presented in the preceding table. They approximate the termination payments that would have been due had we terminated them as of June 30, 2018. A negative fair value represents the estimated amount payable by the Commission had we terminated the swaps on June 30, 2018. The interest rate swaps do not have an observable market; therefore, the fair value classification is a Level 3 input.

The variable debt maturity exceeds that of the swaps by a range of 25 to 25.5 years. After the swaps terminate, we may not obtain subsequent interest rate agreements that limit interest at or below these levels.

The International Swap Dealers Association Master Agreement is the model for our swap agreements. They include standard termination events by either party if the other party fails to perform under the terms of the contract. Upon termination, a payment is due to one party irrespective of causality based upon the market value of the swap. We have termination risk if we become liable for termination payments to the counterparty or if we cannot find a replacement to the swaps under favorable financial terms. Our swap contracts reduce this risk by limiting the counterparty's ability to terminate due to the following Commission actions or events: payment defaults, other defaults that remain uncured for 30 days after notice, bankruptcy and insolvency.

The terms of the swaps expose us to credit risk with the counterparties on a termination event. The swap agreements contain collateral requirements based upon counterparty credit ratings and the fair value of the swaps. These bi-lateral requirements are established to mitigate potential credit risk exposure. There are no collateral requirements as of June 30, 2018 and 2017.

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

Note 6 – Bonds and Notes Payable (continued)

The Commission bears basis risk, the risk that the variable interest payments on our bonds will not equal the variable interest receipts from our swaps. Basis risk exists because we pay a variable rate on its bonds based on a weekly remarketing rate while we receive a variable rate based upon the weekly SIFMA rate, plus a spread shown in the preceding table. Basis risk will vary over time due to inter-market conditions. As of June 30, 2018, the interest rate on our variable rate debt with swaps was 1.50% per annum while the variable interest rate on the corresponding swaps was 1.51% per annum (SIFMA at June 30, 2018). As of June 30, 2017, the interest rate on our variable rate debt with swaps ranged from 0.94% to 0.95% per annum while the variable interest rate on the corresponding swaps was 0.91% per annum (SIFMA at June 30, 2017). We considered the risk when structuring the related bonds and determined it was within acceptable tolerance levels.

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

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

Bond Refunding

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

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

		REFUNDING ISSUE							
Fiscal Year	Date of Issue	Bond Series	Amount	Premium and Other	Effective Rate	Bond Series	Amount	Reduction in Debt Service	Economic Gain (Loss)
2018	9/28/2017	Series 2017 2 A-R/2N	$ 6,000,000	$ -	2.031%	Series 2009VR-1N	$ 6,000,000	$ 753,618	$ (1,076,103)
2018	12/28/2017	Series 2017 3 A-R/3N	$ 6,205,000	$ -	2.055%	Series 2008 VR-1	$ 6,205,000	$ 2,504,248	$ 595,850
						Series 2008 VR-1			
2017	11/30/2016	Series 2016 2 A-R	$ 32,045,000	$ 1,056,618	3.034%	2007 Series 2A	$ 33,110,000	$ 15,655,815	$ 8,553,347
						2007 Series 3A			
2017	04/27/2017	Series 2017 1 A-R	$ 13,315,000	$ 439,164	3.320%	2007 Series 5A	$ 13,755,000	$ 13,631,964	$ 4,925,854

On September 28, 2017 the Commission issued Series 2017 2 A-R bonds of $6,000,000 with an effective interest rate of 2.031%. The bond proceeds were used to refund $6,000,000 of outstanding 2009 Series VR-1N Bonds. As a result of the current refunding, the Commission reduced its total debt service requirements by $753,618. However, the spread between variable rates and those on longer term fixed rate bonds resulted in an economic loss (the difference between the present value of the debt service payments on the old and new debt) of $ (1,076,103).

Note 6 – Bonds and Notes Payable (continued)

On December 28, 2017 the Commission issued Series 2017 3A-R & 3N-R bonds of $6,205,000 with an effective interest rate of 2.055%. The bond proceeds were used to refund $6,205,000 of outstanding 2008 Series VR-1A & VR-2N. As a result of the current refunding, the Commission reduced its total debt service requirements by $2,504,248, which resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of $595,850.

The fiscal year ended June 30, 2017 included the following defeasance transactions:

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

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

Future principal and interest payments and bonds outstanding – Bonds mature in varying amounts through 2060 based on their scheduled terms. However, some may be refinanced or redeemed early. As of June 30, 2018, future principal and interest requirements are as follows:

Fiscal Year June 30,	Total Principal Redemptions	Total Interest Payments	Total Debt Service
2019	$ 57,368,475	$ 177,954,265	$ 235,322,740
2020	89,988,140	180,788,654	270,776,794
2021	62,413,020	175,950,338	238,363,358
2022	85,291,705	173,863,981	259,155,686
2023	32,787,427	171,620,404	204,407,831
2023-2028	374,918,685	820,328,727	1,195,247,412
2028-2033	715,122,087	717,480,897	1,432,602,984
2033-2038	1,329,407,160	454,929,076	1,784,336,236
2038-2043	901,109,508	307,146,101	1,208,255,609
2043-2048	769,881,393	182,465,899	952,347,292
2048-2053	330,878,587	50,608,796	381,487,383
2053-2058	11,893,096	12,039,507	23,932,603
2058-2060	39,500,000	2,201,250	41,701,250
	$ 4,800,559,283	$ 3,427,377,895	$ 8,227,937,178

Note 6 – Bonds and Notes Payable (continued)

Changes in bonds outstanding during the fiscal year ended June 30, 2018, are summarized in the following table:

June 30, 2017	Issued	Redeemed	June 30, 2018
$ 4,271,163,765	$ 1,020,353,431	$ 490,957,913	$ 4,800,559,283

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. Our commitments by program as of June 30, 2018, are shown below:

Mortgage Loan, Commitments Program	Amount
Single Family Housing Program	$ 51,454,033
Multifamily Housing Program	103,990,100
Nonprofit Housing Program	114,390,826
Nonprofit Facilities Program	32,008,416
	$ 301,843,375

Operating lease – The Commission has a lease commitment for office space on a long-term basis. Lease expense for the office space for the fiscal years ended June 30, 2018 and 2017, was $741,039 and $703,890, respectively. Future minimum lease payments for the lease agreement that ends in fiscal year 2021 are below:

For the Year Ending June 30:	
2019	$ 754,406
2020	754,406
2021	754,406
	$ 2,263,218

Lines of credit – On April 22, 2013, the Commission agreed to provide Impact Capital, a Community Development Financial Institution, a revolving liquidity loan, with an amount not to exceed $2 million. We renewed the agreement on January 28, 2016. As of June 30, 2018 and 2017, the liquidity loan balance outstanding was $400,000 and $1,000,000, respectively.

Note 8 – Employee Benefit Plans

Deferred compensation plan – The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits our employees to defer a portion of their salaries until future years. The State pays the deferred compensation to employees upon termination, retirement, death or unforeseeable emergency. We record the funds as salary expense when paid to the State; therefore, neither an asset nor liability is recorded on our financial statements.

Retirement (pension) plan – The Commission's employees participate in the Public Employees' Retirement System ("PERS") of the State. PERS, established by the legislature in 1947, is a cost-sharing multiple-employer retirement system. Membership in the system includes elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of legislative committees; community colleges, college and university employees not in national higher education retirement programs such as TIAA/CREF; judges of district and municipal courts; noncertified employees of school districts, and employees of local government. Approximately 47% of PERS salaries are from State employment. Our employees are eligible to participate in Plans 2 and 3. Plan 2 and a portion of Plan 3 are defined benefit plans. Plan 3 includes a defined contribution component. Each employee is responsible for their plan selection.

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

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

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

Note 8 – Employee Benefit Plans (continued)

The Commission and employee required contribution rates and amounts to the pension plan for the fiscal years 2018 and 2017 are:

	2018		2017	
	Rate	Amount	Rate	Amount
Employer contributions				
Plan 1 component	5.02%	$ 309,065	4.77%	$ 274,794
Plan 2 and 3 component	7.44%	458,084	6.41%	369,352
	12.46%	$ 767,149	11.18%	$ 644,146
Employee contributions				
Plan 2	7.33%	$ 392,795	6.12%	$ 305,109

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

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

The DRS retirement plans are accounted for in pension trust funds using the flow of economic-resources-measurement focus and the accrual basis of accounting. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. DRS reports investments held by the plans at fair value. As of the most recent period available, fiscal year ended June 30, 2017, DRS reports a total net pension liability for Plan 1 of $4.7 billion, and a total net pension liability for Plan 2 and 3 of $3.5 billion.

At June 30, 2018, the Commission recognized its proportionate share of the net pension liabilities of Plan 1 and Plans 2 and 3 of $2,168,328 and $2,030,714 respectively and included them in accounts payable and other liabilities within the General Operating Fund. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017. Plan liabilities were rolled forward using each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments. The Commission's proportion of net pension liability was based upon its contributions in relation to all other employer and non-employer contributions to the plan. The Commission's proportions used for measurement of its obligations as of June 30, 2018 and 2017, were:

	2018	2017	Change
Plan 1	0.0455%	0.0439%	0.00160%
Plans 2 and 3	0.0586%	0.0564%	0.00220%

Note 8 – Employee Benefit Plans (continued)

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

For the years ended June 30, 2018 and 2017, the Commission recognized pension expense of $902,910 and $623,546, respectively. For those years we recognized deferred outflows and inflows of resources related to pension obligations from the following sources:

As of June 30, 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments:		
Plan 1	$ -	$ 81,148
Plans 2 and 3	-	548,523
Contributions subsequent to the measurement date	762,734	-
Total	$ 762,734	$ 629,671

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

The $762,734 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

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

2019	$ 314,420
2020	(33,770)
2021	73,047
2022	275,974

Note 8 – Employee Benefit Plans (continued)

The total pension liability in the June 30, 2016, actuarial valuation, which was rolled forward to June 30, 2017, was determined using the following actuarial assumptions.

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

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class (as of PERS year-end June 30, 2017), including an inflation component of 2.20%, are summarized in the following table:

Asset Class	Target Allocation	% Long-Term Expected Rate of Return
Fixed Income	20%	1.70%
Tangible Assets	5%	4.90%
Real Estate	15%	5.80%
Global Equity	37%	6.30%
Private Equity	23%	9.30%
	100%	

Note 8 – Employee Benefit Plans (continued)

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

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

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

	Discount Rate Sensitivity		
	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Plan 1	$ 2,632,631	$ 2,168,328	$ 1,752,650
Plan 2 and 3	$ 5,484,917	$ 2,030,714	$ (790,065)

Other postemployment benefit plan

Commission employees are eligible to participate in the single employer defined benefit other postemployment benefit (OPEB) plan administered by the State Health Care Authority (HCA). The plan, as authorized through RCW 41.05.065, is designed by the Public Employee Benefits Board (PEBB), created within HCA, and determines the terms and conditions of employee and retired employee participation and coverage, including eligibility criteria. The PEBB OPEB plan benefits are provided in accordance with a substantive plan rather than a formalized contract or plan document and, as such, rely on communication of the plan terms by HCA with employers and plan members as well as the historical practice of plan cost sharing by employers.

The PEBB OPEB plan is funded by monthly contributions with amounts established by the Legislature as a part of the biennium budget process. For the 2018 and 2017 fiscal years this monthly amount was $150 per employee. There are no plan assets, rather the monthly contributions are used to pay for current benefits provided. The plan does not issue a publicly available financial report.

The PEBB retiree OPEB plan is available to employees eligible for retirement electing to continue coverage and pay the administratively established health insurance premiums at the time they retire under the provisions of the retirement plan to which they belong.

Note 8 – Employee Benefit Plans (continued)

Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state's non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in this risk pool receive an implicit subsidy because the retired members pay a premium based on the claims experience for active employees and other non-Medicare retirees. The subsidy is valued using the difference between the age-based claims costs and the premium.

Retirees who are reenrolled in both Parts A and B of Medicare may participate in the state's Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy from the reduced premiums. The explicit subsidy is established through an annual recommendation by the HCA administrator which is included in the Governor's budget with the final amount approved by the state Legislature. In calendar year 2018, the explicit subsidy was up to $150 per enrollee member per month. The subsidy will increase to $168 per enrollee member per month in calendar year 2019.

OPEB implicit and explicit subsidies as well as administrative costs are funded by the required contributions participating employers make. The Commission is required to make monthly contributions on behalf of all active, health care eligible employees ("headcount"), regardless of enrollment status. The allocation method used by the state to determine our proportionate share of the OPEB related liabilities, deferred inflows, deferred outflows, and expense is the percentage of our headcount as a percentage of the state's total headcount.

This same method is used to determine the transactions subsequent to the measurement date, specifically the retiree portion of premium payments made by agencies on behalf of active, health care eligible employees between the measurement date of June 30, 2017 and the reporting date of June 30, 2018. The portion of health care premiums attributed to retirees for both explicit and implicit subsidies is taken from the Fiscal Year 2018 3rd Quarter Update in the PEBB Financial Projection Model ("PFPM") from the State Health Care Authority.

Additional information will be included in the Washington State 2018 Comprehensive Annual Financial Report on OFM's website (ww.ofm.wa.gov/accounting/financial-audit-reports/comprehensive-annual-financial-report). Additional information on health care trend rates and other actuarial date is available on the Office of the State Actuary's website (leg.wa.gov/osa).

Note 8 – Employee Benefit Plans (continued)

For fiscal years ending June 30,2018 and June 30, 2017 HCA reports total OPEB liability of $5.8 billion and $6.2 billion, respectively. At June 30, 2018, the Commission recognized its proportionate share of the OPEB liability of $3,399,761, which is included in accounts payable and other liabilities within the General Operating Fund. The OPEB liability was measured as of June 30, 2017, and the total liability used to calculate the OPEB liability was determined by an actuarial valuation as of January 1, 2017 and rolled back to June 30, 2016 and then projected forward to June 30, 2017 reflecting the plan's service cost, assumed interest, and expected benefit payments. The Commission's proportion was based upon our headcount in relation to the headcount of all state employees at the same date resulting in allocations of 0.0584% and 0.0589% used for the measurement of its obligations as of June 30, 2018 and 2017, a reduction between years of 0.0005%. The impact of this change is included in the related deferred inflows and outflows of resources and amortized over nine years, which is equal to the average expected remaining service lives of all active and inactive members.

For the year ended June 30, 2018 we recognized OPEB expense of $276,036 and recognized deferred outflows and inflows of resources related to the net OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ -	$ 468,115
Changes in proportion	-	31,140
Transactions subsequent to the measurement date	53,803	-
Total	$ 53,803	$ 499,255

The $53,803 reported as deferred outflows resulting from transactions subsequent to the measurement date will be recognized as a reduction in the OPEB liability in the year ended June 30, 2019.

Other amounts reported as deferred inflows of resources will be recognized as OPEB expense in subsequent years as follows:

2019	$ (62,406)
2020	(62,406)
2021	(62,406)
2022	(62,406)
2023	(62,406)
Thereafter	(187,218)

Note 8 – Employee Benefit Plans (continued)

The total OPEB liability in the January 1, 2017, actuarial valuation, which was rolled forward to June 30, 2017, was determined using the following actuarial assumptions.

Inflation:	
Economic	3.00%
Salary	3.75%
(Salaries are also expected to grow by promotions and longevity)	
Health Care Trend Rates	
Initial rate	7.00%
Expected by 2080	5.00%

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

Most demographic actuarial assumptions, including mortality and when members are expected to terminate and retire, were based upon the results of the 2007-2012 Experience Study Report. The post-retirement participation percentages and percentage with spouse coverage were reviewed in 2017. Economic assumptions, including inflation and salary increases, were based on the results of the 2015 Economic Experience Study.

Because the OPEB benefits are funded on a pay-as-you-go basis, the discount rate used to measure the OPEB liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index, which was 3.58% for the June 30, 2017 measurement date.

The following represents the Commission's proportionate share of the OPEB liability calculated using the discount rate of 3.58% as well as what the proportionate share of the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.58%) or one percentage point higher (4.58%) than the current rate:

	Discount Rate Sensitivity	
1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
4,148,129	3,399,761	2,820,646

Note 9 – Risk Management

The Commission is subject to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters and acts of terrorism for which we carry commercial insurance. As of June 30, 2018, 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. We provide 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 our future results of operations and liquidity is not predictable because any such effect depends on future results of operations and the amount and timing of the resolution of any such matters. However, we believe that the ultimate resolution of any such matters will not have a material adverse or beneficial effect on our financial position.

Note 10 – Related Party Transactions

The Commission provides staff and administrative services to the following state agencies as of and for the years ended June 30, 2018 and 2017:

Charges for Services	2018	2017
Washington Higher Education Facilities Authority	$ 214,341	$ 265,278
Tobacco Settlement Authority	28,028	27,069
Receivable From		
Washington Higher Education Facilities Authority	$ 64,121	$ 62,404
Tobacco Settlement Authority	12,546	7,356

Note 11 – Subsequent Events

Subsequent to June 30, 2018, the Commission issued $269.3 million in additional bonds and the trustees, under the normal and early redemption provisions of the trust indenture, have redeemed $125.2 million in bonds.

The continued success of our HomeAdvantage program has resulted in an increase in the loans purchased through our short-term repurchase agreement with our Master Servicer. To assure sufficient resources to fund this growth, on August 1, 2018, the Commission executed a Warehouse line of credit with PlainsCapital Bank for an amount not to exceed $60 million.

Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability

PLAN 1	2018	2017	2016
WSHFC's portion of net pension liability	0.0455%	0.0439%	0.0415%
WSHFC's proportionate share of the net pension liability	$ 2,168,328	$ 2,361,147	$ 2,165,498
WSHFC's covered employee payroll	N/A	N/A	N/A
WSHFC's proportionate share of the net pension liability as a percentage of its covered employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	61.24%	57.03%	59.10%
PLAN 2 and 3			
WSHFC's portion of net pension liability	0.0586%	0.0564%	0.0536%
WSHFC's proportionate share of the net pension liability	$ 2,030,714	$ 2,845,451	$ 1,936,303
WSHFC's covered employee payroll	$ 5,762,602	$ 5,293,776	$ 4,764,468
WSHFC's proportionate share of the net pension liability as a percentage of its covered employee payroll	35.24%	53.75%	40.64%
Plan fiduciary net position as a percentage of the total pension liability	90.97%	85.82%	89.20%

Schedule of Contributions

PLAN 1	2018	2017	2016
Statutorily-required contributions	$ 273,962	$ 249,236	$ 190,655
Contributions related to the statutorily-required contributions	273,962	249,236	190,655
Contribution (deficiency) excess	$ -	$ -	$ -
WSHFC's covered-employee payroll	N/A	N/A	N/A
Contribution as a percentage of covered-employee payroll	N/A	N/A	N/A
PLAN 2 and 3			
Statutorily-required contributions	$ 357,892	$ 325,504	$ 238,702
Contributions in related to the statutorily-required contributions	357,892	325,504	238,702
Contribution (deficiency) excess	$ -	$ -	$ -
WSHFC's covered-employee payroll	$ 5,762,602	$ 5,293,776	$ 4,556,682
Contribution as a percentage of covered-employee payroll	6.21%	6.15%	4.91%

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

Schedule of Proportionate Share of OPEB Liability

	2018	2017
WSHFC's portion of OPEB Liability	0.05840%	0.05890%
WSHFC's proportionate share of the OPEB liability	$ 3,399,762	$ 3,678,535
WSHFC covered employee payroll	$ 5,762,602	$ 5,293,776
WSHFC's proportionate share of the net pension liability as a percentage of its covered employee payroll	59.00%	69.49%

	2018	2017
Statutorily-required contributions	$ 130,800	$ 129,750
Contributions related to the statutorily-required contributions	(130,800)	(129,750)
Contribution (deficiency) excess	$ -	$ -
WSHFC's covered-employee payroll	$ 5,762,602	$ 5,293,776
Contribution as a percentage of covered-employee payroll	2.27%	2.45%

Supplemental Information

Washington State Housing Finance Commission
Schedule of Program Net Position

	Restricted Bond Fund		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Single-family Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
CASH AND CASH EQUIVALENTS	$ 43,354,041	$ 11,057,786	$ 99,420,194
INVESTMENTS			
U.S. government and agencies securities	-	-	58,186,772
Investment agreements and other investments	102,163,643	-	140,936
	102,163,643	-	58,327,708
ACCRUED INTEREST RECEIVABLE	1,436,463	293,603	10,821,838
FEES RECEIVABLE, net	-	-	-
OTHER RECEIVABLES	859,069	-	-
INTERFUND LOANS	(20,000,000)	-	-
MORTGAGE-BACKED SECURITIES, cost	374,283,016	85,598,754	-
Cumulative unrealized gain on mortgage-backed securities	(2,335,369)	3,092,818	-
MORTGAGE-BACKED SECURITIES, fair value	371,947,647	88,691,572	-
MORTGAGE LOANS, net	-	-	2,891,911,429
PREPAID FEES AND OTHER	-	-	22,794
TOTAL ASSETS	499,760,863	100,042,961	3,060,503,963
DEFERRED OUTFLOWS OF RESOURCES	233,335	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 499,994,198	$ 100,042,961	$ 3,060,503,963

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program-Related Investments	June 30,	
				2018	2017
$ 93,674,933	$ 34,907,541	$ 20,085,213	$ 36,551,741	$ 339,051,449	$ 274,011,972
21,736,449	-	5,697,050	39,854,384	125,474,655	125,903,361
41,374,285	-		-	143,678,864	56,887,117
63,110,734	-	5,697,050	39,854,384	269,153,519	182,790,478
2,290,725	197,913	289,938	836,050	16,166,530	15,714,320
-	-	5,808,893	251,413	6,060,306	5,426,796
-	-	400,000	-	1,259,069	1,000,944
-	-		20,000,000	-	-
-	-	-	-	459,881,770	507,203,804
-	-	-	-	757,449	17,197,803
-	-	-	-	460,639,219	524,401,607
880,775,895	334,358,585	-	268,034,001	4,375,079,910	3,864,644,876
-	-	533,827	-	556,621	739,883
1,039,852,287	369,464,039	32,814,921	365,527,589	5,467,966,623	4,868,730,876
-	-	816,537	-	1,049,872	1,382,400
$ 1,039,852,287	$ 369,464,039	$ 33,631,458	$ 365,527,589	$ 5,469,016,495	$ 4,870,113,276

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	Restricted Bond Fund Single-family Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
ACCOUNTS PAYABLE AND OTHER LIABILITIES	$ 15,271,831	$ 496,309	$ 50,707,045
ACCRUED INTEREST PAYABLE	1,008,091	490,594	12,197,377
UNEARNED-REVENUE AND OTHER	-	-	-
DERIVATIVE INSTRUMENT - INTEREST RATE SWAP	32,988	-	-
PROJECT EQUITY HELD FOR BORROWER	-	-	2,246,388
BONDS PAYABLE			
Current interest bonds	381,195,000	41,395,000	2,928,841,326
Taxable bonds	8,683,725	41,222,611	66,736,706
Unamortized bond discount	-	-	(224,879)
Unamortized bond premium	5,562,185	433,155	-
	395,440,910	83,050,766	2,995,353,153
TOTAL LIABILITIES	411,753,820	84,037,669	3,060,503,963
DEFERRED INFLOWS OF RESOURCES	-	-	-
NET POSITION			
Restricted			
Bond operations	88,240,378	16,005,292	-
Grants and donations to Program-Related Investments	-	-	-
Net investment in capital assets	-	-	-
Unrestricted			
General operations	-		-
Housing Washington	-	-	-
Program-Related Investments	-	-	-
	88,240,378	16,005,292	-
TOTAL LIABILITIES, DEFERRED INFLOW OF AND NET POSITION	$ 499,994,198	$ 100,042,961	$ 3,060,503,963

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program-Related Investments	June 30, 2018	June 30, 2017
$ 24,585,938	$ 2,076,037	$ 11,473,246	$ 33,904,275	$ 138,514,681	$ 126,215,480
20,554,620	1,051,862	-	-	35,302,544	28,946,292
-	-	8,647,095	-	8,647,095	9,131,403
-	-	-	-	32,988	323,769
-	-	-	-	2,246,388	2,087,670
954,909,223	366,350,889	-	-	4,672,691,438	4,135,256,814
11,224,803	-	-	-	127,867,845	135,906,951
(112,236)	(14,749)	-	-	(351,864)	(357,924)
28,689,939	-	-	-	34,685,279	27,172,809
994,711,729	366,336,140	-	-	4,834,892,698	4,297,978,650
1,039,852,287	369,464,039	20,120,341	33,904,275	5,019,636,394	4,464,683,264
-	-	1,128,925	-	1,128,925	-
-	-	-	-	104,245,670	112,923,906
-	-	-	1,082,696	1,082,696	1,082,696
-	-	234,330	-	234,330	349,592
-	-	11,826,323	-	11,826,323	15,502,441
-	-	321,539	-	321,539	321,539
-	-	-	330,540,618	330,540,618	275,249,838
-	-	12,382,192	331,623,314	448,251,176	405,430,012
$ 1,039,852,287	$ 369,464,039	$ 33,631,458	$ 365,527,589	$ 5,469,016,495	$ 4,870,113,276

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

	Restricted Bond Fund		
	Single-family Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
REVENUES			
Interest earned on mortgage loans and mortgage-backed securities	$ 14,861,145	$ 3,746,308	$ 91,249,179
Other interest and investment income (loss)	1,523,870	137,316	29,936
Gain (loss) on mortgage-backed securities	(12,321,634)	(4,096,897)	(21,823)
Other fee income	665,167	247,801	4,035,997
Nonoperating revenues - grants	-	-	-
	4,728,548	34,528	95,293,289
EXPENSES			
Interest on debt	11,250,982	3,219,597	91,336,788
Amortization of bond discount	-	-	15,591
Amortization of bond premium	(1,023,087)	(181,934)	-
Bond issuance costs	1,216,975	-	4,033,874
Amortization of bond insurance premium	-	-	2,123
Servicing and commission fees	1,177,164	247,800	11,952
Salaries and wages	-	-	-
Communication and office expense	-	-	-
Professional fees	-	-	157,250
Trustee and paying agent fees	113,701	31,965	2,908
Other	142,919	-	-
Nonoperating expenses - grants	-	-	-
	12,878,654	3,317,428	95,560,486
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	(8,150,106)	(3,282,900)	(267,197)
NET POSITION			
Balance, beginning of year	93,368,517	19,288,192	267,197
Cumulative effect of change in accounting principle	-	-	-
Balance, beginning of year, as restated	93,368,517	19,288,192	267,197
Contribution (distribution) of equity	3,021,967	-	-
Balance, end of year	$ 88,240,378	$ 16,005,292	$ -

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program-Related Investments	Years Ended June 30, 2018	Years Ended June 30, 2017
$ 42,821,265	$ 9,643,866	$ -	$ -	$ 162,321,763	$ 128,076,614
168,152	-	838,573	-	2,697,847	2,103,995
(168,152)	-	-	-	(16,608,506)	(20,865,257)
3,091,817	698,294	30,204,669	43,208,152	82,151,897	102,709,642
-	-	2,168,108	-	2,168,108	3,807,952
45,913,082	10,342,160	33,211,350	43,208,152	232,731,109	215,832,946
44,561,661	9,643,615	-	-	160,012,643	124,705,112
5,218	251	-	-	21,060	21,680
(1,745,614)	-	-	-	(2,950,635)	(2,724,430)
3,091,817	698,294	-	-	9,040,960	13,350,550
-	-	-	-	2,123	2,160
-	-	-	-	1,436,916	1,699,702
-	-	9,061,319	-	9,061,319	8,363,747
-	-	2,053,340	-	2,053,340	2,050,888
-	-	1,102,455	-	1,259,705	1,219,243
-	-	-	-	148,574	133,088
-	-	-	3,889,933	4,032,852	5,897,217
-	-	2,168,108	-	2,168,108	3,807,952
45,913,082	10,342,160	14,385,222	3,889,933	186,286,965	158,526,909
-	-	18,826,128	39,318,219	46,444,144	57,306,037
-	-	16,173,572	276,332,534	405,430,012	348,123,975
-	-	(3,622,980)		(3,622,980)	
-	-	12,550,592	276,332,534	401,807,032	348,123,975
-	-	(18,994,528)	15,972,561	-	-
$ -	$ -	$ 12,382,192	$ 331,623,314	$ 448,251,176	$ 405,430,012

Washington State Housing Finance Commission
Schedule of Program Cash Flows

	Restricted Bond Fund		
	Single-family Housing Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
OPERATING ACTIVITIES			
Receipts for interest on mortgages	$ 14,341,721	$ 3,823,705	$ 89,477,848
Receipts for other fee income	(180,697)	247,801	-
Receipts for loans and mortgage prepayments	54,174,933	23,629,732	132,551,691
Payments for acquisition of loans and mortgages	(43,859,250)	-	(523,708,748)
Payments for bond program expenses	(899,328)	(280,021)	(4,205,984)
Payments to employees and suppliers	-	-	-
Net cash from (used for) operating activities	23,577,379	27,421,217	(305,885,193)
INVESTING ACTIVITIES			
Purchase of investments	(213,976,938)	-	(21,636,090)
Sale of investments	121,782,381	-	14,934,409
Interest received on investments	1,588,168	132,265	(96,569)
Net cash from (used for) investing activities	(90,606,389)	132,265	(6,798,250)
NONCAPITAL FINANCING ACTIVITIES			
Project equity used, net	-	-	158,717
Proceeds from sale of bonds and notes	105,705,000	-	562,963,947
Proceeds from Short term loan from other fund	20,000,000	-	-
Repayments of Short term loans from other fund	-	-	-
Short term loan provided to other fund	-	-	-
Interest paid on debt	(11,508,870)	(3,422,781)	(87,344,617)
Debt repayments	(68,793,917)	(28,455,123)	(132,551,691)
Contributions	3,021,967	-	-
Net cash from (used for) noncapital financing activities	48,424,180	(31,877,904)	343,226,356
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,604,830)	(4,324,422)	30,542,913
CASH AND CASH EQUIVALENTS			
Beginning of year	61,958,871	15,382,208	68,877,281
End of year	$ 43,354,041	$ 11,057,786	$ 99,420,194

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program-Related Investments	Year Ended June 30, 2018
$ 53,513,086	$ 10,366,949	$ -	$ -	$ 171,523,309
	-	33,234,492	43,332,992	76,634,588
168,398,841	32,275,060	-	25,187,973	436,218,230
(200,038,669)	(59,781,586)	-	(59,442,992)	(886,831,245)
(1,346,203)	(713,294)	-	-	(7,444,830)
-	-	(13,738,344)	(2,480,445)	(16,218,789)
20,527,055	(17,852,871)	19,496,148	6,597,528	(226,118,737)
(73,534,418)	-	-	(2,569,482)	(311,716,928)
84,569,031	-	3,488,687	-	224,774,508
23,354	(29,854)	785,768	-	2,403,132
11,057,967	(29,854)	4,274,455	(2,569,482)	(84,539,288)
-	-	-	-	158,717
199,461,132	91,740,070	-	-	959,870,149
-	-	-	-	20,000,000
-	-	-	-	-
-	-	-	(20,000,000)	(20,000,000)
(42,211,148)	(9,369,317)	-	-	(153,856,733)
(168,398,840)	(32,275,060)	-	-	(430,474,631)
-	-	(18,994,528)	15,972,561	-
(11,148,856)	50,095,693	(18,994,528)	(4,027,439)	375,697,502
20,436,166	32,212,968	4,776,075	607	65,039,477
73,238,767	2,694,573	15,309,138	36,551,134	274,011,972
$ 93,674,933	$ 34,907,541	$ 20,085,213	$ 36,551,741	$ 339,051,449

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

	Restricted Bond Fund		
	Single-family Housing Bond Program	Homeownership Bond Program (NIBP)	Multifamily Housing Bond Program
RECONCILIATION OF EXCESS (DEFICIT) OF REVENUES OVER EXPENSES TO NET CASH FROM OPERATING ACTIVITIES			
Excess (deficit) of revenues over expenses	$ (8,150,106)	$ (3,282,900)	$ (267,197)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash from operating activities			
Amortization of mortgage discount	(348,849)	-	(15,591)
Amortization of mortgage premium	31		-
Amortization of bond insurance premium	-	-	(2,123)
Amortization of bond premium	(1,023,084)	(181,934)	-
Amortization of bond discount	-	-	15,591
Amortization of unearned fee income	-	-	2,123
Acquisition of mortgage loans	(43,859,250)	-	(533,269,346)
Repayments of mortgage loans	54,174,933	23,629,732	132,551,691
Unrealized (gain) loss on securities	12,590,328	4,096,897	-
Cash from changes in operating assets and liabilities			
Interest and other receivables	(2,809,037)	(59,918)	(5,817,428)
Interest and other payables	13,002,413	3,219,340	100,917,087
Net cash from (used for) operating activities	$ 23,577,379	$ 27,421,217	$ (305,885,193)

Nonprofit Housing Bond Program	Nonprofit Facilities Bond Program	General Operating Fund	Program-Related Investments	Year Ended June 30, 2018
$ -	$ -	$ 18,826,128	$ 39,318,219	$ 46,444,144
(5,218)	(251)	-	-	(369,909)
1,745,614	-	-	-	1,745,645
-	-	-	-	(2,123)
(1,745,614)	-	-	-	(2,950,632)
5,218	251	-	-	21,060
-	-	-	-	2,123
(193,154,151)	(81,543,459)	-	(59,442,992)	(911,269,198)
168,398,841	32,275,060	-	25,187,973	436,218,230
-	-	-	-	16,687,225
5,859,608	25,040	(1,216,794)	3,174,229	(844,300)
39,422,757	31,390,488	1,886,814	(1,639,901)	188,198,998
$ 20,527,055	$ (17,852,871)	$ 19,496,148	$ 6,597,528	$ (226,118,737)

Washington State Housing Finance Commission
Schedule of Notes and Bonds Payable
Year Ended June 30, 2018 with Comparative Totals for 2017

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2018	2017
Single-family (Open Indenture)					
Single-family Series 2008 1	7/1/2008	55,000,000	6/1/2049	-	4,215,000
Single-family Series 2008 2	9/25/2008	41,000,000	6/1/2048	-	3,060,000
Single-family Series 2009 1	6/25/2009	20,000,000	6/1/2039	-	6,000,000
Single-family Series 2009 2N	10/28/2009	24,820,000	6/1/2040	-	540,000
Single-family Series 2010 1A-R/1N-R	11/30/2010	35,175,000	12/1/2035	6,375,000	7,940,000
Single-family Series 2013 1A-R/1N-R	3/27/2013	62,515,000	6/1/2043	29,465,000	39,430,000
Single-family Series 2014 1A-R/1N-R	1/28/2014	36,700,000	6/1/2043	4,985,000	7,265,000
Single family Series 2014 2A-R 2N 2N-R	12/18/2014	50,515,000	6/1/2044	18,590,000	30,850,000
Single-family Series 2015 1A-R/1N	12/10/2015	63,845,000	6/1/2038	39,435,000	50,940,000
Single family Series 2016 1A-R 1N VR-1N	5/26/2016	65,500,000	12/1/2046	52,880,000	57,265,000
Single family Series 2016 2A-R 2N	11/30/2016	67,045,000	12/1/2046	60,695,000	65,685,000
Single family Series 2017 1A-R 1N	4/27/2017	67,370,000	12/1/2047	64,045,000	67,370,000
SF 17 2A-R/2N	9/28/2017	35,230,000	6/1/2047	34,440,000	-
SF 17 3N/3N-R/3A-R - FTH	12/28/2017	70,475,000	12/1/2047	70,285,000	-
Special Single family	10/18/2012	26,171,376	10/1/2042	8,683,725	-
				389,878,725	340,560,000
Unamortized Bond Premium				5,562,185	5,092,463
				395,440,910	345,652,463
Homeownership Program Bonds					
HPB 09 B - NBIP	12/21/2009	50,000,000	10/1/2040	655,000	2,390,000
HPB 09 Series AC1/2010 Series A - NBIP	6/29/2010	100,000,000	10/1/2041	4,335,000	7,585,000
Homeownership Program Bonds 09 AC2/11 A	3/24/2011	99,990,000	10/1/2041	7,025,000	10,275,000
Homeownership Program Bonds 09 AC3/11 B	9/29/2011	116,440,000	10/1/2041	29,380,000	39,475,000
Homeownership Program Bonds 2013A	1/30/2013	23,675,203	3/1/2040	7,347,611	8,667,734
Homeownership Program Bonds2015 AB	5/28/2015	69,370,000	5/1/1941	33,875,000	42,680,000
				82,617,611	111,072,734
Unamortized Bond Premium				433,155	615,089
				83,050,766	111,687,823
Multifamily Bonds					
Inglenook Court	5/25/1995	8,300,000	7/1/2025	8,300,000	8,300,000
Wandering Creek Project	11/22/1995	5,300,000	1/1/2026	5,300,000	5,300,000
Brittany Park Project	11/7/1996	14,200,000	11/1/2021	8,985,000	9,765,000
Meridian Court	12/12/1996	8,000,000	12/1/2028	6,600,000	6,700,000
Brittany Park II	8/12/1998	5,800,000	11/1/2021	3,480,000	3,480,000
Boardwalk Apartments	9/14/1998	12,400,000	9/1/2028	9,920,000	9,920,000
WoodRose Apartments	11/9/1999	9,000,000	6/15/2032	6,750,000	6,750,000
Greens at Merrill Creek	10/12/2000	17,310,000	6/1/2024	14,252,000	14,495,000
Lakewood Meadows	11/21/2000	7,850,000	7/15/2033	6,280,000	6,280,000
Woodlands Apartments Project 2001	12/7/2001	6,600,000	7/15/2034	5,055,000	5,155,000

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2018	Balance Outstanding 2017
Multifamily Bonds (continued)					
Ocean Ridge Apartments 2001	12/21/2001	9,000,000	11/1/2038	$ 7,713,099	$ 7,862,416
Alderwood Court	5/17/2002	7,645,000	6/15/2035	5,965,000	6,180,000
Tama Qua (Whisperwood)	5/14/2002	7,900,000	5/15/2035	6,240,000	6,240,000
Valley View Apartments	2/19/2002	2,880,000	9/15/2020	2,260,000	2,365,000
Olympic Heights Apartments 2002	2/19/2002	5,165,000	9/15/2020	4,680,000	4,780,000
Deer Run	10/1/2002	4,900,000	5/1/2030	3,551,416	3,665,822
Quail Run	12/6/2002	7,150,000	7/1/2035	6,161,082	6,277,322
Heatherwood Apartments.	12/11/2002	21,350,000	1/1/2035	-	14,525,000
Fort Vancouver	4/3/2003	6,668,000	9/1/2039	5,195,131	5,302,914
Vintage at Mt. Vernon	6/5/2003	10,000,000	1/15/2037	7,880,000	8,025,000
Alaska House	7/15/2004	8,040,000	7/20/2045	-	7,175,000
International House	7/15/2004	7,390,000	7/20/2045	-	6,585,000
Rainier Court Apartments	12/23/2003	17,000,000	12/15/2036	14,680,000	14,990,000
Highlander Apartments II	4/30/2004	10,000,000	5/1/2037	8,350,000	8,350,000
Silver Creek Apartments	5/26/2004	17,500,000	12/15/2037	12,250,000	12,250,000
Crestview West Apartments	12/1/2004	14,000,000	12/15/2037	14,000,000	14,000,000
Vintage at Everett	6/30/2004	17,750,000	1/15/2038	15,750,000	15,750,000
Vintage at Richland	6/29/2004	11,750,000	1/15/2038	7,535,000	7,535,000
Ballinger Court Apartments	9/1/2004	5,800,000	9/15/2037	4,780,000	4,885,000
Deer Run West	12/22/2004	6,270,000	6/15/2037	5,390,000	5,390,000
Merrill Gardens at Queen Anne	12/17/2004	30,200,000	12/1/2040	27,180,000	27,180,000
Merrill Gardens at Renton	12/17/2004	23,100,000	12/1/2040	20,790,000	20,915,000
Valley View Apartments	12/22/2004	29,675,000	5/1/2038	24,425,000	25,073,000
Vintage at Burien Apartments Project	12/22/2004	7,300,000	1/15/2038	6,570,000	6,570,000
Vintage at Sequim	1/27/2005	8,390,000	3/1/2038	5,814,209	5,915,643
Park Vista Retirement Project	3/7/2005	15,250,000	3/1/2041	-	13,780,000
Highland Park	6/30/2005	11,300,000	7/15/2038	9,430,000	9,630,000
Fairwinds - Redmond	7/15/2005	27,500,000	7/1/2041	22,495,000	22,895,000
Pinehurst Apartments	9/27/2005	14,185,000	3/15/2039	12,000,000	12,160,000
The Vintage at Silverdale	9/29/2005	19,575,000	9/15/2039	14,880,000	14,880,000
Lodge at Eagle Ridge	8/17/2005	13,550,000	8/1/2041	12,910,000	12,910,000
Scenic Vista Senior Apartment	11/22/2005	6,100,000	1/1/2039	5,690,448	5,748,109
Kamiakin Apartments	11/23/2005	8,275,000	5/1/2042	7,114,615	7,229,634
Vintage at Vancouver	2/10/2006	8,900,000	4/1/2036	7,659,339	7,813,294
Merrill at Tacoma	9/1/2006	19,600,000	9/15/2040	17,640,000	17,975,000
Vintage at Spokane Senior Living	7/17/2006	17,200,000	8/15/2040	16,295,000	16,295,000
Forrest Creek	11/30/2006	13,815,000	6/15/2040	13,680,000	13,680,000
Crowne Pointe Apartments	5/26/2006	8,740,000	12/1/2047	8,050,339	8,138,927
Orchard Hills	11/3/2006	9,060,000	7/1/2039	8,208,494	8,330,388
Eagle’s Landing Apartments	7/24/2006	13,400,000	8/15/2039	12,730,000	12,730,000
Echo Lake	12/7/2006	17,970,000	7/15/2040	17,970,000	17,970,000
Heron Creek	1/3/2007	5,000,000	3/1/2040	4,641,186	4,690,041
Covington Place	11/2/2007	9,975,000	12/1/2025	9,255,654	9,362,929
The Season Apartments	12/20/2006	37,500,000	12/15/2040	37,300,000	37,300,000
Vintage at Chehalis	11/30/2006	8,190,000	6/15/2040	8,190,000	8,190,000
Elk Creek Apartments	4/27/2007	7,470,000	4/1/2040	7,028,225	7,095,654
Northgate Village	12/8/2006	5,990,000	6/1/2043	5,304,258	5,393,198
Island Skagit Partner	2/28/2007	3,850,000	3/1/2037	1,835,967	1,890,748
Three County Partners	2/28/2007	5,900,000	3/1/2037	3,428,456	3,529,464
Barkely Ridge Apartments	8/28/2007	10,400,000	9/1/1940	9,985,000	9,985,000
Linden Square Apartments 2007	11/29/2007	45,150,000	6/1/1942	41,840,139	42,463,246
Merrill Gardens at Kirkland	10/4/2007	34,000,000	4/15/1941	24,600,000	24,600,000
Merrill Gardens University Village	10/4/2007	55,000,000	4/15/1941	48,540,000	48,540,000
Clark Island 2007	11/9/2007	5,560,000	11/1/1942	5,560,000	5,560,000
Greentree Apartment Homes 2008	1/30/2008	13,965,000	2/1/2026	13,609,429	13,772,264

Washington State Housing Finance Commission
Schedule of Notes and Bonds Payable (continued)
Year Ended June 30, 2018 With Comparative Totals for 2017

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2018	Balance Outstanding 2017
Multifamily Bonds (continued)					
Arrowhead Gardens Senior Living	12/5/2007	35,000,000	1/1/1942	$ 33,761,601	$ 34,079,579
First Liberty Apartments 2007	12/11/2007	5,965,000	4/1/2040	4,540,000	4,620,000
APD WA RD 2007	7/31/2008	9,940,000	2/1/2040	5,375,237	5,460,672
Parkview Apartments	7/28/2008	3,060,000	8/1/2043	3,060,000	3,060,000
Talon Hills Apartments	5/30/2008	4,115,000	9/1/1940	3,080,000	3,125,000
Lake City Way Mixed Use	12/23/2009	15,600,000	1/1/2044	14,620,000	14,885,000
Artspace Everett Lofts	12/23/2008	7,500,000	12/1/2041	3,200,000	3,200,000
Appian Way	12/31/2008	13,610,000	7/1/2040	5,265,454	5,396,472
Lake City Senior	8/28/2009	16,250,000	7/1/2044	16,250,000	16,250,000
Washington Terrace	2/16/2010	11,250,000	2/15/2043	11,250,000	11,250,000
New Haven	12/15/2009	19,000,000	12/15/2044	19,000,000	19,000,000
Cambridge	12/15/2009	12,650,000	12/15/2044	12,650,000	12,650,000
Rose Street Apartments	2/8/2010	9,600,000	2/1/2027	3,958,112	4,011,074
55th Avenue Apartments 2011 A&B	8/16/2011	9,600,000	7/1/2029	6,220,000	6,285,000
Discovery Heights Apartment	12/22/2010	33,175,000	12/1/2043	30,880,000	31,385,000
Downtowner Apartments	6/6/2012	24,000,000	7/1/2030	23,440,000	23,725,000
Evergreen Vista Apartments	5/3/2011	7,300,000	11/1/2027	4,394,719	4,476,875
12th Ave & Jefferson Apartments WW	5/25/2011	6,281,847	5/1/2028	2,337,206	2,376,136
Columbia City Station WW	6/28/2011	6,220,000	6/28/2028	2,278,389	2,320,953
LaVenture Workforce Housing WW	8/3/2011	3,940,000	1/29/2028	2,116,572	2,156,143
Tomason Place II WW	6/29/2011	2,770,000	6/1/2028	971,613	987,744
Willow Tree Grove Apartments	8/4/2011	21,840,000	2/1/2044	19,835,000	20,140,000
Traditions at South Hill	8/15/2011	14,780,000	8/1/2044	12,850,000	13,080,000
Vintage at Tacoma	8/15/2011	17,800,000	7/15/2029	17,415,000	17,585,000
Copper Lantern Apartments	12/21/2011	1,834,000	1/1/2027	1,650,844	1,683,844
Interurban Senior Living	7/11/2012	14,750,000	7/1/2052	14,325,000	14,535,000
Tri-Court Apartments	8/1/2012	15,900,000	8/1/2029	14,974,744	15,230,676
Urban Center Apartments aka Ash Way	6/11/2012	41,400,000	7/1/2047	40,100,000	40,670,000
Desert Villa Apartments	7/30/2012	11,100,000	7/1/2030	10,360,000	10,515,000
North City Apartments	6/7/2012	20,150,000	6/1/2044	18,920,434	19,283,839
Quilceda Creek Apartments 2012	11/13/2012	21,020,000	7/1/2030	20,730,000	21,020,000
Sunny View Village	6/4/2014	3,068,000	6/1/1933	1,170,183	1,188,049
Parklane Apartments	3/28/2013	17,420,000	11/1/2046	16,193,708	16,355,571
Villas at Lakewood	3/22/2013	24,180,000	3/1/2031	23,432,955	23,709,195
The District Apartments 2013	5/31/2013	32,250,000	5/1/2045	30,847,828	31,409,822
Des Moines Family Housing	9/13/2013	5,850,000	3/13/1934	2,519,988	2,554,838
Vantage Apartments (Speedway)	12/5/2013	24,300,000	12/1/1931	23,595,133	23,843,735
Reserve at Everett	12/23/2013	16,350,000	12/1/1931	15,341,101	15,481,356
Monroe Family Village	5/23/2014	6,800,000	12/1/1945	4,102,156	4,180,779
Copper Trail Apartments	10/3/2013	26,300,000	10/1/1945	21,152,777	21,499,730
Park 16 Apartments	12/2/2013	32,750,000	12/1/1931	33,327,234	33,643,500
Lake Washington 2014	3/14/2014	28,000,000	9/1/2026	27,513,395	27,797,142
Vintage at Lakewood	4/3/2014	20,200,000	10/1/1947	18,168,030	18,343,632
Hirabayashi Place	5/16/2014	15,250,000	11/16/1934	3,177,035	3,223,554
Lilac Terrace	10/9/2008	5,200,000	11/1/2025	118,868	131,043
15 West Apartments	7/2/2014	12,850,000	7/1/1954	9,768,096	9,826,657
Summit Ridge Apartments	10/28/2014	11,600,000	11/1/1952	8,940,333	11,519,905
Towne Square Apartments	9/11/2014	3,600,000	4/30/1931	625,518	635,394
Celebration Senior Living East	6/10/2014	22,400,000	6/1/1947	17,301,268	17,485,103
The Reserve at Renton	7/29/2014	24,000,000	8/1/1949	24,000,000	24,000,000
Kitt's Corner	9/12/2014	27,500,000	10/1/1949	27,500,000	27,500,000
High Point Apartments	9/8/2014	44,000,000	10/1/1947	43,165,171	43,546,577
Axis Apartments	10/15/2014	41,500,000	11/1/1947	38,041,070	40,895,404
Grand View Apartments	10/23/2014	42,000,000	11/1/1947	41,962,867	37,894,330

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2018	Balance Outstanding 2017
Multifamily Bonds (continued)					
Market Street Apartments	11/21/2014	12,000,000	12/1/1951	$ 2,500,000	$ 2,500,000
Polaris at Covington Apartments	11/1/2014	24,800,000	12/1/1946	22,005,006	22,370,288
The Douglas	12/23/2014	9,000,000	1/1/1932	7,499,127	7,595,632
Ridpath Apartments	5/26/2017	10,000,000	8/1/2059	10,000,000	5,400,000
Scriber Creek	2/28/2015	44,400,000	3/1/1952	40,467,308	44,400,000
Copper Lane Apartments	1/28/2015	19,000,000	2/1/1933	18,234,195	18,462,858
The Reserve at SeaTac	3/3/2015	33,000,000	4/1/1953	33,000,000	33,000,000
The Winthrop	5/5/2015	28,000,000	6/1/1932	17,053,041	17,281,388
Adriana Senior Apartments	12/21/2015	16,000,000	1/1/2034	15,811,249	11,701,485
CityCenter Apartments	9/11/2015	43,150,000	10/1/2033	43,150,000	39,458,971
Ruby 2015 A&B	10/8/2015	13,000,000	11/1/1932	9,219,861	12,665,910
Reserve at Lynnwood	12/14/2015	36,772,519	1/1/1935	34,626,754	30,438,666
Marion Court	7/29/2015	13,200,000	8/1/1932	10,320,668	11,584,503
South Hill Apartments	9/30/2015	25,000,000	10/1/1933	21,580,127	25,000,000
Ballard Landmark Inn	8/3/2015	45,150,000	12/15/1941	45,150,000	45,150,000
Mountlake Senior Living	10/2/2015	13,209,000	11/1/2027	12,860,309	12,389,504
Isabella Court	11/16/2015	7,000,000	12/1/1933	3,014,063	6,746,923
The Estates at Hillside Gardens 2015	2/25/2016	15,400,000	3/1/1934	15,322,072	15,322,072
Promenade Apartments 2016	2/24/2016	54,000,000	3/1/1934	51,256,841	32,965,149
Mercy Othello Plaza East 2015	12/10/2015	13,418,435	6/10/1936	5,470,155	13,070,475
13 West Apartments 2015	12/4/2015	11,050,000	12/1/1933	10,993,674	10,673,965
Madison Way 2016	5/4/2016	27,500,000	12/1/1933	25,670,887	7,037,117
Gateway Apartments	12/22/2015	34,000,000	1/1/1933	30,633,000	26,402,037
Celebration Senior Living West	12/22/2015	21,100,000	12/1/1934	17,980,943	20,104,923
Beaver Cove Apartments 2015	2/9/2016	17,050,000	2/1/1932	14,438,210	17,048,200
The Timbers 2016	3/4/2016	20,300,000	4/1/1933	18,357,325	20,300,000
The Meadows 2016	3/4/2016	13,300,000	4/1/1933	10,268,286	13,300,000
Lynnwood City Center Senior Living 2016	3/11/2016	39,756,000	4/1/2029	38,433,921	29,254,451
The Vintage at Arlington 2016	3/4/2016	10,950,000	4/1/1933	8,852,090	10,950,000
The Vintage at Bellingham 2016	3/4/2016	10,000,000	4/1/1933	8,134,621	10,000,000
Columbia Gardens at Rainier CT	7/15/2016	6,800,000	08/01/31	6,611,240	6,715,685
LARC at Kent	6/28/2016	14,250,000	7/1/1934	12,442,116	4,132,635
Wright Park House 16	8/10/2016	9,200,000	9/1/2033	7,291,287	7,717,692
Shag Affordable Senior Living '16	8/5/2016	29,722,000	9/1/2034	29,538,822	29,024,292
Vintage at Holly Village 2016	6/30/2016	23,500,000	7/1/2033	18,736,860	23,098,025
Vintage at Mill Creek '16	8/5/2016	35,000,000	9/1/2034	33,987,835	18,706,743
The Villas at Auburn	9/29/2016	48,175,000	4/1/2034	46,108,921	23,725,231
Reserve at Auburn	9/29/2016	46,965,000	4/1/2034	38,989,817	18,213,596
Copper Valley Apts	12/16/2016	25,050,000	1/1/2035	24,256,997	4,933,391
Copper River Apartments	9/27/2016	23,000,000	10/1/2034	22,583,027	9,337,649
Linden Flats Apartments-MFH	11/3/2016	32,000,000	12/1/2034	31,101,537	11,449,486
Southside by Vintage 16 - MFH	9/8/2016	55,000,000	10/1/2034	44,919,782	11,860,592
Copper Wood Apts-MFH	10/26/2016	24,220,000	11/1/2034	24,220,000	11,321,790
Puget Park Apts-MFH	12/21/2016	54,512,963	12/10/2034	35,024,763	5,998,586
Trailside Apts-MFH	3/31/2017	35,000,000	3/1/2059	35,000,000	35,000,000
Parkside Apts Proj	2/28/2017	40,000,000	3/1/2034	40,000,000	40,000,000
Royal Hills 17 MFH	5/19/2017	46,000,000	5/1/2059	46,000,000	46,000,000
Thai Binh Apts - MFH	3/10/2017	40,000,000	3/1/2035	9,537,345	55,360
Boulevard Place Sr Living-MFH	3/8/2017	50,500,000	10/1/2030	19,347,494	6,055,351
Basalt Ridge LLC MF	12/1/2016	25,050,000	12/1/2034	25,050,000	12,216,766
Mt Baker Village Apts - MFH	4/17/2017	32,473,671	1/1/2037	21,490,912	9,620,221
Mt. Baker Apts - MFH	12/21/2016	7,900,000	7/1/2036	6,850,520	3,697,518
Avaire Apts Project - MFH	4/21/2017	11,008,000	5/1/2034	11,008,000	11,008,000
Chehalis Ave Apts-MFH	2/28/2017	5,835,000	3/1/2034	5,835,000	4,605,131
Evergreen Village Apts Project 17 - MFH	4/21/2017	44,000,000	5/1/2034	41,532,534	29,077,367
Lake City Fam House-MFH	7/6/2017	12,850,000	1/1/2037	7,946,609	-

Washington State Housing Finance Commission
Schedule of Notes and Bonds Payable (continued)
Year Ended June 30, 2018 with Comparative Totals for 2017

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2018	Balance Outstanding 2017
Multifamily Bonds (continued)					
Tukwila Village 17 Phase 1 - MF	7/21/2017	27,900,000	2/10/2035	$ 16,635,349	$ -
Sea Mar Vancouver Hsing-MFH	7/27/2017	11,500,000	5/1/2037	50,001	-
Larc at Burien-MFH	8/2/2017	21,350,000	8/1/2035	3,728,163	-
Waterview 17 - MFH	8/4/2017	78,770,000	8/1/2035	21,271,865	-
Santos-Sandpoint - MFH	8/9/2017	6,020,000	8/1/2019	6,020,000	-
McKinley Terrace	8/9/2017	32,000,000	9/1/2034	29,241,103	-
Vintage at Bremerton	8/10/2017	18,500,000	9/1/2034	17,106,507	-
K West Series 17 - MFH	8/15/2017	23,000,000	3/1/2035	11,835,260	-
YWCA Snohomish Portfolio - MFH	9/8/2017	34,400,000	4/1/2036	28,052,404	-
Building 9 South - MFH	9/21/2017	24,625,000	4/1/2037	51,163	-
Redmond Ridge - MFH	10/12/2017	30,000,000	11/1/2047	19,000,000	-
Homestead - MF	11/21/2017	13,395,000	12/1/2035	10,320,944	-
Spokane 2 Apts-MF	12/11/2017	12,500,000	7/1/2020	12,500,000	-
Gateway by Vintage Apts-MF	12/13/2017	30,830,000	1/1/2036	4,574,566	-
Crossroads Sr Living - MF	12/14/2017	30,500,000	1/1/2028	412,434	-
Watermark Apts 17	12/19/2017	45,432,000	1/1/2036	3,445,860	-
Vintage at Vancouver MFH	3/5/2018	13,983,000	3/1/2035	8,602,351	-
Vintage at SeaTac	5/3/2018	31,000,000	5/1/2036	1,468,558	-
Panorama	5/10/2018	40,700,000	6/1/2036	2,122,672	-
Winter Heights-MFH	5/23/2018	13,000,000	6/1/2036	2,538,598	-
Rainier Court IV - MF	5/31/2018	14,969,131	6/1/2035	51,000	-
MSC Pierce Portfolio	6/1/2018	5,470,000	7/26/2034	5,470,000	-
Fairwinds Redmond Project-MF	6/1/2018	4,600,000	7/1/2041	4,600,000	-
Compass Health	7/10/2012	500,000	7/1/2027	-	359,414
Swauk Wind	12/27/2012	9,000,000	12/20/2032	7,590,499	7,955,499
YMCA of Greater Seattle 2013	7/12/2013	2,030,000	7/1/2020	639,992	935,926
Town & Country	3/6/2014	1,150,000	3/6/2014	900,829	977,497
Seattle Art Museum	5/4/2016	2,802,964	5/4/1931	2,606,896	2,710,059
Matthew Tregoning	4/30/2008	250,000	5/1/1933	158,358	166,347
Michael Pottratz	8/6/2008	72,000	1/2/2033	45,373	47,732
Jose Torres	1/7/2009	326,500	1/1/2024	142,409	163,668
Craig & Pamela Cleveringa	9/22/2009	142,000	1/1/2039	-	113,377
Daniel & Kimberly Hulse	9/22/2009	195,000	9/1/2039	158,093	162,499
John & Sara Burns	8/31/2009	305,000	8/1/2039	245,290	252,335
Sage Shelton	11/18/2009	225,000	11/1/2039	185,078	190,412
Kyle Chamberlain	11/20/2009	132,603	10/1/2039	108,685	111,852
Aaron Otto & Kim Denend	1/29/2010	213,000	1/1/2040	174,529	179,432
Scott Johnson & Erika Britney	3/4/2010	400,000	3/1/2035	264,115	281,325
Ross and Deborah Landt	4/29/2010	242,000	1/1/2034	183,895	191,582
Cody Schoesler	5/21/2010	165,000	3/1/2035	87,990	95,174
Wesley Wasson & Karen Temen	6/25/2010	265,000	3/1/2040	202,670	208,921
Jacob Wyles	8/6/2010	278,500	1/1/2031	200,702	212,480
Nicholas Wyles	3/11/2011	262,000	1/1/2036	206,930	214,887
Jeffrey and Arienne Pauls	11/18/2015	215,000	12/1/1945	205,762	209,918
Keith and Ashley Luft	4/28/2016	455,000	10/1/1941	441,844	453,384
Jacob and Rachel Reister	11/15/2016	295,000	12/1/2046	287,542	292,744
Dominic and Kalli Ingwaldson	3/28/2018	285,725	3/1/2048	285,725	-
Covington Commons Apartments	6/11/1999	2,600,000	7/1/2029	871,508	913,253
Terrace Apartments	8/28/2000	1,222,000	8/1/2030	804,222	844,870
Yakima Gardens	12/18/1998	942,500	1/1/2029	537,745	572,551

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2018	Balance Outstanding 2017
Multifamily Bonds (continued)					
Oregon Place	7/14/2000	2,500,000	8/1/2030	$ 822,309	$ 865,698
Westgage Terrace Apartments	8/31/2005	3,218,000	3/1/2022	2,511,901	2,589,699
Parkland Terrace Apartments	8/31/2005	1,600,000	4/1/2022	1,248,924	1,287,611
Hiawatha Artist Lofts	12/1/2006	8,500,000	12/1/2028	3,260,587	3,341,782
Creston Point Apartments 2007	10/19/2007	2,000,000	11/1/1937	1,655,556	1,788,889
				2,995,578,032	2,565,165,777
Unamortized Bond Discount				(224,879)	(240,470)
				2,995,353,153	2,564,925,307
Nonprofit Housing					
Nikkei Manor	11/6/1996	3,100,000	10/1/2021	-	1,100,000
Panorama City	1/29/1997	24,300,000	1/1/2027	6,390,000	7,690,000
Living Care Centers	10/26/2000	14,950,000	10/1/2030	9,575,000	10,065,000
Franke Tobey Jones	8/27/2003	13,035,000	9/1/2033	-	13,035,000
Mercy Housing	9/19/2003	6,445,215	9/19/2033	3,201,356	3,331,851
Mercy Housing - Cobble Knoll, Phase II	11/30/2004	3,900,000	11/1/2034	2,881,136	2,983,238
Mirabella	11/3/2006	256,745,000	3/1/2036	30,750,000	30,750,000
Panorama Apartments	4/3/2008	28,500,000	4/1/1943	27,980,000	28,000,000
Odd Fellows 2010	7/15/2010	8,609,000	7/1/2020	5,690,597	6,120,481
Crista Ministries	12/29/2010	13,495,000	1/1/2026	7,750,242	8,619,618
San Franciscan Apartments WW	12/22/2010	1,250,000	1/1/2031	1,078,943	1,105,541
Mt Baker/Cedar Village WW	12/21/2010	2,444,000	12/1/2021	2,154,245	2,204,364
Mount Vista Apartments WW	3/29/2011	1,100,000	4/1/2041	944,103	968,757
Purple Sage Apartments WW	5/12/2011	1,100,000	5/1/2021	956,221	984,953
Littlerock Road Housing WW	5/27/2011	3,568,621	6/1/2043	3,053,646	3,115,428
Park Place Townhomes	8/19/2011	1,200,000	9/1/2041	1,041,019	1,067,663
Kline Galland Center	12/8/2011	20,880,000	12/1/2026	13,151,048	14,467,644
Judson Park 2012	5/31/2012	21,505,000	2/1/2037	-	17,145,879
Housing Hope 2012	8/31/2012	1,713,769	9/1/2042	1,552,714	1,584,230
Mirabella	12/27/2012	89,240,000	10/1/2047	78,525,000	79,320,000
Riverview Retirement Community 2012	12/3/2012	15,695,000	1/1/2048	14,790,000	14,990,000
Emerald Heights	2/7/2013	29,845,000	7/1/2033	25,200,000	26,255,000
Tacoma Lutheran Retirement Community	3/22/2013	13,000,000	4/1/2043	11,512,968	11,819,874
Presbyterian Retirement Community NW	6/19/2013	14,840,000	1/1/2043	7,020,000	7,160,000
Bellevue Duplexes 2013	7/1/2013	820,000	8/1/2023	752,885	768,060
The Hearthstone 2013	7/3/2013	25,000,000	7/1/1941	-	19,633,273
Rockwood Retirement 2014	2/13/2014	103,755,000	1/1/2049	75,730,000	75,965,000
Heritage Heights 2013	7/31/2013	1,700,000	8/1/2028	1,490,393	1,537,259
Green River Community College	8/28/2013	14,885,000	7/1/2035	12,575,297	13,096,335
Horizon House 2014	3/6/2014	61,000,000	4/1/2039	-	57,117,911
Liberty Park	10/30/2014	1,160,000	11/2/1944	1,105,750	1,122,210
Meadowdale Apartments	5/26/2015	7,000,000	6/1/2031	6,694,976	6,864,204
Heron's Key	8/6/2015	145,055,000	7/1/1950	103,155,000	145,055,000
Skyline 2015	12/2/2015	8,740,000	1/1/1945	8,290,000	8,410,000
ECCO Properties Project 2015	9/29/2015	15,740,000	7/1/1943	15,340,000	15,560,000
Crista Ministries 2015	10/9/2015	3,000,000	10/1/1930	3,000,000	3,000,000
Cannon House 2016	3/9/2016	4,875,000	3/1/1941	4,615,403	4,731,458
Bayview Retirement Community 2016	8/3/2016	57,460,000	7/1/2051	51,110,000	57,245,000
Fairview Apartments 2016	5/31/2016	1,300,000	6/1/1946	1,245,154	1,273,045
Presbyterian Retirement Community NW	10/5/2016	130,290,000	1/1/2051	127,315,000	128,790,000

Washington State Housing Finance Commission
Schedule of Notes and Bonds Payable (continued)
Year Ended June 30, 2018 with Comparative Totals for 2017

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2018	Balance Outstanding 2017
Nonprofit Housing (continued)					
Wesley Homes Lea Hill 2016	9/23/2016	51,360,000	7/1/2051	$ 51,360,000	$ 51,360,000
Wesley Homes Bradley Park	12/13/2016	83,030,000	7/1/2049	58,255,000	17,390,000
Wesley Homes Des Moines	11/7/2016	25,000,000	7/1/2049	25,000,000	7,370,000
Pioneer Human Services Projects	5/5/2017	23,280,000	5/1/2037	13,608,148	13,891,866
St Andrews - STEP- NPH	8/8/2017	1,600,000	8/1/2047	1,573,415	-
Franke Tobey Jones - NPH	8/31/2017	26,000,000	9/1/2042	55,000	-
Homes First (STEP)- NPH	11/29/2017	2,004,850	12/1/2047	1,986,212	-
Horizon House - NPH	12/28/2017	75,000,000	1/1/2048	75,000,000	-
Judson Park (HG) - NPH	5/24/2018	17,015,000	7/1/2048	17,015,000	-
The Hearthstone Project	6/28/2018	44,725,000	7/1/2053	44,725,000	-
Wilton Apartments	6/21/1995	620,000	10/1/2015	120,443	165,585
Brentwood Apartments	8/27/2002	1,491,000	9/1/2032	1,031,996	1,076,111
Clallam County Hostelries	11/25/2002	366,843	12/1/2022	116,000	139,485
Der Garten Haus	9/21/1998	650,000	10/1/2018	367,615	391,992
Christian Health Care Center	10/13/2005	7,532,219	10/2/2020	1,573,224	2,088,333
Josephine Sunset Home	8/4/2005	7,320,000	8/1/2025	4,359,188	4,723,188
Tall Firs Apartments	7/15/2010	2,850,000	7/1/2045	1,300,000	1,325,000
Mt Baker View	9/30/2010	1,250,000	10/1/2040	1,069,689	1,096,898
				966,134,026	935,071,734
Unamortized Bond Premium				28,689,939	21,465,257
Unamortized Bond Discount				(112,236)	(117,454)
				994,711,729	956,419,537
Nonprofit Facilities					
YMCA of the Inland NW	4/8/1999	5,800,000	7/1/2029	3,565,000	3,770,000
Southwest WA Pipe Trades Training Center	10/31/2000	4,230,000	10/1/2025	1,945,000	2,135,000
Evergreen School 2002	6/27/2002	9,500,000	7/1/2028	5,170,000	5,570,000
Tacoma Art Museum	6/4/2002	10,000,000	6/1/2032	-	10,000,000
Overlake School	10/2/2003	10,030,000	10/1/2029	5,670,000	6,050,000
Overlake School 2008	8/15/2008	10,350,000	10/1/2029	7,185,000	7,660,000
YMCA - Inland Northwest	9/11/2008	11,000,000	7/1/1933	7,070,000	8,155,000
Billings Middle School	5/6/2010	1,484,000	6/1/2020	-	867,267
Benton-Franklin Children's Center	7/28/2009	624,000	8/1/2019	311,276	353,657
South Sound YMCA	1/15/2010	4,145,000	2/1/2020	-	2,267,313
Multi-Service Center	12/30/2009	1,750,014	9/30/2040	1,128,144	1,153,255
Girl Scouts of W. WA	9/8/2011	2,741,250	6/1/2042	2,412,944	2,473,083
Villa Academy 2011	12/1/2011	8,262,000	12/1/2021	6,766,078	7,034,571
Northwest School 2012	5/24/2012	16,665,000	6/1/2039	8,806,406	9,116,816
Seattle Country Day School Ref	7/20/2012	9,450,000	8/1/2037	5,650,000	5,930,000
Lutheran Community Services 2012	8/1/2012	3,450,000	1/1/2037	2,957,976	3,057,912
YMCA of Greater Seattle	7/31/2012	30,000,000	9/1/2037	26,570,000	27,325,000
Seattle Prep 2013	5/31/2013	10,000,000	8/1/2038	8,995,764	9,271,732
ACRS Project 2013	11/26/2013	3,500,000	11/26/1938	3,066,369	3,168,847
YMCA of Pierce & Kitsap 2014	3/26/2014	44,040,000	6/1/1939	35,385,000	38,550,000
Whatcom CC Foundation 2014	3/31/2014	7,740,000	4/1/2039	5,270,939	5,889,670
STEP People for People 2014	4/30/2014	918,000	5/1/2024	582,088	668,945
Westside School	6/2/2014	8,775,000	6/1/2025	7,722,000	8,073,000
Hamlin Robinson School	7/2/2014	15,000,000	8/1/1937	9,710,991	10,000,000
Pierce County AIDS Foundation	7/30/2014	1,120,000	7/30/1934	846,756	882,099
Amara Project 2015	6/30/2015	5,400,000	12/31/2025	4,498,963	4,671,172
Puget Sound Regional Services	12/22/2014	1,700,000	1/1/1945	1,591,570	1,625,333
Pacific Science Center	4/28/2015	2,397,000	5/1/1930	2,019,050	2,147,381
Eastside Catholic School	2/25/2015	46,765,000	7/1/1938	41,035,000	42,925,000
Dawson Place Child Advocacy	4/28/2015	1,196,590	5/1/2025	1,096,897	1,130,508

Series	Issue Date	Original Amount	Final Maturity Date	Balance Outstanding 2018	Balance Outstanding 2017
Nonprofit Facilities (continued)					
Sea-Mar Community Project	9/28/2016	6,000,000	10/1/2041	$ 5,902,539	$ 720,000
YMCA of Pierce & Kitsap Refunding	7/13/2016	8,665,000	12/1/2032	7,605,000	8,135,000
Gonzaga Prep 2016	8/2/2016	6,226,107	8/1/2036	5,980,459	6,115,751
Seattle Academy of Art & Science	10/13/2016	27,500,000	11/1/2041	21,673,720	100,000
Children's Institute for Learning	9/29/2016	4,578,000	10/1/2026	4,376,655	4,499,207
Hopelink Projects	4/13/2017	12,000,000	4/1/2047	12,000,000	3,240,000
Food Lifeline - NPF	8/3/2017	17,650,000	8/1/2042	14,845,609	-
Welcome Center 17 STEP - NPF	8/11/2017	1,500,000	9/1/2047	1,410,248	-
Seattle Waldorf - NPF	8/30/2017	5,900,000	9/1/2042	5,776,787	-
Annie Wright Schools - NPF	12/14/2017	22,000,000	1/1/2053	22,000,000	-
Briggs 17 (STEP) - NPF	12/21/2017	3,300,000	12/21/2017	3,185,426	-
Refugee Alliance	12/22/2017	3,000,000	12/1/2047	3,000,000	-
Little Red School House	4/29/1998	385,941	5/1/2023	112,557	133,431
SEED Homesight Project	5/13/1999	616,000	7/1/2009	343,211	366,848
Pullman Community Action Center	3/30/2000	700,000	4/1/2030	440,371	464,122
Island School Expansion and Remodel	11/1/2001	1,300,000	11/1/2026	363,211	401,049
Harlequin Productions Project	11/8/2001	538,750	11/1/2021	38,731	49,052
Artist Trust Project	11/30/2001	350,000	11/30/2031	190,232	200,536
Hyla Middle School Project	12/26/2001	650,000	1/1/2027	212,761	234,443
Tomorrows Hope	4/5/2002	860,000	4/1/2027	427,397	465,938
Southside Senior Center	5/22/2002	650,000	6/1/2022	-	143,716
New Horizon’s School	7/31/2002	875,000	8/1/2032	-	584,867
Harbor Montessori	7/2/2003	1,300,000	7/1/2028	694,296	750,262
Martha & Mary	12/9/2003	1,416,000	12/1/2028	614,673	665,507
Whatcom Family YMCA 2004	2/4/2004	1,100,000	2/1/2024	395,614	459,112
French American School	4/21/2004	1,875,000	2/1/2025	658,944	787,728
NW Pipe Trade - Local 26 Educational Dev. Trus	7/20/2005	3,500,000	4/1/2031	2,056,133	2,185,535
Morningside	11/7/2005	2,244,118	11/1/2030	-	99,744
Valley Residential Services	11/9/2005	640,000	11/1/2020	412,199	437,194
Richland Health Science Center - Columbia Basi	3/30/2006	2,950,000	9/1/2031	1,553,501	1,760,727
SKCAC Industries	8/1/2006	1,100,000	8/1/2021	790,183	819,838
Re Sources Sustainable Living Center	10/31/2006	2,025,000	11/1/2031	1,380,249	1,458,975
Tacoma Musical Playhouse	11/1/2006	1,425,000	11/1/2018	742,237	819,941
University Cooperative School	5/9/2007	1,000,000	6/1/2037	863,675	881,616
Perry Technical Institute	10/26/2007	5,000,000	11/1/2027	3,137,175	3,364,756
West Sound Academy	4/1/2008	4,640,000	4/1/2028	3,999,810	4,001,527
French American School	4/3/2008	2,290,000	10/1/2028	1,085,370	1,237,422
Open Window School	8/2/2010	7,710,000	8/1/2035	5,150,373	5,450,394
TVW - Jeannette C. Hayner Media Center	9/30/2011	1,187,251	10/1/2021	987,579	1,021,529
Alpha Supported Living Services	1/29/2013	1,336,000	2/1/2038	1,135,142	1,175,579
Columbia Basin 2015	7/29/2015	7,000,000	7/1/1945	6,829,728	4,109,328
The Bertschi School Project 2015	9/9/2015	7,500,000	9/1/1940	4,991,542	5,153,401
Alliance Center 2015	9/29/2015	1,936,100	10/1/1940	1,811,714	1,860,191
Railway History Center 2015	2/29/2016	3,600,000	2/1/1941	3,469,930	3,566,286
Senior Life Res Fowler Street	6/6/2016	1,500,000	6/1/1936	1,387,116	1,444,285
Archbishop Thomas Murphy High School 2016	5/27/2016	5,892,815	6/1/1931	5,289,581	5,598,481
				366,350,889	306,885,879
Unamortized Bond Discount				(14,749)	-
				$ 366,336,140	$ 306,885,879