



District of Columbia
Housing Finance Agency

Financial Statements With
Independent Auditor's Report

Years Ended September 30, 2014 and 2013



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**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

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Independent Auditor's Report

Board of Directors
District of Columbia Housing Finance Agency

Report on the Financial Statements

We have audited the accompanying financial statements, of the District of Columbia Housing Finance Agency, (the Agency), a component unit of the Government of the District of Columbia, as of and for the years ended September 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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 audit to obtain reasonable assurance about whether the financial statements are free of 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 Agency as of September 30, 2014 and 2013, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 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 principally 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying 2014 and 2013 supplementary information on pages 65 through 96 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Baltimore, Maryland
December 18, 2014

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014 AND 2013

Our discussion and analysis of the District of Columbia Housing Finance Agency's financial performance provides an overview of the Agency's financial activities for the years ended September 30, 2014 and 2013. The financial statements, accompanying notes, and additional information should be read in conjunction with the following discussion.

Overview

The District of Columbia Housing Finance Agency (the "Agency") was established in 1979 to stimulate and expand homeownership and rental housing opportunities for low and moderate-income families in the District of Columbia (the "District"). The Agency primarily issues taxable and tax-exempt mortgage revenue bonds to lower the financing costs for single family homebuyers and multifamily developers acquiring, constructing, and rehabilitating rental housing in the District. In addition, the Agency administers the issuance of four percent low-income housing tax credits to achieve its affordable housing preservation, rehabilitation, and development objectives on behalf of the District of Columbia Department of Housing and Community Development ("DHCD").

The Agency accounts for its financial activities using funds for its single family and multifamily bond programs and general operations. The General Fund is used to record the receipt of income not directly pledged for repayment of debt securities, to pay expenses related to the Agency's administrative functions and operations, including bond program administration, mortgage servicing, the United States Department of Housing and Urban Development ("HUD") Risk-Sharing insurance program and the McKinney Act savings program. The other funds include Single Family Program, Multifamily (Conduit Bond) Program and DC Building Finance Corporation. These funds are used to account for bond proceeds, revenue and debt service and bond administration expenses related to single family mortgage revenue bonds, multifamily housing revenue bonds and certificates of participation of the District of Columbia Building Finance Corporation.

The accompanying financial statements exclude the Agency's HomeSaver Program (a U.S. Treasury Hardest Hit Fund Initiative). The Agency prepares separate financial statements for the HomeSaver Program Fund, which is set up to account for the HomeSaver Program proceeds received under the U.S. Treasury Hardest Hit Fund Initiative as they are used for program disbursements to fund mortgage loans to the homeowners of the District of Columbia who are at risk of foreclosure and who have experienced involuntary job loss or became underemployed with decreased employment income, and to pay the Agency's administrative expenses of the HomeSaver Program.

Financial Highlights for the Year Ended September 30, 2014, and Comparative Financial Highlights for the Years Ended September 30, 2013 and 2012

Significant Macroeconomic Factors and Program Updates

The Agency's total debt portfolio decreased by \$25.28 million from \$838.72 million in fiscal year 2013 to \$813.44 million in fiscal year 2014, continuing the downward trend from fiscal year 2013, when the portfolio decreased from \$869.16 million at beginning of the year to \$838.72 million at year end. In fiscal year 2012 the portfolio underwent a net decrease of \$32.11 million, when the debt portfolio went down from \$901.27 million to \$869.16 million. The total amount of bonds issued during fiscal year

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
SEPTEMBER 30, 2014 AND 2013**

2014 was \$130.46 million, comprised completely of multifamily project issuance, compared to \$118.22 million in total new multifamily bond issuance in fiscal year 2013. In fiscal year 2012 total debt issuance was \$126.16 million, including \$112.01 million in multifamily bonds and \$14.15 million in single family bonds.

During fiscal year 2010, the Agency secured two committed credit lines with the PNC Bank, National Association ("PNC Bank"), in the total amount of \$53.00 million: one for two years for \$3.00 million to be used for acquiring ownership of and making improvements to the Agency's headquarters building; the other for one year for \$50.00 million to be used for providing interim financing of the costs of extending multi- and single family mortgages and/or mortgage-backed securities under the United States Treasury New Issue Bond Program or any subsequent bond program of the Agency as approved by PNC Bank. During fiscal year 2011, the Agency and PNC Bank modified the \$50.00 million credit line by reducing it to \$25.00 million. In fiscal year 2013, the same credit line was further modified to reduce its size down to \$15.00 million. The term of both credit lines was extended in 2014 till March of 2015. The Agency plans to use these credit lines as a source of low interest rate liquidity to fund the acquisition of single family mortgage-backed securities pending the issuance of permanent long-term single family mortgage revenue bonds at a future date. The Agency intends to continue to maintain access to PNC credit lines for any supplemental liquidity needs.

Basic Financial Statements

The accompanying financial statements include: Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. The Statement of Net Position shows the financial position of the Agency and its programs as of the end of the reporting period, while the Statement of Revenues, Expenses and Changes in Net Position shows the results of operations for the reporting period. The Statement of Cash Flows shows sources and uses of cash in the operating, investing and financing activities of the Agency and its programs.

During fiscal year 2013 the Agency implemented a GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*. During fiscal year 2014, the Agency carried out an economic refunding of several of its multifamily bond series and recorded a deferred outflow of resources associated with the bond refunding in its Statement of Net Position for the year ended September 30, 2014.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
SEPTEMBER 30, 2014 AND 2013

Financial Statement Analysis

The following information is an analysis of the Agency's financial statements for the year ended September 30, 2014, compared to the financial statements for the years ended September 30, 2013 and 2012.

	<u>2014</u>	<u>Net Change</u>	<u>2013</u>	<u>Net Change</u>	<u>2012</u>
Current assets	\$ 165,687,764	-7.6%	\$ 179,276,946	1.2%	\$ 177,133,475
Non-current other assets	808,740,911	-0.8%	815,510,616	-9.2%	898,120,782
Non-current capital assets	2,218,668	-9.5%	2,450,708	-7.1%	2,637,342
Total assets	<u>976,647,343</u>	<u>-2.1%</u>	<u>997,238,270</u>	<u>-7.5%</u>	<u>1,077,891,599</u>
Total deferred outflow of resources	238,080	100.0%	-	0.0%	-
Current liabilities	\$ 94,221,951	2.8%	\$ 91,673,324	-33.4%	\$ 137,647,336
Non-current liabilities	791,871,623	-3.0%	816,577,766	-3.6%	847,035,448
Total liabilities	<u>886,093,574</u>	<u>-2.4%</u>	<u>908,251,090</u>	<u>-7.8%</u>	<u>984,682,784</u>
Net position:					
Net invested in capital assets	1,568,668	-5.5%	1,660,708	-3.0%	1,712,342
Restricted for:					
Bond fund, collateral and Risk Share Program	32,915,936	-4.7%	34,532,184	-16.9%	41,571,166
McKinney Act Fund	8,645,549	0.8%	8,576,551	-3.9%	8,926,106
Total Restricted	<u>41,561,485</u>	-3.6%	<u>43,108,735</u>	-14.6%	<u>50,497,272</u>
Unrestricted	47,661,696	7.8%	44,217,737	7.9%	40,999,201
Total Net Position	<u>90,791,849</u>	<u>2.0%</u>	<u>88,987,180</u>	<u>-4.5%</u>	<u>93,208,815</u>
Total Liabilities and Net Position	<u>\$ 976,885,423</u>	<u>-2.0%</u>	<u>\$ 997,238,270</u>	<u>-7.5%</u>	<u>\$ 1,077,891,599</u>

In fiscal year 2014, the Agency' combined assets decreased by 2.1%, compared to the 7.5% decrease in fiscal year 2013. The short-term asset holdings were used to redeem bonds while the new issuance did not result in new asset increase since most of the new debt structures were done as draw down deals. The current assets decrease was in part driven by the reduction in the claims receivable accounts due to the final claim settlement with the HUD. The current liabilities have increased 2.8% while the non-current liabilities dropped 3.0% in fiscal year 2014 due to a different composition of debt outstanding by its maturity date compared to prior fiscal year when the current and non-current liabilities decreased by 33.4% and 3.6%, respectively, from fiscal year 2012. In fiscal year 2013, the 9.2% decrease in the non-current non-capital assets came from utilization of proceeds from long term investments and loan assets to redeem short term bonds. This trend almost reversed in fiscal year 2014 with only 0.8% reduction in the non-current non-capital assets. The 2.0%, or \$1.8 million, in net position increase in fiscal year 2014 is due to a net operating income of \$2.3 million slightly offset by the \$0.5 million non-operating unrealized loss in the value of mortgage-backed securities. In fiscal year 2013 the net assets decreased by \$4.2 million primarily from the \$8.1 million non-operating unrealized loss on mortgage-backed securities driven by higher market interest rates. Current liabilities in fiscal year 2012 decreased by 0.7% due to a slight decrease in bonds coming due within one year. The 5.5% decrease in net invested in capital assets in fiscal year 2014 was due to greater depreciation and amortization of the accumulated

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
SEPTEMBER 30, 2014 AND 2013

capital assets versus the addition of new assets. The same reason underlay the fiscal year 2013 3.0% reduction in the net invested in capital assets.

Operating Results

During fiscal year 2014, the Agency's combined net position increased by \$1.8 million, or 2.0%, which comprises net revenue of \$2.3 million from operations and a non-operating loss of \$0.5 million due to a decrease in the unrealized fair value of mortgage-backed securities. For fiscal year 2013, net position decreased by \$4.2 million, consisting of a \$3.9 million income from operations offset by the \$8.1 million non-operating loss due to a decrease in the unrealized fair value of mortgage-backed securities. The value of the securities moves in opposite direction to the market interest rates. The Agency typically holds all of the mortgage-backed securities to the expected life of the underlying loans.

During fiscal year 2014, combined operating revenues decreased by \$13.6 million or 19.4% from fiscal year 2013, primarily due to a 25.1% decrease in mortgage loan interest revenue, 20.5% decrease in mortgage-backed security income and 36.65% reduction in investment revenue offset by the 26.4% increase in other revenue from project revenue and issuer and administrative fees. The decreasing investment income was the direct result of low investment interest rates, short-term nature of investment holdings in the multifamily trust indentures and entailed the project revenue contributions from the owners required to support the debt service on the underlying debt. Both the decrease in interest revenue on mortgage loans and the interest expense from 2013 were mostly a result of the \$8.25 million one-time spike in contingent interest receipt and payment based on the surplus cash agreement under one of the paid off multifamily projects in fiscal year 2013. Such one-time contingent interest settlement was processed through the project trust accounts in a pass-through manner at the election of the project owners and sole bond holder. Both the \$4.6 million decrease in service project receipts and payments was the result of all serviced projects receiving federal subsidies paying off in fiscal year 2013.

Combined operating expenses in fiscal year 2014 decreased by \$11.9 million, or 18.1%, from fiscal year 2013, primarily due to a 26.0% drop in interest expense based on the \$8.25 million one-time spike in contingent interest and elimination of \$4.6 million service project receipts and payments as described above and the generally lower interest rates from the new bond issuance compared to the historical interest rate levels.

During fiscal year 2013, combined operating revenues increased by \$2.92 million or 4.4% from fiscal year 2012, primarily due to a 30.4% increase in mortgage loan interest revenue and 26.6% increase in other revenue stemming primarily from new multifamily bond issuance. The decreasing investment and mortgage-backed security income fell short of turning the operating results into negative. Combined operating expenses in fiscal year 2013 increased by 15.2% or \$8.71 million from fiscal year 2012, primarily due to a 23.6% jump in interest expense based on the contingent interest and increased general and administrative and other fee expenses carried by the bond programs. This increase was slightly offset by a reduction in service project payments from the corresponding receipts due to the payoff of one of the serviced projects. The fiscal year 2013 operating income was \$3.90 million, augmenting and continuing a positive trend from fiscal year 2012 with its net operating income of \$9.69 million. Both

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MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
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the increase in interest revenue on mortgage loans and the interest expense included a one-time \$8.25 million contingent interest receipt and payment as described above.

	<u>2014</u>	<u>Net Change</u>	<u>2013</u>	<u>Net Change</u>	<u>2012</u>
Operating Revenues					
Investment interest income	\$ 1,247,223	-36.6%	\$ 1,966,344	-38.6%	\$ 3,203,285
Mortgage-backed security interest income	5,481,058	-20.5%	6,890,283	-49.5%	13,646,776
Interest on mortgage and construction loans	31,340,466	-25.1%	41,856,888	30.4%	32,089,494
McKinney Act interest revenue	66,101	-45.8%	121,892	29.2%	94,333
Application and commitment fees	283,132	-5.9%	300,813	64.0%	183,422
Service project receipts	-	-100.0%	4,580,901	-29.9%	6,536,023
Other	17,856,302	26.4%	14,123,543	26.6%	11,159,842
Total operating revenues	<u>56,274,282</u>	<u>-19.4%</u>	<u>69,840,664</u>	<u>4.4%</u>	<u>66,913,175</u>
Non-operating revenues	(460,212)	94.3%	(8,125,357)	267.9%	(2,208,568)
Total revenue	<u>55,814,070</u>	<u>-9.6%</u>	<u>61,715,307</u>	<u>-4.6%</u>	<u>64,704,607</u>
Operating Expenses					
General and administrative	9,748,101	39.0%	7,012,927	6.4%	6,591,266
Personnel and related costs	4,450,169	4.0%	4,278,160	5.5%	4,053,725
Interest expense	35,345,822	-26.0%	47,752,731	23.6%	38,625,017
Depreciation and amortization	247,504	0.9%	245,364	7.5%	228,255
Service project payments	-	-100.0%	4,581,667	-29.9%	6,532,506
Trustee fees and other expenses	4,217,805	104.1%	2,066,093	73.7%	1,189,441
Total operating expenses	<u>54,009,401</u>	<u>-18.1%</u>	<u>65,936,942</u>	<u>15.2%</u>	<u>57,220,210</u>
Operating Income (Loss)	<u>2,264,881</u>	<u>-42.0%</u>	<u>3,903,722</u>	<u>-59.7%</u>	<u>9,692,965</u>
Change in Net Position	<u>1,804,669</u>	<u>-142.7%</u>	<u>(4,221,635)</u>	<u>-156.4%</u>	<u>7,484,397</u>
Net position, beginning of year	<u>88,987,180</u>	<u>-4.5%</u>	<u>93,208,815</u>	<u>8.7%</u>	<u>85,724,418</u>
Net position, end of year	<u>\$ 90,791,849</u>	<u>2.0%</u>	<u>\$ 88,987,180</u>	<u>-4.5%</u>	<u>\$ 93,208,815</u>

In fiscal year 2014, the Agency recorded a \$3.0 million net operating income and a \$3.4 million overall net income in its General Fund, increasing General Fund net position from \$56.4 million at the beginning of the year to \$59.8 million at year end. In fiscal years 2013 and 2012, the General Fund net operating income amounted to \$2.5 and \$1.6 million, respectively.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
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Debt Administration

Debt activity, including credit lines and certificates of participation, for the years ended September 30, 2014, 2013 and 2012 was as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Beginning balance	\$ 838,718,934	\$ 869,157,282	\$ 901,265,129
New issuance/draws	130,464,992	118,218,431	126,163,530
Redemptions/maturities	<u>(155,746,933)</u>	<u>(148,656,779)</u>	<u>(158,271,377)</u>
Ending balance	<u>\$ 813,436,993</u>	<u>\$ 838,718,934</u>	<u>\$ 869,157,282</u>

In fiscal year 2014, the Agency's combined outstanding debt decreased by \$25.3 million from fiscal year 2013. The Certificates of Participation outstanding balance decreased by \$140,000 from \$0.79 million at the beginning of the year to \$0.65 million at year end. Total single family revenue bonds were reduced by \$17.9 million due loan prepayment redemptions. No new single family bonds have been issued in fiscal year 2014.

There was no New Issuance Bond Program bond issuance in fiscal year 2013 except for a \$0.55 million additional market bond issuance for one of the multifamily transactions, which was redeemed by the end of the fiscal year. All of the \$168.10 million in NIBP multifamily and \$5.12 million in NIBP single family escrow bonds issued in fiscal year 2010, have been modified through supplemental indentures in financing seventeen multifamily projects, six of which were financed in fiscal year 2012. The release of the \$173.22 million of NIBP escrow bonds was done concurrently with the issuance of \$91.23 million in non-NIBP bonds.

During fiscal year 2014 DCHFA financed seven multifamily projects for a total authenticated and delivered bond amount of \$194.6 million. A number of multifamily revenue bonds, closed in fiscal years 2011-2014, were issued in a draw-down mode, where out of the total amount of bonds closed, only a portion may get drawn during any given reporting period. The amount of such draws during fiscal year 2014 was \$60.8 million. The amount of outstanding multifamily bonds from new issuance and draws on the new and existing draw down bonds during fiscal year 2014 was \$130.5 million, and, when offset by \$137.8 million in matured and redeemed bonds, resulted in the net decrease in multifamily bonds outstanding of \$7.3 million, compared to a net decrease of \$4.0 million in fiscal year 2013.

During fiscal year 2013 DCHFA financed nine multifamily projects for a total authenticated and delivered bond amount of \$139.4 million. A number of multifamily revenue bonds, closed in fiscal years 2010-2013, were issued in a draw-down mode, where out of the total amount of bonds closed, only a portion may get drawn during any given reporting period. The amount of such draws during fiscal year 2013 was \$61.6 million. The amount of outstanding multifamily bonds from new issuance and draws on the new and existing draw down bonds during fiscal year 2013 was \$118.2 million, and, when offset by \$122.2 million in matured and redeemed bonds, resulted in the net decrease in multifamily bonds outstanding of \$4.0 million, compared to a net increase decrease of \$21.68 million in fiscal year 2012.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
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Capital Assets

The Agency issued \$2.4 million of Certificates of Participation in 1998 to finance the acquisition of its headquarters building at 815 Florida Avenue, N.W., Washington, D.C. and entered into a lease agreement with the District of Columbia Building Finance Corporation to lease the office space. The lease term is through June 2018; however, the Agency has an annual right to terminate the lease in the event that the Agency fails to budget sufficient amounts due under the lease terms for the ensuing fiscal year. The Agency has the option to purchase the building at any time during the lease at an amount necessary to discharge the outstanding Certificates of Participation. As of September 30, 2014, both the Certificates of Participation and the lease agreement had approximately four years remaining, and an outstanding balance of \$0.65 million. The Agency redeemed \$140,000 of the Certificates of Participation in fiscal year 2013 in addition to \$135,000 and \$130,000 redeemed in fiscal years 2013 and 2012, respectively.

Capital assets, net of accumulated depreciation and amortization, were \$2,218,668 and \$2,450,708 as of September 30, 2014 and 2013, respectively, and \$2,637,342 as of September 30, 2012. The detailed analysis of changes in capital assets is in Note 5.

Key Bond Programs

Multifamily New Issue Bond Program ("Multifamily NIBP")

The Multifamily NIBP started in fiscal year 2010 with the issuance of \$168.1 million in taxable escrow bonds. As of September 30, 2012, all of these escrow bonds have been released in the form of tax-exempt bonds to finance sixteen multifamily projects. In addition, \$5.1 million of the Single Family NIBP escrow bonds have been released as tax-exempt bonds to fund one multifamily project. Concurrently with the release of NIBP escrow bonds, the Agency issued \$91.2 million in market bonds, not including \$0.6 million in market bonds issued for an existing project in fiscal year 2013. All seventeen transactions using NIBP bonds were structured as stand-alone pass-through financings with no direct economic recourse to the Agency as the issuer. Some of the bonds issued in fiscal years 2010-2013 were issued in a draw down mode. The amount of draws under such existing and new draw down projects for fiscal year 2014 was \$1.7 million. When offset by \$15.9 million in redeemed and matured bonds, the fiscal year 2014 net decrease in total Multifamily NIBP Bonds outstanding was \$14.2 million, compared to a net decrease of \$6.2 million in fiscal year 2013 and a net increase of \$32.1 million in fiscal year 2012. As of September 30, 2014, the total bonds outstanding under the Multifamily NIBP, were \$212.9 million, compared to \$226.4 million as of September 30, 2013.

Single Family New Issue Bond Program ("Single Family NIBP")

The Single Family NIBP started in fiscal year 2010 with the issuance of \$25.0 million in taxable escrow bonds. All of the Single Family NIBP bonds remained in escrow as of September 30, 2011. In fiscal year 2012, the Agency used the advantageous cost of NIBP capital to design competitive interest rate mortgage loan products offered to the District homebuyers. The Agency modified and redelivered \$14.2 million of taxable NIBP escrow bonds into tax-exempt mortgage revenue bonds. In fiscal year 2011, due to the non-negative arbitrage nature of the NIBP escrow bonds, the Agency elected to use its own General Fund monies and proceeds from the draw on the PNC Bank credit line to provide interim financing source for the acquisition of the mortgage-backed securities, the practice known as

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“warehousing”. The warehoused mortgage-backed securities became assets collateralizing the new NIBP tax-exempt bonds issued at the end of calendar year 2011 and the General Fund was reimbursed from the released bond proceeds. The demand for the Agency loans remained low throughout the year due to a relatively small interest rate competitive advantage of the Agency’s loans compared to conventional lender loans. Early in fiscal year 2012, the Agency master servicer, Bank of America, terminated its corresponding lender relationships, which disrupted the Agency’s ability to securitize the originated homeownership loans into mortgage-backed securities for the remainder of the year and half of fiscal year 2013. The Agency decided to use \$5.1 million of the single family NIBP escrow bonds to finance one multifamily transaction, which is accounted for under the Multifamily NIBP, and to redeem the \$5.73 million in unused NIBP single family taxable escrow bonds as the deadline for their use was December 31, 2012. Due to the executive management decision the Agency changed its single family business model from bond financing to a purchase and sale of the mortgage backed securities. These purchase and sale transactions are accounted for under the DCHFA General Fund and not under the Single Family Program Funds. As of September 30, 2014, the total bonds outstanding under the Single Family NIBP were \$9.2 million.

Multifamily (Conduit Bond) Program:

All mortgage revenue bond multifamily projects financed to date under the Multifamily Program have been issued by the Agency as stand-alone pass-through financings with no direct economic recourse to the Agency as the issuer. In fiscal year 2014, the Agency closed five project financings involving \$167.6 million in mortgage revenue bonds issued in a draw down mode. The total amount of draws on the newly issued and existing draw-down bonds in fiscal year 2014 was \$59.2 million. When offset by \$121.9 million in redeemed and matured bonds, the fiscal year 2014 net increase in total Multifamily (Conduit Bond) Program bonds outstanding was \$6.9 million, compared to a net increase of \$2.3 million in fiscal year 2013 and a net decrease of \$10.4 million in fiscal year 2012.

Single Family Program:

Outside the Single Family NIBP, the Agency has not issued new bonds under the Single Family Program since 2007 due to persistent interest rate disadvantages of pricing loans based on the traditional tax-exempt mortgage revenue bond market. Following the prudent financial management practice of minimizing costs, the Agency elected to carry out more frequent optional bond redemptions. Total bond redemptions and maturities for the fiscal year 2014 was \$15.7 million, bringing the total bonds outstanding down to \$30.7 million at September 30, 2014, from \$46.4 million at September 30, 2013.

HUD Risk-Sharing Program and Agency General Fund

The Agency has entered into a risk-sharing agreement with HUD, where HUD pays 100% of the amount needed to retire bonds issued in connection with a defaulted project at the time of the initial claim. Any loss at the time of final claim on a defaulted multifamily project is shared between FHA at 90% and the Agency at 10%. In order to participate in this program, the Agency has set aside an initial deposit of \$500,000 in a separate HUD Risk-Sharing Reserve account. In addition, with every risk-sharing project, an FHA placement fee of 1%-1.15% of the mortgage balance is collected and deposited into the reserve account. The Agency also collects under its General Fund monthly mortgage insurance premiums commensurate with the risk exposure on its HUD Risk-Sharing portfolio of outstanding mortgage loans. As of September 30, 2014, 2013 and 2012, the HUD Risk-Sharing Reserve funds had a balance of \$2.54

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
SEPTEMBER 30, 2014 AND 2013**

million, \$2.53 million and \$2.51 million, respectively, and the outstanding principal balance of the risk-sharing insured loans was \$125.7 million, \$133.2 million and \$155.5 million, respectively. During fiscal year 2014 one the risk-sharing projects paid off their loans.

In fiscal year 2010, one risk-share deal, the Elsinore Courts Apartments project defaulted. The Agency filed the initial claim and paid off the underlying bonds. The project continued being occupied and covered its operating expenses with limited Agency support. In October of 2012 the Agency conducted a competitive sale of this property and submitted its final claim to HUD. The disposition of the property and finalization of the claim resulted in the actual loss to the Agency of \$243,444 recorded as of September 30, 2013. The actual loss includes an estimated loss of \$236,519 recorded as contingent liability as of September 30, 2012.

In addition, Parkway Overlook East & West (the Parkway Overlook Property) had its Section 8 HAP subsidies abated in 2007 by HUD due to successive REAC failures. The Agency took over the ownership of the Parkway Overlook Property as a mortgagee in possession in 2007. In April of 2014, the Agency acquired the title to this property and sold to the District of Columbia Housing Authority for \$5 million, or its appraised value, with a seller take back note of \$4.975 million. The Agency has also submitted its final claim package to HUD, which was accepted and settled in January 2014. The Agency is currently preparing to submit its supplemental claim to HUD for all expenses that were incurred prior to January 2014 but not paid until after that date. Based on the estimated value of the supplemental claim, the Agency estimates the loss exposure as of September 30, 2014 to be \$69,000, and accordingly, has established the contingent liability under the General Fund in the year ended September 30, 2014.

Conclusion

Management's discussion and analysis is presented to provide additional information regarding the activities of the Agency and also to meet the disclosure requirements of GASB Statement No. 34. If you have questions about the report or need additional financial information, contact the Chief Financial Officer, Sergei Kuzmenchuk, District of Columbia Housing Finance Agency, (202) 777-1620, 815 Florida Avenue, N.W. Washington DC 20001, skuzmenchuk@dchfa.org or go to our website at www.dchfa.org.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2014 AND 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Unrestricted current assets:		
Cash and cash equivalents	\$ 32,672,832	\$ 29,858,055
Mortgage and construction loans receivable	135,360	146,813
Other receivables	3,014,048	11,526,498
Accrued interest receivable	16,827	20,587
Prepaid fees	152,874	126,800
Total unrestricted current assets	35,991,941	41,678,753
Restricted current assets:		
Cash and cash equivalents	92,737,196	101,582,019
Mortgage-backed securities at fair value	10,694,801	8,021,310
Mortgage and construction loans receivable	22,372,780	23,393,796
Accrued interest receivable	3,824,798	4,540,313
Other receivables	66,248	60,755
Total restricted current assets	129,695,823	137,598,193
TOTAL CURRENT ASSETS	165,687,764	179,276,946
NON-CURRENT ASSETS		
Unrestricted non-current assets:		
Investments	3,216,887	3,361,379
Mortgage and construction loans receivable	5,073,864	249,921
Total unrestricted non-current assets	8,290,751	3,611,300
Restricted non-current assets:		
Investments held in trust	24,716,301	35,721,340
Mortgage-backed securities at fair value	95,081,007	119,606,044
Mortgage and construction loans receivable	676,887,853	652,774,882
Loans receivable	2,309,116	2,464,857
McKinney Act loans receivable	1,455,883	1,332,193
Total restricted non-current assets	800,450,160	811,899,316
Capital assets:		
Land	573,000	573,000
Property and equipment	3,971,449	3,955,985
Leasehold improvements	1,745,285	1,745,285
Less accumulated depreciation and amortization	(4,071,066)	(3,823,562)
Total capital assets, net	2,218,668	2,450,708
TOTAL NON-CURRENT ASSETS	810,959,579	817,961,324
TOTAL ASSETS	976,647,343	997,238,270
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized deferral on bond refundings	238,080	-
Total deferred outflows of resources	238,080	-

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
STATEMENTS OF NET POSITION - CONTINUED
SEPTEMBER 30, 2014 AND 2013

<u>LIABILITIES AND NET POSITION</u>	<u>2014</u>	<u>2013</u>
CURRENT LIABILITIES		
Current liabilities payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 451,990	\$ 2,656,374
Accrued salary and vacation payable	285,024	267,889
Prepaid fees	996,426	1,182,997
Total current liabilities payable from unrestricted assets	<u>1,733,440</u>	<u>4,107,260</u>
Current liabilities payable from restricted assets:		
Accounts payable and accrued liabilities	48,727	64,982
Project funds held for borrower and other liabilities	61,509,007	53,678,950
Interest payable	6,782,997	8,803,336
Bonds payable	23,997,780	24,878,796
Certificates of participation	150,000	140,000
Total current liabilities payable from restricted assets	<u>92,488,511</u>	<u>87,566,064</u>
TOTAL CURRENT LIABILITIES	<u>94,221,951</u>	<u>91,673,324</u>
NON-CURRENT LIABILITIES		
Non-current liabilities payable from restricted assets:		
Bonds payable	791,371,623	815,927,766
Certificates of participation	500,000	650,000
Total non-current liabilities payable from restricted assets	<u>791,871,623</u>	<u>816,577,766</u>
TOTAL LIABILITIES	<u>886,093,574</u>	<u>908,251,090</u>
NET POSITION		
Net invested in capital assets	<u>1,568,668</u>	<u>1,660,708</u>
Restricted for:		
Bond Fund, collateral and Risk Share Program	32,915,936	34,532,184
McKinney Act Fund	8,645,549	8,576,551
Total restricted net position	<u>41,561,485</u>	<u>43,108,735</u>
Unrestricted net position	<u>47,661,696</u>	<u>44,217,737</u>
TOTAL NET POSITION	<u>90,791,849</u>	<u>88,987,180</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 976,885,423</u>	<u>\$ 997,238,270</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Investment interest income	\$ 1,247,223	\$ 1,966,344
Mortgage-backed security interest income	5,481,058	6,890,283
Interest on mortgage and construction loans	31,340,466	41,856,888
McKinney Act interest revenue	66,101	121,892
Application and commitment fees	283,132	300,813
Service project receipts	-	4,580,901
Other	17,856,302	14,123,543
Total operating revenues	<u>56,274,282</u>	<u>69,840,664</u>
OPERATING EXPENSES		
General and administrative	9,748,101	7,012,927
Personnel and related costs	4,450,169	4,278,160
Interest expense	35,345,822	47,752,731
Depreciation and amortization	247,504	245,364
Service project payments	-	4,581,667
Trustee fees and other expenses	4,217,805	2,066,093
Total operating expenses	<u>54,009,401</u>	<u>65,936,942</u>
OPERATING INCOME	<u>2,264,881</u>	<u>3,903,722</u>
NON-OPERATING REVENUES/EXPENSES		
Decrease in fair value of mortgage-backed securities	(460,212)	(8,125,357)
CHANGE IN NET POSITION	<u>1,804,669</u>	<u>(4,221,635)</u>
Net position, beginning of year	88,987,180	93,208,815
Net position, end of year	<u>\$ 90,791,849</u>	<u>\$ 88,987,180</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities		
Interest received on loans	\$ 31,880,350	\$ 42,380,964
Other cash receipts	63,474,867	110,444,368
Payments to vendors	(9,608,572)	(7,381,588)
Payments to employees	(4,431,360)	(4,242,460)
Net mortgage and construction loans (disbursements) receipts	(29,640,703)	(5,519,343)
Receipts of service project income	-	4,580,901
Payments of service project expenses	-	(4,581,667)
Principal and interest received on mortgage-backed securities	82,595,281	65,129,701
Purchase of mortgage-backed securities	(53,782,455)	(626,966)
Other cash payments	(36,130,385)	(142,238,993)
Net cash provided by operating activities	<u>44,357,023</u>	<u>57,944,917</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(15,464)	(58,730)
Payments of bonds and long-term debt	(140,000)	(135,000)
Net cash used in capital and related financing activities	<u>(155,464)</u>	<u>(193,730)</u>
Cash Flows From Non-Capital Financing Activities		
Interest paid on bonds and loans	(37,653,610)	(48,891,060)
Proceeds from bond issuances	132,337,473	118,218,431
Principal payments on issued debt and loans	(157,479,414)	(148,971,779)
Net cash used in non-capital financing activities	<u>(62,795,551)</u>	<u>(79,644,408)</u>
Cash Flows From Investing Activities		
Interest received on investments	1,441,419	2,350,205
Sale of investments	26,975,162	53,409,357
Purchase of investments	(15,852,635)	(34,228,969)
Net cash provided by investing activities	<u>12,563,946</u>	<u>21,530,593</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,030,046)	(362,628)
Cash and cash equivalents, beginning of year	131,440,074	131,802,702
Cash and cash equivalents, end of year	<u>\$ 125,410,028</u>	<u>\$ 131,440,074</u>

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
STATEMENTS OF CASH FLOWS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 2,264,881	\$ 3,903,722
Depreciation and amortization	247,504	245,364
Amortization of deferred items	(1,397,996)	(1,462,770)
Interest on bonds	37,653,610	48,891,060
Amortization of discount on investments	39,958	31,929
Provision for uncollectible other revenue	19,445	14,124
Provision for uncollectible interest revenue	62,890	(299,664)
Contingent loss expense	1,863,122	613,060
Increase in mortgage and construction loans	(27,748,703)	(5,212,339)
Decrease in mortgage-backed securities	75,173,789	57,954,578
Purchase of mortgage-backed securities	(53,782,455)	(626,966)
Decrease in fair value of investments	27,003	6,189
Interest received on investments	(1,441,419)	(2,350,205)
Decrease (increase) in assets:		
Receivables	719,276	1,082,183
Other current assets	(26,075)	86,247
Other receivables	7,281,947	(625,382)
Increase (decrease) in liabilities:		
Accounts payables and accrued liabilities	(2,222,901)	(41,360)
Prepaid items	(186,571)	1,118,955
Project funds held for borrower and other liabilities	7,830,057	(44,546,589)
Accrued interest payable	(2,020,339)	(837,219)
Net cash provided by operating activities	<u>\$ 44,357,023</u>	<u>\$ 57,944,917</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 1: ORGANIZATION AND PURPOSE

The District of Columbia Housing Finance Agency (the “Agency” or “DCHFA”) was created as a corporate body which has a legal existence separate from the Government of the District of Columbia (the District) but which is an instrumentality of the District, created to effectuate certain public purposes. The Agency is empowered to, among other activities, generate funds from public and private sources to increase the supply and lower the cost of funds available for residential mortgages and notes and for the construction of permanent multifamily rental properties.

In 1991, the Governmental Accounting Standards Board (“GASB”) issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the Agency considered whether its officials appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Agency. The Agency also considered whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the Agency.

These financial statements present only financial information about the Agency, an enterprise fund of the District. The enterprise fund qualifies for inclusion in the District’s reporting entity pursuant to GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. These financial statements do not purport to, and do not, present fairly the financial position of the District and the changes in its financial position and cash flows, in conformity with accounting principles generally accepted in the United States of America. The Agency is included in the District’s Comprehensive Annual Financial Report as a discretely presented component unit.

The Agency established the District of Columbia Building Finance Corporation (the “D.C. Building Finance Corporation”) as a nonprofit corporation under the laws of the District of Columbia in July 1998. The D.C. Building Finance Corporation’s financial transactions are included in these financial statements as a separate fund of the Agency.

The accompanying combined financial statements include DCHFA’s General Fund and Revenue Obligation Funds: D.C. Building Finance Corporation Fund, Single Family Program Funds, Multifamily (Conduit Bond) Program Funds. Within each Revenue Obligation Fund are separate accounts maintained for each obligation in accordance with the respective indentures.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 1: ORGANIZATION AND PURPOSE (Continued)

The bonds and notes issued by the Agency and the D.C. Building Finance Corporation are special obligations of the Agency and the D.C. Building Finance Corporation payable principally from revenue and repayments of mortgage loans and mortgage-backed securities and investments, financed by or purchased from the proceeds of such bonds under applicable indentures and are not a debt of the District. Neither the faith and credit nor the taxing power of the District is pledged for the repayment of the bonds.

The General Fund credit line draw by the Agency is backed by the General Fund assets and constitutes Agency's general obligation.

The following is a description of the funds maintained by the Agency (Funds):

General Fund - The General Fund is used to record the receipt and accrual of income not directly pledged for repayment of debt securities under the Revenue Obligation Funds, to pay expenses related to the Agency's administrative functions and operations, including mortgage servicing, HUD Risk-Share insurance program, McKinney Act program and purchase and sale of single family mortgage-backed securities.

D.C. Building Finance Corporation Fund - The D.C. Building Finance Corporation Fund is used to account for the building located at 815 Florida Avenue, N.W., Washington, D.C., and the related lease payments and debt service on Certificates of Participation issued by the D.C. Building Finance Corporation to finance the purchase of the Agency headquarters building.

Single-Family Program Funds - The Single Family Program Funds are used to account for the proceeds of single family mortgage revenue bond issues, investments, mortgage loans and mortgage-backed securities held pursuant to the indentures authorizing the issuance of the bonds, the debt service requirements on the bonds, and debt service collected from mortgage loans purchased for the financing of owner-occupied single family residences in the District. Single Family Program Funds include the following indentures: 1986 Whole Loan Program, 1988 Collateralized Single Family Mortgage Revenue Bonds, 1996 Taxable Residential Mortgage Revenue Bonds, 1996 Single Family Mortgage Revenue Bonds General Indenture of Trust and 2009 Single Family New Issue Bond Program (Single Family NIBP). Both the 1986 Whole Loan Program and the 1996 Taxable Residential Mortgage Revenue Bonds indentures were closed during the year ended September 30, 2012, as bonds were fully redeemed and residual assets transferred to the General Fund.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 1: ORGANIZATION AND PURPOSE (Continued)

Multifamily (Conduit Bond) Program Funds - The Multifamily (Conduit Bond) Program Funds are used to account for the proceeds of multifamily mortgage revenue bond issues, investments held pursuant to the indenture authorizing the issuance of the bonds, the debt service requirements on the bonds, and the related mortgage loan financing for newly constructed or rehabilitated multifamily rental housing in the District. The Multifamily (Conduit Bond) Program Funds combine multifamily housing revenue bond series issued on a pass-through conduit basis with no direct or indirect recourse to the Agency as the issuer. No individual conduit multifamily project's assets are available to collateralize other projects' debt obligations. The Multifamily New Issue Bond Program ("Multifamily NIBP") bonds have also been issued as standalone pass-through bonds. The Agency elects to include these conduit financings in its financial statements. These bonds are secured solely by the properties, financial assets and related revenues of the projects and the applicable credit enhancements or the Department of Housing and Urban Development ("HUD") receipts. Neither the faith and credit of the Agency nor the assets of any other Fund have been pledged as security for these bonds.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the Agency's significant accounting policies:

Basis of Accounting and Measurement Focus - For financial reporting purposes only, the Agency is a component unit of the District. The Agency's General Fund and Revenue Obligation Funds are accounted for as enterprise funds. Accordingly, the accompanying combined financial statements have been prepared using the accrual method of accounting and on the basis of accounting principles generally accepted in the United States of America.

The Agency reports its financial activities by applying Standards of the Governmental Accounting and Financial Reporting as promulgated by the Governmental Accounting Standards Board ("GASB"). The Agency has implemented the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November, 1989 FASB and AICPA Pronouncements*.

The Agency has adopted GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Under GASB Statement No. 34, net position should be reported as restricted when constraints placed on the net position use are either: externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

regulations of other governments; or are imposed by law through constitutional provisions or enabling legislation. Accordingly, the net position of the Revenue Obligation Funds is restricted as to its use as substantially the net position within each indenture is pledged to respective bondholders.

Operating Revenues and Expenses - The Agency distinguishes operating revenues and expenses from non-operating items in conformity with GASB Statement No. 34. Operating revenue and expenses are identified as those activities that are directly related to financing affordable housing in the District. The Agency's activities are considered to be operating except for unrealized changes in the fair value of mortgage-backed securities. Operating revenues primarily consist of interest on mortgage-backed securities, interest on mortgage and construction loans and investment of bond proceeds, HUD Section 8 housing assistance receipts, issuer fees, construction monitoring fees, servicing fees and other revenues. Operating expenses primarily consist of bond interest, personnel costs, depreciation, amortization of bond cost of issuance, discounts and premiums, housing assistance payments, bond administrative fees, trustee, legal and financial advisory fees and other operating expenses.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash, collateralized demand deposits, collateralized or FDIC-insured certificates of deposit, money market funds and investments in highly liquid short-term instruments with original maturities of three months or less at the time of purchase.

Investments – Investments consist of debt obligations of the U.S. Treasury and U.S. Government Agencies, government-sponsored enterprises (“GSEs”), corporate debt securities, and investment agreements. Investments are reported at fair value as determined by financial services providers, except for certain non-participating fixed interest investment contracts which are valued using cost based measures. Debt securities are stated at fair value, based on the quoted market prices. Investments of the General Fund are made in accordance with the Agency's investment policy. Investments in the Revenue Obligation Funds follow the Agency Investment policy and consist of those permitted by the respective trust indentures adopted by the Agency providing for the issuance of notes and bonds. Investments are reported at fair value in the Statements of Net

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Position and changes in the fair value of investments are recognized in the Statements of changes in the fair value of investments are recognized in the Statements of Revenues, Expenses and Changes in Net Position as part of operating income.

Mortgage-Backed Securities - Mortgage-backed securities represent certificates issued by the Government National Mortgage Association (“Ginnie Mae” or “GNMA”), the Federal National Mortgage Association (“Fannie Mae” or “FNMA”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac” or “FHLMC”), which guarantee the receipt by the Agency’s trustee of monthly principal and interest from mortgages originated with proceeds from the Agency’s Single Family and Multifamily (Conduit Bond) Programs. These securities are stated at fair value, as determined by financial services providers or financial publications. These guaranteed securities are issued in connection with single family mortgage loans and mortgage loans on multifamily projects. Each of these securities is generally intended to be held to maturity or optional par redemption date for the underlying bonds or until the payoff of the related loans. The repayment and prepayments of the mortgage-backed securities are at par value based on the guarantees embedded in these securities. Mortgage-backed securities are reported at fair value on the Statements of Net Position and unrealized changes in the fair value of mortgage-backed securities are recognized in the Statements of Revenues, Expenses and Changes in Net Position as part of non-operating income.

Mortgage and Construction Loans Receivable - Mortgage loans are carried at their unpaid principal balances and construction loans are carried at amounts advanced, net of collections and allowances for potential loan losses. As of September 30, 2014 and 2013, no allowance for potential loan losses was necessary.

Property, Furniture and Equipment - Property, furniture and equipment purchases are recorded in the General Fund, capitalized at cost and depreciated using the straight-line method over the estimated useful lives in general ranging from five to seven years.

Leasehold Improvements - Capital improvements to leased space are recorded as leasehold improvements under the General Fund and amortized over the shorter of the applicable lease term or the useful life of the improvement.

Deferred Outflow of Resources – The deferred outflow of resources includes unamortized deferral which resulted from the economic refunding of several bond series at call premiums and a difference between the reacquisition price and net carrying amount of the refunded bonds.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bond Discounts and Premiums - Bond discounts or premiums arising from the sale of serial or term bonds are amortized using the straight-line method which approximates the effective yield method, over the life of the bond issue.

Net Position - Net position is reported in three separate categories:

- **Net invested in capital assets** - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted** - Net assets whose use by the Agency is subject to externally imposed stipulations (such as bond covenants) that can be fulfilled by actions of the Agency pursuant to those stipulations or that expire with the passage of time. Such net assets include all Revenue Obligation Funds, HOME Program funds under the Single Family Program, certain holdings under the General Fund: the McKinney Act Program funds, HUD Risk-Share Reserve and assets used as collateral for the credit line draws or as warehouse securities for future bond issues.
- **Unrestricted** - Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Financing and Other Fee Revenue – Under the Single Family Program, the Agency originates single family mortgage loans which are pooled into mortgage-backed securities used as direct collateral for the respective bonds. As part of this securitization, the Agency earns servicing release fees net of originating lender fees. Under the Multifamily (Conduit Bond) Program, the Agency also charges application and financing fees to developers for structuring mortgage revenue bond financings, allocation of Low Income Housing Tax Credits, legal counsel, and construction monitoring fees. These fees are recognized as revenue when the services have been performed.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Combined Totals - The totals of similar accounts of the various Funds in the accompanying financial statements are presented for information purposes only. The totals represent an aggregation of the Funds and do not represent consolidated financial information, as inter-fund balances and transactions are not eliminated. Individual amounts may not add up to the total amount due to rounding.

The Agency reviews all GASB accounting pronouncements for their applicability and impact on the Agency's financial statements. During fiscal year ended September 30, 2014, the Agency did not have any new GASB pronouncements affecting the Agency's financial statements.

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES

Bond proceeds and revenues from mortgages, mortgage-backed securities and investments are invested in authorized investments as defined in the respective indentures and, for the General Fund, in accordance with the Agency's Investment Policy, until required for purchasing mortgage-backed securities or originating mortgage loans, funding reserves, paying debt service or redeeming outstanding bonds and notes, and funding program and administrative and operating expenses.

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

The following assets, reported at fair value and held by the Funds at September 30, 2014, were evaluated in accordance with GASB Statement No. 40 for interest rate risk, credit risk, concentration of credit risk and custodial credit risk. All cash and cash equivalents are stated at their actual bank balance values and may differ from the book balances and the balance of cash and cash equivalents presented in the Statements of Net Position.

Asset	Single Family Program Funds				Multifamily Program Funds			Total
	General Fund	1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Single Family NIB Program	Multifamily (Conduit Bond) Program	Multifamily NIB Program	DC Building Finance Corporation	
Cash and Cash Equivalents								
Non-Money Market Deposits	\$ 5,653,623	\$ -	\$ -	\$ -	\$ 242,788	\$ -	\$ -	\$ 5,896,411
Demand Money Market Deposits	42,009,566	-	-	-	34,326,567	19,963,367	-	96,299,500
Money Market Funds	-	1,555,606	1,693,759	1,516,834	18,259,396	-	188,522	23,214,117
Total Cash and Cash Equivalents	47,663,189	1,555,606	1,693,759	1,516,834	52,828,751	19,963,367	188,522	125,410,028
Investments								
Certificates of Deposits	199,925	-	-	-	-	-	-	199,925
U.S. Treasury Obligations	501,842	-	-	-	9,805,290	-	-	10,307,132
U.S. Agency Obligations	124,628	-	-	-	-	-	-	124,628
Investment Agreements	-	10,000,000	1,883,458	-	3,027,552	-	-	14,911,010
Corporate Obligations	1,248,327	-	-	-	-	-	-	1,248,327
GSE Obligations	1,142,166	-	-	-	-	-	-	1,142,166
Total Investments	3,216,887	10,000,000	1,883,458	-	12,832,842	-	-	27,933,188
Mortgage-Backed Securities								
Ginnie Mae	463,569	1,281,364	10,905,140	8,264,272	37,807,827	20,105,333	-	78,827,504
Fannie Mae	1,322,018	-	8,736,887	248,075	-	-	-	10,306,980
Freddie Mac	-	-	16,641,324	-	-	-	-	16,641,324
Total Mortgage-Backed Securities	1,785,587	1,281,364	36,283,351	8,512,347	37,807,827	20,105,333	-	105,775,808
Total Cash, Investments and Mortgage-Backed Securities	\$ 52,665,664	\$ 12,836,970	\$ 39,860,568	\$ 10,029,181	\$ 103,469,420	\$ 40,068,699	\$ 188,522	\$ 259,119,025

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

The following assets, reported at fair value and held by the Funds at September 30, 2013, were evaluated in accordance with GASB Statement No. 40 for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Asset	Single Family Program Funds				Multifamily Program Funds			Total
	General Fund	1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Single Family NIB Program	Multifamily (Conduit Bond) Program	Multifamily NIB Program	DC Building Finance Corporation	
<u>Cash and Cash Equivalents</u>								
Non-Money Market Deposits	\$ 37,357,859	\$ -	\$ -	\$ -	\$ 16,335,084	\$ -	\$ -	\$ 53,692,942
Demand Money Market Deposits	7,321,105	-	-	-	17,150,710	21,882,673	-	46,354,488
Money Market Funds	259,040	944,326	4,310,750	2,659,457	22,824,152	-	188,522	31,186,248
Commercial Papers	-	-	-	-	287,577	-	-	287,577
Total Cash and Cash Equivalents	44,938,004	944,326	4,310,750	2,659,457	56,597,523	21,882,673	188,522	131,521,255
<u>Investments</u>								
Commercial Papers	-	-	-	-	7,094,716	-	-	7,094,716
U.S. Treasury Obligations	995,404	-	-	-	5,906,667	-	-	6,902,071
U.S. Agency Obligations	150,006	-	-	-	-	-	-	150,006
Investment Agreements	-	10,000,000	4,638,439	-	8,081,518	-	-	22,719,957
Corporate Obligations	1,136,246	-	-	-	-	-	-	1,136,246
GSE Obligations	1,079,723	-	-	-	-	-	-	1,079,723
Total Investments	3,361,379	10,000,000	4,638,439	-	21,082,901	-	-	39,082,719
<u>Mortgage-Backed Securities</u>								
Ginnie Mae	-	1,677,879	13,718,709	9,465,808	48,310,647	20,189,672	-	93,362,716
Fannie Mae	-	-	11,106,097	-	-	-	-	11,106,097
Freddie Mac	-	-	23,158,542	-	-	-	-	23,158,542
Total Mortgage-Backed Securities	-	1,677,879	47,983,348	9,465,808	48,310,647	20,189,672	-	127,627,355
Total Cash, Investments and Mortgage-Backed Securities	\$ 48,299,383	\$ 12,622,205	\$ 56,932,537	\$ 12,125,265	\$ 125,991,071	\$ 42,072,346	\$ 188,522	\$ 298,231,329

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Under the Revenue Obligation Funds, the terms of the investments are set to allow for no market value loss at the time the invested funds are drawn for uses authorized under the respective

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

indentures. As a means of limiting its exposure to fair value losses from rising interest rates under the General Fund, the Agency's Investment Policy requires that the maturities of the investment portfolio are structured to be concurrent with cash needs in order to minimize losses that may be incurred from sale of investments prior to maturity. The money market funds operate in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. These funds can reasonably be expected to have a fair value that will be unaffected by interest rate changes because the interest rates are variable and the principal can be recovered on demand. The cost of the money market mutual funds approximated fair value.

As of September 30, 2014, the amortized cost, fair value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the General Fund are as follows:

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 5,653,623	\$ 5,653,623	\$ 5,653,623	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	42,009,566	42,009,566	42,009,566	-	-	-	-
Total Cash and Cash Equivalents	<u>47,663,189</u>	<u>47,663,189</u>	<u>47,663,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Certificates of Deposits	200,000	199,925	199,925	-	-	-	-
U.S. Treasury Obligations	501,375	501,842	350,096	151,746	-	-	-
U.S. Agency Obligations	125,000	124,628	-	124,628	-	-	-
Corporate Obligations	1,245,962	1,248,327	527,311	721,016	-	-	-
GSE Obligations	1,141,049	1,142,166	560,040	582,126	-	-	-
Total Investments	<u>3,213,386</u>	<u>3,216,887</u>	<u>1,637,372</u>	<u>1,579,516</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	436,761	463,569	-	-	-	-	463,569
Fannie Mae	1,244,112	1,322,018	-	-	-	-	1,322,019
Total Mortgage-Backed Securities	<u>1,680,873</u>	<u>1,785,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,785,587</u>
General Fund Total Cash and Investments	\$ 52,557,448	\$ 52,665,664	\$ 49,300,561	\$ 1,579,516	\$ -	\$ -	\$ 1,785,587

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2013, the amortized cost, fair value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the General Fund were as follows:

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 37,357,859	\$ 37,357,859	\$ 37,357,859	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	7,321,105	7,321,105	7,321,105	-	-	-	-
Money Market Funds	259,040	259,040	259,040	-	-	-	-
Total Cash and Cash Equivalents	<u>44,938,004</u>	<u>44,938,004</u>	<u>44,938,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
U.S. Treasury Obligations	993,103	995,404	391,161	604,244	-	-	-
U.S. Agency Obligations	150,000	150,006	-	150,006	-	-	-
Corporate Obligations	1,119,218	1,136,246	221,612	914,634	-	-	-
GSE Obligations	1,079,442	1,079,723	50,237	1,029,486	-	-	-
Total Investments	<u>3,341,763</u>	<u>3,361,379</u>	<u>663,010</u>	<u>2,698,370</u>	<u>-</u>	<u>-</u>	<u>-</u>
General Fund Total Cash and Investments	\$ 48,279,767	\$ 48,299,383	\$ 45,601,013	\$ 2,698,370	\$ -	\$ -	\$ -

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2014, the amortized cost, fair value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the combined Revenue Obligation Funds are as follows:

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 242,788	\$ 242,788	\$ 242,788	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	54,289,933	54,289,933	54,289,933	-	-	-	-
Money Market Funds	23,214,118	23,214,118	23,214,118	-	-	-	-
Total Cash and Cash Equivalents	77,746,839	77,746,839	77,746,839	-	-	-	-
<u>Investments</u>							
U.S. Treasury Obligations	9,810,143	9,805,291	9,805,291	-	-	-	-
Investment Agreements	14,911,010	14,911,010	-	866,088	-	10,000,000	4,044,922
Total Investments	24,721,153	24,716,301	9,805,291	866,088	-	10,000,000	4,044,922
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	72,230,234	78,363,935	-	451,224	2,710,355	2,791,220	72,411,136
Fannie Mae	8,262,962	8,984,962	-	-	-	246,867	8,738,095
Freddie Mac	14,845,350	16,641,324	-	-	-	-	16,641,324
Total Mortgage-Backed Securities	95,338,546	103,990,221	-	451,224	2,710,355	3,038,087	97,790,555
<u>Combined Revenue Obligation Funds</u>							
Total Cash, Investments and Mortgage-Backed Securities	\$197,806,538	\$ 206,453,361	\$ 87,552,130	\$ 1,317,312	\$ 2,710,355	\$ 13,038,087	\$101,835,477

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2013, the amortized cost, fair value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the combined Revenue Obligation Funds were as follows:

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 16,335,084	\$ 16,335,084	\$ 16,335,084	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	39,033,383	39,033,383	39,033,383	-	-	-	-
Money Market Funds	30,927,209	30,927,209	30,927,209	-	-	-	-
Commercial Papers	287,577	287,577	287,577	-	-	-	-
Total Cash and Cash Equivalents	<u>86,583,253</u>	<u>86,583,253</u>	<u>86,583,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Commercial Papers	7,087,580	7,094,716	7,094,716	-	-	-	-
U.S. Treasury Obligations	5,907,766	5,906,667	2,703,051	3,203,616	-	-	-
Investment Agreements	22,719,956	22,719,956	-	1,057,755	-	10,000,000	11,662,201
Total Investments	<u>35,715,303</u>	<u>35,721,339</u>	<u>9,797,767</u>	<u>4,261,371</u>	<u>-</u>	<u>10,000,000</u>	<u>11,662,201</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	86,940,191	93,362,715	-	-	2,798,964	4,418,292	86,145,459
Fannie Mae	10,378,069	11,106,097	-	-	-	329,485	10,776,612
Freddie Mac	21,092,494	23,158,543	-	-	-	-	23,158,543
Total Mortgage-Backed Securities	<u>118,410,754</u>	<u>127,627,354</u>	<u>-</u>	<u>-</u>	<u>2,798,964</u>	<u>4,747,777</u>	<u>120,080,613</u>
<u>Combined Revenue Obligation Funds</u>							
Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 240,709,309</u>	<u>\$ 249,931,947</u>	<u>\$ 96,381,020</u>	<u>\$ 4,261,371</u>	<u>\$ 2,798,964</u>	<u>\$ 14,747,777</u>	<u>\$ 131,742,815</u>

As of September 30, 2014 and 2013, the amortized cost, fair value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for each Revenue Obligation Fund are included as Supplemental Information to these financial statements.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Agency will not be able to recover its deposits or the value of its collateral securities that are in the possession of an outside party. As of September 30, 2014 and 2013, the Agency's cash and cash equivalents and investments were not subject to custodial credit risk under GASB Statement No. 40. The investments held by the trustees under the Revenue Obligation Funds are kept separate from the assets of the trustee bank and from other trust accounts and are titled in the name of respective bond indentures. The demand deposit and money market accounts and certificates of deposits under the General Fund are collateralized through a tri-party collateral agreement with an independent

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

collateral agent bank or Federal Reserve Bank. The investments under the General Fund are held by US Bank and are titled in the Agency's name.

Additionally, demand deposits and investments in certificates of deposit are FDIC-insured up to applicable amounts.

Credit Risk and Concentration of Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. All of General Fund cash and investments are either collateralized, FDIC-insured, or invested in the U.S. Government, U.S. Government Agency or government-sponsored enterprises (“GSEs”) or highly rated corporate debt securities. In general all investment securities under the Revenue Obligation Funds must be at a rating not adversely affecting the rating of the respective bonds; and financial institutions who are counterparty to the Agency must be rated at least comparable to the existing rating on the Agency's bonds, unless counterparty ratings lower than the bond ratings are permitted in a specific indenture and do not affect the ratings on the bonds as determined at the time the investment securities are acquired or investment agreements are executed. The ratings on the 1996 Single Family Mortgage Revenue Bonds and 1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2014 and 2013 were AA+ by Standard and Poor's. All conduit multifamily bond indentures under the Multifamily (Conduit Bond) Program were rated by Moody's or Standard and Poor's at various levels depending on the credit quality of the underlying collateral or were unrated private placements where investment ratings conformed to the specific bond investor requirements.

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2014, the credit quality and percentages of the total portfolio of cash equivalents and investments under the Agency's General Fund are as follows:

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 394,220	0.7%	Not Rated		Federal Reserve-Held Aaa Collateral
Non-Money Market Deposits	5,259,404	10.0%	Not Rated		Third Party-Held Aaa Collateral
Demand Money Market Deposits	41,120,513	78.1%	Not Rated		Federal Reserve-Held Aaa Collateral
Demand Money Market Deposits	889,053	1.7%	P-1	Moody's	
Total Cash and Cash Equivalents	47,663,190	90.5%			
<u>Investments</u>					
Certificates of Deposits	199,925	0.4%	Not Rated		FDIC Insured
U.S. Treasury Obligations	501,842	1.0%	Aaa	Moody's	
U.S. Agency Obligations	124,628	0.2%	Aaa	Moody's	
Corporate Obligations	155,017	0.3%	Aa2	Moody's	
Corporate Obligations	262,431	0.5%	Aa3	Moody's	
Corporate Obligations	357,007	0.7%	A1	Moody's	
Corporate Obligations	101,760	0.2%	A2	Moody's	
Corporate Obligations	38,401	0.1%	A3	Moody's	
Corporate Obligations	283,453	0.5%	Baa1	Moody's	
Corporate Obligations	50,258	0.1%	Baa3	Moody's	
GSE Obligations	1,142,166	2.2%	Aaa	Moody's	
Total Investments	3,216,887	6.1%			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	463,569	0.9%	Aaa	Moody's	
Fannie Mae	1,322,018	2.5%	Aaa	Moody's	
Total Mortgage-Backed Securities	1,785,587	3.4%			
General Fund Total Cash, Investments and Mortgage-Backed Securities	\$ 52,665,664	100.0%			

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2013, the credit quality and percentages of the total portfolio of cash equivalents and investments under the Agency's General Fund were as follows:

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 32,130,092	66.5%		Moody's	Federal Reserve-Held Aaa Collateral
Non-Money Market Deposits	5,227,767	10.8%		Moody's	Third Party-Held Aaa Collateral
Demand Money Market Deposits	7,321,105	15.2%		Moody's	Federal Reserve-Held Aaa Collateral
Money Market Funds	259,040	0.5%	AAA	S&P	
Total Cash and Cash Equivalents	44,938,004	93.0%			
<u>Investments</u>					
U.S. Treasury Obligations	995,404	2.1%	Aaa	Moody's	
U.S. Agency Obligations	150,006	0.3%	Aaa	Moody's	
Corporate Obligations	104,001	0.2%	AA+	S&P	
Corporate Obligations	61,750	0.1%	AA	S&P	
Corporate Obligations	87,059	0.2%	AA-	S&P	
Corporate Obligations	72,123	0.1%	A+	S&P	
Corporate Obligations	70,981	0.1%	A	S&P	
Corporate Obligations	664,986	1.4%	A-	S&P	
Corporate Obligations	50,257	0.1%	BBB+	S&P	
Corporate Obligations	25,091	0.1%	BBB	S&P	
GSE Obligations	1,079,723	2.2%	Aaa	Moody's	
Total Investments	3,361,379	7.0%			
General Fund Total Cash, Investments and Mortgage-Backed Securities	\$ 48,299,383	100.0%			

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2014, the credit quality and percentages of the total portfolio of cash equivalents, investments and mortgage-backed securities under the Revenue Obligation Funds are as follows:

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 242,788	0.1%	Not Rated		Uncollateralized, Uninsured
Demand Money Market Deposits	54,289,933	26.3%	P-1	Moody's	Uncollateralized, Uninsured
Money Market Funds	23,214,118	11.2%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>77,746,839</u>	<u>37.7%</u>			
<u>Investments</u>					
U.S. Treasury Obligations	9,805,291	4.7%	Aaa	Moody's	
Investment Agreements	3,710,391	1.8%	A1	Moody's	
Investment Agreements	214,198	0.1%	A2	Moody's	
Investment Agreements	986,416	0.5%	A3	Moody's	
Investment Agreements	10,000,005	4.8%	Not Rated		
Total Investments	<u>24,716,301</u>	<u>12.0%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	78,363,935	38.0%	Aaa	Moody's	
Fannie Mae	8,984,962	4.4%	Aaa	Moody's	
Freddie Mac	16,641,324	8.1%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>103,990,221</u>	<u>50.4%</u>			
Combined Revenue Obligation Funds					
Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 206,453,361</u>	<u>100.00%</u>			

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2013, the credit quality and percentages of the total portfolio of cash equivalents, investments and mortgage-backed securities under the Revenue Obligation Funds were as follows:

Asset	Fair Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating / Supporting Collateral
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 16,335,084	6.5%	Not Rated		Uncollateralized, Uninsured
Demand Money Market Deposits	39,033,383	15.6%	AA-	S&P	Uncollateralized, Uninsured
Money Market Funds	30,927,209	12.4%	AAA	S&P	Uncollateralized, Uninsured
Commercial Papers	287,577	0.1%	AA-	S&P	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>86,583,253</u>	<u>34.6%</u>			
<u>Investments</u>					
Commercial Papers	7,094,716	2.8%	P-1	Moody's	
U.S. Treasury Obligations	5,906,667	2.4%	Aaa	Moody's	
Investment Agreements	12,382,277	5.0%	AA+	S&P	
Investment Agreements	7,040,826	2.8%	AA-	S&P	
Investment Agreements	3,268,281	1.3%	A	S&P	
Investment Agreements	28,573	0.0%	Not Rated		
Total Investments	<u>35,721,339</u>	<u>14.3%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	93,362,715	37.4%	Aaa	Moody's	
Fannie Mae	11,106,097	4.4%	Aaa	Moody's	
Freddie Mac	23,158,543	9.3%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>127,627,354</u>	<u>51.1%</u>			
Combined Revenue Obligation Funds					
Total Cash, Investments and Mortgage-Backed Securities	\$ 249,931,947	100.00%			

The cash and cash equivalents, investment and mortgage-backed security portfolio with breakdown by credit quality and percentage of total portfolio for each of the Revenue Obligation Funds at September 30, 2014 and 2013, are listed as Supplemental Information to these financial statements.

Cash and Cash Equivalents - The Agency's combined cash and cash equivalents balance as of September 30, 2014 and 2013, consists primarily of amounts held in fully collateralized demand deposit bank accounts under the General Fund and in highly rated money market fund trust accounts set up for each revenue bond indenture and Certificates of Participation and administered by the Agency's bond

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

trustees. The collateral for the demand deposits is held by either the Federal Reserve Bank or a third party, as a collateral agent under the tri-party agreements.

Investments – The Agency follows the Investment Policy guidelines with regard to its General Fund financial assets and Revenue Obligation Fund indentures. The policy states that the Agency financial assets shall be held in cash and cash equivalents or invested and managed with the intention of obtaining the highest possible total return consistent with the Agency liquidity needs and a prudent level of investment risk. Under the bond programs and Certificates of Participation the permitted investments are stipulated in the respective covenants of the indentures of trust.

Investments of proceeds from bond issuances in investment agreements are governed by the covenants of the respective indentures of trust entered between the Agency, the trustee and the investment agreement provider. All investment agreements are fixed interest rate investment contracts with rated financial institutions. In case of a downgrade beyond a preset threshold, the investment providers are required to collateralize both principal and interest with qualifying securities to be held by a designated collateral agent with mark to market and undervalue cure provisions.

Investments in money market funds are short-term in nature and are held by bond trustees for the benefit of the respective indentures. They carry the highest short-term credit ratings by nationally recognized statistical rating agencies, such as Standard & Poor's and Moody's Investors Service. Investments in the U.S. Treasury securities are guaranteed by the full faith and credit of the United States Government.

Mortgage-backed Securities - Ginnie Mae mortgage-backed securities are guaranteed by the Government National Mortgage Association (Ginnie Mae or GNMA), an instrumentality of the United States Government. GNMA securities are "fully modified pass-through" mortgage-backed securities which require monthly payments by an FHA lender, as the issuer of the Guaranteed Security to the Agency. GNMA guarantees timely payment of principal and interest on Guaranteed Securities.

Fannie Mae and Freddie Mac mortgage-backed pass-through securities are top-rated by Standard & Poor's and Moody's Investors Service. The principal and interest payment on these mortgage-backed securities are guaranteed by Fannie Mae and Freddie Mac, accordingly. Though there is no explicit guarantee that

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

Fannie Mae and Freddie Mac mortgage-backed securities are backed by the full faith and credit of the U.S. government, there is, however, an implicit guarantee, as government-sponsored enterprises are chartered by the U.S. Congress. In 2008 both Freddie Mac and Fannie Mae were placed into the U.S. Government receivership. The rating agencies continue to assign high credit rating to both of these entities.

Ginnie Mae, Fannie Mae and Freddie Mac mortgage-backed securities are reported at their market values in accordance with GASB Statement No. 31. It is the intention of the Agency and the indentures to hold these mortgage-backed securities until the underlying loans are paid in full, or, if allowed, until the respective bonds become optionally redeemable and the sale of these securities does not negatively affect the indenture cash flows.

For the year ended September 30, 2014, the Agency's Single Family Program Fund recorded a non-operating expense of \$526,085 due to a decrease in unrealized fair value on a decreased mortgage-backed security portfolio. For the year ended September 30, 2013, the single family Funds recorded as non-operating expense a decrease in unrealized fair value of mortgage-backed securities of \$3,188,503, in the Statement of Revenues, Expenses and Changes in Net Position.

Under the DCHFA's Single Family NIBP Fund, a non-operating gain of \$37,074 was recorded in the Statement of Revenues, Expenses and Changes in Net Position, based on the increase in unrealized fair market value of the mortgage-backed securities during the year ended September 30, 2014. Under the same Fund, a non-operating loss of \$767,318 was recorded in the Statement of Revenues, Expenses and Changes in Net Position, based on the decrease in unrealized fair market value of the mortgage-backed securities during the year ended September 30, 2013.

As of September 30, 2014, there was \$104,715 non-operating revenue under the General Fund to record the unrealized gain due on the allocated portion of the single family mortgage-backed securities originated under the Single Family NIBP portfolio. There were no single family program mortgage-backed securities under the General Fund as of September 30, 2013.

For the year ended September 30, 2014, the Agency's Multifamily (Conduit Bond) Program recorded \$181,257 non-operating expense from decreases in unrealized fair value of mortgage-backed securities, and \$4,429,511 unrealized loss for the year ended September 30, 2013, in the Statements of Revenues, Expenses and Changes in Net Position.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

For the year ended September 30, 2014, the Agency's Multifamily NIB Program recorded a \$105,342 non-operating gain from increases in unrealized fair value of mortgage-backed securities, and \$259,975 unrealized gain for the year ended September 30, 2013, in the Statements of Revenues, Expenses and Changes in Net Position.

NOTE 4: MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE

Multifamily mortgage and construction loans receivable are assets under the Multifamily (Conduit Bond) Program secured by deeds of trust evidencing first mortgage liens on related real property. These loans are either insured by the FHA, FHA and the Agency through the Risk-Share Program, credit enhanced through letters of credit from private banks, or unenhanced in cases when the Agency privately places the bonds with the interested banks, and the risk of default and loss of principal and interest rest exclusively with respective bond holders. Fixed and variable interest rates on the loans as of September 30, 2014, range from 0.45% to 7.8%, and the loans have a repayment period of up to 41 years.

All single family mortgage loans were secured by first liens on the related property. As of September 30, 2011, all whole single family loans were under the Single Family Whole Loan Indentures. During the year ended September 30, 2012, the Agency transferred all of the whole single family mortgage loans to General Fund and redeemed all outstanding bonds under the Single Family Whole Loan Indentures. Interest rates on first lien whole single family loans range from 8.5% to 11.10%, with remaining loan terms ranging from 1 to 4 years. Substantially all single family loans originally were enhanced through the FHA or the Veteran Administration ("VA") mortgage insurance programs or by private mortgage insurance policies. The VA is a U.S. Government Agency. The outstanding loans have very low loan-to-value ratios due to short remaining terms. The outstanding balance of such loans as of September 30, 2014 and 2013 was \$234,244 and \$396,734, respectively. During fiscal year 2014, the Agency funded subordinate lien forgivable 0% non-amortizing down-payment assistance loans in connection with the purchased and sold first lien loans under its General Fund. Due to the low likelihood of recovery for any of these loan amounts the Agency recorded an allowance equivalent to the original loan amounts. The amount of such loans and the corresponding allowance as of September 30, 2014 and 2013 was \$1,858,644 and \$85,367, respectively.

Combined restricted mortgage and construction loans as of September 30, 2014 and 2013, were \$699,260,633 and \$676,168,678, respectively. For the years

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 4: MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE (Continued)

ended September 30, 2014 and 2013, there was no allowance for bond program loan losses under the Agency Revenue Obligation Funds.

As part of its General Fund operations, the Agency performs loan servicing under the risk-sharing agreement with HUD, where HUD pays 100% of the amount needed to retire bonds issued in connection with a defaulted risk-share loan at the time of the initial claim. Any loss at the time of final claim on a defaulted multifamily project is risk-shared between FHA at 90% and the Agency at 10%. As of September 30, 2014, the HUD Risk-Share Reserve funds had a balance of \$2.54 million and the outstanding principal balance of the risk-share insured loans on 17 active projects comprised of 20 loans, was \$125.7 million. As of September 30, 2013, the HUD Risk-Share Reserve funds had a balance of \$2.53 million and the outstanding principal balance of the risk-share insured loans on 18 active projects was \$133.19 million.

As of September 30, 2014, the Agency sold the Parkway Overlook, real estate owned after settling with HUD on the final claim in January 2014. Since the Agency settled with HUD on the final claim pertaining to Parkway Overlook, sold this non-performing asset during the fiscal year, and plans to file a supplemental claim, the Agency recorded a net decrease in the allowance for bad debt of \$2,131,560. See Note 13.

For the years ended September 30, 2014 and 2013, the respective balances and changes in the provision for bad debt under the risk-sharing loans under the General Fund were as follows:

	<u>2014</u>	<u>2013</u>
Beginning balance	\$ 2,200,225	\$ 2,265,348
Net decrease in allowance for bad debt	(2,131,560)	(65,123)
Ending balance	\$ 68,665	\$ 2,200,225

The Agency's exposure to a loss on this property may change depending on the final review of the supplemental claim by HUD.

In addition to its bond programs, within its General Fund the Agency administers the McKinney Act Program. Under its McKinney Act Program, the Agency originates predevelopment McKinney Act bridge loans to finance acquisition, predevelopment and rehabilitation costs associated with multifamily housing developments applying for the bond financing with the Agency. These loans are typically unenhanced loans repaid at the time the bond financing is put in place. At September 30, 2014 the balance of total loans outstanding, before the allowance for uncollectible loans, was \$2,001,585, including \$873,702 in loans at various stages of default process. At September 30, 2013, the balance of total

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 4: MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE (Continued)

loans outstanding was \$1,882,862, of which \$452,740 were attributed to loans at various stages of default process.

The Agency recorded an allowance for uncollectible McKinney Act Program loans for the years ended September 30, 2014 and 2013 in the amount of \$452,740. The Agency did not change the allowance for principal loss on McKinney Act Program loans during the year ended September 30, 2014.

	<u>2014</u>	<u>2013</u>
Beginning balance	\$ 452,740	\$ -
Net increase in allowance for uncollectible loans	-	452,740
Ending balance	\$ 452,740	\$ 452,740

For the years ended September 30, 2014 and 2013, the respective balances and changes in the provision for uncollectible interest on the McKinney Act loans under the General Fund were as follows:

	<u>2014</u>	<u>2013</u>
Beginning balance	\$ 234,731	\$ 534,395
Net increase / (decrease) in allowance for uncollectible interest	62,890	(299,664)
Ending balance	\$ 297,620	\$ 234,731

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 5: CAPITAL ASSETS

The following is the detail of changes in capital assets during the year ended September 30, 2014:

	<u>September 30, 2013</u>	<u>Additions / Dispositions</u>	<u>September 30, 2014</u>
Non-depreciable capital assets			
Land	\$ 573,000	\$ -	\$ 573,000
Total non-depreciable capital assets	<u>573,000</u>	<u>-</u>	<u>573,000</u>
Depreciable capital assets			
Building	1,795,238	-	1,795,238
Less: accumulated depreciation	<u>(1,010,282)</u>	<u>(66,490)</u>	<u>(1,076,772)</u>
Building net of accumulated depreciation	<u>784,956</u>	<u>(66,490)</u>	<u>718,466</u>
Furniture and equipment	1,777,643	15,464	1,793,107
Less: accumulated depreciation	<u>(1,633,898)</u>	<u>(33,007)</u>	<u>(1,666,905)</u>
Furniture and equipment net of accumulated depreciation	<u>143,745</u>	<u>(17,543)</u>	<u>126,202</u>
Total building, furniture and equipment	3,572,881	15,464	3,588,345
Less: accumulated depreciation	<u>(2,644,181)</u>	<u>(99,497)</u>	<u>(2,743,678)</u>
Total building, furniture and equipment, net of accumulated depreciation	<u>928,700</u>	<u>(84,033)</u>	<u>844,667</u>
Amortizable capital assets			
Leasehold improvements	1,745,285	-	1,745,285
Less: accumulated amortization	<u>(842,831)</u>	<u>(123,103)</u>	<u>(965,934)</u>
Leasehold improvement net of accumulated amortization	<u>902,454</u>	<u>(123,103)</u>	<u>779,351</u>
Software	383,104	-	383,104
Less: accumulated amortization	<u>(336,550)</u>	<u>(24,904)</u>	<u>(361,454)</u>
Software net of accumulated amortization	<u>46,554</u>	<u>(24,904)</u>	<u>21,650</u>
Total leasehold improvements and software	2,128,389	-	2,128,389
Less: accumulated amortization	<u>(1,179,381)</u>	<u>(148,007)</u>	<u>(1,327,388)</u>
Total leasehold improvements and software, net of accumulated amortization	<u>949,008</u>	<u>(148,007)</u>	<u>801,001</u>
Total depreciable and amortizable capital assets	<u>5,701,270</u>	<u>15,464</u>	<u>5,716,734</u>
Total capital assets	6,274,270	15,464	6,289,734
Less accumulated depreciation and amortization	<u>(3,823,562)</u>	<u>(247,504)</u>	<u>(4,071,066)</u>
Total capital assets	<u>\$ 2,450,708</u>	<u>\$ (232,040)</u>	<u>\$ 2,218,668</u>

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 5: CAPITAL ASSETS (Continued)

The following is the detail of changes in capital assets during the year ended September 30, 2013:

	<u>September 30, 2012</u>	<u>Additions / Dispositions</u>	<u>September 30, 2013</u>
Non-depreciable capital assets			
Land	\$ 573,000	\$ -	\$ 573,000
Total non-depreciable capital assets	<u>573,000</u>	<u>-</u>	<u>573,000</u>
Depreciable capital assets			
Building	1,795,238	-	1,795,238
Less: accumulated depreciation	<u>(943,792)</u>	<u>(66,490)</u>	<u>(1,010,282)</u>
Building net of accumulated depreciation	<u>851,446</u>	<u>(66,490)</u>	<u>784,956</u>
Furniture and equipment	1,743,090	34,553	1,777,643
Less: accumulated depreciation	<u>(1,602,757)</u>	<u>(31,141)</u>	<u>(1,633,898)</u>
Furniture and equipment net of accumulated depreciation	<u>140,333</u>	<u>3,412</u>	<u>143,745</u>
Total building, furniture and equipment	3,538,328	34,553	3,572,881
Less: accumulated depreciation	<u>(2,546,549)</u>	<u>(97,631)</u>	<u>(2,644,181)</u>
Total building, furniture and equipment, net of accumulated depreciation	<u>991,779</u>	<u>(63,078)</u>	<u>928,700</u>
Amortizable capital assets			
Leasehold improvements	1,723,053	22,232	1,745,285
Less: accumulated amortization	<u>(719,728)</u>	<u>(123,103)</u>	<u>(842,831)</u>
Leasehold improvement net of accumulated amortization	<u>1,003,325</u>	<u>(100,871)</u>	<u>902,454</u>
Software	381,159	1,946	383,105
Less: accumulated amortization	<u>(311,921)</u>	<u>(24,630)</u>	<u>(336,551)</u>
Software net of accumulated amortization	<u>69,238</u>	<u>(22,684)</u>	<u>46,554</u>
Total leasehold improvements and software	2,104,212	24,177	2,128,390
Less: accumulated amortization	<u>(1,031,649)</u>	<u>(147,732)</u>	<u>(1,179,381)</u>
Total leasehold improvements and software, net of accumulated amortization	<u>1,072,563</u>	<u>(123,555)</u>	<u>949,008</u>
Total depreciable and amortizable capital assets	<u>5,642,540</u>	<u>58,730</u>	<u>5,701,270</u>
Total capital assets	6,215,540	58,730	6,274,270
Less accumulated depreciation and amortization	<u>(3,578,198)</u>	<u>(245,363)</u>	<u>(3,823,562)</u>
Total capital assets	<u>\$ 2,637,342</u>	<u>\$ (186,633)</u>	<u>\$ 2,450,708</u>

Depreciation expense for fiscal years 2014 and 2013 was \$247,504 and \$245,363, respectively.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS

As of September 30, 2014 and 2013, there are no outstanding draws on the PNC Bank credit line under the General Fund.

The loans, bonds and notes issued by the Agency are special obligations of the Agency and are payable from the revenue and special funds of the applicable indentures. The bonds and notes do not constitute debt of and are not guaranteed by the District or any other program of the District. All mortgage revenue bond multifamily projects financed to date have been issued by the Agency as stand-alone pass-through financings with no direct economic recourse to the Agency as the issuer.

The provisions of the various bond indentures require or allow for the special redemption of bonds at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans and mortgage-backed securities. All outstanding bonds are subject to redemption at the option of the Agency or the borrower, in whole or in part at any time, after certain dates, as specified in the respective bond indentures and bond resolutions, at prescribed redemption prices. The redemption premiums can range up to 5%. Under the Multifamily (Conduit Bond) Program, this option generally cannot be exercised until the bonds have been outstanding for ten years as provided in the various indentures. Term bonds are generally subject to redemption, without premium, from mandatory sinking fund payments.

Bonds issued to provide financing for the Agency's housing programs are collateralized by:

- Mortgage-backed securities made in connection with underlying loans.
- Mortgage loans made on the related multifamily developments or single family residential mortgage loans purchased.
- Investments of bond proceeds, debt service reserves and escrow accounts, all revenues, mortgage payments, and recovery payments received by the Agency from investments, mortgage loans and mortgage-backed securities made on the related developments and pledged to the respective trust indentures.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

The following is a summary of the bond and debt activity for the year ended September 30, 2014 and the debt outstanding and loans, bonds and certificates of participation payable as of September 30, 2014.

			<u>Bond Activity</u>							
DC Building Finance Corporation Certificates of Participation	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2013	New Bonds Issued	Scheduled Maturity Payments	Bond Redeemed	Debt Outstanding at 9/30/2014	Premium (+) / Discount (-)	Bond Payable at 9/30/2014	Due Within One Year
	1998 Series	5.35%	2014 ~ 2018	\$ 790,000	\$ -	\$ -	\$ 140,000	\$ 650,000	\$ -	\$ 650,000
Total			\$ 790,000	\$ -	\$ -	\$ 140,000	\$ 650,000	\$ -	\$ 650,000	\$ 150,000

			<u>Bond Activity</u>							
	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2013	New Bonds Issued	Scheduled Maturity Payments	Bond Redeemed	Debt Outstanding at 9/30/2014	Premium (+) / Discount (-)	Bond Payable at 9/30/2014	Due Within One Year
1988 Single Family Mortgage Revenue Bonds										
1988 Series E-4	6.375%	2015 ~ 2026	\$ 2,505,000	\$ -	\$ -	\$ 330,000	\$ 2,175,000	\$ (104,600)	\$ 2,070,400	\$ 85,000
Total			\$ 2,505,000	\$ -	\$ -	\$ 330,000	\$ 2,175,000	\$ (104,600)	\$ 2,070,400	\$ 85,000
1996 Single Family Mortgage Revenue Bonds										
2005 Series A	5.50%	2015 ~ 2025	\$ 2,390,000	\$ -	\$ 20,000	\$ 520,000	\$ 1,850,000	\$ 173,857	\$ 2,023,857	\$ 95,000
2005 Series B	4.75% ~ 5.625%	2015 ~ 2035	5,045,000	-	-	1,130,000	3,915,000	279,121	4,194,121	55,000
2006 Series A	4.95%	2015 ~ 2026	1,575,000	-	-	455,000	1,120,000	-	1,120,000	65,000
2006 Series B	5.1% ~ 5.35%	2015 ~ 2037	7,345,000	-	-	2,080,000	5,265,000	329,919	5,594,919	105,000
2006 Series D	4.60%	2014 ~ 2020	665,000	-	-	230,000	435,000	-	435,000	40,000
2006 Series E	4.65%	2015 ~ 2037	19,510,000	-	-	6,090,000	13,420,000	-	13,420,000	180,000
2007 Series A	5.15%	2015 ~ 2038	7,400,000	-	-	4,890,000	2,510,000	33,180	2,543,180	40,000
Total			\$ 43,930,000	\$ -	\$ 20,000	\$ 15,395,000	\$ 28,515,000	\$ 816,077	\$ 29,331,077	\$ 580,000
Single Family New Issue Bond Program										
2009 Series A-1	2.49%	2014 ~ 2041	\$ 11,350,000	\$ -	\$ -	\$ 2,110,000	\$ 9,240,000	\$ -	\$ 9,240,000	\$ 280,000
Total			\$ 11,350,000	\$ -	\$ -	\$ 2,110,000	\$ 9,240,000	\$ -	\$ 9,240,000	\$ 280,000
Combined Single Family Indentures Total			\$ 57,785,000	\$ -	\$ 20,000	\$ 17,835,000	\$ 39,930,000	\$ 711,477	\$ 40,641,477	\$ 945,000

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

Project Name	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2013	Bond Activity			Debt Outstanding at 9/30/2014	Discount (-)/ Premium (+)	Bonds Payable at 9/30/2014	Due Within One Year
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed				
Multifamily Conduit										
Bonds										
1994 Series D	Oak Street	7.00%	2014	\$ 1,140,000	\$ -	\$ 90,000	\$ 1,050,000	\$ -	\$ -	\$ -
1997 Series A	Colorado Avenue	5.85% - 5.95%	2014	710,000	-	30,000	680,000	-	-	-
1999 Series	Garfield Park Apts	7.25%	2015 - 2036	2,666,690	-	76,026	-	2,590,665	-	81,724
1999 Series A	Walbraff Apts	6.10%	2014	1,785,000	-	25,000	1,760,000	-	-	-
1999 Series	Barnaby Manor	7.375%	2014	3,835,780	-	-	3,835,780	-	-	-
1999 Series	Ft. Chapin	6.90%	2013 - 2035	22,217,435	-	436,878	-	21,780,557	-	467,995
1999 Series	Staton Glenn Apt	6.28%	2014	21,480,000	-	245,000	21,235,000	-	-	-
2000 Series	Widrich Court Apt	7.30%	2014 - 2032	3,012,001	-	76,769	-	2,935,232	-	82,564
2000 Series C	636 Coop	6.50%	2014	550,000	-	5,000	545,000	-	-	-
2000 Series A	Haven House	6.50%	2014	760,000	-	10,000	750,000	-	-	-
2001 Series A	Douglas Knoll	5.90%	2014	9,244,000	-	55,000	9,189,000	-	-	-
2001 Series D	Meridian Manor	5.70%	2014	2,140,000	-	40,000	2,100,000	-	-	-
2001 Series	Clifton Terrace	5.96%	2014 - 2033	4,660,279	-	119,370	-	4,540,909	-	126,720
2000 Series	WDC I LP	Variable	2014 - 2032	6,995,000	-	230,000	-	6,765,000	-	240,000
2002 Series	Trenton Park Apts	Variable	2015 - 2035	5,665,000	-	110,000	-	5,555,000	-	120,000
2002 Series A	DCCH Pool: Euclid Street	5.75%	2014 - 2039	1,335,000	-	20,000	-	1,315,000	-	20,000
2002 Series C	DCCH Pool: Chapin Street	5.75%	2014 - 2039	1,130,000	-	10,000	-	1,120,000	-	10,000
2002 Series G	Trinity Towers Apts	4.65% - 5.55%	2014	7,800,000	-	130,000	7,670,000	-	-	-
2002 Series E	Golden Rule Plaza	4.75% - 5.70%	2014	5,945,000	-	65,000	5,880,000	-	-	-
2002 Series I	Henson Ridge	5.40%	2014	3,825,000	-	40,000	3,785,000	-	-	-
2002 Series J	Fairmont I & II	4.50% - 5.30%	2014	14,665,000	-	225,000	14,440,000	-	-	-
2003 Series	Bowling Green	4.50% - 4.70%	2014	9,870,000	-	65,000	9,805,000	-	-	-
2003 Series B	Urban Village	5.25%	2014	5,850,000	-	70,000	5,780,000	-	-	-
2003 Series C	St. Paul Sr. Living @ Wayne Place	5.40% - 5.60%	2014	3,365,000	-	40,000	3,325,000	-	-	-
2004 Series A	1330 7th Street	4.10% - 5.00%	2014 - 2045	11,550,000	-	255,000	-	11,295,000	-	260,000
2004 Series A	Congress Park II	6.70%	2014 - 2041	4,554,816	-	60,002	-	4,494,814	-	64,148
2004 Series B&C	JW King Seniors Center	4.25% - 5.15%	2014 - 2045	4,950,000	-	55,000	-	4,895,000	-	60,000
2004 Series	Savannah Heights	4.10% - 5.10%	2014 - 2045	7,455,000	-	85,000	-	7,370,000	-	90,000
2004 Series D	Henson Ridge Phase II	4.65% - 4.90%	2014 - 2047	5,540,000	-	60,000	-	5,480,000	-	70,000
2004 Series E	Henson Ridge Phase II	4.10% - 5.10%	2014 - 2037	6,805,000	-	145,000	-	6,660,000	-	155,000
2005 Series A	Faircliff Plaza - West	6.50%	2014 - 2047	10,799,385	-	93,622	-	10,705,763	-	99,892
2005 Series B	Faircliff Plaza - West	6.50%	2014 - 2025	454,056	-	27,178	-	426,878	-	28,998
2005 Series	DCHA Modernization Program	3.60% - 5.00%	2015 - 2025	53,915,000	-	3,370,000	-	50,545,000	2,067,717	3,535,000
2005 Series	Shipley Park Apts	4.25% - 4.80	2014 - 2038	11,020,000	-	200,000	-	10,820,000	-	215,000

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

Project Name	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2013	Bond Activity			Debt Outstanding at 9/30/2014	Discount (-)/ Premium (+)	Bonds Payable at 9/30/2014	Due Within One Year	
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed					
Multifamily Conduit											
Bonds (Continued)											
2006 Series	Hunter Pines	6.25%	2014 ~ 2048	10,227,278	-	87,692	-	10,139,586	-	93,332	
2006 Series	GW Carver Senior Apts	5.875%	2014 ~ 2049	7,284,538	-	58,362	-	7,226,176	-	61,884	
2006 Series	Garfield Hills Apts	4.70% ~ 5.00%	2015 ~ 2036	3,665,000	-	75,000	-	3,590,000	-	80,000	
2006 Series	Galen Terrace	6.00%	2014 ~ 2048	4,368,035	-	38,253	-	4,329,782	-	40,612	
2006 Series A	Southview I & II	6.25%	2014 ~ 2048	10,809,462	-	90,000	-	10,719,462	-	95,789	
2006 Series	Golden Rule Apts	5.25%	2014 ~ 2048	11,590,000	-	240,000	-	11,350,000	-	250,000	
2006 Series A	Wesley House	4.80%	2015 ~ 2049	8,995,000	-	85,000	-	8,910,000	-	90,000	
2006 Series	Azeeze Bates Apts	4.80%	2014 ~ 2036	3,435,000	-	135,000	-	3,300,000	-	140,000	
2007 Series	Cavalier Apts	5.60%	2014 ~ 2049	14,872,670	-	133,448	-	14,739,222	-	141,116	
2007 Series	Residences at Georgia Ave Apts	5.80%	2014 ~ 2050	7,488,100	-	61,069	-	7,427,031	-	64,707	
2007 Series	R Street Apts	5.60%	2014 ~ 2056	8,773,279	-	50,939	-	8,722,340	-	53,866	
2007 Series A	Parkside Terrace Apts	Variable	2014 ~ 2045	21,294,741	-	261,837	-	21,032,904	-	276,468	
2008 Series	Henson Ridge UFAS Rentals	6.00%	2014 ~ 2050	4,463,507	-	82,834	-	4,380,672	-	87,943	
2008 Series	Longfellow Arms Apts	5.70%	2014 ~ 2040	1,935,000	-	20,000	-	1,915,000	-	20,000	
2008 A Series	Faimont I and II Apts	5.70%	2013 ~ 2040	3,075,000	-	40,000	3,035,000	-	-	-	
2008 Series A	Wheeler Terrace	Variable	2014 ~ 2050	7,422,375	-	70,868	-	7,351,507	-	74,620	
2008 Series A&B	St. Martin's Apts	5.40%	2014 ~ 2046	11,755,849	-	132,305	-	11,623,544	-	139,647	
2008 Series	Pentacle Apartments	Variable	2038	10,695,000	-	-	245,000	10,450,000	-	-	
2009 Series	Georgia Commons	2.875% ~ 5.875%	2015 ~ 2051	16,495,000	-	140,000	-	16,355,000	(196,785)	140,000	
2010 Series A	Sheridan Station	5.90%	2014 ~ 2040	3,349,882	-	44,479	-	3,305,403	-	47,175	
2010 Series	Arthur Capper	Variable	2013	5,700,000	-	-	5,700,000	-	-	-	
2011 Series A-1	Victory Square	6.86%	2014 ~ 2043	1,366,847	-	14,357	-	1,352,490	-	15,374	
2011 Series A	The Heights	5.80%	2014 ~ 2045	11,423,558	939,994	-	4,457,472	7,906,080	-	52,763	
2012 Series	Park 7 at Minnesota Benning	Variable	2046	51,000	-	-	-	51,000	-	-	
2012 Series	Fairway Park	Variable	2046	24,852,800	6,682,648	-	-	31,535,448	-	-	
2012 Series	Yards D Building	Variable	2047	8,500,000	-	-	-	8,500,000	-	-	
2012 Series A	Whitelaw Apartments	5.65%	2014 ~ 2029	2,350,000	-	-	-	2,350,000	-	25,299	
2012 Series B	Whitelaw Apartments	3.15%	2014	1,379,904	730,096	-	-	2,110,000	-	2,110,000	
2012 Series	Bass Circle	4.45%	2014 ~ 2029	8,428,901	3,000,285	-	7,610,229	3,818,957	-	57,884	
2012 Series	Sevema II	Variable	2015 ~ 2049	2,254,467	11,548,999	-	-	13,803,466	-	2,046,157	
2013 Series A	Senior Housing at O	Variable	2015 ~ 2033	4,384,908	2,455,092	-	-	6,840,000	-	45,862	
2013 Series B	Senior Housing at O	Variable	2015	82,340	6,087,660	-	-	6,170,000	-	6,170,000	
2013 Series	SOME II	Variable	2033	6,169,276	8,566,111	-	-	14,735,387	-	-	
2013 Series	Tyler House	4.45%	2014 ~ 2031	45,760,000	-	415,000	-	45,345,000	-	435,000	
2013 Series	Sheridan Station III	Variable	2032	100,000	-	-	-	100,000	-	-	
2013 Series	Sheridan Station III	Variable	2016	1,245,007	9,512,720	-	-	10,757,727	-	-	
2013 Series	Trinity Plaza Apts	Variable	2050	-	1,628,864	-	-	1,628,864	-	-	
2013 Series	Lofts at Capitol Quarter	Variable	2046	-	5,110,802	-	-	5,110,802	-	-	
2014 Series A	DCHFPA Pass-Through Refunding	3.875%	2014 ~ 2045	-	42,615,830	162,399	-	42,453,431	-	675,241	
2014 Series	Eastbrooke Apts	Variable	2016	-	51,000	-	-	51,000	-	-	
2014 Series	Metro Village	0.35%	2017	-	17,800,000	-	-	17,800,000	-	-	
2014 Series B	Yards - Parcel N	Variable	2047	-	50,001	-	-	50,001	-	-	
2014 Series	North Capitol Commons	Variable	2017	-	2,809,891	-	-	2,809,891	-	-	
2014 Series	The Gregory	0.40%	2016	-	9,200,000	-	-	9,200,000	-	-	
Combined Multifamily Conduit Bonds Total				\$ 553,733,168	\$ 128,789,992	\$ 9,003,687	\$ 112,877,481	\$ 560,641,993	\$ 1,870,933	\$ 562,512,924	\$ 19,257,780

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

	Project Name	Range of Interest Rates	Range of Maturities	Bond Activity			Debt Outstanding at 9/30/2014	Discount (-)/ Premium (+)	Bonds Payable at 9/30/2014	Due Within One Year	
				Debt Outstanding at 9/30/2013	New Bonds Issued	Scheduled Maturity Payments					Bonds Redeemed
Multifamily New Issue Bond Program											
Series 2009 A-1	Villages at Chesapeake	4.09%	2014 ~ 2042	\$ 10,630,000	\$ -	\$ 130,000	\$ -	\$ 10,500,000	\$ -	\$ 10,500,000	\$ 130,000
Series 2009 A-2	Fort Stevens	4.09%	2014 ~ 2044	5,310,000	-	90,000	-	5,220,000	-	5,220,000	60,000
Series 2009 A-3	Webster Gardens	4.09%	2014 ~ 2044	3,280,000	-	50,000	10,000	3,220,000	-	3,220,000	30,000
Series 2009 A-4	SOME	4.09%	2015 ~ 2044	8,100,000	-	-	70,000	8,030,000	-	8,030,000	170,000
Series 2009 A-5	King Towers	4.09%	2015 ~ 2042	12,830,000	-	-	-	12,830,000	-	12,830,000	360,000
Series 2009 A-6	The Yards - Foundry Lofts	4.09%	2014 ~ 2051	47,700,000	-	-	-	47,700,000	-	47,700,000	1,620,000
Series 2009 A-7	Avalon Apartments	3.01%	2014 ~ 2044	5,040,000	-	-	-	5,040,000	-	5,040,000	160,000
Series 2010 A	Samuel J. Simmons	4.55% ~ 5.45%	2015 ~ 2033	7,765,000	-	235,000	-	7,530,000	-	7,530,000	245,000
Series 2009 A-8	Samuel J. Simmons	3.01%	2033 ~ 2040	13,000,000	-	-	-	13,000,000	-	13,000,000	-
Series 2009 A-9	The Avenue	3.01%	2015 ~ 2044	3,640,000	-	-	-	3,640,000	-	3,640,000	120,000
Series 2009 A-10	Mayfair Mansions III	2.32%	2029 ~ 2044	8,390,000	-	-	-	8,390,000	-	8,390,000	-
Series 2011 A	Mayfair Mansions III	3.70% ~ 4.7%	2015 ~ 2029	2,610,000	-	-	-	2,610,000	-	2,610,000	85,000
Series 2011	Mayfair Mansions III	Variable	2014	5,716,788	-	-	5,716,788	-	-	-	-
Series 2009 A-11	Dahlgreen Courts	3.53%	2015 ~ 2044	6,200,000	-	30,000	20,000	6,150,000	-	6,150,000	50,000
Series 2011 B	Alabama Avenue	Variable	2014	2,388,979	-	-	2,388,979	-	-	-	-
Series 2009 A-12	Alabama Avenue	2.32%	2015 ~ 2044	5,050,000	-	-	-	5,050,000	-	5,050,000	40,000
Series 2009 A-13	Paul Laurence Dunbar Apartments	3.53%	2014 ~ 2051	18,520,000	-	190,000	-	18,330,000	-	18,330,000	200,000
Series 2011 A	Samuel Kelsey	1.40% ~ 5.00%	2014 ~ 2041	16,260,000	-	265,000	-	15,995,000	-	15,995,000	270,000
Series 2009 A-14	Samuel Kelsey	2.49%	2041	7,700,000	-	-	-	7,700,000	-	7,700,000	-
Series 2009 A-15	Nannie Helen	2.49%	2016 ~ 2044	3,630,000	-	-	-	3,630,000	-	3,630,000	-
Series 2011	Capitol Hill Towers	1.40% ~ 4.90%	2014 ~ 2040	14,410,000	-	250,000	-	14,160,000	-	14,160,000	255,000
Series 2009 A-16	Capitol Hill Towers	2.49%	2040 ~ 2041	8,370,000	-	-	-	8,370,000	-	8,370,000	-
Series 2012	House of Lebanon	Variable	2015	4,750,001	1,675,000	-	6,425,001	-	-	-	-
Series 2009 A-2	House of Lebanon	3.82%	2016 ~ 2033	5,120,000	-	-	-	5,120,000	-	5,120,000	-
Combined Multifamily New Issue Bond Program Total				\$ 226,410,768	\$ 1,675,000	\$ 1,240,000	\$ 14,630,768	\$ 212,215,000	\$ -	\$ 212,215,000	\$ 3,795,000
Combined Multi-Family Indentures Total				\$ 780,143,936	\$ 130,464,992	\$ 10,243,687	\$ 127,508,248	\$ 772,856,993	\$ 1,870,933	\$ 774,727,924	\$ 23,052,780

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

The following is a summary of the bond and debt activity for the year ended September 30, 2013 and the debt outstanding and bonds and certificates of participation payable as of September 30, 2013:

DC Building Finance Corporation Certificates of Participation	Range of Interest Rates Range of Maturities		Bond Activity								
			Debt Outstanding at 9/30/2012	New Bonds Issued	Scheduled Maturity Payments		Debt Outstanding at 9/30/2013		Premium (+) / Discount (-)	Bond Payable at 9/30/2013	Due Within One Year
					Bond Redeemed	Bond Redeemed	Bond Redeemed				
1998 Series Total	5.35%	2013 ~ 2018	\$ 925,000	\$ -	\$ -	\$ 135,000	\$ 790,000	\$ -	\$ 790,000	\$ 140,000	
			<u>\$ 925,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,000</u>	<u>\$ 790,000</u>	<u>\$ -</u>	<u>\$ 790,000</u>	<u>\$ 140,000</u>	
<i>Single Family Indentures</i>											
1988 Single Family Mortgage Revenue Bonds	Range of Interest Rates Range of Maturities		Bond Activity								
			Debt Outstanding at 9/30/2012	New Bonds Issued	Scheduled Maturity Payments		Debt Outstanding at 9/30/2013		Premium (+) / Discount (-)	Bond Payable at 9/30/2013	Due Within One Year
					Bond Redeemed	Bond Redeemed	Bond Redeemed				
1988 Series E-4 Total	6.375%	2015 ~ 2026	\$ 3,060,000	\$ -	\$ -	\$ 555,000	\$ 2,505,000	\$ (113,316)	\$ 2,391,684	\$ -	
			<u>\$ 3,060,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 555,000</u>	<u>\$ 2,505,000</u>	<u>\$ (113,316)</u>	<u>\$ 2,391,684</u>	<u>\$ -</u>	
<i>1996 Single Family Mortgage Revenue Bonds</i>											
2005 Series A	5.50%	2013 ~ 2025	\$ 3,240,000	\$ -	\$ 60,000	\$ 790,000	\$ 2,390,000	\$ 189,426	\$ 2,579,426	\$ 115,000	
2005 Series B	4.75% ~ 5.625%	2013 ~ 2035	7,980,000	-	-	2,935,000	5,045,000	292,308	5,337,308	70,000	
2006 Series A	4.95%	2012 ~ 2026	2,240,000	-	40,000	625,000	1,575,000	-	1,575,000	55,000	
2006 Series B	5.1% ~ 5.35%	2013 ~ 2037	11,210,000	-	-	3,865,000	7,345,000	344,474	7,689,474	115,000	
2006 Series D	4.60%	2013 ~ 2020	870,000	-	5,000	200,000	665,000	-	665,000	45,000	
2006 Series E	4.65%	2013 ~ 2037	29,005,000	-	-	9,495,000	19,510,000	-	19,510,000	230,000	
2007 Series A	5.15%	2013 ~ 2038	12,660,000	-	-	5,260,000	7,400,000	101,866	7,501,866	75,000	
Total			<u>\$ 67,205,000</u>	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 23,170,000</u>	<u>\$ 43,930,000</u>	<u>\$ 928,074</u>	<u>\$ 44,858,074</u>	<u>\$ 705,000</u>	
<i>Single Family New Issue Bond Program</i>											
2009 Series A-1 Total	2.49%	2041	\$ 13,890,000	\$ -	\$ -	\$ 2,540,000	\$ 11,350,000	\$ -	\$ 11,350,000	\$ 150,000	
			<u>\$ 13,890,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,540,000</u>	<u>\$ 11,350,000</u>	<u>\$ -</u>	<u>\$ 11,350,000</u>	<u>\$ 150,000</u>	
Combined Single Family Indentures Total			<u><u>\$ 84,155,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 105,000</u></u>	<u><u>\$ 26,265,000</u></u>	<u><u>\$ 57,785,000</u></u>	<u><u>\$ 814,757</u></u>	<u><u>\$ 58,599,757</u></u>	<u><u>\$ 855,000</u></u>	

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

Project Name	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2012	Bond Activity			Debt Outstanding at 9/30/2013	Discount (-) / Premium (+)	Bonds Payable at 9/30/2013	Due Within One Year	
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed					
Multifamily											
Conduit Bonds											
1994 Series D	Oak Street	7.00%	2013 ~ 2023	\$ 1,225,000	\$ -	\$ 85,000	\$ -	\$ 1,140,000	\$ -	1,140,000	\$ 90,000
1995 Series	Tyler House	7.52%	2025	24,200,000	-	-	24,200,000	-	-	-	-
1997 Series A	Colorado Avenue	5.85% ~ 5.95%	2012 ~ 2027	735,000	-	25,000	-	710,000	6,250	716,250	30,000
1999 Series	Garfield Park Apts	7.25%	2012 ~ 2031	2,737,414	-	70,724	-	2,666,690	-	2,666,690	76,026
1999 Series A	Walbruff Apts	6.10%	2012 ~ 2039	1,810,000	-	25,000	-	1,785,000	-	1,785,000	25,000
1999 Series	Barnaby Manor	7.375%	2012 ~ 2032	3,922,693	-	86,913	-	3,835,780	-	3,835,780	166,821
1999 Series	Ft. Chapin	6.90%	2012 ~ 2035	22,625,272	-	407,831	-	22,217,441	-	22,217,441	436,878
1999 Series	Staton Glenn Apt	6.28%	2012 ~ 2042	21,710,000	-	230,000	-	21,480,000	-	21,480,000	245,000
2000 Series	Widrich Court Apt	7.30%	2012 ~ 2032	3,083,381	-	71,380	-	3,012,001	-	3,012,001	76,769
2000 Series C	636 Coop	6.50%	2013 ~ 2040	560,000	-	10,000	-	550,000	-	550,000	5,000
2000 Series A	Haven House	6.50%	2012 ~ 2042	770,000	-	10,000	-	760,000	-	760,000	10,000
2000 Series D	Chesapeake/Hartford/Knox	6.10%	2012 ~ 2041	4,250,000	-	50,000	4,200,000	-	-	-	-
2001 Series A	Douglas Knoll	5.90%	2012 ~ 2043	9,344,000	-	100,000	-	9,244,000	-	9,244,000	110,000
2001 Series D	Meridian Manor	5.70%	2012 ~ 2037	2,175,000	-	35,000	-	2,140,000	-	2,140,000	40,000
2001 Series	Woodmont Crossing	5.45%	2013 ~ 2022	9,240,000	-	190,000	9,050,000	-	-	-	-
2001 Series	Clifton Terrace	5.96%	2012 ~ 2033	4,772,725	-	112,447	-	4,660,279	-	4,660,279	119,370
2001 Series E	Huntwood Apts	5.45%	2012 ~ 2038	6,185,000	-	100,000	6,085,000	-	-	-	-
2000 Series	WDC I LP	Variable	2012 ~ 2032	7,215,000	-	220,000	-	6,995,000	-	6,995,000	230,000
2001 Series A&B	Columbia Heights	5.60% ~ 7.00%	2012 ~ 2043	32,400,000	-	-	32,400,000	-	-	-	-
2002 Series	Trenton Park Apts	Variable	2013 ~ 2035	5,770,000	-	105,000	-	5,665,000	-	5,665,000	110,000
2002 Series A	DCCH Pool: Euclid Street	5.75%	2012 ~ 2039	1,350,000	-	15,000	-	1,335,000	-	1,335,000	20,000
2002 Series C	DCCH Pool: Chapin Street	5.75%	2012 ~ 2039	1,140,000	-	10,000	-	1,130,000	-	1,130,000	10,000
2002 Series G	Trinity Towers Apts	4.65% ~ 5.55%	2012 ~ 2038	7,920,000	-	120,000	-	7,800,000	-	7,800,000	130,000
2002 Series E	Golden Rule Plaza	4.75% ~ 5.70%	2012 ~ 2044	6,005,000	-	60,000	-	5,945,000	-	5,945,000	65,000
2002 Series I	Henson Ridge	5.40%	2012 ~ 2045	3,865,000	-	40,000	-	3,825,000	-	3,825,000	40,000
2002 Series J	Fairmont I & II	4.50% ~ 5.30%	2012 ~ 2040	14,885,000	-	220,000	-	14,665,000	-	14,665,000	225,000
2003 Series	Bowling Green	4.50% ~ 4.70%	2012 ~ 2044	9,995,000	-	125,000	-	9,870,000	-	9,870,000	130,000
2003 Series B	Urban Village	5.25%	2012 ~ 2044	5,920,000	-	70,000	-	5,850,000	-	5,850,000	70,000
2003 Series C	St. Paul Sr. Living @ Wayne Place	5.40% ~ 5.60%	2012 ~ 2045	3,395,000	-	30,000	-	3,365,000	-	3,365,000	40,000
2004 Series A	1330 7th Street	4.10% ~ 5.00%	2012 ~ 2045	11,785,000	-	235,000	-	11,550,000	-	11,550,000	255,000
2004 Series A	Congress Park II	6.70%	2012 ~ 2041	4,610,940	-	56,124	-	4,554,816	-	4,554,816	60,002
2004 Series B&C	JW King Seniors Center	4.25% ~ 5.15%	2012 ~ 2045	5,005,000	-	55,000	-	4,950,000	-	4,950,000	55,000

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

	Project Name	Range of Interest Rates	Range of Maturities	Debt			Bond Activity			Discount (-)/ Premium (+)	Bonds Payable at 9/30/2013	Due Within One Year
				Outstanding at 9/30/2012	New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed	Outstanding at 9/30/2013				
Multifamily												
Conduit Bonds												
(Continued)												
2004 Series	Savannah Heights	4.10% ~ 5.10%	2012 ~ 2045	7,535,000	-	80,000	-	7,455,000	-	7,455,000	85,000	
2004 Series D	Henson Ridge Phase II	4.65% ~ 4.90%	2012 ~ 2047	5,600,000	-	60,000	-	5,540,000	-	5,540,000	60,000	
2004 Series E	Henson Ridge Phase II	4.10% ~ 5.10%	2012 ~ 2037	6,945,000	-	140,000	-	6,805,000	-	6,805,000	145,000	
2005 Series A	Faircliff Plaza - West	6.50%	2012 ~ 2047	10,887,130	-	87,746	-	10,799,385	-	10,799,385	93,622	
2005 Series B	Faircliff Plaza - West	6.50%	2012 ~ 2025	479,529	-	25,472	-	454,056	-	454,056	27,178	
2005 Series	DCHA Modernization Program	3.60% ~ 5.00%	2012 ~ 2025	57,120,000	-	3,205,000	-	53,915,000	2,260,063	56,175,063	3,370,000	
2005 Series	Shipley Park Apts	4.25% ~ 4.80	2012 ~ 2038	11,210,000	-	190,000	-	11,020,000	-	11,020,000	200,000	
2006 Series	Hunter Pines	6.25%	2012 ~ 2048	10,309,670	-	82,392	-	10,227,277	-	10,227,277	87,692	
2006 Series	GW Carver Senior Apts	5.875%	2012 ~ 2049	7,339,577	-	55,040	-	7,284,537	-	7,284,537	58,362	
2006 Series	Garfield Hills Apts	4.70% ~ 5.00%	2013 ~ 2036	3,735,000	-	70,000	-	3,665,000	-	3,665,000	75,000	
2006 Series	Galen Terrace	6.00%	2012 ~ 2048	4,404,065	-	36,030	-	4,368,035	-	4,368,035	38,253	
2006 Series A	Southview I & II	6.25%	2012 ~ 2048	10,894,022	-	84,561	-	10,809,462	-	10,809,462	90,000	
2006 Series	Golden Rule Apts	5.25%	2012 ~ 2048	11,815,000	-	225,000	-	11,590,000	-	11,590,000	240,000	
2006 Series A	Wesley House	4.80%	2013 ~ 2049	9,075,000	-	80,000	-	8,995,000	-	8,995,000	85,000	
2006 Series	Azeeze Bates Apts	4.80%	2012 ~ 2036	3,565,000	-	130,000	-	3,435,000	-	3,435,000	135,000	
2007 Series	Cavalier Apts	5.60%	2012 ~ 2049	14,998,867	-	126,197	-	14,872,670	-	14,872,670	133,448	
2007 Series	Residences at Georgia Ave Apts	5.80%	2012 ~ 2050	7,545,736	-	57,636	-	7,488,100	-	7,488,100	61,069	
2007 Series	R Street Apts	5.60%	2012 ~ 2056	8,821,450	-	48,171	-	8,773,279	-	8,773,279	50,939	
2007 Series A	Parkside Terrace Apts	Variable	2012 ~ 2045	21,542,720	-	247,979	-	21,294,741	-	21,294,741	261,837	
2008 Series	Henson Ridge UFAS Rentals	6.00%	2012 ~ 2050	4,541,529	-	78,022	-	4,463,507	-	4,463,507	82,834	
2008 Series	Longfellow Arms Apts	5.70%	2012 ~ 2040	1,955,000	-	20,000	-	1,935,000	-	1,935,000	20,000	
2008 A Series	Fairmont I and II Apts	5.70%	2012 ~ 2040	3,115,000	-	40,000	-	3,075,000	-	3,075,000	40,000	
2008 Series A	Wheeler Terrace	Variable	2012 ~ 2050	7,489,680	-	67,305	-	7,422,375	-	7,422,375	70,868	
2008 Series A&B	St. Martin's Apts	5.40%	2012 ~ 2046	11,881,341	-	125,527	-	11,755,814	-	11,755,814	132,322	
2008 Series	Pentacle Apartments	Variable	2038	10,970,000	-	-	275,000	10,695,000	-	10,695,000	-	
2009 Series	Georgia Commons	2.875% ~ 5.875%	2013 ~ 2051	16,625,000	-	130,000	-	16,495,000	(203,442)	16,291,558	140,000	
2010 Series A	Sheridan Station	5.90%	2040	3,385,000	-	35,118	-	3,349,882	-	3,349,882	44,479	
2010 Series B	Sheridan Station	Variable	2012	4,290,000	-	4,290,000	-	-	-	-	-	
2010 Series	Arthur Capper	Variable	2013	4,878,942	821,058	-	-	5,700,000	-	5,700,000	5,700,000	
2011 Series A-1	Victory Square	Variable	2043	254,000	1,112,847	-	-	1,366,847	-	1,366,847	-	
2011 Series A-2	Victory Square	Variable	2043	-	-	-	-	-	-	-	-	
2011 Series B	Victory Square	Variable	2014	7,132,000	-	-	7,132,000	-	-	-	-	
2011 Series A	The Heights	Variable	2045	2,251,140	9,172,418	-	-	11,423,558	-	11,423,558	-	
2012 Series	Park 7 at Minnesota Benning	Variable	2046	51,000	-	-	-	51,000	-	51,000	-	
2012 Series	Fairway Park	Variable	2046	18,182,455	6,670,345	-	-	24,852,800	-	24,852,800	-	
2012 Series	Yards D Building	Variable	2047	-	8,500,000	-	-	8,500,000	-	8,500,000	-	
2012 Series A	Whitelaw Apartments	Variable	2029	-	2,350,000	-	-	2,350,000	-	2,350,000	-	
2012 Series B	Whitelaw Apartments	Variable	2014	-	1,379,904	-	-	1,379,904	-	1,379,904	-	
2012 Series	Bass Circle	4.45%	2030	-	8,428,901	-	-	8,428,901	-	8,428,901	7,810,026	
2012 Series	Severna II	Variable	2049	-	2,254,467	-	-	2,254,467	-	2,254,467	-	
2013 Series A	Senior Housing at O	Variable	2033	-	4,384,908	-	-	4,384,908	-	4,384,908	-	
2013 Series B	Senior Housing at O	Variable	2015	-	82,340	-	-	82,340	-	82,340	-	
2013 Series	SOME II	Variable	2033	-	6,169,276	-	-	6,169,276	-	6,169,276	-	
2013 Series	Tyler House	3.5% ~ 4.45%	2023 ~ 2031	-	45,760,000	-	-	45,760,000	-	45,760,000	415,000	
2013 Series	Sheridan Station III	Variable	2032	-	100,000	-	-	100,000	-	100,000	-	
2013 Series	Sheridan Station III	Variable	2016	-	1,245,007	-	-	1,245,007	-	1,245,007	-	
Combined Multifamily Conduit Bonds				\$ 551,431,279	\$ 98,431,472	\$ 12,787,615	\$ 83,342,000	\$ 553,733,136	\$ 2,062,871	\$ 555,796,007	\$ 22,623,796	
Total												

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

Project Name	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2012	Bond Activity			Debt Outstanding at 9/30/2013	Discount (-)/ Premium (+)	Bonds Payable at 9/30/2013	Due Within One Year	
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed					
Multifamily New Issue Bond Program											
Series 2009 A-1	Villages at Chesapeake	4.09%	2012 ~ 2042	\$ 10,750,000	\$ -	\$ 120,000	\$ -	\$ 10,630,000	\$ -	\$ 10,630,000	\$ 130,000
Series 2009 A-2	Fort Stevens	4.09%	2013 ~ 2044	5,310,000	-	-	-	5,310,000	-	5,310,000	90,000
Series 2009 A-3	Webster Gardens	4.09%	2013 ~ 2044	3,280,000	-	-	-	3,280,000	-	3,280,000	50,000
Series 2010	SOME	1.80%	2012	10,200,000	-	-	10,200,000	-	-	-	-
Series 2009 A-4	SOME	4.09%	2015 ~ 2044	8,100,000	-	-	-	8,100,000	-	8,100,000	-
Series 2009 A-5	King Towers	4.09%	2015 ~ 2042	12,830,000	-	-	-	12,830,000	-	12,830,000	-
Series 2009 A-6	The Yards - Foundry Lofts	4.09%	2014 ~ 2051	47,700,000	-	-	-	47,700,000	-	47,700,000	-
Series 2009 A-7	Avalon Apartments	3.01%	2014 ~ 2044	5,040,000	-	-	-	5,040,000	-	5,040,000	90,000
Series 2010	Samuel J. Simmons	Variable	2013	5,000,000	-	5,000,000	-	-	-	-	-
Series 2010 A	Samuel J. Simmons	4.55% ~ 5.45%	2013 ~ 2033	8,000,000	-	235,000	-	7,765,000	-	7,765,000	235,000
Series 2009 A-8	Samuel J. Simmons	3.01%	2033 ~ 2040	13,000,000	-	-	-	13,000,000	-	13,000,000	-
Series 2009 A-9	The Avenue	3.01%	2014 ~ 2044	3,640,000	-	-	-	3,640,000	-	3,640,000	70,000
Series 2009 A-10	Mayfair Mansions III	2.32%	2029 ~ 2044	8,390,000	-	-	-	8,390,000	-	8,390,000	-
Series 2011 A	Mayfair Mansions III	3.70% ~ 4.7%	2015 ~ 2029	2,610,000	-	-	-	2,610,000	-	2,610,000	-
Series 2011	Mayfair Mansions III	Variable	2015	-	5,716,788	-	-	5,716,788	-	5,716,788	-
Series 2011	Dahlgreen Courts	Variable	2014	2,465,001	2,034,999	-	4,500,000	-	-	-	-
Series 2009 A-11	Dahlgreen Courts	3.53%	2014 ~ 2044	6,200,000	-	-	-	6,200,000	-	6,200,000	30,000
Series 2011 B	Alabama Avenue	Variable	2015	51,000	2,337,979	-	-	2,388,979	-	2,388,979	-
Series 2009 A-12	Alabama Avenue	2.32%	2015 ~ 2044	5,050,000	-	-	-	5,050,000	-	5,050,000	-
Series 2009 A-13	Paul Laurence Dunbar Apartments	3.53%	2012 ~ 2051	18,700,000	-	180,000	-	18,520,000	-	18,520,000	190,000
Series 2011 A	Samuel Kelsey	0.80% ~ 5.00%	2012 ~ 2041	16,500,000	-	240,000	-	16,260,000	-	16,260,000	265,000
Series 2009 A-14	Samuel Kelsey	2.49%	2041	7,900,000	-	200,000	-	7,700,000	-	7,700,000	-
Series 2011 B	Nannie Helen	Variable	2015	150,001	4,447,193	-	4,597,194	-	-	-	-
Series 2009 A-15	Nannie Helen	2.49%	2016 ~ 2044	3,630,000	-	-	-	3,630,000	-	3,630,000	-
Series 2011	Capitol Hill Towers	0.75% ~ 4.90%	2012 ~ 2040	14,610,000	-	200,000	-	14,410,000	-	14,410,000	250,000
Series 2009 A-16	Capitol Hill Towers	2.49%	2040 ~ 2041	8,370,000	-	-	-	8,370,000	-	8,370,000	-
Series 2012	House of Lebanon	Variable	2015	50,001	4,700,000	-	-	4,750,001	-	4,750,001	-
Series 2009 A-2	House of Lebanon	3.82%	2016 ~ 2033	5,120,000	-	-	-	5,120,000	-	5,120,000	-
Series 2011	Nannie Helen	Variable	2015	-	550,000	-	550,000	-	-	-	-
Combined Multifamily New Issue Bond Program Total				\$ 232,646,003	\$ 19,786,959	\$ 6,175,000	\$ 19,847,194	\$ 226,410,768	\$ -	\$ 226,410,768	\$ 1,400,000
Combined Multi-Family Indentures Total				\$ 784,077,278	\$ 118,218,431	\$ 18,962,582	\$ 103,189,194	\$ 780,143,936	\$ 2,062,871	\$ 782,206,805	\$ 24,023,796

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

During fiscal years 2010 - 2014, the Agency issued certain multifamily revenue bonds in a draw-down mode. Out of the total amount of bonds closed, only a portion may get drawn during any given reporting period. The following is the detail of draw-down bond activity for fiscal year 2014. Total bonds issued may be different from the debt outstanding due to redemption and maturity activity.

<u>Bond Series</u>	<u>Project Name</u>	<u>Total Draw Down Bond Amounts</u>	<u>Total Bonds Issued at September 30, 2013</u>	<u>Draw Down Bonds Issued, Fiscal Year 2014</u>	<u>Total Bonds Issued at September 30, 2014</u>
Multifamily Conduit Bonds					
2011 Series A	Victory Square	\$ 1,600,000	\$ 1,366,847	\$ -	\$ 1,366,847
2011 Series A	The Heights	12,377,163	11,423,558	939,994	12,363,552
2012 Series	Park 7 at Minnesota Benning	45,250,000	51,000	-	51,000
2012 Series	Fairway Park	33,482,000	24,852,800	6,682,648	31,535,448
2012 Series	Severna II	17,600,000	2,254,467	11,548,999	13,803,466
2012 Series	Bass Circle	11,610,000	8,428,901	3,000,285	11,429,186
2012 Series B	Whitelaw Apartments	2,110,000	1,379,904	730,096	2,110,000
2013 Series	SOME II	14,912,000	6,169,276	8,566,111	14,735,387
2013 Series A	Senior Housing at O	6,840,000	4,384,908	2,455,092	6,840,000
2013 Series B	Senior Housing at O	6,170,000	82,340	6,087,660	6,170,000
2013 Series A	Sheridan Station III	10,245,000	100,000	-	100,000
2013 Series B	Sheridan Station III	12,700,000	1,245,007	9,512,721	10,757,728
2013 Series	Trinity Plaza	9,000,000	-	1,628,864	1,628,864
2013 Series	Lofts at Capitol Quarter	42,000,000	-	5,110,802	5,110,802
2014 Series	Eastbrooke	4,850,000	-	51,000	51,000
2014 Series B	Yards - Parcel N	15,000,000	-	50,001	50,001
2014 Series A-1	Yards - Parcel N	50,000,000	-	-	-
2014 Series A-2	Yards - Parcel N	30,000,000	-	-	-
2014 Series	North Capitol Common	16,750,000	-	2,809,891	2,809,891
Total Multifamily Conduit Bonds		342,496,163	61,739,008	59,174,164	120,913,172
Multifamily New Issue Bond Program					
2012 Series	House of Lebanon	7,000,000	4,750,001	1,675,000	6,425,001
Total Multifamily New Issue Bond Program		7,000,000	4,750,001	1,675,000	6,425,001
Total Combined Multifamily Bond Program		\$ 349,496,163	\$ 66,489,009	\$ 60,849,164	\$ 127,338,173

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

As of September 30, 2014, the required principal payments for all Agency debt outstanding (including mandatory sinking fund payments but excluding special and optional redemptions) that occurred subsequent to September 30, 2014 and excluding the effect of unamortized discounts/premiums (which are listed as an adjustment to totals) and interest payments for each of the next five years and in 5-year increments thereafter, are as follows:

For the Year Ending September 30,	DC Building Finance Corporation		1988 Collateralized Single Family Mortgage Revenue Bonds		1996 Single Family Mortgage Revenue Bonds	
	Interest	Principal	Interest	Principal	Interest	Principal
	2015	\$ 32,122	\$ 150,000	\$ 136,865	\$ 85,000	\$ 1,383,974
2016	23,920	160,000	127,051	165,000	1,334,126	1,075,000
2017	15,272	165,000	117,167	150,000	1,280,118	1,095,000
2018	6,268	175,000	107,235	160,000	1,225,452	1,105,000
2019	-	-	96,559	175,000	1,169,985	1,130,000
2020-2024	-	-	306,119	970,000	4,995,799	5,785,000
2025-2029	-	-	28,027	470,000	3,585,622	5,655,000
2030-2034	-	-	-	-	2,093,546	6,890,000
2035-2039	-	-	-	-	412,433	5,200,000
Totals	\$ 77,582	650,000	\$ 919,023	2,175,000	\$ 17,481,056	28,515,000
Unamortized Premium / (Discount)		-		(104,600)		816,077
Bonds and Certificates of Participation Payable		\$ 650,000		\$ 2,070,400		\$ 29,331,077

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

For the Year Ending September 30,	Single Family New Issue Bond Program		Multi-Family (Conduit Bond) Program		Multifamily New Issue Bond Program	
	Interest	Principal	Interest	Principal	Interest	Principal
	2015	\$ 226,028	\$ 280,000	\$ 28,480,864	\$ 19,257,780	\$ 7,818,605
2016	218,767	300,000	21,784,550	29,482,858	7,726,673	2,445,000
2017	211,380	290,000	21,145,838	30,531,390	7,639,093	2,560,000
2018	204,076	300,000	20,558,297	10,406,859	7,545,641	2,715,000
2019	196,689	290,000	20,056,019	10,966,410	7,446,180	2,805,000
2020-2024	873,140	1,510,000	91,679,080	64,993,032	35,447,695	16,750,000
2025-2029	674,242	1,670,000	74,812,329	67,429,468	31,624,940	21,420,000
2030-2034	461,809	1,750,000	54,606,728	110,447,103	26,340,322	31,930,000
2035-2039	239,624	1,850,000	36,430,496	75,113,185	19,497,023	35,045,000
2040-2044	29,493	1,000,000	22,416,686	51,312,952	9,908,950	68,400,000
2045-2049	-	-	7,343,066	83,522,169	3,253,741	14,820,000
2050-2054	-	-	697,083	6,278,983	504,358	9,530,000
2055-2059	-	-	42,845	899,806	-	-
Totals	\$ 3,335,247	9,240,000	\$ 400,053,882	560,641,993	\$ 164,753,221	212,215,000
Unamortized Premium / (Discount)		-		1,870,933		-
Bonds Payable		\$ 9,240,000		\$ 562,512,926		\$ 212,215,000

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

The interest calculations on outstanding variable rate bonds under the Multifamily (Conduit Bond) Program, and the Multifamily New Issue Bond Program are based on the variable rates in effect on September 30, 2014 and are not indicative of the actual interest expense that will be incurred in future years. As rates vary, variable rate bond interest payments will vary.

During fiscal year 2010, the Agency secured two variable rate committed credit lines with the PNC Bank, National Association (“PNC Bank”), in the total amount of \$53.00 million: one for two years for \$3.00 million to be used for acquiring ownership of and making improvements to the Agency’s headquarters building; the other for one year for \$50.00 million to be used for providing interim financing of the costs of extending multi- and single family mortgages and/or mortgage-backed securities under the United States Treasury New Issue Bond Program or any subsequent bond program of the Agency as approved by PNC Bank. During fiscal year 2011, the Agency and PNC Bank modified the \$50.00 million credit line by reducing it to \$25.00 million, extending its term for another year. In fiscal years 2013 and 2014, PNC Bank and DCHFA modified the \$25.00 million credit line further by reducing the amount down to \$15.00 million and extending the term into March of 2015. Under either of the credit lines there are no outstanding amounts as of September 30, 2014 and 2013.

NOTE 7: REBATE LIABILITY

In accordance with the Internal Revenue Service Code (the “Code”), the Agency has recorded as rebate liability for excess investment earnings in connection with tax-exempt bonds and notes issued after 1981. The excess investment earnings arise due to actual investment yields earned by the bond series being greater than yields permitted to be retained by the indentures under the Code. The Code requires 90% of such excess investment earnings to be remitted to the United States Treasury every five years and in full at the final redemption of the bonds. Interest income on the Statements of Revenues, Expenses and Changes in Net Position is reduced by the rebate liability due to excess investment earnings. The increase/decrease in fair value of investments on the Statements of Revenues, Expenses and Changes in Net Position is adjusted by the change in the estimated rebate liability due to the change in fair value of investments. The Revenue Obligation Funds had no rebate liability from interest income or from unrealized gains on investments.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 7: REBATE LIABILITY (Continued)

Rebate liability activity for the year ended September 30, 2014 was as follows:

	DC Building Finance Corporation	1986 Family Whole Loan Bond Program	1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Multi-Family (Conduit Bond) Program	Multifamily New Issue Bond Program
Rebate Liability as of September 30, 2013	\$ -	\$ -	\$ -	\$ 64,982	\$ -	\$ -
Change in estimated liability due to excess investment earnings	-	-	-	(16,255)	-	-
Change in estimated liability due to change in fair value of investments	-	-	-	-	-	-
Less - payments made	-	-	-	-	-	-
Rebate Liability as of September 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,727</u>	<u>\$ -</u>	<u>\$ -</u>

Total rebate liability as of September 30, 2014 was allocated as follows:

	DC Building Finance Corporation	1986 Family Whole Loan Bond Program	1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Multi-Family (Conduit Bond) Program	Multifamily New Issue Bond Program
Estimated liability due to excess investment earnings	\$ -	\$ -	\$ -	\$ 48,727	\$ -	\$ -
Estimated liability due to change in fair value of investments	-	-	-	-	-	-
Rebate Liability as of September 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,727</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 7: REBATE LIABILITY (Continued)

Rebate liability activity for the year ended September 30, 2013 was as follows:

	DC Building Finance Corporation	1986 Family Whole Loan Bond Program	1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Multi-Family (Conduit Bond) Program	Multifamily New Issue Bond Program
Rebate Liability as of September 30, 2012	\$ -	\$ -	\$ -	\$ 91,144	\$ -	\$ -
Change in estimated liability due to excess investment earnings	-	-	-	(26,162)	-	-
Change in estimated liability due to change in fair value of investments	-	-	-	-	-	-
Less - payments made	-	-	-	-	-	-
Rebate Liability as of September 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,982</u>	<u>\$ -</u>	<u>\$ -</u>

Total rebate liability as of September 30, 2013 was allocated as follows:

	DC Building Finance Corporation	1986 Family Whole Loan Bond Program	1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Multi-Family (Conduit Bond) Program	Multifamily New Issue Bond Program
Estimated liability due to excess investment earnings	\$ -	\$ -	\$ -	\$ 64,982	\$ -	\$ -
Estimated liability due to change in fair value of investments	-	-	-	-	-	-
Rebate Liability as of September 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,982</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 8: CERTIFICATES OF PARTICIPATION

On July 1, 1998, the Agency entered into a lease agreement with the District of Columbia Building Finance Corporation (the "Building Finance Corporation") to lease office space at 815 Florida Avenue, NW, Washington, D.C. (the "Building"). The Building was financed by proceeds from the Agency's issuance of Certificates of Participation, Series 1998 (the "Certificates") evidencing assignments of interest in rights to receive payments under the lease.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 8: CERTIFICATES OF PARTICIPATION (Continued)

The lease term is through June 2018; however, the Agency has an annual right to terminate the lease in the event that the Agency fails to budget sufficient amounts due under the lease terms for the ensuing fiscal year. The Agency also has the option to purchase the Building at any time during the lease at an amount necessary to discharge the Certificates.

The Board of Directors of the Building Finance Corporation is comprised fully of members of the Agency's management. Since the Corporation is controlled by the Agency and it is the Agency's intention to continue the lease until title to the Building is acquired by the Agency, the Building and Certificates are presented in the financial statements as if the Agency owned and financed the Building. This activity is recorded in a separate fund, the D.C. Building Finance Corporation Fund. Inter-fund transactions are recorded between the General Fund and the Building Finance Corporation Fund to reflect the lease activity. Rental income for the year ended September 30, 2014 and 2013, amounted to \$183,102 and \$183,747, respectively and is included in the Building Finance Fund revenue. Rental expense for these amounts is reflected in the General Fund expenses. Improvements are funded by and recorded in the General Fund. Leasehold improvements are amortized over the shorter of the estimated useful life or the lease term.

The Certificates were issued in an original principal amount of \$2,400,000, with a balance at September 30, 2014 and 2013, of \$650,000 and \$790,000, respectively. Interest is payable semi-annually at 5.35% per annum for Certificates due through June 1, 2018.

NOTE 9: PROJECT FUNDS HELD FOR BORROWER AND OTHER LIABILITIES

The project funds held for borrower and other liabilities include funds contributed by the owners of the projects and/or funds received from low income housing tax credit equity providers; District agencies; and the Department of Housing and Community Development. The Agency includes, in the financial statements, funds received from these providers to the extent of unexpended monies in the project accounts (See Note 3).

Under the 1996 Single Family Mortgage Revenue Bonds, the Agency administers grant funds received from the District's Department of Housing and Community Development ("DHCD") under the U.S. Department of Housing and Urban Development's Home Investment Partnership Program ("HOME"). These funds were either blended with the bond proceeds to yield interest rate subsidy on mortgage loans securitized into mortgage-backed securities or were used to help

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 9: PROJECT FUNDS HELD FOR BORROWER AND OTHER LIABILITIES
(Continued)

homebuyers with closing costs, including down-payment assistance. Under the respective grant agreements the Agency may recycle repayments of HOME funds into its bond programs. The Agency transferred some of the repaid HOME funds back to DHCD during fiscal year 2014. As of September 30, 2014 and 2013, total HOME Program restricted assets were \$1,327,205 and \$2,773,285, respectively.

NOTE 10: PREPAID FEES

The prepaid fees include funds related to non-refundable construction monitoring fees associated with multifamily financing activities. The prepaid fees are recognized over each project's anticipated construction period.

NOTE 11: NET POSITION

Net Invested in Capital Assets – Capital Assets include non-depreciable land as well as building, net of related debt and accumulated depreciation, furniture and equipment net of related accumulated depreciation, leasehold improvements and software net of related accumulated amortization. Net invested in capital assets at September 30, 2014 and 2013 were \$1,568,668 and \$1,660,708, respectively.

Revenue Obligations Funds - The Revenue Obligation Funds net position is restricted through debt covenants as collateral for the respective bond issues and credit lines. Combined restricted net position related to the Revenue Obligation Funds as of September 30, 2014 and 2013 were \$30,374,648 and 32,005,579, respectively.

Risk Share Program - Under the General Fund, the initial deposit made to participate in the Risk Sharing Program and the contributions of 1% of the FHA-insured mortgage balances in the Risk Sharing Program reserve account are also restricted. The Agency maintained restricted net position related to the HUD Risk-Share Program as of September 30, 2014 and 2013 at \$2,541,288 and \$2,526,605, respectively.

McKinney Act Fund - The Agency qualified for 50% of the savings resulting from Financing Adjustment Factors (FAF) on Section (11)(b) bond refunding transactions. These funds are programmatically restricted as they are only to be used to benefit very low-income persons. As a result, the Agency established a revolving loan fund for non-profit developers to provide credit enhancement or loan guarantees, and finance certain special need projects, such as, shelter for the District's homeless and facilities for individuals who have contracted AIDS.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 11: NET POSITION (Continued)

Restricted net position related to the McKinney Act Fund as of September 30, 2014 and 2013 was \$8,645,549 and \$8,576,551, respectively.

Unrestricted Net Position – As of September 30, 2014 and 2013, under the General Fund there were \$47,661,696 and \$44,217,737 in unrestricted net position. The unrestricted net position is used to support the Agency's issuer credit rating.

NOTE 12: RETIREMENT PLAN

The Agency established a defined contribution Retirement Plan, a Money Purchase Pension Plan (the "Retirement Plan"), effective October 1, 1982, covering all eligible Agency employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Agency does not have any current or post-retirement obligations toward the Retirement Plan.

The Agency amended the Retirement Plan effective August 10, 2002. Due to the amendment, future Agency contributions to the Retirement Plan ceased effective August 10, 2002. The amendment also provides that each participant and former participant with an account balance under the Retirement Plan as of such date shall be 100% vested in his or her account. Concurrent with the amendment, the Agency commenced participating in the Social Security and Medicare programs.

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 13: OTHER INCOME

The Agency's other income for fiscal year 2014 is comprised of the following:

Description	Single Family Program Funds					Multifamily Program Funds		DC Building Finance Corporation	Total
	1988					Multifamily (Conduit Bond) Program	Multifamily New Issue Bond Program		
	1986, 1996 Single Family Whole Loan Program	Colateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Single Family New Issue Bond Program	General Fund				
Project revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,633,536	\$ 598,112	\$ -	\$ 8,231,648
Financing fees	3,262,343	-	-	-	-	-	-	-	3,262,343
Annual administrative fees	4,030,282	-	-	-	-	-	-	-	4,030,282
Construction and development monitoring fees	1,180,186	-	-	-	-	-	-	-	1,180,186
Tax credit fees	265,452	-	-	-	-	-	-	-	265,452
Rental income	-	-	-	-	-	-	-	183,102	183,102
Legal fees	330,000	-	-	-	-	-	-	-	330,000
Mortgage servicing fees	207,526	-	-	-	-	-	-	-	207,526
MIP Risk Share Program	61,936	-	-	-	-	-	-	-	61,936
Interest reduction payment subsidy	-	-	-	-	-	10,432	-	-	10,432
Other	1,975	-	-	-	-	91,419	-	-	93,394
Total	\$ 9,339,700	\$ -	\$ -	\$ -	\$ -	\$ 7,735,387	\$ 598,112	\$ 183,102	\$ 17,856,301

The Agency's other income for fiscal year 2013 was comprised of the following:

Description	Single Family Program Funds					Multifamily Program Funds		DC Building Finance Corporation	Total
	1988					Multifamily (Conduit Bond) Program	Multifamily New Issue Bond Program		
	1986, 1996 Single Family Whole Loan Program	Colateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Single Family New Issue Bond Program	General Fund				
Project revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,613,268	\$ 1,830,512	\$ -	\$ 5,443,780
Financing fees	2,407,120	-	-	-	-	-	-	-	2,407,120
Annual administrative fees	3,610,047	-	-	-	-	-	-	-	3,610,047
Permitted spread	80,730	-	-	-	-	-	-	-	80,730
Construction and development monitoring fees	1,080,931	-	-	-	-	-	-	-	1,080,931
Tax credit fees	548,468	-	-	-	-	-	-	-	548,468
Rental income	-	-	-	-	-	-	-	183,747	183,747
Legal fees	390,000	-	-	-	-	-	-	-	390,000
Mortgage servicing fees	227,250	-	-	-	-	-	-	-	227,250
MIP Risk Share Program	71,296	-	-	-	-	-	-	-	71,296
Interest reduction payment subsidy	-	-	-	-	-	16,125	-	-	16,125
Other	63,549	-	-	-	-	-	-	500	64,049
Total	\$ 8,479,392	\$ -	\$ -	\$ -	\$ -	\$ 3,629,393	\$ 1,830,512	\$ 184,247	\$ 14,123,543

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 14: CONTINGENT LIABILITY

As of September 30, 2014, the Agency does not have any non-performing assets under its multifamily risk-sharing program. In 2007, Parkway Overlook East & West, had its Section 8 HAP subsidies abated by HUD due to successive REAC failures. The Agency took over the ownership of the Parkway Overlook Property as a mortgagee in possession in 2007. During the fiscal year ended September 30, 2014, the Agency settled with HUD on a final claim under the Parkway Overlook project, took title to this project and sold it to the District of Columbia Housing Authority with a seller financing for an amount based on the most recent appraised value. Agency intends to file the supplemental claim to recover 90 percent of the additional cost incurred before the final claim settlement date of January 2014. The 10 percent of the supplemental claim amount is recorded as a contingent liability of \$68,665, in the Agency statement of revenues, expenses and changes in net position at September 30, 2014.

During the fiscal year ended September 30, 2014, former Executive Director of the Agency (“Plaintiff”) filed a civil action against the Agency asserting claims of breach of employment agreement and breach of implied covenant of good faith and fair dealing. Plaintiff seeks relief and requests \$1,000,000 in compensatory damages (in total), attorney fees and costs, and other just and proper relief as deemed by the court. The Agency is represented by the Office of Attorney General of the District of Columbia. The Agency filed its motion to dismiss both of Plaintiff’s claims. As of the date of these financial statements, the Agency is currently not certain as to when the judge will rule on the motion. The final fiscal impact of the case on the Agency is not determinable at this time.

NOTE 15: SUBSEQUENT EVENTS

The following subsequent events have occurred:

Multifamily (Conduit Bond) Program, New Issuances:

- On October 20, 2014, \$15,500,000 of District of Columbia Housing Finance Agency Multifamily Housing Revenue Bonds, Series 2014 were issued in a draw down mode to finance the 2321 4th street project.
- On October 22, 2014, \$35,510,000 of District of Columbia Housing Finance Agency Multifamily Housing Revenue Bonds, Series 2014 were issued in a draw down mode to finance the Highland Dwellings Project.
- On November 19, 2014, \$15,000,000 of District of Columbia Housing Finance Agency Multifamily Housing Revenue Bonds, Series 2014 were issued to finance the Lincoln Westmoreland Project.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 15: SUBSEQUENT EVENTS (Continued)

- On November 25, 2014, \$21,570,000 of District of Columbia Housing Finance Agency Multifamily Housing Revenue Bonds, Series 2014 were issued in a draw down mode to finance the Edgewood Terrace I Project.
- On December 10, 2014, \$11,186,000 of District of Columbia Housing Finance Agency Multifamily Housing Revenue Bonds, Series 2014 were issued in a draw down mode to finance the 7611 and 7701 Georgia Avenue NW Project.
- Between October 1, 2014 and December 18, 2014, the following multifamily mortgage revenue bonds were issued through draws on the draw down bonds:

<u>Series</u>	<u>Project Name</u>	<u>Draw Date(s)</u>	<u>New Issue Draw Amount</u>
2012 Series	Fairway Park	10/3/2014 ~ 11/12/2014	\$ 858,238
2012 Series	Severna II	10/3/2014 ~ 12/16/2014	3,274,518
2013 Series A	Sheridan Station III	11/19/2014	2,571,025
2013 Series B	Sheridan Station III	10/15/2014 ~ 11/19/2014	1,942,272
2013 Series	Trinity Plaza	10/15/2014 ~ 12/18/2014	2,290,640
2013 Series	Lofts at Capitol Quarter	10/1/2014 ~ 12/4/2014	1,653,607
2014 Series	Eastbrooke	10/1/2014 ~ 12/8/2014	471,582
2014 Series A	7611-7701 Georgia Ave	12/10/2014	2,326,129
2014 Series	North Capitol Common	12/5/2014	5,730
2014 Series	2321 4th Street	10/21/2014	3,900,000
2014 Series	Highland Dwellings	10/23/2014	50,001
2014 Series	Edgewood Terrace	11/25/2014	2,701,643
Total			<u>\$ 22,045,385</u>

Single Family New Issue Bond Program Redemptions and Maturities:

- On December 1, 2014, \$140,000 in District of Columbia Housing Finance Agency Single Family Housing Revenue Bonds Series 2009 A-1 were redeemed through sinking fund maturity.

(continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 15: SUBSEQUENT EVENTS (Continued)

- On December 1, 2014, the following 1996 Single Family Mortgage Revenue Bonds were redeemed:

<u>Series</u>	<u>Maturing Principal</u>	<u>Principal Redemptions</u>	<u>Total</u>
2005 Series A	\$ -	\$ 160,000	\$ 160,000
2005 Series B	-	340,000	340,000
2006 Series A	15,000	40,000	55,000
2006 Series B	-	260,000	260,000
2006 Series D	5,000	25,000	30,000
2006 Series E	-	975,000	975,000
2007 Series A	-	410,000	410,000
Total	\$ 20,000	\$ 2,210,000	\$ 2,230,000

- On December 1, 2014, \$85,000 in District of Columbia Housing Finance Agency Collateralized Single Family Housing Revenue Bonds 1988 Series E-4 were redeemed from prepayments.

Multifamily New Issue Bond Program Redemptions and Maturities:

- On December 1, 2014, \$18,330,000 in District of Columbia Housing Finance Agency Housing Revenue Bonds GNMA Collateralized Series 2009 A-13 (Paul Laurence Dunbar Apartments Project) were fully redeemed due to loan payoff.
- Between October 1, 2014 and December 18, 2014, the following Multifamily NIBP mortgage revenue bonds were redeemed:

<u>Series</u>	<u>Project Name</u>	<u>Redemption / Maturity Date</u>	<u>Principal Redeemed</u>
Series 2009 A-1	Village at Chesapeake	10/1/2014	\$ 70,000
Series 2009 A-2	Fort Stevens	10/1/2014	40,000
Series 2009 A-3	Webster Gardens	10/1/2014	20,000
Series 2009 A-6	Foundry Lofts	12/1/2014	1,470,000
Series 2011 A	Capital Hill Tower	12/1/2014	255,000
Series 2011 A	Samuel Kelsey Apts	12/1/2014	270,000
Total			\$ 2,125,000

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE 15: SUBSEQUENT EVENTS (Continued)

Multifamily (Conduit Bond) Program, Redemptions and Maturities:

- On December 1, 2014, \$6,170,000 in District of Columbia Housing Finance Agency Housing Revenue Bonds 2013 B Series (Senior Housing at O Project) were fully redeemed due to the loan payoff.
- Between October 1, 2014 and December 18, 2014, the following multifamily mortgage revenue bonds were redeemed or matured:

<u>Series</u>	<u>Project Name</u>	<u>Redemption / Maturity Date</u>	<u>Principal Redeemed</u>
1999 Series	Garfield Park Apts	10/1/2014-12/1/2014	\$ 19,881
1999 Series	Ft. Chaplin	10/1/2014-12/1/2014	113,998
2000 Series	Widrich Court Apt	10/1/2014	40,531
2001 Series	Clifton Terrace	12/1/2014	62,414
2002 Series A	DCCH Pool: Euclid Street	12/1/2014	10,000
2002 Series C	DCCH Pool: Chapin Street	12/1/2014	5,000
2004 Series A	1330 7th Street (RS)	12/1/2014	130,000
2004 Series A	Congress Park II	10/15/2014-12/15/2014	15,637
2004 Series B&C	JW King Seniors Center (RS)	12/1/2014	30,000
2004 Series D	Henson Ridge Phase II (RS)	12/1/2014	35,000
2004 Series E	Henson Ridge Phase II (RS)	12/1/2014	75,000
2005 Series A	Faircliff Plaza - West	10/1/2014-12/1/2014	24,369
2005 Series B	Faircliff Plaza - West	10/1/2014-12/1/2014	7,074
2005 Series	Shipley Park Apts	12/1/2014	105,000
2006 Series	Hunter Pines	10/1/2014-12/1/2014	22,791
2006 Series	GW Carver Senior Apts	10/1/2014-12/1/2014	15,133
2006 Series	Galen Terrace	10/1/2014-12/1/2014	9,926
2006 Series A	Southview I & II	10/1/2014-12/1/2014	23,390
2006 Series	Golden Rule Apts	11/1/2014	120,000
2006 Series	Azeeze Bates Apts	11/1/2014	70,000
2007 Series	Cavalier Apts	10/1/2014-12/1/2014	34,543
2007 Series	Residences at Georgia Avenue Apts	10/1/2014-12/1/2014	15,828
2007 Series	R Street Apts	10/1/2014-12/1/2014	13,186
2007 Series A	Parkside Terrace Apts (DD)	10/1/2014-12/1/2014	67,714
2008 Series A	Henson Ridge UFAS Rentals	10/1/2014-12/1/2014	21,495
2008 Series	Longfellow Arms	12/1/2014	5,000
2008 Series A	Wheeler Terrace (DD)	10/1/2014-12/1/2014	18,296
2008 Series A	St. Martin's Apts (DD)	10/1/2014-12/1/2014	34,210
2008 Series	Pentacle	11/1/2014	165,000
2010 Series A	Sheridan Station	10/1/2014-12/1/2014	11,535
2011 Series A-1	Victory Square (DD)	10/1/2014-12/1/2014	3,745
2011 Series A	The Heights	10/1/2014-12/1/2014	12,906
2012 Series A	Whitelaw Apartments (DD)	12/1/2014	2,622
2012 Series B	Whitelaw Apartments (DD)	10/1/2014-11/1/2014	2,110,000
2012 Series	Bass Circle	10/1/2014-12/1/2014	14,209
2013 Series	Tyler House	12/15/2014	215,000
2014 Series A	Pass-Through Refunding	10/15/2014-12/15/2014	164,914
Total			\$ 3,845,347

SUPPLEMENTAL INFORMATION

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF NET POSITION
SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

<u>ASSEIS</u>	<u>General Fund</u>	<u>Single Family Program Fund</u>	<u>Single Family NIBP Fund</u>	<u>Multifamily (Conduit Bond) Program Fund</u>	<u>Multifamily NIBP Fund</u>	<u>DC Building Finance Corporation</u>	<u>2014</u>	<u>2013</u>
CURRENT ASSETS								
Unrestricted current assets:								
Cash and cash equivalents	\$ 32,672,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,672,832	\$ 29,858,055
Mortgage and construction loans receivable	135,360	-	-	-	-	-	135,360	146,813
Other receivables	3,014,048	-	-	-	-	-	3,014,048	11,526,498
Accrued interest receivable	16,827	-	-	-	-	-	16,827	20,587
Prepaid expenses	152,874	-	-	-	-	-	152,874	126,800
Total unrestricted current assets	<u>35,991,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,991,941</u>	<u>41,678,753</u>
Restricted current assets:								
Cash and cash equivalents	14,990,357	3,249,365	1,516,834	52,828,751	19,963,367	188,522	92,737,196	101,582,019
Mortgage-backed securities at fair value	30,360	8,088,351	1,896,090	480,000	200,000	-	10,694,801	8,021,310
Mortgage and construction loans receivable	-	-	-	18,777,780	3,595,000	-	22,372,780	23,393,796
Accrued interest receivable	15,618	395,387	24,624	2,278,906	1,110,263	-	3,824,798	4,540,313
Other receivables	-	-	4,656	-	-	61,592	66,248	60,755
Total restricted current assets	<u>15,036,335</u>	<u>11,733,103</u>	<u>3,442,204</u>	<u>74,365,437</u>	<u>24,868,629</u>	<u>250,114</u>	<u>129,695,823</u>	<u>137,598,193</u>
TOTAL CURRENT ASSETS	<u>51,028,276</u>	<u>11,733,103</u>	<u>3,442,204</u>	<u>74,365,437</u>	<u>24,868,629</u>	<u>250,114</u>	<u>165,687,764</u>	<u>179,276,946</u>
NON-CURRENT ASSETS								
Unrestricted non-current assets:								
Investments	3,216,887	-	-	-	-	-	3,216,887	3,361,379
Mortgage and construction loans receivable	5,073,864	-	-	-	-	-	5,073,864	249,921
Due from (to) other funds	2,684,066	(2,684,066)	-	-	-	-	-	-
Total unrestricted non-current assets	<u>10,974,817</u>	<u>(2,684,066)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,290,751</u>	<u>3,611,300</u>
Restricted non-current assets:								
Investments held in trust	-	11,883,458	-	12,832,842	-	-	24,716,301	35,721,340
Mortgage-backed securities at fair value	1,755,227	29,476,364	6,616,257	37,327,827	19,905,333	-	95,081,007	119,606,044
Mortgage and construction loans receivable	-	380,000	110,000	489,942,138	186,455,714	-	676,887,853	652,774,882
Loans receivable	-	-	-	2,309,116	-	-	2,309,116	2,464,857
McKinney Act loans receivable, net	1,455,883	-	-	-	-	-	1,455,883	1,332,193
Other receivables	-	-	-	-	-	-	-	-
Total restricted non-current assets	<u>3,211,110</u>	<u>41,739,822</u>	<u>6,726,257</u>	<u>542,411,924</u>	<u>206,361,047</u>	<u>-</u>	<u>800,450,160</u>	<u>811,899,316</u>
Capital assets:								
Land	-	-	-	-	-	573,000	573,000	573,000
Property and equipment	2,176,211	-	-	-	-	1,795,238	3,971,449	3,955,985
Leasehold improvements	1,745,285	-	-	-	-	-	1,745,285	1,745,285
Less accumulated depreciation and amortization	(2,994,293)	-	-	-	-	(1,076,773)	(4,071,066)	(3,823,562)
Total capital assets, net	<u>927,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,291,465</u>	<u>2,218,668</u>	<u>2,450,708</u>
TOTAL NON-CURRENT ASSETS	<u>15,113,131</u>	<u>39,055,756</u>	<u>6,726,257</u>	<u>542,411,924</u>	<u>206,361,047</u>	<u>1,291,465</u>	<u>810,959,579</u>	<u>817,961,324</u>
TOTAL ASSEIS	<u>66,141,407</u>	<u>50,788,859</u>	<u>10,168,461</u>	<u>616,777,361</u>	<u>231,229,676</u>	<u>1,541,579</u>	<u>976,647,343</u>	<u>997,238,270</u>
DEFERRED OUTFLOW OF RESOURCES								
Unamortized deferral on bond refundings	-	-	-	238,080	-	-	238,080	-
Total deferred outflow of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,080</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,080</u>	<u>\$ -</u>

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF NET POSITION – (CONTINUED)
SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

LIABILITIES AND NET POSITION	<u>General Fund</u>	<u>Single Family Program Fund</u>	<u>Single Family NIBP Fund</u>	<u>Multifamily (Conduit Bond) Program Fund</u>	<u>Multifamily NIBP Fund</u>	<u>DC Building Finance Corporation</u>	<u>2014</u>	<u>2013</u>
CURRENT LIABILITIES								
Current liabilities payable from unrestricted assets:								
Accounts payable and accrued liabilities	\$ 451,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451,990	\$ 2,656,374
Accrued salary and vacation payable	285,024	-	-	-	-	-	285,024	267,889
Prepaid fees	996,426	-	-	-	-	-	996,426	1,182,997
Total current liabilities payable from unrestricted assets	<u>1,733,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,733,440</u>	<u>4,107,260</u>
Current liabilities payable from restricted assets:								
Accounts payable and accrued liabilities	-	48,727	-	-	-	-	48,727	64,982
Project funds held for borrower and other liabilities	4,632,230	1,327,205	-	42,295,159	13,066,053	188,360	61,509,007	53,678,950
Interest payable	-	510,889	76,692	3,628,544	2,555,281	11,592	6,782,997	8,803,336
Current portion of bonds payable	-	665,000	280,000	19,257,780	3,795,000	-	23,997,780	24,878,796
Current portion of certificates of participation	-	-	-	-	-	150,000	150,000	140,000
Total current liabilities payable from restricted assets	<u>4,632,230</u>	<u>2,551,821</u>	<u>356,692</u>	<u>65,181,483</u>	<u>19,416,334</u>	<u>349,952</u>	<u>92,488,511</u>	<u>87,566,064</u>
Total current liabilities	<u>6,365,670</u>	<u>2,551,821</u>	<u>356,692</u>	<u>65,181,483</u>	<u>19,416,334</u>	<u>349,952</u>	<u>94,221,951</u>	<u>91,673,324</u>
NON-CURRENT LIABILITIES								
Non-current liabilities payable from restricted assets:								
Bonds payable—less current portion	-	30,736,477	8,960,000	543,255,146	208,420,000	-	791,371,623	815,927,766
Certificates of participation—less current portion	-	-	-	-	-	500,000	500,000	650,000
Total non-current liabilities payable from restricted a	<u>-</u>	<u>30,736,477</u>	<u>8,960,000</u>	<u>543,255,146</u>	<u>208,420,000</u>	<u>500,000</u>	<u>791,871,623</u>	<u>816,577,766</u>
TOTAL LIABILITIES	<u>6,365,670</u>	<u>33,288,298</u>	<u>9,316,692</u>	<u>608,436,628</u>	<u>227,836,334</u>	<u>849,952</u>	<u>886,093,574</u>	<u>908,251,090</u>
NET POSITION								
Net invested in capital assets	927,203	-	-	-	-	641,465	1,568,668	1,660,708
Restricted for:								
Bond fund, collateral and Risk Share Program	2,541,287	17,500,561	851,769	8,578,813	3,393,343	50,162	32,915,936	34,532,184
McKinney Act Fund	8,645,549	-	-	-	-	-	8,645,549	8,576,551
Total restricted net position	<u>11,186,837</u>	<u>17,500,561</u>	<u>851,769</u>	<u>8,578,813</u>	<u>3,393,343</u>	<u>50,162</u>	<u>41,561,485</u>	<u>43,108,735</u>
Unrestricted net position	47,661,696	-	-	-	-	-	47,661,696	44,217,737
TOTAL NET POSITION	<u>59,775,737</u>	<u>17,500,561</u>	<u>851,769</u>	<u>8,578,813</u>	<u>3,393,343</u>	<u>691,627</u>	<u>90,791,849</u>	<u>88,987,180</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 66,141,407</u>	<u>\$ 50,788,859</u>	<u>\$ 10,168,461</u>	<u>\$ 617,015,441</u>	<u>\$ 231,229,676</u>	<u>\$ 1,541,579</u>	<u>\$ 976,885,423</u>	<u>\$ 997,238,270</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	<u>General Fund</u>	<u>Single Family Program Fund</u>	<u>Single Family NIBP Fund</u>	<u>Multifamily (Conduit Bond) Program Fund</u>	<u>Multifamily NIBP Fund</u>	<u>DC Building Finance Corporation</u>	<u>2014</u>	<u>2013</u>
OPERATING REVENUES								
Investment interest income	\$ 224,233	\$ 795,914	\$ 141	\$ 220,973	\$ 5,962	\$ -	\$ 1,247,223	\$ 1,966,344
Mortgage-backed security interest income	4,331	2,192,509	307,455	2,208,186	768,577	-	5,481,058	6,890,283
Interest on mortgage and construction loans	27,653	-	-	23,737,758	7,575,054	-	31,340,466	41,856,888
McKinney Act interest revenue	66,101	-	-	-	-	-	66,101	121,892
Application and commitment fees	283,132	-	-	-	-	-	283,132	300,813
Service project receipts	-	-	-	-	-	-	-	4,580,901
Other	9,339,701	-	-	7,735,387	598,112	183,102	17,856,302	14,123,543
Total operating revenues	<u>9,945,152</u>	<u>2,988,423</u>	<u>307,596</u>	<u>33,902,303</u>	<u>8,947,706</u>	<u>183,102</u>	<u>56,274,282</u>	<u>69,840,664</u>
OPERATING EXPENSES								
General and administrative	2,259,882	45,758	27,313	6,517,881	897,268	-	9,748,101	7,012,927
Personnel and related costs	4,450,169	-	-	-	-	-	4,450,169	4,278,160
Interest expense	9,125	1,800,250	252,652	25,263,414	7,980,613	39,768	35,345,822	47,752,731
Depreciation and amortization	181,014	-	-	-	-	66,490	247,504	245,364
Service project payments	-	-	-	-	-	-	-	4,581,667
Trustee fees and other expenses	75,946	21,608	2,750	4,026,098	89,153	2,250	4,217,805	2,066,093
Total operating expenses	<u>6,976,136</u>	<u>1,867,615</u>	<u>282,715</u>	<u>35,807,393</u>	<u>8,967,034</u>	<u>108,509</u>	<u>54,009,401</u>	<u>65,936,942</u>
OPERATING INCOME (LOSS)	<u>2,969,016</u>	<u>1,120,808</u>	<u>24,881</u>	<u>(1,905,090)</u>	<u>(19,328)</u>	<u>74,593</u>	<u>2,264,881</u>	<u>3,903,722</u>
NON-OPERATING REVENUES/EXPENSES								
Increase / (Decrease) in fair value of mortgage-backed securities	104,715	(526,085)	37,074	(181,257)	105,342	-	(460,212)	(8,125,357)
Transfers of funds, net	288,360	30,000	(30,000)	(290,610)	-	2,250	-	-
CHANGE IN NET POSITION	3,362,091	624,723	31,955	(2,376,956)	86,013	76,843	1,804,669	(4,221,635)
Net position, beginning of year, as previously stated	56,413,646	16,875,839	819,814	10,955,769	3,307,329	614,784	88,987,180	93,208,815
Net position, end of year	<u>\$ 59,775,737</u>	<u>\$ 17,500,561</u>	<u>\$ 851,769</u>	<u>\$ 8,578,813</u>	<u>\$ 3,393,343</u>	<u>\$ 691,627</u>	<u>\$ 90,791,850</u>	<u>\$ 88,987,180</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
COMBINING STATEMENT OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	<u>General Fund</u>	<u>Single Family Program Fund</u>	<u>Single Family NIBP Fund</u>	<u>Multifamily (Conduit Bond) Program Fund</u>	<u>Multifamily NIBP Fund</u>	<u>DC Building Finance Corporation</u>	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities:								
Interest received on loans	\$ 65,137	\$ -	\$ -	\$ 24,152,586	\$ 7,662,627	\$ -	\$ 31,880,350	\$ 42,380,964
Other cash receipts	17,921,299	-	-	40,440,718	4,929,748	183,102	63,474,867	110,444,368
Payments to vendors	(1,624,115)	(67,366)	-	(6,952,354)	(964,737)	-	(9,608,572)	(7,381,588)
Payments to employees	(4,431,360)	-	-	-	-	-	(4,431,360)	(4,242,460)
Net mortgage and construction loans principal (disbursements) / receipts	(6,704,490)	10,000	-	(34,568,241)	11,622,028	-	(29,640,703)	(5,519,343)
Receipts of service project income	-	-	-	-	-	-	-	4,580,901
Payments of service project expenses	-	-	-	-	-	-	-	(4,581,667)
Principal and interest received on mortgage-backed securities	53,643,384	13,815,144	1,603,753	12,574,081	958,919	-	82,595,281	65,129,701
Payment for the purchase of mortgage-backed securities	(53,480,818)	-	(301,637)	-	-	-	(53,782,455)	(626,966)
Other cash payments	(3,293,232)	(1,446,080)	(34,719)	(27,437,471)	(3,915,796)	(3,087)	(36,130,385)	(142,238,993)
Net cash provided by operating activities	2,095,805	12,311,698	1,267,397	8,209,319	20,292,789	180,015	44,357,023	57,944,917
Cash Flows from Capital and Related Financing Activities								
Acquisition of capital assets	(15,464)	-	-	-	-	-	(15,464)	(58,730)
Payments of bonds and long-term debt	-	-	-	-	-	(140,000)	(140,000)	(135,000)
Net cash used in capital and related financing activities	(15,464)	-	-	-	-	(140,000)	(155,464)	(193,730)
Cash Flows From Non-Capital Financing Activities								
Interest paid on bonds and loans	(9,125)	(2,164,829)	(270,165)	(27,144,873)	(8,022,353)	(42,265)	(37,653,610)	(48,891,060)
Transfer (to) from other funds	288,360	30,000	(30,000)	(290,610)	-	2,250	-	-
Proceeds from bond issuances and loans	-	-	-	130,662,473	1,675,000	-	132,337,473	118,218,431
Principal payments on issued debt and loans	-	(15,745,000)	(2,110,000)	(123,753,646)	(15,870,768)	-	(157,479,414)	(148,971,779)
Net cash provided by / (used in) non-capital financing activities	279,235	(17,879,829)	(2,410,165)	(20,526,656)	(22,218,120)	(40,015)	(62,795,551)	(79,644,408)
Cash Flows From Investing Activities								
Interest received on investments	318,452	807,440	146	309,361	6,020	-	1,441,419	2,350,205
Sale of investments	476,890	7,608,241	-	18,890,031	-	-	26,975,162	53,409,357
Purchase of investments	(348,513)	(4,853,261)	-	(10,650,861)	-	-	(15,852,635)	(34,228,969)
Net cash provided by investing activities	446,830	3,562,420	146	8,548,531	6,020	-	12,563,946	21,530,593
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	2,806,406	(2,005,711)	(1,142,623)	(3,768,805)	(1,919,312)	-	(6,030,046)	(362,628)
Cash and cash equivalents, beginning of year	44,856,784	5,255,076	2,659,457	56,597,556	21,882,678	188,522	131,440,074	131,802,702
Cash and cash equivalents, end of year	\$ 47,663,189	\$ 3,249,365	\$ 1,516,834	\$ 52,828,751	\$ 19,963,367	\$ 188,522	\$ 125,410,028	\$ 131,440,074

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
COMBINING STATEMENT OF CASH FLOWS – (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	<u>General Fund</u>	<u>Single Family Program Fund</u>	<u>Single Family NIBP Fund</u>	<u>Multi-Family (Conduit Bond) Program Fund</u>	<u>Multifamily NIBP Fund</u>	<u>DC Building Finance Corporation</u>	<u>2014</u>	<u>2013</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities								
Operating income (loss)	\$ 2,969,016	\$ 1,120,808	\$ 24,881	\$ (1,905,090)	\$ (19,328)	\$ 74,593	\$ 2,264,881	\$ 3,903,722
Depreciation and amortization	181,014	-	-	-	-	66,490	247,504	245,364
Amortization of prepaid items, premiums and discounts on debt	(1,110,547)	(103,280)	-	(184,168)	-	-	(1,397,996)	(1,462,770)
Interest on bonds/loans	9,125	2,164,829	270,165	27,144,873	8,022,353	42,265	37,653,610	48,891,060
Amortization of premium on investments	39,958	-	-	-	-	-	39,958	31,929
Provision for uncollectible other revenue	19,445	-	-	-	-	-	19,445	14,124
Provision for uncollectible interest revenue	62,890	-	-	-	-	-	62,890	(299,664)
Contingent loss expense	1,863,122	-	-	-	-	-	1,863,122	613,060
Decrease (increase) in mortgage and construction loans	(4,812,490)	10,000	-	(34,568,241)	11,622,028	-	(27,748,703)	(5,212,339)
Decrease in mortgage-backed securities	51,799,946	11,570,425	1,292,173	10,321,564	189,682	-	75,173,789	57,954,578
Purchases of mortgage-backed securities	(53,480,818)	-	(301,637)	-	-	-	(53,782,455)	(626,966)
Decrease in fair value of investments	16,114	-	-	10,889	-	-	27,003	6,189
Interest received on investments	(318,452)	(807,440)	(146)	(309,361)	(6,020)	-	(1,441,419)	(2,350,205)
Decrease (increase) in assets:								
Accrued interest receivable	10,208	79,989	4,130	536,659	88,291	-	719,276	1,082,183
Other current assets	(26,075)	-	-	-	-	-	(26,075)	86,247
Other receivables	7,533,290	-	(4,656)	(245,850)	-	(837)	7,281,947	(625,382)
Increase (decrease) in liabilities:								
Accounts payables and accrued liabilities	(2,206,646)	(16,255)	-	-	-	-	(2,222,901)	(41,360)
Prepaid items	(186,571)	-	-	-	-	-	(186,571)	1,118,955
Project funds held for borrower and other liabilities	(266,723)	(1,446,080)	-	9,105,336	437,524	-	7,830,057	(44,546,589)
Accrued interest payable	-	(261,299)	(17,513)	(1,697,291)	(41,739)	(2,497)	(2,020,339)	(837,219)
Net cash provided by operating activities	<u>\$ 2,095,805</u>	<u>\$ 12,311,698</u>	<u>\$ 1,267,397</u>	<u>\$ 8,209,319</u>	<u>\$ 20,292,789</u>	<u>\$ 180,015</u>	<u>\$ 44,357,023</u>	<u>\$ 57,944,916</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND
SEPTEMBER 30, 2014 AND 2013

DC Building Finance Corporation as of September 30, 2014

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 188,522	\$ 188,522	\$ 188,522	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>188,522</u>	<u>188,522</u>	<u>188,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DC Building Finance Corporation							
Total Cash	<u>\$ 188,522</u>	<u>\$ 188,522</u>	<u>\$ 188,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DC Building Finance Corporation as of September 30, 2013

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 188,522	\$ 188,522	\$ 188,522	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>188,522</u>	<u>188,522</u>	<u>188,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DC Building Finance Corporation							
Total Cash	<u>\$ 188,522</u>	<u>\$ 188,522</u>	<u>\$ 188,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2014

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 1,555,606	\$ 1,555,606	\$ 1,555,606	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>1,555,606</u>	<u>1,555,606</u>	<u>1,555,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Investment Agreements	10,000,000	10,000,000	-	-	-	10,000,000	-
Total Investments	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	1,216,038	1,281,364	-	441,758	839,606	-	-
Total Mortgage-Backed Securities	<u>1,216,038</u>	<u>1,281,364</u>	<u>-</u>	<u>441,758</u>	<u>839,606</u>	<u>-</u>	<u>-</u>
1988 Collateralized Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	\$ 12,771,644	\$ 12,836,970	\$ 1,555,606	\$ 441,758	\$ 839,606	\$ 10,000,000	\$ -

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2013

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 944,326	\$ 944,326	\$ 944,326	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>944,326</u>	<u>944,326</u>	<u>944,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Investment Agreements	10,000,000	10,000,000	-	-	-	10,000,000	-
Total Investments	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	1,552,309	1,677,879	-	-	1,677,879	-	-
Total Mortgage-Backed Securities	<u>1,552,309</u>	<u>1,677,879</u>	<u>-</u>	<u>-</u>	<u>1,677,879</u>	<u>-</u>	<u>-</u>
1988 Collateralized Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 12,496,635</u>	<u>\$ 12,622,205</u>	<u>\$ 944,326</u>	<u>\$ -</u>	<u>\$ 1,677,879</u>	<u>\$ 10,000,000</u>	<u>\$ -</u>

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

1996 Single Family Mortgage Revenue Bonds as of September 30, 2014

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 1,693,759	\$ 1,693,759	\$ 1,693,759	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>1,693,759</u>	<u>1,693,759</u>	<u>1,693,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Investment Agreements	1,883,458	1,883,458	-	-	-	-	1,883,458
Total Investments	<u>1,883,458</u>	<u>1,883,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,883,458</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	9,862,011	10,905,140	-	9,466	1,870,749	2,791,220	6,233,705
Fannie Mae	8,029,506	8,736,887	-	-	-	246,867	8,490,020
Freddie Mac	14,845,350	16,641,324	-	-	-	-	16,641,324
Total Mortgage-Backed Securities	<u>32,736,868</u>	<u>36,283,351</u>	<u>-</u>	<u>9,466</u>	<u>1,870,749</u>	<u>3,038,087</u>	<u>31,365,049</u>
1996 Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 36,314,085</u>	<u>\$ 39,860,568</u>	<u>\$ 1,693,759</u>	<u>\$ 9,466</u>	<u>\$ 1,870,749</u>	<u>\$ 3,038,087</u>	<u>\$ 33,248,507</u>

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

1996 Single Family Mortgage Revenue Bonds as of September 30, 2013

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 4,310,750	\$ 4,310,750	\$ 4,310,750	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	4,310,750	4,310,750	4,310,750	-	-	-	-
<u>Investments</u>							
Investment Agreements	4,638,439	4,638,439	-	-	-	-	4,638,439
Total Investments	4,638,439	4,638,439	-	-	-	-	4,638,439
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	12,500,460	13,718,707	-	-	1,121,085	4,418,292	8,179,330
Fannie Mae	10,378,069	11,106,097	-	-	-	329,485	10,776,612
Freddie Mac	21,092,494	23,158,543	-	-	-	-	23,158,543
Total Mortgage-Backed Securities	43,971,022	47,983,347	-	-	1,121,085	4,747,777	42,114,485
1996 Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	\$ 52,920,211	\$ 56,932,536	\$ 4,310,750	\$ -	\$ 1,121,085	\$ 4,747,777	\$ 46,752,923

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Single Family NIB Program as of September 30, 2014

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 1,516,834	\$ 1,516,834	\$ 1,516,834	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>1,516,834</u>	<u>1,516,834</u>	<u>1,516,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	7,971,654	8,264,272	-	-	-	-	8,264,272
Fannie Mae	233,456	248,075	-	-	-	-	248,075
Total Mortgage-Backed Securities	<u>8,205,110</u>	<u>8,512,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,512,347</u>
Single Family NIB Program Total							
Cash and Mortgage-Backed Securities	\$ 9,721,944	\$ 10,029,181	\$ 1,516,834	\$ -	\$ -	\$ -	\$ 8,512,347

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Single Family NIB Program as of September 30, 2013

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 2,659,457	\$ 2,659,457	\$ 2,659,457	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>2,659,457</u>	<u>2,659,457</u>	<u>2,659,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	9,195,645	9,465,809	-	-	-	-	9,465,809
Total Mortgage-Backed Securities	<u>9,195,645</u>	<u>9,465,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,465,809</u>
Single Family NIB Program Total							
Cash and Mortgage-Backed Securities	\$ 11,855,102	\$ 12,125,265	\$ 2,659,457	\$ -	\$ -	\$ -	\$ 9,465,809

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Multifamily NIB Program as of September 30, 2014

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Demand Money Market Deposits	\$ 19,963,367	\$ 19,963,367	\$ 19,963,367	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>19,963,367</u>	<u>19,963,367</u>	<u>19,963,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	18,299,368	20,105,333	-	-	-	-	20,105,333
Total Mortgage-Backed Securities	<u>18,299,368</u>	<u>20,105,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,105,333</u>
Multifamily NIB Program Total Cash, Investments and Mortgage- backed Securities	<u>\$ 38,262,735</u>	<u>\$ 40,068,699</u>	<u>\$ 19,963,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,105,333</u>

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Multifamily NIB Program as of September 30, 2013

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Demand Money Market Deposits	\$ 21,882,673	\$ 21,882,673	\$ 21,882,673	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>21,882,673</u>	<u>21,882,673</u>	<u>21,882,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	18,489,050	20,189,672	-	-	-	-	20,189,672
Total Mortgage-Backed Securities	<u>18,489,050</u>	<u>20,189,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,189,672</u>
Multifamily NIB Program Total Cash, Investments and Mortgage-backed Securities	\$ 40,371,723	\$ 42,072,346	\$ 21,882,673	\$ -	\$ -	\$ -	\$ 20,189,672

(Continued)
See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Multifamily (Conduit Bond) Program as of September 30, 2014

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 242,788	\$ 242,788	\$ 242,788	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	34,326,567	34,326,567	34,326,567	-	-	-	-
Money Market Funds	18,259,396	18,259,396	18,259,396	-	-	-	-
Commercial Papers	-	-	-	-	-	-	-
Total Cash and Cash Equivalents	52,828,751	52,828,751	52,828,751	-	-	-	-
<u>Investments</u>							
Commercial Papers	-	-	-	-	-	-	-
US Treasury Obligations	9,810,143	9,805,291	9,805,291	-	-	-	-
Investment Agreements	3,027,552	3,027,552	-	866,088	-	-	2,161,464
Total Investments	12,837,695	12,832,843	9,805,291	866,088	-	-	2,161,464
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	34,881,163	37,807,827	-	-	-	-	37,807,827
Total Mortgage-Backed Securities	34,881,163	37,807,827	-	-	-	-	37,807,827
Multifamily (Conduit Bond) Program							
Total Cash, Investments and Mortgage-Backed Securities	\$100,547,609	\$ 103,469,420	\$ 62,634,042	\$ 866,088	\$ -	\$ -	\$ 39,969,291

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Multifamily (Conduit Bond) Program as of September 30, 2013

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 16,335,084	\$ 16,335,084	\$ 16,335,084	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	17,150,710	17,150,710	17,150,710	-	-	-	-
Money Market Funds	22,824,154	22,824,154	22,824,154	-	-	-	-
Commercial Papers	287,577	287,577	287,577	-	-	-	-
Total Cash and Cash Equivalents	56,597,524	56,597,524	56,597,524	-	-	-	-
<u>Investments</u>							
Commercial Papers	7,087,580	7,094,716	7,094,716	-	-	-	-
US Treasury Obligations	5,907,766	5,906,667	2,703,051	3,203,616	-	-	-
Investment Agreements	8,081,517	8,081,517	-	1,057,755	-	-	7,023,762
Total Investments	21,076,864	21,082,900	9,797,767	4,261,371	-	-	7,023,762
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	45,202,727	48,310,648	-	-	-	-	48,310,648
Total Mortgage-Backed Securities	45,202,727	48,310,648	-	-	-	-	48,310,648
Multifamily (Conduit Bond) Program							
Total Cash, Investments and Mortgage-Backed Securities	\$ 122,877,115	\$ 125,991,072	\$ 66,395,291	\$ 4,261,371	\$ -	\$ -	\$ 55,334,410

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Combined Revenue Obligation Funds and General Fund as of September 30, 2014

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 5,896,412	\$ 5,896,412	\$ 5,896,412	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	96,299,499	96,299,499	96,299,499	-	-	-	-
Money Market Funds	23,214,118	23,214,118	23,214,118	-	-	-	-
Total Cash and Cash Equivalents	125,410,028	125,410,028	125,410,028	-	-	-	-
<u>Investments</u>							
Certificates of Deposits	200,000	199,925	199,925	-	-	-	-
U.S. Treasury Obligations	10,311,517	10,307,133	10,155,387	151,746	-	-	-
U.S. Agency Obligations	125,000	124,628	-	124,628	-	-	-
Investment Agreements	14,911,010	14,911,010	-	866,088	-	10,000,000	4,044,922
Corporate Obligations	1,245,962	1,248,327	527,311	721,016	-	-	-
GSE Obligations	1,141,049	1,142,166	560,040	582,126	-	-	-
Total Investments	27,934,539	27,933,189	11,442,663	2,445,604	-	10,000,000	4,044,922
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	72,666,995	78,827,504	-	451,224	2,710,355	2,791,220	72,874,705
Fannie Mae	9,507,074	10,306,981	-	-	-	246,867	10,060,113
Freddie Mac	14,845,350	16,641,324	-	-	-	-	16,641,324
Total Mortgage-Backed Securities	97,019,419	105,775,808	-	451,224	2,710,355	3,038,087	99,576,142
Combined General Fund and Revenue Obligation Funds Total Cash, Investments and Mortgage-Backed Securities	\$250,363,987	\$ 259,119,025	\$ 136,852,691	\$ 2,896,828	\$ 2,710,355	\$ 13,038,087	\$103,621,064

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Combined Revenue Obligation Funds and General Fund as of September 30, 2013

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 53,692,942	\$ 53,692,942	\$ 53,692,942	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	46,354,488	46,354,488	46,354,488	-	-	-	-
Money Market Funds	31,186,249	31,186,249	31,186,249	-	-	-	-
Commercial Papers	287,577	287,577	287,577	-	-	-	-
Total Cash and Cash Equivalents	131,521,257	131,521,257	131,521,257	-	-	-	-
<u>Investments</u>							
Commercial Papers	7,087,580	7,094,716	7,094,716	-	-	-	-
U.S. Treasury Obligations	6,900,870	6,902,071	3,094,212	3,807,860	-	-	-
U.S. Agency Obligations	150,000	150,006	-	150,006	-	-	-
Investment Agreements	22,719,956	22,719,956	-	1,057,755	-	10,000,000	11,662,201
Corporate Obligations	1,119,218	1,136,246	221,612	914,634	-	-	-
GSE Obligations	1,079,442	1,079,723	50,237	1,029,486	-	-	-
Total Investments	39,057,067	39,082,718	10,460,777	6,959,741	-	10,000,000	11,662,201
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	86,940,191	93,362,715	-	-	2,798,964	4,418,292	86,145,459
Fannie Mae	10,378,069	11,106,097	-	-	-	329,485	10,776,612
Freddie Mac	21,092,494	23,158,543	-	-	-	-	23,158,543
Total Mortgage-Backed Securities	118,410,754	127,627,354	-	-	2,798,964	4,747,777	120,080,613
<u>Combined General Fund and Revenue Obligation Funds Total Cash, Investments and Mortgage-Backed Securities</u>							
	\$ 288,989,077	\$ 298,231,329	\$ 141,982,033	\$ 6,959,741	\$ 2,798,964	\$ 14,747,777	\$ 131,742,815

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

DC Building Finance Corporation as of September 30, 2014

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 188,522	100.0%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>188,522</u>	<u>100.0%</u>			
DC Building Finance Corporation Total Cash and Cash Equivalents	<u>\$ 188,522</u>	<u>100.0%</u>			

DC Building Finance Corporation as of September 30, 2013

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 188,522	100.0%	AAAm	S&P	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>188,522</u>	<u>100.0%</u>			
DC Building Finance Corporation Total Cash and Cash Equivalents	<u>\$ 188,522</u>	<u>100.0%</u>			

(Continued)

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2014

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 1,555,606	12.1%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>1,555,606</u>	<u>12.1%</u>			
<u>Investments</u>					
Investment Agreements	10,000,000	77.9%	Not Rated		
Total Investments	<u>10,000,000</u>	<u>77.9%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	1,281,364	10.0%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>1,281,364</u>	<u>10.0%</u>			
1988 Collateralized Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	<u><u>\$ 12,836,970</u></u>	<u><u>100.0%</u></u>			

(Continued)

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2013

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 944,326	7.5%	AAAm	S&P	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>944,326</u>	<u>7.5%</u>			
<u>Investments</u>					
Investment Agreements	10,000,000	79.2%	AA+	S&P	
Total Investments	<u>10,000,000</u>	<u>79.2%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	1,677,879	13.3%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>1,677,879</u>	<u>13.3%</u>			
1988 Collateralized Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	\$ 12,622,205	100.0%			

(Continued)

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

1996 Single Family Mortgage Revenue Bonds as of September 30, 2014

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 1,693,759	4.2%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>1,693,759</u>	<u>4.2%</u>			
<u>Investments</u>					
Investment Agreements	1,883,458	4.7%	A1	Moody's	
Total Investments	<u>1,883,458</u>	<u>4.7%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	10,905,140	27.4%	Aaa	Moody's	
Fannie Mae	8,736,887	21.9%	Aaa	Moody's	
Freddie Mac	16,641,324	41.7%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>36,283,351</u>	<u>91.0%</u>			
1996 Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	\$ 39,860,568	100.0%			

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

1996 Single Family Mortgage Revenue Bonds as of September 30, 2013

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 4,310,750	7.6%	AAAm	S&P	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>4,310,750</u>	<u>7.6%</u>			
<u>Investments</u>					
Investment Agreements	4,638,439	8.1%	AA-	S&P	
Total Investments	<u>4,638,439</u>	<u>8.1%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	13,718,707	24.1%	Aaa	Moody's	
Fannie Mae	11,106,097	19.5%	Aaa	Moody's	
Freddie Mac	23,158,543	40.7%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>47,983,347</u>	<u>84.3%</u>			
1996 Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	\$ 56,932,536	100.0%			

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Single Family NIB Program as of September 30, 2014

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 1,516,834	15.1%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>1,516,834</u>	<u>15.1%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	8,264,272	82.4%	Aaa	Moody's	
Fannie Mae	248,075	2.5%			
Total Mortgage-Backed Securities	<u>8,512,347</u>	<u>84.9%</u>			
Single Family NIB Program Total Cash and Mortgage-Backed Securities	<u>\$ 10,029,181</u>	<u>100.0%</u>			

(Continued)

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Single Family NIB Program as of September 30, 2013

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 2,659,457	21.9%	AAAm	S&P	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>2,659,457</u>	<u>21.9%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	9,465,809	16.6%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>9,465,809</u>	<u>16.6%</u>			
Single Family NIB Program Total Cash and Mortgage-Backed Securities	<u><u>\$ 12,125,265</u></u>	<u><u>100.0%</u></u>			

(Continued)

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Multifamily NIB Program as of September 30, 2014

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Demand Money Market Deposit	\$ 19,963,367	49.8%	P-1	Moody's	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>19,963,367</u>	<u>49.8%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	20,105,333	50.2%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>20,105,333</u>	<u>50.2%</u>			
Multifamily NIB Program Total Cash and Mortgage-Backed Securities	<u><u>\$ 40,068,699</u></u>	<u><u>100.0%</u></u>			

(Continued)

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Multifamily NIB Program as of September 30, 2013

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Demand Money Market Deposit	\$ 21,882,673	52.0%	AA-	S&P	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>21,882,673</u>	<u>52.0%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	20,189,672	48.0%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>20,189,672</u>	<u>48.0%</u>			
Multifamily NIB Program Total Cash and Mortgage-Backed Securities	<u>\$ 42,072,346</u>	<u>100.0%</u>			

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Multifamily (Conduit Bond) Program as of September 30, 2014

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 242,788	0.2%	Not Rated		Uncollateralized, Uninsured
Demand Money Market deposit	34,326,567	33.2%	P-1	Moody's	Uncollateralized, Uninsured
Money Market Funds	18,259,396	17.6%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	52,828,751	51.1%			
<u>Investments</u>					
U.S. Treasury Obligations	9,805,291	9.5%	Aaa	Moody's	
Investment Agreements	1,826,932	1.8%	A1	Moody's	
Investment Agreements	214,198	0.2%	A2	Moody's	
Investment Agreements	986,416	1.0%	A3	Moody's	
Investment Agreements	5	0.0%	Not Rated		
Total Investments	12,832,843	12.4%			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	37,807,827	36.5%	Aaa	Moody's	
Total Mortgage-Backed Securities	37,807,827	36.5%			
Multifamily (Conduit Bond) Program					
Total Cash, Investments and Mortgage- Backed Securities	\$ 103,469,420	100.0%			

(Continued)

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Multifamily (Conduit Bond) Program as of September 30, 2013

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 16,335,084	13.0%	Not Rated		Uncollateralized, Uninsured
Demand Money Market deposit	17,150,710	13.6%	AA-	S&P	Uncollateralized, Uninsured
Money Market Funds	22,824,152	18.1%	AAAm	S&P	Uncollateralized, Uninsured
Commercial Papers	287,577	0.2%	AA-	S&P	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	56,597,523	44.9%			
<u>Investments</u>					
Commercial Papers	7,094,716	5.6%	P-1	Moody's	
U.S. Treasury Obligations	5,906,667	4.7%	Aaa	Moody's	
Investment Agreements	2,382,277	1.9%	AA+	S&P	
Investment Agreements	2,402,387	1.9%	AA-	S&P	
Investment Agreements	3,268,281	2.6%	A	S&P	
Investment Agreements	28,573	0.0%	Not Rated		
Total Investments	21,082,900	6.4%			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	48,310,648	38.3%	Aaa	Moody's	
Total Mortgage-Backed Securities	48,310,648	38.3%			
Multifamily (Conduit Bond) Program					
Total Cash, Investments and Mortgage-Backed Securities	\$ 125,991,071	89.7%			

(Continued)

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Combined Revenue Obligation Funds and General Fund as of September 30, 2014

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 394,220	0.2%	Not Rated		Federal Reserve-Held Aaa Collateral
Non-Money Market Deposits	5,259,404	2.0%	Not Rated		Third Party-Held Aaa Collateral
Non-Money Market Deposits	242,788	0.1%	Not Rated		Uncollateralized, Uninsured
Demand Money Market Deposits	41,120,513	15.9%	Not Rated		Federal Reserve-Held Aaa Collateral
Demand Money Market Deposits	55,178,986	21.3%	P-1	Moody's	
Money Market Funds	23,214,118	9.0%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	125,410,028	48.4%			
<u>Investments</u>					
Certificates of Deposits	199,925	0.1%	Not Rated		FDIC Insured
U.S. Treasury Obligations	10,307,133	4.0%	Aaa	Moody's	
U.S. Agency Obligations	124,628	0.0%	Aaa	Moody's	
Corporate Obligations	155,017	0.1%	Aa2	Moody's	
Corporate Obligations	262,431	0.1%	Aa3	Moody's	
Corporate Obligations	357,007	0.1%	A1	Moody's	
Corporate Obligations	101,760	0.0%	A2	Moody's	
Corporate Obligations	38,401	0.0%	A3	Moody's	
Corporate Obligations	283,453	0.1%	Baa1	Moody's	
Corporate Obligations	50,258	0.0%	Baa3	Moody's	
GSE Obligations	1,142,166	0.4%	Aaa	Moody's	
Investment Agreements	3,710,391	1.4%	A1	Moody's	
Investment Agreements	214,198	0.1%	A2	Moody's	
Investment Agreements	986,416	0.4%	A3	Moody's	
Investment Agreements	10,000,005	3.9%	Not Rated		
Total Investments	27,933,189	10.8%			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	78,827,504	30.4%	Aaa	Moody's	
Fannie Mae	10,306,981	4.0%	Aaa	Moody's	
Freddie Mac	16,641,324	6.4%	Aaa	Moody's	
Total Mortgage-Backed Securities	105,775,809	40.8%			
Combined General Fund and Revenue Obligation Funds Total Cash, Investments and Mortgage-Backed Securities	\$ 259,119,026	100.0%			

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DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, MORTGAGE-BACKED SECURITIES
AND INVESTMENTS BY FUND (CONTINUED)
SEPTEMBER 30, 2014 AND 2013

Combined Revenue Obligation Funds and General Fund as of September 30, 2013

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 32,130,092	10.8%		Moody's	Federal Reserve-Held Aaa Collateral
Non-Money Market Deposits	5,227,767	1.8%		Moody's	Third Party-Held Aaa Collateral
Demand Money Market Deposits	7,321,105	2.5%		Moody's	Federal Reserve-Held Aaa Collateral
Non-Money Market Deposits	16,335,084	13.0%	Not Rated		Uncollateralized, Uninsured
Money Market Funds	31,186,248	10.5%	AAAm	S&P	
Demand Money Market Deposits	39,033,383	13.1%	AA-	S&P	Uncollateralized, Uninsured
Commercial Papers	287,577	0.1%	AA-	S&P	
Total Cash and Cash Equivalents	131,521,255	44.1%			
<u>Investments</u>					
Commercial Papers	7,094,716	2.4%	P-1	S&P	
U.S. Treasury Obligations	6,902,071	2.3%	Aaa	Moody's	
U.S. Agency Obligations	150,006	0.1%	Aaa	Moody's	
Corporate Obligations	104,001	0.0%	AA+	S&P	
Corporate Obligations	61,750	0.0%	AA	S&P	
Corporate Obligations	87,059	0.0%	AA-	S&P	
Corporate Obligations	72,123	0.0%	A+	S&P	
Corporate Obligations	70,981	0.0%	A	S&P	
Corporate Obligations	664,986	0.2%	A-	S&P	
Corporate Obligations	50,257	0.0%	BBB+	S&P	
Corporate Obligations	25,091	0.0%	BBB	S&P	
GSE Obligations	1,079,723	0.4%	Aaa	Moody's	
Investment Agreements	12,382,277	9.8%	AA+	Moody's	
Investment Agreements	7,040,826	5.6%	AA-	S&P	
Investment Agreements	3,268,281	2.6%	A	S&P	
Investment Agreements	28,573	0.0%	Not Rated	S&P	
Total Investments	39,082,718	13.1%			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	93,362,715	31.3%	Aaa	Moody's	
Fannie Mae	11,106,097	3.7%	Aaa	Moody's	
Freddie Mac	23,158,543	7.8%	Aaa	Moody's	
Total Mortgage-Backed Securities	127,627,355	42.8%			
Combined General Fund and Revenue Obligation Funds Total Cash, Investments and Mortgage-Backed Securities					
	\$ 298,231,329	100.0%			

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