



## District of Columbia Housing Finance Agency

Financial Statements With  
Independent Auditor's Report  
Years Ended September 30, 2009 and 2008

# TCBA

**THOMPSON, COBB, BAZILIO & ASSOCIATES, PC**

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FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT  
YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
District of Columbia Housing Finance Agency

We have audited the accompanying basic financial statements, as listed in the table of contents, 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, 2009 and 2008. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of September 30, 2009 and 2008, and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the Agency's basic financial statements. The combining financial statements and the supplementary schedules on pages 48 through 66 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Washington, D.C.  
December 31, 2009

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 year ended September 30, 2009. 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 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 4 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 multi-family 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 mortgage servicing, the HUD Risk-Share insurance program and the McKinney Act savings program. The other funds include Single Family Program, Multi-Family (Conduit Bond) Program and DC Building Finance Corporation. These funds are used to account for bond proceeds, debt service and bond administration expenses related to single family mortgage revenue bonds, multifamily housing revenue bonds and certificates of participation of the Building Finance Corporation.

The accompanying financial statements include: Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows. The Statement of Net Assets shows the financial position of the Agency as of the end of the reporting period, while the Statement of Revenues, Expenses and Changes in Net Assets 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.

### **Financial Highlights**

The following information is an analysis of the Agency's financial statements for the year ended September 30, 2009 with reference to prior fiscal years' results and activities.

During fiscal year 2009, the Agency's net assets increased by \$13.50 million, which comprises a loss of \$0.6 million from operations offset by non-operating revenue of \$14.10 million due to an increase in the fair value of mortgage-backed securities. For fiscal year 2008, net assets increased by \$5.74 million, which consisted of \$2.98 million from operations and another \$2.75 million due to an increase in the fair value of mortgage-backed securities.

The Agency's total debt portfolio fell by \$262.09 million from \$1,158.86 million down to \$896.77 million in fiscal year 2009. The total debt portfolio for fiscal year 2008 increased from \$1,129.75 million to \$1,158.86 million. The total amount of bonds issued during the fiscal year

2009 was \$79.99 million, representing only multifamily mortgage revenue bond issuances. In fiscal year 2008, the Agency issued \$35.97 million in mortgage revenue bonds for multifamily projects. The Agency did not issue new single family mortgage revenue bonds in fiscal year 2009 and instead focused on managing previously issued unexpended proceeds and debt outstanding. This compares to \$50 million in single family bonds resulting in lendable proceeds accompanied by another \$50 million in short-term escrow issuances to preserve tax-exempt volume cap, and \$18.80 million in single family draw down bonds issued in fiscal year 2008.

During fiscal year 2009, operating revenues decreased by \$4.77 million or 6% from fiscal year 2008 primarily due to a 70% decline in investment earnings. Operating expenses in fiscal year 2009 decreased by \$1.18 million, or 1.5% from fiscal year 2008. The year reported an operating loss of \$0.6 million down \$3.58 million from operating income of \$2.98 million in fiscal year 2008.

**Table 1**  
**Condensed Statements of Revenues, Expenses,**  
**and Changes in Net Assets**  
**Years Ended September 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>Operating Revenues</b>		
Investment interest income	\$ 6,752,586	\$ 22,040,323
Mortgage-backed security interest income	15,366,924	14,457,485
Interest on mortgage and construction loans	28,092,842	21,889,031
McKinney Act interest revenue	182,634	223,027
Application and commitment fees	47,923	75,685
HUD Section 8 housing assistance receipts	10,264	53,815
Service project receipts	6,828,403	6,425,565
Other	18,584,574	15,467,560
Total operating revenues	<u>75,866,150</u>	<u>80,632,491</u>
<b>Operating Expenses</b>	76,465,746	77,648,574
Operating Income (Loss)	(599,596)	2,983,917
Non-operating revenues	14,104,199	2,752,208
<b>Change in Net Assets</b>	<u>\$ 13,504,603</u>	<u>\$ 5,736,125</u>

During fiscal year 2008, operating revenues decreased by \$11.34 million or 12% from fiscal year 2007 primarily due to a 24% decrease in investment earnings. Operating expenses in fiscal year 2008 decreased by \$8.76 million, or 10% from fiscal year 2007. The operating income went down to \$2.99 million in fiscal year 2008 from \$5.56 million in fiscal year 2007, a 46% reduction. In fiscal year 2009 and the second half of fiscal year 2008, interest costs on multifamily mortgage revenue bonds increased from fiscal year 2007 as a result of continued widespread liquidity stresses and systemic disruptions in capital markets. Multi-family revenues

have followed a decreasing trend as a result of worsening economic conditions in the low income housing tax credit market and disruptions in capital markets.

**Table 2**  
**Condensed Balance Sheets**  
**September 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Current assets	\$ 99,306,521	\$ 86,702,231
Noncurrent assets	976,310,825	1,248,036,129
<b>Total assets</b>	<u>\$ 1,075,617,346</u>	<u>\$ 1,334,738,360</u>
Current liabilities	\$ 123,408,621	\$ 174,638,147
Noncurrent liabilities	847,562,420	1,068,958,511
Total liabilities	<u>970,971,041</u>	<u>1,243,596,658</u>
Net assets:		
Invested in capital assets, net of related debt	<u>1,272,205</u>	<u>1,247,139</u>
Restricted for:		
Bond fund and Risk Share Program	60,111,331	56,512,995
McKinney Act Fund	8,532,925	8,413,903
Total Restricted	<u>68,644,256</u>	<u>64,926,898</u>
Unrestricted	<u>34,729,844</u>	<u>24,967,665</u>
<b>Total Net Assets</b>	<u>104,646,305</u>	<u>91,141,702</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,075,617,346</u>	<u>\$ 1,334,738,360</u>



## Debt Administration

The Agency's outstanding debt decreased by \$262.1 million from prior year. The Certificates of Participation outstanding balance went down by \$110,000 from \$1.4 million to \$1.29 million in fiscal year 2009. Total single family revenue bonds were reduced by \$271.62 million, which represents \$80.20 million in regular redemptions and maturing principal and \$191.42 million in redeemed draw down bonds used to preserve tax exempt issuing authority. The Agency issued two new multifamily bond series during fiscal year 2009 for a total of \$28.26 million to finance the construction and rehabilitation costs of 297 rental units. A number of multi-family revenue bonds, closed in fiscal years 2008 and 2007, 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 2009 was \$51.74 million. The amount of outstanding bonds from new issuance and draws on the existing draw down bonds during fiscal year 2009 were offset by matured and redeemed bonds and resulted in the net increase in multifamily bonds outstanding of \$9.64 million.

Debt activity, including certificates of participation for the years ended September 30, 2009 and 2008 was as follows:

	<u>2009</u>	<u>2008</u>
Beginning Balance	\$ 1,158,855,495	\$ 1,129,751,080
New Issuance	79,989,608	154,760,807
Redemptions/Maturities	<u>(342,079,004)</u>	<u>(125,656,392)</u>
Ending Balance	<u>\$ 896,766,099</u>	<u>\$ 1,158,855,495</u>

For fiscal year 2007, bonds issued increased by \$220.92 million as a result of the issuance of \$118.77 million in multifamily revenue bonds and \$102.15 million in single family revenue bonds. In the aggregate, a total of \$162.827 million in bonds were redeemed from sinking fund maturities, prepayment calls and notes.

## 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 D. C. 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, 2009, both the Certificates of Participation and the lease agreement had approximately nine years remaining, and an outstanding balance of \$1.29 million. The Agency redeemed \$110,000 of the Certificates of Participation in fiscal year 2009 in addition to \$125,000 and \$115,000 redeemed in fiscal years 2008 and 2007, respectively.

Capital assets, net of accumulated depreciation and amortization, were \$2,562,203 and \$2,647,138 as of September 30, 2009 and 2008, respectively, and \$2,481,464 as of September 30, 2007. The detailed analysis of changes in capital assets is in Note 6.

## **Key Bond Programs**

Multi-family (Conduit Bond) Program: 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. In fiscal year 2009, the Agency financed 297 rental units with the closing of two projects involving \$28.26 million in mortgage revenue bonds. The total amount of outstanding multi-family bonds from new issuances increased by \$79.99 million in the form of newly issued debt and the draws on the existing draw-down bonds. When offset by \$70.34 million in redeemed and matured bonds, the net increase in total multifamily bonds outstanding was \$9.64 million.

Single Family Program: During fiscal year 2009, the Agency continued to use proceeds from the bonds previously issued under the 1996 Single Family General Indenture in order to provide single family mortgages for persons purchasing homes in the District at affordable and competitive interest rates. The Agency provided over \$25.47 million to assist 109 homebuyers purchase homes in the District. Due to extremely low reinvestment rates for bond proceeds combined with a macroeconomic slowdown in home purchasing activity throughout fiscal year 2009, the Agency elected to carry out a \$20.21 million unused proceeds call in September 2009. As a result of a slower than anticipated loan origination activity and lack of economically feasible reinvestment options, the draw down bonds in the amount of \$191.42 million and short term bonds in the amount of \$50.00 million originally used to preserve tax exempt bond issuing authority matured and were redeemed in fiscal year 2009.

The Agency continued to expand its pool of participating origination lenders during the fiscal year. The Agency provides regular homeownership educational seminars and community outreach in an effort to empower persons seeking to become homeowners in the District. Through the Agency, information is made available to residents on the Single Family Bond products, financing options, the District's employer assistance program, tax credits, tax abatements, the Home Purchase Assistance Program (HPAP), and other programs to help with closing costs and other incentives for homebuyers.

## **HUD Risk-Sharing Program**

The Agency has entered into a risk-sharing agreement with HUD, where a multi-family project is insured by the Federal Housing Administration (FHA) for 90% of the mortgage amount while 10% of the mortgage amount is insured by the Agency. In order to participate in this program, the Agency has set aside an initial deposit of \$500,000 in a separate HUD Risk-Share Reserve account. In addition, with every risk-share project, an FHA placement fee of 1% 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-Share portfolio of outstanding mortgage loans. As of September 30, 2009, the HUD Risk-Share Reserve funds had a balance of \$1.96 million. During fiscal year 2009, the Agency did not add any new HUD Risk-Share projects to its existing portfolio. In fiscal year 2007, the risk-sharing program faced the first casualty in its portfolio where the Section 8 HAP subsidies were abated by HUD due to successive REAC failures by Parkway Overlook East & West (the Property). The Agency took over the ownership of the Property as a mortgagee in possession and is working diligently on the disposition of the Property. The Agency's financial exposure as joint insurer of the Property depends upon how soon the disposition of the Property is carried out and how much can be realized from the disposition. Given the real estate market in

the District, the Agency estimates the loss exposure as of September 30, 2009 to be \$347,490, and accordingly, has established a contingent liability under the General Fund.

### **Future Significant Events**

On October 19, 2009, the Obama Administration announced the Initiative for State and Local Housing Finance Agencies (HFA(s)), which is designed to expand resources for working families to access affordable rental housing and home ownership. Under this initiative, the Agency received more than \$193 million in bond issuance allocation under the New Issue Bond Program (NIBP): about \$168 million for multi-family program and \$25 million for single family program. The NIBP will provide temporary financing for HFAs to issue new mortgage revenue bonds. Using authority under the Housing and Economic Recovery Act of 2008 (HERA), the U.S. Treasury will purchase securities of Fannie Mae and Freddie Mac backed by these new mortgage revenue bonds. The bonds issued under the NIBP can have maturity dates of up to 42 years for FHA-insured and FHA Risk-Share deals and up to 34 years for Fannie Mae and Freddie Mac enhanced deals or deals underwritten to HFAs' standards. The interest rates for these bonds will be based on the 10-year Constant Maturity Treasury (CMT) rates plus credit spread of as low as 0.60% for a Aaa-, 0.75% for Aa- and 1.10% for A-rated deals. Given the current historically low interest rates, the Agency intends to lock the 10-year CMT.

As a way to secure the NIBP allocation, the Agency has to issue the NIBP bonds in 2009 in an escrow mode with practically no negative arbitrage between the cost of escrowed debt and the earnings on underlying cash collateral. The NIBP bonds issued in 2009 can be released in 2010 up to three times to finance multifamily projects and up to three times for single family mortgage revenue bond issuance. Any escrowed bonds unused at the end of 2010, will be redeemed at par in 2011.

The Agency intends to set up two separate parity indentures, one for multi-family and one for single family program bonds issued under the NIBP.

### **Conclusion**

The above 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](mailto:skuzmenchuk@dchfa.org) or go to our website at [www.dchfa.org](http://www.dchfa.org).

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
<b>Unrestricted current assets:</b>		
Cash and cash equivalents	\$ 25,435,434	\$ 22,690,359
Other receivables	6,391,318	4,116,041
Total unrestricted current assets	31,826,752	26,806,400
<b>Restricted current assets:</b>		
Restricted cash and cash equivalents	62,093,229	53,420,054
Accrued interest receivable	5,386,540	6,475,777
Total restricted current assets	67,479,769	59,895,831
<b>TOTAL CURRENT ASSETS</b>	99,306,521	86,702,231
<b>NON-CURRENT ASSETS</b>		
<b>Unrestricted non-current assets:</b>		
Investments	4,843,169	7,262,835
Loans receivable	140,000	140,000
Prepaid expenses	138,926	195,983
Total unrestricted non-current assets	5,122,095	7,598,818
<b>Restricted non-current assets:</b>		
Investments held in trust	94,077,508	436,868,129
Mortgage backed securities at fair value	294,144,361	268,076,621
Mortgage and construction loans receivable	573,549,989	525,920,915
Loans receivable	2,276,709	2,017,593
McKinney Act loans receivable	2,340,254	2,698,089
Other receivables	174,951	139,903
Bond issue costs, net	2,062,755	2,068,923
Total restricted non-current assets	968,626,527	1,237,790,173
<b>Capital assets:</b>		
Land	573,000	573,000
Property and equipment	3,709,208	3,630,909
Leasehold improvements	1,528,294	1,524,389
Less accumulated depreciation and amortization	(3,248,299)	(3,081,160)
Total capital assets, net	2,562,203	2,647,138
<b>TOTAL NON-CURRENT ASSETS</b>	976,310,825	1,248,036,129
<b>TOTAL ASSETS</b>	\$ 1,075,617,346	\$ 1,334,738,360

(Continued)

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

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**BALANCE SHEET – (CONTINUED)**  
**SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
<b>Current liabilities payable from unrestricted assets:</b>		
Accounts payable and accrued liabilities	\$ 2,322,846	\$ 932,797
Accrued salary and vacation payable	196,849	201,857
Deferred revenue	1,092,997	1,489,849
Total current liabilities payable from unrestricted assets	3,612,692	2,624,503
<b>Current liabilities payable from restricted assets:</b>		
Tenant subsidy funds	542,927	542,927
Escrow deposits	5,862,976	7,220,898
Deferred credits	44,365,572	52,494,654
Deferred revenue	901,377	1,007,242
Interest payable	10,712,813	12,195,365
Bonds payable	57,295,264	98,442,558
Certificates of participation	115,000	110,000
Total current liabilities payable from restricted assets	119,795,929	172,013,644
<b>TOTAL CURRENT LIABILITIES</b>	<b>123,408,621</b>	<b>174,638,147</b>
<b>NON-CURRENT LIABILITIES</b>		
<b>Non-current liabilities payable from restricted assets:</b>		
Loans payable	457,027	459,779
Bonds payable	845,930,393	1,067,208,732
Certificates of participation	1,175,000	1,290,000
Total non-current liabilities payable from restricted assets	847,562,420	1,068,958,511
<b>TOTAL LIABILITIES</b>	<b>970,971,041</b>	<b>1,243,596,658</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	1,272,205	1,247,139
Restricted for:		
Bond Fund and Risk Share	60,111,331	56,512,995
McKinney Act Fund	8,532,925	8,413,903
Total restricted net assets	68,644,256	64,926,898
Unrestricted net assets	34,729,844	24,967,665
<b>TOTAL NET ASSETS</b>	<b>104,646,305</b>	<b>91,141,702</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,075,617,346</b>	<b>\$ 1,334,738,360</b>

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

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES</b>		
Investment interest income	\$ 6,752,586	\$ 22,040,323
Mortgage-backed security interest income	15,366,924	14,457,485
Interest on mortgage and construction loans	28,092,842	21,889,031
McKinney Act interest revenue	182,634	223,027
Application and commitment fees	47,923	75,685
HUD Section 8 housing assistance receipts	10,264	53,815
Service project receipts	6,828,403	6,425,565
Other	18,584,574	15,467,560
Total operating revenues	<u>75,866,150</u>	<u>80,632,491</u>
<b>OPERATING EXPENSES</b>		
General and administrative	7,106,049	7,525,221
Personnel and related costs	3,932,732	3,760,497
Interest expense	49,943,907	58,320,535
Depreciation and amortization	161,597	201,275
Service project payments	6,731,294	6,428,175
Bond cost of issuance amortization	570,241	606,833
Trustee fees and other expenses	8,019,926	806,038
Total operating expenses	<u>76,465,746</u>	<u>77,648,574</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(599,596)</u>	<u>2,983,917</u>
<b>NON-OPERATING REVENUES/EXPENSES</b>		
Increase in fair value of mortgage-backed securities	<u>14,104,199</u>	<u>2,752,208</u>
<b>CHANGE IN NET ASSETS</b>	13,504,603	5,736,125
Net assets, beginning of year	<u>91,141,702</u>	<u>85,405,577</u>
Net assets, end of year	<u>\$ 104,646,305</u>	<u>\$ 91,141,702</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, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>Cash Flows From Operating Activities</b>		
Interest and principal received on loans	\$ 20,497,050	\$ 17,013,351
Other cash receipts	24,755,484	20,281,628
Payments to vendors	(7,356,741)	(7,701,522)
Payments to employees	(3,937,740)	(3,846,864)
Net mortgage and construction loans disbursed	(47,888,190)	(61,228,001)
Receipts of service project income	6,838,667	6,479,380
Payments of service project expenses	(6,732,794)	(6,429,675)
Principal and interest received on mortgage-backed securities	26,652,209	31,931,093
Purchase of mortgage-backed securities	(39,648,177)	(15,687,693)
Other cash payments	(6,541,596)	(13,966,443)
<b>Net cash used in operating activities</b>	<u>(33,361,828)</u>	<u>(33,154,746)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition of fixed assets	(82,202)	(366,950)
Payments of bonds and long-term debt	(110,000)	(125,000)
<b>Net cash used in capital and related financing activities</b>	<u>(192,202)</u>	<u>(491,950)</u>
<b>Cash Flows From Non-Capital Financing Activities</b>		
Funds disbursed for multi-family projects	(59,242,089)	(85,780,285)
Interest paid on bonds	(51,211,864)	(57,327,147)
Proceeds from tax credit equity	48,878,648	65,311,919
Proceeds from bond issuances	79,328,778	154,760,807
Principal payments on issued debt	(341,971,756)	(125,801,392)
<b>Net cash used in non-capital financing activities</b>	<u>(324,218,283)</u>	<u>(48,836,098)</u>
<b>Cash Flows From Investing Activities</b>		
Interest received on investments	10,143,320	20,827,347
Sale of investments	453,527,071	305,651,836
Purchase of investments	(94,479,828)	(221,125,059)
<b>Net cash provided by investing activities</b>	<u>369,190,563</u>	<u>105,354,124</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	11,418,250	22,871,330
Cash and cash equivalents, beginning of year	76,110,413	53,239,083
Cash and cash equivalents, end of year	<u>\$ 87,528,663</u>	<u>\$ 76,110,413</u>

(Continued)

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

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**STATEMENTS OF CASH FLOWS - CONTINUED**  
**YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>Reconciliation of Operating Income to Net Cash Used in Operating Activities</b>		
Operating income	\$ (599,596)	\$ 2,983,917
Depreciation	167,137	201,275
Amortization	568,326	(268,071)
Interest on bonds	49,943,907	57,327,148
(Decrease) Increase in mortgage and construction loans	(47,888,190)	(61,228,001)
Decrease in mortgage-backed securities	13,580,440	14,721,400
Purchase of mortgage-backed securities	(39,648,177)	(15,687,693)
Investment interest income	(6,752,586)	(22,040,323)
Decrease (increase) in assets:		
Receivables	(2,321,106)	2,009,956
Other current assets	57,056	(443,231)
Other receivables	10,781	-
Accrued interest received	(2,301,502)	-
Increase (decrease) in liabilities:		
Payables	1,165,989	861,007
Deferred revenue and credits	2,013,616	(11,221,687)
Escrow deposits	(1,357,923)	(370,443)
<b>Net cash used in operating activities</b>	<u>\$ (33,361,828)</u>	<u>\$ (33,154,746)</u>

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



**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**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 multi-family 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 Building Finance Corporation) as a nonprofit corporation under the laws of the District of Columbia in July 1998. The 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, Multi-Family (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**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 1: ORGANIZATION AND PURPOSE (Continued)**

The bonds and notes issued by the Agency and the Building Finance Corporation are special obligations of the Agency and the 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 following is a description of the funds maintained by the Agency (Funds):

**General Fund** - 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 mortgage servicing, HUD Risk-Share insurance program and McKinney Act program.

**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., the lease payments and debt service on Certificates of Participation issued by the 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 Residual Revenue Bonds, and 1996 Single Family Mortgage Revenue Bonds General Indenture of Trust.

**Multi-Family (Conduit Bond) Program Funds** - The Multi-Family (Conduit Bond) Program Funds are used to account for the proceeds of multi-family 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 multi-family rental housing in the District. The Multi-Family (Conduit Bond) Program Funds combine multi-family housing revenue bond series issued on a pass-through conduit basis with no direct or indirect recourse to the Agency as the issuer. The Agency elected to include these conduit financings in the accompanying financial statements for fiscal year 2009.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 1: ORGANIZATION AND PURPOSE (Continued)**

**Multi-Family (Conduit Bond) Program Funds (continued)**

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 (GAAP).

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). Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Agency has elected not to adopt the Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless the GASB specifically adopts the FASB Statements or Interpretations, APB Opinions, and ARB of the AICPA Committee on Accounting Procedure.

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 assets should be reported as restricted when constraints placed on the net asset use are either: externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or are imposed by law through constitutional provisions or enabling legislation. Accordingly, all net assets of the Revenue Obligation Funds, are restricted as to their use as all net assets within each indenture are pledged to bondholders.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 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, servicing fees and other revenues. Operating expenses primarily consist of bond interest, personnel costs, depreciation, amortization of bond cost of issuance, discounts and premiums, federal program payments, housing assistance payments, 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. 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 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 balance sheet and changes in the fair value of investments are recognized in the Statement of Revenues, Expenses and Changes in Net Assets 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 Multi-Family (Conduit Bond) Programs. These securities are stated at fair value, based on quoted market prices. These guaranteed securities are issued in connection with single family mortgage loans and mortgage loans on multi-family projects. Each of these securities is intended to be held to maturity 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

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

securities. Mortgage-backed securities are reported at fair value on the balance sheet and changes in the fair value of mortgage-backed securities are recognized in the Statements of Revenues, Expenses and Changes in Net Assets 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, 2009 and 2008, 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 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.

**Bond Issuance Costs** - Except for the bond series issued under the Multi-Family (Conduit Bond) Program, where cost of issuance is recognized as an escrow agent activity under the respective indentures of trust, costs related to the issuance of bonds and certificates of participation are capitalized and amortized over the life of the related debt on a straight-line basis, which approximates the effective yield method. When the debt is redeemed early with mortgage prepayments, a proportionate share of the remaining unamortized costs is recognized as a loss in the Statements of Revenues, Expenses and Changes in Net Assets.

**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 Assets** - Net assets are reported in three separate categories:

- **Invested in capital assets, net of related debt:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- **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 Revenue Obligation Funds, and the McKinney Act Program funds and HUD Risk-Share Reserve under the General Fund.
- **Unrestricted:** Net assets that are not subject to externally imposed stipulations. Unrestricted net assets 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 a direct collateral for the respective bonds. As part of this securitization, the Agency earns servicing release fees. Under the Multi-Family (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.

**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 are not eliminated. Individual amounts may not add up to the total amount due to rounding.

**New Accounting Pronouncements - Adopted**

In March 2009, GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. This Statement was effective in March 2009 and did not have an effect on the Agency's financial statements.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In March 2009, GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the AICPA's Statements on Auditing Standards. This Statement does not establish new accounting standards but rather incorporates the existing guidance (to the extent appropriate in a governmental environment) into the GASB standards. This Statement will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. This statement was effective in March 2009 and did not have an impact on the Agency's financial statements.

**New Accounting Pronouncements – To Be Adopted**

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. Additionally, this Statement establishes a specified-conditions approach to recognizing intangible assets that are internally generated. The requirements in this Statement improve financial reporting by reducing inconsistencies that have developed in accounting and financial reporting for intangible assets. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009 and are required to be applied retroactively. Management of the Agency will consider the applicability and impact, if any, on its financial statements upon adoption.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. This Statement improves financial reporting by requiring governments to measure and report derivative instruments, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, at fair value in their financial statements. Changes in fair value of hedging derivative instruments are reported in the statement of net assets as deferrals while changes in fair value of investment derivative instruments are reported within the investment revenue classification. This Statement is effective for financial statements for periods beginning after June 15, 2009. Management of the Agency will consider the applicability and impact, if any, on its financial statements upon adoption.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

As of September 30, 2009, the Agency didn't have any derivative instruments which will be the subject to this Statement.

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definition. This Statement is effective for periods beginning after June 15, 2010. Management of the Agency will consider the impact, if any, on its financial statements upon adoption.

**NOTE 3: CHANGE IN ACCOUNTING POLICY AND ESTIMATES**

**Change in Accounting Policy** – To the extent the Multifamily (Conduit Bond) Program continues to be disclosed on the face of the financial statements, the Agency has changed the way it accounts for the cost of bond issuance under the Multi-Family (Conduit Bond) Program. Instead of recording the deferred credit and capitalizing the costs of issuance and amortizing them over time, the Agency will record the receipt of the cost of issuance funds as an escrow and reduce the escrow as the cost of issuance items are paid. The Agency elected this treatment as a more conservative way to associate the costs incurred by the borrowers in connection with consummating loans payable relating to the respective indentures within the Multi-family (Conduit Bond) Program.

For comparative purposes, all periods have been retrospectively adjusted. The following table summarizes the effect of the accounting change on the Agency's financial statements.

	<b>2008</b>	
	<b><u>As Originally</u></b>	<b><u>As Adjusted</u></b>
<b>Balance Sheet</b>	<b><u>Reported</u></b>	<b><u>As Adjusted</u></b>
Bond issue costs	\$ 13,341,510	\$ 2,068,923
Accounts payable	\$ 1,151,849	\$ 932,797
Deferred credits	\$ 54,561,518	\$ 52,494,654
Net assets	\$ 100,128,373	\$ 91,141,702

**Change in Estimates** – The Agency assumed a more conservative approach to estimating the probability of rebate liability payments discussed in Note 8. As of September 30, 2009, the rebate liability amount was \$1,476,830. A corresponding amount is recorded as an operating expense in the Statements of Revenues, Expenses and Changes in Net Assets.



**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
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**SEPTEMBER 30, 2009 AND 2008**

**NOTE 4: 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 General Fund, in the Agency 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.

The following assets, reported at fair value and held by the Funds at September 30, 2009, were evaluated in accordance with GASB Statement No. 40 for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Asset	General Fund	DC Building Finance Corporation	Single Family Program Funds				Total
			1986, 1996 Single Family Whole Loan Bond Program	1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Multi-Family (Conduit Bond) Program	
<u>Cash and Cash Equivalents</u>							
Demand Money Market Deposits	\$ 34,840,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,840,681
Money Market Funds	1,159,717	278,308	442,806	111,309	4,788,072	45,907,770	52,687,982
Total Cash and Cash Equivalents	<u>36,000,398</u>	<u>278,308</u>	<u>442,806</u>	<u>111,309</u>	<u>4,788,072</u>	<u>45,907,770</u>	<u>87,528,663</u>
<u>Investments</u>							
U.S. Treasury Obligations	1,058,713	-	-	-	-	-	1,058,713
Certificates of Deposits	594,692	-	-	-	-	-	594,692
U.S. Agency Obligations	-	-	-	-	-	-	-
Investment Agreements	-	-	87,583	8,736,259	25,453,919	59,799,748	94,077,509
Corporate Obligations	2,272,331	-	-	-	-	-	2,272,331
GSE Obligations	917,433	-	-	-	-	-	917,433
Total Investments	<u>4,843,169</u>	<u>-</u>	<u>87,583</u>	<u>8,736,259</u>	<u>25,453,919</u>	<u>59,799,748</u>	<u>98,920,678</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	-	-	-	3,817,997	44,867,800	139,664,328	188,350,125
Fannie Mae	-	-	-	-	41,616,797	7,486,448	49,103,245
Freddie Mac	-	-	-	-	56,690,990	-	56,690,990
Total Mortgage-Backed Securities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,817,997</u>	<u>143,175,587</u>	<u>147,150,776</u>	<u>294,144,360</u>
Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 40,843,567</u>	<u>\$ 278,308</u>	<u>\$ 530,389</u>	<u>\$ 12,665,565</u>	<u>\$ 173,417,578</u>	<u>\$ 252,858,294</u>	<u>\$ 480,593,701</u>

**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 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.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 4: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (CONTINUED)**

As of September 30, 2009, the amortized cost, fair value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the General Fund and 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, 2009, the Agency's 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 money market accounts under the General Fund are collateralized through a tri-party collateral agreement with an independent collateral agent bank or Federal Reserve Bank. The investments under the General Fund are held by Merrill Lynch and are titled in the Agency's name. Additionally, investments in certificates of deposit are FDIC-insured.

**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. All investment securities under the Revenue Obligation Funds in general 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, 2009 were AAA by Standard and Poor's. 1996 Taxable Residential Mortgage Residual Revenue Bonds did not have any bonds outstanding as of September 30, 2009. The 1986 indenture had a credit rating of AAA by Standard and Poor's. All conduit multi-family bond indentures under the Multi-Family (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. The cash and cash equivalents, investment and mortgage-backed security portfolio with breakdown by credit quality and percentage of total portfolio for the General Fund and each of the Revenue Obligation Funds at September 30, 2009, are listed as Supplemental Information to these financial statements.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
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**NOTE 4: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (CONTINUED)**

**Cash and Cash Equivalents** - The Agency's combined cash and cash equivalents balance as of September 30, 2009 and 2008, 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 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.

As of September 30, 2009 and 2008, the Agency's General Fund had the following cash equivalents:

	<u>2009</u>		<u>2008</u>
Uninsured money-market funds	\$ 1,159,717	\$	1,345,814
Collateralized:			
Collateral held by the Federal Reserve in joint name	26,507,748		20,128,503
Collateral held by bank through a tri-party agreement	8,332,932		10,179,528
Total deposits	<u>\$ 36,000,397</u>		<u>\$ 31,653,845</u>

**Investments** – The Agency follows the Investment Policy approved by its Board of Directors with regard to its General Fund financial assets. The policy states that investment securities shall be of investment grade rating and offer reasonable returns.

As of September 30, 2009, the Agency had the following investments under its General Fund:

Certificates of Deposits	\$ 594,692	Not rated	12%
Corporate Obligations	2,272,331	A - AAA	47%
GSE Obligations	917,433	AAA	19%
U.S. Treasury Obligations	<u>1,058,713</u>	AAA	<u>22%</u>
Total	<u>\$ 4,843,169</u>		<u>100%</u>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
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**NOTE 4: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)**

As of September 30, 2008, the Agency had the following investments under its General Fund:

<u>Investment Type</u>	<u>Fair value of investments with maturities less than 5 years</u>	<u>Rating</u>	
Certificates of Deposit	\$ 2,666,553	Not rated	29%
Corporate Obligations	3,941,152	A-AAA	42%
GSE Obligations	922,741	AAA	10%
U.S. Treasury Obligations	1,104,548	AAA	12%
Others	<u>750,002</u>	Not rated	<u>7%</u>
Total	<u>\$ 9,384,996</u>		<u>100%</u>

The Agency adheres to the specific covenants as stipulated in the indentures of trust and other regulatory agreements of the bond programs and Certificates of Participation regarding permitted investments.

As of September 30, 2009, the Agency had the following investments relating to its Revenue Obligation Funds:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>			<u>Rating</u>	
		<u>less than 6 years</u>	<u>6-10 years</u>	<u>over 10 years</u>		
Guaranteed Investment Contract – I/A	\$ 94,077,508	\$ 56,122,954	\$ -	\$ 37,954,554	A-AAA	24.23%
Ginnie Mae – Mortgage – backed securities	188,350,125	2,433,387	1,294,334	184,622,404	AAA	48.52%
Fannie Mae – Mortgage – backed securities	49,103,246	-	-	49,103,246	AAA	12.65%
FHLMC - Mortgage – backed securities	<u>56,690,990</u>	<u>-</u>	<u>-</u>	<u>56,690,990</u>	AAA	<u>14.60%</u>
Total	<u>\$ 388,221,869</u>	<u>\$ 58,556,341</u>	<u>\$ 1,294,334</u>	<u>\$ 328,371,194</u>		<u>100.00%</u>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)**

As of September 30, 2008, the Agency had the following investments relating to its Revenue Obligation Funds:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Maturities</b>			<b>Rating</b>	
		<b>less than 6 years</b>	<b>6-10 years</b>	<b>over 10 years</b>		
Guaranteed Investment Contract – I/A	\$ 382,965,902	\$ 354,230,155	\$ 976,430	\$ 27,759,317	A-AAA	54.33%
U.S. Treasury Bills and Strips	53,902,226	53,832,002	-	70,224	AAA	7.65%
Ginnie Mae – Mortgage – backed securities	171,745,874	55,964,987	-	115,780,887	AAA	24.36%
Fannie Mae – Mortgage – backed securities	52,022,830	-	-	52,022,830	AAA	7.38%
FHLMC - Mortgage – backed securities	44,307,918	-	-	44,307,918	AAA	6.29%
<b>Total</b>	<b>\$ 704,944,750</b>	<b>\$ 464,027,144</b>	<b>\$ 976,430</b>	<b>\$ 239,941,176</b>		<b>100.00%</b>

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.

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

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**NOTE 4: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)**

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 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 the highest credit rating to both of these entities.

Ginnie Mae, Fannie Mae and Freddie Mac mortgage-backed securities are required to be marked to market in accordance with GASB Statement No. 31. It is the intention of the Agency to hold these mortgage-backed securities until the underlying loans are paid in full.

The Agency's 1988 and 1996 single family indentures recorded unrealized gains of \$7,949,507 and \$1,631,982 on mortgage-backed securities for fiscal years 2009 and 2008, respectively. The Agency's Multi-family (Conduit Bond) Program recorded unrealized gains on mortgage-backed securities of \$6,154,692 and \$1,120,226 for fiscal years 2009 and 2008, respectively.

**NOTE 5: MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE**

Multi-family 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 Federal Housing Administration ("FHA"), FHA and the Agency through the Risk-Share Program, or 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 is shifted to the respective bond holder. The FHA is a U.S. Government agency. Interest rates on these loans range from 3.476% to 9.5%, and the loans have a repayment period of up to 40 years.

All single family mortgage loans are secured by first liens on the related property under the Single Family Whole Loan Indentures. Interest rates on first lien single family loans range from 8.5% to 11.10%, with remaining loan terms ranging from 4 to 8 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.

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**NOTE 5: MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE (Continued)**

The VA is a U.S. Government Agency. The outstanding loans have very low loan-to-value ratios due to short remaining terms. Restricted mortgage and construction loans as of September 30, 2009 and 2008, were \$573,549,989 and \$525,920,915, respectively.

Under its McKinney Act Program, the Agency has made predevelopment bridge loans, to finance acquisition, predevelopment and rehabilitation costs associated with housing development, McKinney Act loans. These loans are typically unenhanced loans repaid at the time the bond financing is put in place.

For the years ended September 30, 2009 and 2008, there was no allowance for loan losses under the Agency Revenue Obligation Funds. For the year ended 2009 and 2008, the balances and changes in the allowance for loan losses on the McKinney Act loans under the General Fund were as follows:

	<u>2009</u>
Beginning Balance at September 30,	\$ 232,085
Net increase in provision for loan losses	<u>53,472</u>
Ending Balance at September 30,	<u>\$ 285,557</u>

**NOTE 6: CAPITAL ASSETS**

The following is the detail of changes in capital assets during the year ended September 30, 2009:

	September 30, 2008	Additions / Dispositions	September 30, 2009
Non-depreciable capital assets			
Land	\$ 573,000	\$ -	\$ 573,000
Total Non-depreciable capital assets	573,000	-	573,000
Depreciable and amortizable capital assets			
Building	1,795,238	-	1,795,238
Furniture and equipment	1,566,501	3,761	1,570,262
Subtotal	3,361,739	3,761	3,365,500
Less: accumulated depreciation	(2,125,329)	(121,996)	(2,247,325)
Total building, furniture and equipment	1,236,410	(118,235)	1,118,175
Leasehold improvements	1,524,389	3,903	1,528,292
Software	269,170	74,538	343,708
Subtotal	1,793,559	78,441	1,872,000
Less: accumulated amortization	(955,831)	(45,141)	(1,000,972)
Total leasehold improvements and software	837,728	33,300	871,028
Total depreciable and amortizable capital assets	2,074,138	(84,935)	1,989,203
Total capital assets	5,728,298	82,202	5,810,500
Less accumulated depreciation and amortization	(3,081,160)	(167,137)	(3,248,297)
Total capital assets	\$ 2,647,138	\$ (84,935)	\$ 2,562,203

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**NOTE 6: CAPITAL ASSETS (Continued)**

The following is the detail of changes in capital assets during the year ended September 30, 2008:

	<u>September 30, 2007</u>	<u>Additions / Dispositions</u>	<u>September 30, 2008</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 and amortizable capital assets			
Building	1,795,238	-	1,795,238
Furniture and equipment	1,517,771	48,730	1,566,501
Subtotal	<u>3,313,009</u>	<u>48,730</u>	<u>3,361,739</u>
Less: accumulated depreciation	<u>(2,216,561)</u>	<u>(142,748)</u>	<u>(2,359,309)</u>
Total building, furniture and equipment	<u>1,096,448</u>	<u>(94,018)</u>	<u>1,002,430</u>
Leasehold improvements	1,223,905	300,484	1,524,389
Software	251,435	17,735	269,170
Subtotal	<u>1,475,340</u>	<u>318,219</u>	<u>1,793,559</u>
Less: accumulated amortization	<u>(663,324)</u>	<u>(58,527)</u>	<u>(721,851)</u>
Total leasehold improvements and software	<u>812,016</u>	<u>259,692</u>	<u>1,071,708</u>
Total depreciable and amortizable capital assets	<u>1,908,464</u>	<u>165,674</u>	<u>2,074,138</u>
Total capital assets	5,361,349	366,949	5,728,298
Less accumulated depreciation and amortization	<u>(2,879,885)</u>	<u>(201,275)</u>	<u>(3,081,160)</u>
Total capital assets	<u>\$ 2,481,464</u>	<u>\$ 165,674</u>	<u>\$ 2,647,138</u>

There were no disposals during the years ended September 30, 2009 and 2008. Depreciation and amortization expenses for fiscal years 2009 and 2008 were \$167,137 and \$201,275, respectively.

**NOTE 7: BONDS PAYABLE**

The 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 range up to 5%. Under the Multi-family (Conduit Bond) Program, this option generally can not be exercised until the bonds have been outstanding for ten years as provided in the



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**NOTE 7: BONDS PAYABLE (Continued)**

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 multi-family 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 mortgage loans and mortgage-backed securities made on the related developments.

(Continued)

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**NOTE 7: BONDS PAYABLE (Continued)**

The following is a summary of the bond activity for the year ended September 30, 2009 and the debt outstanding and bonds and certificates of participation payable as of September 30, 2009:

	Range of Interest Rates	Range of Maturities	Bond Activity				Debt Outstanding at 9/30/2009	Discount (-) / Premium (+)	Bonds Payable at 9/30/2009	Due Within One Year
			Debt Outstanding at 9/30/2008	New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed				
<b>1998 DC Building Finance Corporation Certificates of Participation</b>										
1998 Series	5.35%	2010 ~ 2018	\$ 1,400,000	\$ -	\$ 110,000	\$ -	\$ 1,290,000	\$ -	\$ 1,290,000	\$ 115,000
Total			<u>\$ 1,400,000</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ -</u>	<u>\$ 1,290,000</u>	<u>\$ -</u>	<u>\$ 1,290,000</u>	<u>\$ 115,000</u>

	Range of Interest Rates	Range of Maturities	Bond Activity				Debt Outstanding at 9/30/2009	Discount (-) / Premium (+)	Bonds Payable at 9/30/2009	Due Within One Year
			Debt Outstanding at 9/30/2008	New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed				
<b>1986 Single Family Whole Loan Bonds</b>										
1986 Series A	7.75%	2016	\$ 1,335,000	\$ -	\$ -	\$ 170,000	\$ 1,165,000	\$ -	\$ 1,165,000	\$ -
Total			<u>\$ 1,335,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,000</u>	<u>\$ 1,165,000</u>	<u>\$ -</u>	<u>\$ 1,165,000</u>	<u>\$ -</u>

<b>Single Family Indentures</b>										
<b>1988 Single Family Mortgage Revenue Bonds</b>										
1988 Series E-4	6.38%	2015 ~ 2026	\$ 4,520,000			\$ 325,000	\$ 4,195,000	\$ (148,182)	\$ 4,046,818	\$ -
Total			<u>\$ 4,520,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,000</u>	<u>\$ 4,195,000</u>	<u>\$ (148,182)</u>	<u>\$ 4,046,818</u>	<u>\$ -</u>

<b>1996 Single Family Mortgage Revenue Bonds</b>										
1996 Series A	5.40% ~ 6.15%	2008 ~ 2028	\$ 5,220,000	\$ -	\$ 190,000	\$ 70,000	\$ 4,960,000	\$ 288,065	\$ 5,248,065	\$ 150,000
1997 Series B	5.25% ~ 5.90%	2008 ~ 2028	4,225,000	-	90,000	310,000	3,825,000	436,693	4,261,693	140,000
1998 Series A	4.90% ~ 5.35%	2008 ~ 2009	7,880,000	-	210,000	360,000	7,310,000	444,837	7,754,837	205,000
1999 Series A	4.95% ~ 5.45%	2008 ~ 2030	7,230,000	-	160,000	530,000	6,540,000	701,146	7,241,146	175,000
2000 Series A	5.65% ~ 6.30%	2008 ~ 2009	3,550,000	-	75,000	10,000	3,465,000	718,099	4,183,099	70,000
2000 Series C	5.75% ~ 6.25%	2008 ~ 2031	800,000	-	20,000	-	780,000	-	780,000	20,000
2000 Series D	5.65% ~ 6.15%	2008 ~ 2031	3,010,000	-	60,000	-	2,950,000	727,888	3,677,888	65,000
2001 Series A	4.95% ~ 6.85%	2008 ~ 2032	4,760,000	-	95,000	335,000	4,330,000	290,447	4,620,447	90,000
2005 Series A	5.50%	2008 ~ 2025	5,790,000	-	265,000	280,000	5,245,000	251,703	5,496,703	260,000
2005 Series B	4.75% ~ 5.625%	2006 ~ 2035	15,470,000	-	255,000	915,000	14,300,000	345,055	14,645,055	265,000
2006 Series A	4.95%	2008 ~ 2026	3,815,000	-	135,000	200,000	3,480,000	-	3,480,000	130,000
2006 Series B	5.1% ~ 5.35%	2008 ~ 2037	24,695,000	-	450,000	1,570,000	22,675,000	402,695	23,077,695	330,000
2006 Series D	4.60%	2008 ~ 2020	1,845,000	-	90,000	145,000	1,610,000	-	1,610,000	120,000
2006 Series E	4.65%	2008 ~ 2037	49,385,000	-	850,000	795,000	47,740,000	-	47,740,000	870,000
2007 Series A	5.15%	2008 ~ 2038	49,665,000	-	700,000	20,535,000	28,430,000	453,510	28,883,510	320,000
2007 Series B	3.55%	2008	50,000,000	-	50,000,000	-	-	-	-	-
2005 Draw Down Series	Variable	2008	191,420,000	-	-	191,420,000	-	-	-	-
Total			<u>\$ 428,760,000</u>	<u>\$ -</u>	<u>\$ 53,645,000</u>	<u>\$ 217,475,000</u>	<u>\$ 157,640,000</u>	<u>\$ 5,060,138</u>	<u>\$ 162,700,138</u>	<u>\$ 3,210,000</u>
<b>Combined Single Family Indentures Total</b>										
			<u>\$ 434,615,000</u>	<u>\$ -</u>	<u>\$ 53,645,000</u>	<u>\$ 217,970,000</u>	<u>\$ 163,000,000</u>	<u>\$ 4,911,956</u>	<u>\$ 167,911,956</u>	<u>\$ 3,210,000</u>

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**NOTE 7: BONDS PAYABLE (Continued)**

	Project Name	Range of Interest Rates	Range of Maturities	Bond Activity							
				Debt Outstanding at 9/30/2008	New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed	Debt Outstanding at 9/30/2009	Discount (-) / Premium (+)	Bonds Payable at 9/30/2009	Due Within One Year
<b>Multi-Family Conduit Bonds</b>											
1989 Series A	Fort Lincoln	Variable	2008 – 2019	\$ 6,145,000	\$ -	\$ -	\$ 6,145,000	-	-	-	-
1994 Series D	Oak Street	7.00%	2009 – 2023	1,505,000	-	-	60,000	1,445,000	-	1,445,000	70,000
1995 Series	Tyler House	7.52%	2025	24,200,000	-	-	-	24,200,000	-	24,200,000	-
1995 Series	Benning Rd	6.30%	2009 – 2012	1,805,000	-	-	410,000	1,395,000	(11,317)	1,383,683	435,000
1997 Series A	Colorado Avenue	5.85%	2008 – 2027	840,000	-	-	25,000	815,000	12,250	827,250	25,000
1998 Series	Burke, Randolph, Ft. Stephens, 7th Str.	5.15%	2009 – 2026	7,715,000	-	-	235,000	7,480,000	-	7,480,000	250,000
1998 Series A-1	Benning Heights	5.20%	2009	5,750,000	-	-	5,750,000	-	-	-	-
1998 Series A-2	Temple Courts	6.50%	2009	3,435,000	-	-	3,435,000	-	-	-	-
1998 Series A-3	Parcel 13	6.50%	2009 – 2028	1,285,000	-	-	25,000	1,260,000	-	1,260,000	25,000
1999 Series	Rockburne Estates	5.20% – 5.75%	2009 – 2041	8,055,000	-	-	85,000	7,970,000	-	7,970,000	90,000
1999 Series	Garfield Park Apts	7.25%	2008 – 2031	2,974,315	-	-	52,967	2,921,349	-	2,921,349	56,937
1999 Series A	Walbruff Apts	6.10%	2008 – 2039	1,890,000	-	-	20,000	1,870,000	-	1,870,000	20,000
1999 Series	Barnaby Manor	7.375%	2008 – 2032	4,164,131	-	-	68,133	4,095,998	-	4,095,998	73,331
1999 Series	Ft. Chapin	6.90%	2008 – 2035	24,002,871	-	-	309,711	23,693,160	-	23,693,160	331,772
1999 Series	Staton Glenn Apt	5.60% – 6.28%	2008 – 2042	22,480,000	-	-	175,000	22,305,000	-	22,305,000	185,000
2000 Series	Widrich Court Apt	7.30%	2008 – 2032	3,322,192	-	-	53,352	3,268,841	-	3,268,841	57,379
2000 Series A	Congress Park Plaza	5.95% – 6.25%	2008 – 2036	3,275,000	-	-	40,000	3,235,000	37,257	3,272,257	40,000
2000 Series C	636 Coop	6.50%	2009 – 2040	580,000	-	-	5,000	575,000	-	575,000	-
2000 Series	Aspen Court	6.15%	2009 – 2033	3,835,000	-	-	60,000	3,775,000	-	3,775,000	60,000
2000 Series A	Haven House	6.50%	2009 – 2042	790,000	-	-	-	790,000	-	790,000	10,000
2000 Series D	Chesapeake / Hartford / Knox	6.10%	2008 – 2041	4,420,000	-	-	40,000	4,380,000	-	4,380,000	40,000
2000 Series	Carver Terrace	5.70% – 6.05%	2009 – 2033	14,450,000	-	-	220,000	14,230,000	-	14,230,000	230,000
2001 Series A	Douglas Knoll	5.90%	2008 – 2043	9,679,000	-	-	75,000	9,604,000	-	9,604,000	80,000
2001 Series D	Parkway Overlook	5.00%	2008	80,000	-	80,000	-	-	-	-	-
2001 Series D	Meridian Manor	5.70%	2008 – 2037	2,300,000	-	-	30,000	2,270,000	-	2,270,000	30,000
2001 Series	Woodmont Crossing	5.70%	2009 – 2022	9,900,000	-	-	150,000	9,750,000	-	9,750,000	160,000
2001 Series	Clifton Terrace	5.99%	2008 – 2033	5,160,966	-	-	88,542	5,072,425	-	5,072,425	93,994
2001 Series E	Huntwood Apts	5.45%	2008 – 2038	6,525,000	-	-	80,000	6,445,000	-	6,445,000	80,000
2000 Series	WDC I LP (Regency)	Variable	2008 – 2032	8,005,000	-	-	185,000	7,820,000	-	7,820,000	195,000
2001 Series A&B	Columbia Heights	5.60% – 7.00%	2008 – 2043	33,620,000	-	-	275,000	33,345,000	-	33,345,000	295,000
2002 Series	Jeffery Gardens	5.65% – 5.80%	2009 – 2043	11,760,000	-	-	100,000	11,660,000	-	11,660,000	110,000
2002 Series	Trenton Park Apts	Variable	2009 – 2035	6,110,000	-	-	75,000	6,035,000	-	6,035,000	80,000
2002 Series	Faircliff Plaza East	7.20%	2008 – 2039	6,764,528	-	-	6,764,528	-	-	-	-
2002 Series A	DCCH Pool: Euclid Street	5.75%	2008 – 2039	1,415,000	-	-	10,000	1,405,000	-	1,405,000	10,000
2002 Series C	DCCH Pool: Chapin Street	5.75%	2008 – 2039	1,190,000	-	-	10,000	1,180,000	-	1,180,000	10,000
2002 Series G	Trinity Towers Apts	4.65% – 5.55%	2008 – 2038	8,335,000	-	-	95,000	8,240,000	-	8,240,000	100,000
2002 Series E	Golden Rule Plaza	4.75% – 5.70%	2008 – 2044	6,220,000	-	-	50,000	6,170,000	-	6,170,000	50,000
2002 Series	Capitol Park Plaza & Twin Towers Apts	5.35%	2021 – 2035	30,000,000	-	-	-	30,000,000	-	30,000,000	-
2002 Series I	Henson Ridge	5.40%	2009 – 2045	3,990,000	-	-	30,000	3,960,000	-	3,960,000	30,000
2002 Series J	Fairmont I & II	4.50% – 5.30%	2008 – 2040	15,645,000	-	-	175,000	15,470,000	-	15,470,000	185,000
2003 Series A	Elsinore Courtyard	4.95% – 5.15%	2008 – 2044	5,815,000	-	-	50,000	5,765,000	-	5,765,000	55,000
2003 Series	Bowling Green	4.50% – 4.70%	2008 – 2044	10,435,000	-	-	100,000	10,335,000	-	10,335,000	110,000
2003 Series B	Urban Village	5.25%	2008 – 2044	6,150,000	-	-	50,000	6,100,000	-	6,100,000	60,000
2003 Series C	St. Paul Sr. Living @ Wayne Place	5.40% – 5.60%	2008 – 2045	3,515,000	-	-	30,000	3,485,000	-	3,485,000	30,000
2003 Series	Wingate Towers	5.30% – 5.50%	2009 – 2045	44,085,000	-	-	355,000	43,730,000	-	43,730,000	375,000
2004 Series A	1330 7th Street	3.00% – 5.00%	2008 – 2045	12,615,000	-	-	195,000	12,420,000	-	12,420,000	200,000
2004 Series A	Congress Park II	6.70%	2008 – 2041	4,801,433	-	-	42,962	4,758,471	-	4,758,471	45,930
2004 Series B&C	JW King Seniors Center	4.25% – 5.15%	2008 – 2045	5,195,000	-	-	45,000	5,150,000	-	5,150,000	45,000

(continued)

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**NOTE 7: BONDS PAYABLE (Continued)**

	Project Name	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2008	Bond Activity			Debt Outstanding at 9/30/2009	Discount (-) / Premium (+)	Bonds Payable at 9/30/2009	Due Within One Year
					New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed				
<b>Multi-Family Conduit Bonds (Continued)</b>											
2004 Series	Savannah Heights	4.10% ~ 5.10%	2008 ~ 2045	\$ 7,755,000	\$ -	\$ -	\$ 30,000	\$ 7,725,000	\$ -	\$ 7,725,000	\$ 45,000
2004 Series D	Henson Ridge Phase II	4.65% ~ 4.90%	2008 ~ 2047	5,815,000	-	-	50,000	5,765,000	-	5,765,000	50,000
2004 Series E	Henson Ridge Phase II	4.10% ~ 5.10%	2008 ~ 2037	7,440,000	-	-	115,000	7,325,000	-	7,325,000	120,000
2005 Series	Capitol Gateway	3.91%	2008	11,125,000	-	11,125,000	-	-	-	-	-
2005 Series A	Faircliff Plaza - West	6.50%	2008 ~ 2047	11,186,387	-	-	67,704	11,118,683	-	11,118,683	72,238
2005 Series B	Faircliff Plaza - West	6.50%	2008 ~ 2025	566,402	-	-	19,654	546,747	-	546,747	20,971
2005 Series	DCHA Modernization Program	3.50% ~ 5.00	2009 ~ 2025	68,840,000	-	2,765,000	-	66,075,000	3,029,447	69,104,447	2,880,000
2005 Series	Shipley Park Apts	3.75% ~ 4.80	2008 ~ 2038	11,880,000	-	-	155,000	11,725,000	-	11,725,000	165,000
2005 Series	Arthur Capper Senior II	3.90%	2009	9,070,000	-	-	9,070,000	-	-	-	-
2006 Series	Hunter Pines	6.25%	2008 ~ 2048	10,592,365	-	-	64,209	10,528,156	-	10,528,156	68,339
2006 Series	GW Carver Senior Apts	5.875%	2008 ~ 2048	8,811,910	-	-	70,641	8,741,270	-	8,741,270	105,098
2006 Series	Garfield Hills Apts	4.70% ~ 5.00%	2009 ~ 2036	3,990,000	-	-	60,000	3,930,000	-	3,930,000	60,000
2006 Series	Galen Terrace	6.00%	2008 ~ 2048	4,528,436	-	-	28,360	4,500,077	-	4,500,077	30,109
2006 Series A	Southview I & II	6.25%	2008 ~ 2048	13,184,157	-	2,000,000	65,899	11,118,259	-	11,118,259	70,137
2006 Series	Golden Rule Apts	5.25%	2009 ~ 2048	12,600,000	-	-	-	12,600,000	-	12,600,000	370,000
2006 Series A	Wesley House	4.80%	2009 ~ 2049	10,340,000	-	1,000,000	35,000	9,305,000	-	9,305,000	75,000
2006 Series	Azeeze Bates Apts	4.80%	2008 ~ 2036	3,995,000	-	100,000	-	3,895,000	-	3,895,000	100,000
2006 Series	Eastgate Family Rental	4.66%	2009	11,000,000	-	-	-	11,000,000	-	11,000,000	11,000,000
2007 Series	Cavalier Apts	5.60%	2009 ~ 2049	26,000,000	-	-	10,662,215	15,337,785	-	15,337,785	106,723
2007 Series	Residences at Georgia Avenue Apts	5.80%	2009 ~ 2051	13,000,000	-	4,000,000	-	9,000,000	-	9,000,000	-
2007 Series	R Street Apts	5.60%	2011 ~ 2056	12,300,000	-	-	-	12,300,000	-	12,300,000	-
2007 Series	Mayfair Mansions Apts	5.70%	2008 ~ 2051	24,435,595	16,280,004	-	200,130	40,515,469	-	40,515,469	11,811,039
2007 Series A	Parkside Terrace Apts	Variable	2010 ~ 2045	6,435,000	16,365,000	-	-	22,800,000	-	22,800,000	34,191
2007 Series B	Parkside Terrace Apts	Variable	2010	3,102,530	10,897,470	-	-	14,000,000	-	14,000,000	14,000,000
2008 Series	Henson Ridge UFAS Rentals	6.00%	2011 ~ 2050	5,500,000	-	-	-	5,500,000	-	5,500,000	-
2008 Series	Longfellow Arms Apts	5.70%	2010 ~ 2040	4,300,000	-	-	2,300,000	2,000,000	-	2,000,000	-
2008 Series	Arthur Capper ACC Townhomes Phase I	4.25%	2011	5,100,000	-	-	-	5,100,000	-	5,100,000	-
2008 A Series	Fairmont I and II Apts	5.70%	2009 ~ 2040	3,235,000	-	-	15,000	3,220,000	-	3,220,000	30,000
2008 Series A	Wheeler Terrace	Variable	2010 ~ 2050	-	188,039	-	-	188,039	-	188,039	4,705
2008 Series B	Wheeler Terrace	Variable	2010	433,276	6,666,724	-	-	7,100,000	-	7,100,000	7,100,000
2008 Series A&B	St. Martin's Apts	5.40%	2010 ~ 2046	50,001	1,337,372	-	-	1,387,373	-	1,387,373	1,337,372
2008 Series	Pentacle Apartments	Variable	2038	-	11,560,000	-	-	11,560,000	-	11,560,000	-
2009 Series	Georgia Commons	2.875% ~ 5.875%	2012 ~ 2051	-	16,695,000	-	-	16,695,000	(230,073)	16,464,927	-
<b>Combined Multi-Family Indentures Total</b>				<u>\$ 722,840,495</u>	<u>\$ 79,989,608</u>	<u>\$ 21,070,000</u>	<u>\$ 49,284,004</u>	<u>\$ 732,476,100</u>	<u>\$ 2,837,564</u>	<u>\$ 735,313,664</u>	<u>\$ 54,085,264</u>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 7: BONDS PAYABLE (Continued)**

The following is a summary of the bond activity for the year ended September 30, 2008 and the debt outstanding and bonds and certificates of participation payable as of September 30, 2008:

	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2007	Bond Activity			Debt Outstanding at 9/30/2008	Discount (-) / Premium (+)	Bonds Payable at 9/30/2008	Due Within One Year
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed				
<b>1998 DC Building Finance Corporation Certificates of Participation</b>										
1998 Series	4.85% - 5.35%	2008 - 2018	\$ 1,525,000	\$ -	\$ 125,000	\$ -	\$ 1,400,000	\$ -	\$ 1,400,000	\$ 110,000
Total			\$ 1,525,000	\$ -	\$ 125,000	\$ -	\$ 1,400,000	\$ -	\$ 1,400,000	\$ 110,000
<b>1986 Single Family Whole Loan Bonds</b>										
1986 Series A	7.750%	2016	\$ 1,505,000	\$ -	\$ -	\$ 170,000	\$ 1,335,000	\$ -	\$ 1,335,000	\$ -
Total			1,505,000	-	-	170,000	1,335,000	-	1,335,000	-
<b>1988 Collateralized Single Family Mortgage Revenue Bonds</b>										
1988 Series E-2	7.700%	2022	25,000	-	-	25,000	-	-	-	-
1988 Series E-4	6.375%	2015 - 2026	4,950,000	-	-	430,000	4,520,000	(156,899)	4,363,101	-
Total			4,975,000	-	-	455,000	4,520,000	(156,899)	4,363,101	-
<b>1996 Single Family Mortgage Revenue Bonds</b>										
1996 Series A	5.40% - 6.15%	2007 - 2028	5,745,000	-	120,000	405,000	5,220,000	303,094	5,523,094	190,000
1997 Series B	5.20% - 5.90%	2007 - 2028	4,985,000	-	100,000	660,000	4,225,000	459,477	4,684,477	90,000
1998 Series A	4.80% - 6.25%	2007 - 2029	8,925,000	-	215,000	830,000	7,880,000	467,456	8,347,456	210,000
1999 Series A	4.85% - 6.65%	2007 - 2030	8,310,000	-	175,000	905,000	7,230,000	734,271	7,964,271	160,000
2000 Series A	5.60% - 6.30%	2007 - 2031	3,790,000	-	75,000	165,000	3,550,000	751,242	4,301,242	75,000
2000 Series C	5.75% - 6.25%	2007 - 2031	810,000	-	10,000	-	800,000	-	800,000	20,000
2000 Series D	5.65% - 6.50%	2007 - 2031	3,235,000	-	60,000	165,000	3,010,000	761,483	3,771,483	60,000
2001 Series A	4.95% - 6.85%	2007 - 2032	5,195,000	-	100,000	335,000	4,760,000	303,261	5,063,261	100,000
2005 Series A	5.50%	2007 - 2025	6,805,000	-	270,000	745,000	5,790,000	267,272	6,057,272	265,000
2005 Series B	4.75% - 5.625%	2007 - 2035	16,570,000	-	255,000	845,000	15,470,000	358,242	15,828,242	255,000
2006 Series A	4.95%	2007 - 2026	4,635,000	-	150,000	670,000	3,815,000	-	3,815,000	140,000
2006 Series B	5.1% - 5.35%	2007 - 2037	25,000,000	-	305,000	-	24,695,000	417,251	25,112,251	320,000
2006 Series D	4.60%	2007 - 2020	1,960,000	-	60,000	55,000	1,845,000	-	1,845,000	95,000
2006 Series E	4.65%	2007 - 2037	50,000,000	-	615,000	-	49,385,000	-	49,385,000	850,000
2006 Series F	3.60%	2007	50,000,000	-	50,000,000	-	-	-	-	-
2007 Series A	5.15%	2008 - 2038	-	50,000,000	335,000	-	49,665,000	31,250	49,696,250	700,000
2007 Series B	3.55%	2008	-	50,000,000	-	-	50,000,000	-	50,000,000	50,000,000
2005 Draw Down Series	3.38%	2008	172,625,000	18,795,000	-	-	191,420,000	-	191,420,000	-
Total			368,590,000	118,795,000	52,845,000	5,780,000	428,760,000	4,854,298	433,614,298	53,530,000
<b>Combined Single Family Indentures Total</b>			<b>\$ 375,070,000</b>	<b>\$ 118,795,000</b>	<b>\$ 52,845,000</b>	<b>\$ 6,405,000</b>	<b>\$ 434,615,000</b>	<b>\$ 4,697,399</b>	<b>\$ 439,312,399</b>	<b>\$ 53,530,000</b>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 7: BONDS PAYABLE (Continued)**

Project Name	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2007	Bond Activity			Debt Outstanding at 9/30/2008	Discount (-) / Premium (+)	Bonds Payable at 9/30/2008	Due Within One Year
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed				
<b>Multi-Family Conduit Bonds</b>										
1988 Series	Mayfair Mansions	5% ~ 5.85%	2008 ~ 2030	\$ 12,825,000	\$ -	\$ 12,825,000	\$ -	\$ -	\$ -	\$ -
1989 Series A	Fort Lincoln	Variable	2007 ~ 2019	6,465,000	-	320,000	-	6,145,000	-	6,145,000
1994 Series D	Oak Street	7.00%	2008 ~ 2023	1,565,000	-	60,000	-	1,505,000	-	1,505,000
1995 Series	Tyler House	7.52%	2025	24,200,000	-	-	-	24,200,000	-	24,200,000
1995 Series	Benning Rd	6.30%	2008 ~ 2012	2,190,000	-	385,000	-	1,805,000	(16,346)	1,788,654
1997 Series A	Colorado Avenue	5.85% ~ 5.95%	2007 ~ 2027	860,000	-	20,000	-	840,000	13,750	853,750
1998 Series	Burke, Randolph, Ft. Stephens, 7th Str.	4.40% ~ 5.15%	2008 ~ 2026	7,940,000	-	225,000	-	7,715,000	-	7,715,000
1998 Series A-1	Benning Heights	5.20%	2008 ~ 2009	5,890,000	-	140,000	-	5,750,000	-	5,750,000
1998 Series A-2	Temple Courts	6.50%	2008 ~ 2009	3,550,000	-	115,000	-	3,435,000	-	3,435,000
1998 Series A-3	Parcel 13	6.50%	2008 ~ 2028	1,305,000	-	20,000	-	1,285,000	-	1,285,000
1999 Series	Rockburne Estates	5.20% ~ 5.75%	2008 ~ 2041	8,135,000	-	80,000	-	8,055,000	-	8,055,000
1999 Series	Garfield Park Apts	7.25%	2007 ~ 2031	3,023,588	-	49,273	-	2,974,315	-	2,974,315
1999 Series A	Walbraff Apts	6.10%	2007 ~ 2039	1,910,000	-	20,000	-	1,890,000	-	1,890,000
1999 Series	Barnaby Manor	7.375%	2007 ~ 2032	4,227,434	-	63,303	-	4,164,131	-	4,164,131
1999 Series	Ft. Chapin	6.90%	2007 ~ 2036	24,291,991	-	289,120	-	24,002,871	-	24,002,871
1999 Series	Staton Glenn Apt.	5.60% ~ 6.28%	2007 ~ 2042	22,650,000	-	170,000	-	22,480,000	-	22,480,000
2000 Series	Widrich Court Apt	7.30%	2007 ~ 2032	3,371,799	-	49,607	-	3,322,192	-	3,322,192
2000 Series A	Congress Park Plaza	5.95% ~ 6.25%	2007 ~ 2036	3,315,000	-	40,000	-	3,275,000	38,629	3,313,629
2000 Series C	636 Coop	6.50%	2008 ~ 2040	585,000	-	5,000	-	580,000	-	580,000
2000 Series	Aspen Court	6.15%	2008 ~ 2033	3,890,000	-	55,000	-	3,835,000	-	3,835,000
2000 Series A	Haven House	6.50%	2008 ~ 2042	795,000	-	5,000	-	790,000	-	790,000
2000 Series D	Chesapeake/Hartford/Knox	6.10%	2007 ~ 2041	4,460,000	-	40,000	-	4,420,000	-	4,420,000
2000 Series	Carver Terrace	5.70% ~ 6.05%	2008 ~ 2035	14,655,000	-	205,000	-	14,450,000	-	14,450,000
2001 Series A	Douglas Knoll	5.90%	2007 ~ 2043	9,749,000	-	70,000	-	9,679,000	-	9,679,000
2001 Series D	Parkway Overlook	5.00%	2007 ~ 2008	200,000	-	120,000	-	80,000	-	80,000
2001 Series D	Meridian Manor	5.70%	2007 ~ 2037	2,330,000	-	30,000	-	2,300,000	-	2,300,000
2001 Series	Woodmont Crossing	5.70%	2008 ~ 2022	10,040,000	-	140,000	-	9,900,000	-	9,900,000
2001 Series	Clifton Terrace	5.99%	2007 ~ 2033	5,244,373	-	83,406	-	5,160,966	-	5,160,966
2001 Series E	Huntwood Apts	5.45%	2007 ~ 2038	6,595,000	-	70,000	-	6,525,000	-	6,525,000
2000 Series	WDC I LP (Regency)	4.38%	2007 ~ 2032	8,185,000	-	180,000	-	8,005,000	-	8,005,000
2001 Series A&B	Columbia Heights	5.60% ~ 7.00%	2007 ~ 2043	33,875,000	-	255,000	-	33,620,000	-	33,620,000
2002 Series	Jeffery Gardens	5.65% ~ 5.80%	2008 ~ 2043	11,855,000	-	95,000	-	11,760,000	-	11,760,000
2002 Series	Trenton Park Apts	Variable	2008 ~ 2035	6,180,000	-	70,000	-	6,110,000	-	6,110,000
2002 Series	Faircliff Plaza East	7.20%	2007 ~ 2039	6,823,615	-	59,087	-	6,764,528	-	6,764,528
2002 Series A	DCCH Pool: Euclid Street	5.75%	2007 ~ 2039	1,425,000	-	10,000	-	1,415,000	-	1,415,000
2002 Series C	DCCH Pool: Chapin Street	5.75%	2007 ~ 2039	1,200,000	-	10,000	-	1,190,000	-	1,190,000
2002 Series G	Trinity Towers Apts	4.65% ~ 5.55%	2007 ~ 2038	8,430,000	-	95,000	-	8,335,000	-	8,335,000
2002 Series E	Golden Rule Plaza	4.75% ~ 5.70%	2007 ~ 2044	6,270,000	-	50,000	-	6,220,000	-	6,220,000
2002 Series	Capitol Park Plaza & Twin Towers Apts	5.35%	2021 ~ 2035	30,000,000	-	-	-	30,000,000	-	30,000,000
2002 Series I	Henson Ridge	5.40%	2007 ~ 2045	4,020,000	-	30,000	-	3,990,000	-	3,990,000

(continued)

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 7: BONDS PAYABLE (Continued)**

	Project Name	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2007	Bond Activity			Debt Outstanding at 9/30/2008	Discount (-) / Premium (+)	Bonds Payable at 9/30/2008	Due Within One Year
					New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed				
<b>Multi-Family Conduit Bonds (Continued)</b>											
2003 Series A	Elsinore Courtyard	4.95% ~ 5.15%	2007 ~2044	\$ 5,865,000	\$ -	\$ 50,000	\$ -	\$ 5,815,000	\$ -	\$ 5,815,000	\$ 50,000
2003 Series	Bowling Green	4.50% ~ 4.70%	2007 ~ 2044	10,535,000	-	100,000	-	10,435,000	-	10,435,000	100,000
2003 Series B	Urban Village	5.25%	2007 ~ 2044	6,200,000	-	50,000	-	6,150,000	-	6,150,000	50,000
2003 Series A	St. Paul Sr. Living @ Wayne Place (RS)	5.4% ~ 5.6%	2007 ~2045	3,540,000	-	25,000	-	3,515,000	-	3,515,000	30,000
2003 Series	Wingate Towers	5.30% ~ 5.50%	2008 ~ 2045	45,000,000	-	915,000	-	44,085,000	-	44,085,000	355,000
2004 Series A	1330 7th Street	3.00% ~ 5.00%	2007 ~ 2045	12,800,000	-	185,000	-	12,615,000	-	12,615,000	195,000
2004 Series A	Congress Park II	6.70%	2007 ~ 2041	4,841,618	-	40,185	-	4,801,433	-	4,801,433	42,962
2004 Series B&C	JW King Seniors Center	4.25% ~ 5.15%	2007 ~ 2045	5,235,000	-	40,000	-	5,195,000	-	5,195,000	45,000
2004 Series	Savannah Heights	4.10% ~ 5.10%	2007 ~ 2045	7,895,000	-	140,000	-	7,755,000	-	7,755,000	30,000
2004 Series D	Henson Ridge Phase II	4.65% ~ 4.90%	2007 ~ 2047	5,865,000	-	50,000	-	5,815,000	-	5,815,000	50,000
2004 Series E	Henson Ridge Phase II	4.10% ~5.10%	2007 ~ 2037	7,555,000	-	115,000	-	7,440,000	-	7,440,000	115,000
2004 Series	Arthur Capper Sr. I	2.90%	2008	9,000,000	-	-	9,000,000	-	-	-	-
2005 Series	Capitol Gateway	3.91%	2008	11,125,000	-	-	-	11,125,000	-	11,125,000	11,125,000
2005 Series A&B	Faircliff Plaza - West	6.50%	2007 ~ 2047	11,834,663	-	81,875	-	11,752,788	-	11,752,788	87,358
2005 Series	DCHA Modernization Program	3.00% ~ 5.00%	2008 ~ 2025	71,480,000	-	2,640,000	-	68,840,000	3,221,791	72,061,791	2,765,000
2005 Series	Shipley Park Apts	3.75% ~ 4.80%	2008 ~ 2038	11,920,000	-	40,000	-	11,880,000	-	11,880,000	155,000
2005 Series	Arthur Capper Senior II	3.90%	2009	9,070,000	-	-	-	9,070,000	-	9,070,000	9,070,000
2005 Series	Eastgate Senior I	4.43%	2008	6,400,000	-	-	6,400,000	-	-	-	-
2005 Series	MF Draw Down	5.05%	2055	27,115,000	-	27,115,000	-	-	-	-	-
2006 Series	Hunter Pines	6.25%	2008 ~ 2048	10,633,000	-	40,635	-	10,592,365	-	10,592,365	64,209
2006 Series	GW Carver Senior Apts	5.88%	2007 ~ 2048	8,870,000	-	58,090	-	8,811,910	-	8,811,910	112,451
2006 Series	Garfield Hills Apts	4.00% ~ 5.00%	2008 ~ 2036	5,050,000	-	1,060,000	-	3,990,000	-	3,990,000	60,000
2006 Series	Galen Terrace	6.00%	2008 ~ 2048	5,660,000	-	1,131,564	-	4,528,436	-	4,528,436	28,360
2006 Series A&B	Southview I & II	6.25%	2008 ~ 2048	13,200,000	-	15,843	-	13,184,157	-	13,184,157	2,065,899
2006 Series	Golden Rule Apts	5.25%	2009 ~ 2048	12,600,000	-	-	-	12,600,000	-	12,600,000	-
2006 Series A&B	Wesley House	4.10% ~ 4.80%	2009 ~ 2049	10,340,000	-	-	-	10,340,000	-	10,340,000	1,035,000
2006 Series	Azeeze Bates Apts	4.80%	2007 ~ 2036	4,090,000	-	-	95,000	3,995,000	-	3,995,000	100,000
2006 Series	Eastgate Family Rental	4.66%	2009	11,000,000	-	-	-	11,000,000	-	11,000,000	-
2007 Series	Cavalier Apts	5.60%	2010 ~ 2050	26,000,000	-	-	-	26,000,000	-	26,000,000	-
2007 Series	Residences at Georgia Avenue Apts	5.80%	2009 ~ 2051	13,000,000	-	-	-	13,000,000	-	13,000,000	4,000,000
2007 Series	R Street Apts	5.60%	2011 ~ 2056	12,300,000	-	-	-	12,300,000	-	12,300,000	-
2007 Series	Mayfair Mansions Apts	5.70%	2007 ~ 2038	16,800,000	7,810,000	174,405	-	24,435,595	240,570	24,676,165	200,130
2008 Series	Henson Ridge UFAS Rentals	6.00%	2011 ~ 2050	-	5,500,000	-	-	5,500,000	-	5,500,000	-
2008 Series	Longfellow Arms Apts	5.70%	2010 ~ 2040	-	4,300,000	-	-	4,300,000	-	4,300,000	-
2007 Series A&B	Parkside Terrace Apts	2.39% ~ 3.47%	2010 ~ 2028	-	9,537,530	-	-	9,537,530	-	9,537,530	-
2008 Series	Arthur Capper ACC Townhomes Phase I	4.25%	2011	-	5,100,000	-	-	5,100,000	-	5,100,000	-
2008 A Series	Fairmont I and II Apts	5.70%	2009 ~ 2040	-	3,235,000	-	-	3,235,000	-	3,235,000	15,000
2008 Series A&B	Wheeler Terrace	Variable	2010 ~2050	-	433,276	-	-	433,276	-	433,276	-
2008 Series A&B	St. Martin's Apts	5.40%	2010	-	50,001	-	-	50,001	-	50,001	-
<b>Combined Multi-Family Indentures Total</b>				<b>\$ 753,156,080</b>	<b>\$ 35,965,807</b>	<b>\$ 50,786,392</b>	<b>\$ 15,495,000</b>	<b>\$ 722,840,495</b>	<b>\$ 3,498,394</b>	<b>\$ 726,338,889</b>	<b>\$ 44,932,558</b>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 7: BONDS PAYABLE (Continued)**

During fiscal years 2008 and 2009, the Agency issued certain multi-family 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 2009.

Bond Series	Project Name	Total Draw-down Bond Amount	Total Bonds Issued September 30, 2008	Draw Down Bonds Issued, Fiscal Year 2009	Total Bonds Issued September 30, 2009
2007 Series A	Parkside Terrace Apts	\$ 22,800,000	\$ 6,435,000	\$ 16,365,000	\$ 22,800,000
2007 Series B	Parkside Terrace Apts	14,000,000	3,102,530	10,897,470	14,000,000
2007 Series	Mayfair Mansions	42,000,000	24,610,000	16,280,004	40,890,004
2008 Series A	St. Martin Apts	12,000,000	-	-	-
2008 Series B	St. Martin Apts	8,339,500	50,001	1,337,372	1,387,373
2008 Series A	Wheeler Terrace	8,160,000	-	188,039	188,039
2008 Series B	Wheeler Terrace	7,100,000	433,276	6,666,724	7,100,000
<b>Total</b>		<b>\$ 114,399,500</b>	<b>\$ 34,630,807</b>	<b>\$ 51,734,609</b>	<b>\$ 86,365,416</b>

As of September 30, 2009, 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, 2009 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		1986 Family Whole Loan Bond Program		1988 Single Family Mortgage Revenue Bonds		1996 Single Family Mortgage Revenue Bonds		Multi-Family (Conduit Bond) Program	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2010	\$ 66,981	\$ 115,000	\$ 90,288	\$ -	\$ 267,431	\$ -	\$ 8,067,202	\$ 3,210,000	\$ 37,390,652	\$ 54,085,264
2011	60,740	120,000	90,288	-	267,431	-	7,892,141	3,515,000	35,893,110	14,797,087
2012	54,143	130,000	90,288	-	267,431	-	7,705,409	3,630,000	35,095,108	13,988,460
2013	47,100	135,000	90,288	-	267,431	-	7,509,835	3,810,000	34,588,782	10,677,676
2014	39,789	140,000	90,288	-	267,431	-	7,304,066	4,000,000	34,026,285	11,175,899
2015-2019	77,582	650,000	161,289	1,165,000	1,154,846	1,285,000	33,064,767	23,110,000	160,704,673	63,866,224
2020-2024	-	-	-	-	619,625	1,960,000	26,185,080	28,695,000	140,348,104	93,871,284
2025-2029	-	-	-	-	56,162	950,000	17,953,106	33,170,000	108,702,214	101,995,194
2030-2034	-	-	-	-	-	-	9,482,242	31,095,000	85,286,777	87,201,089
2035-2039	-	-	-	-	-	-	2,066,021	23,405,000	54,416,143	139,278,879
2040-2044	-	-	-	-	-	-	-	-	25,932,018	90,493,134
2045-2049	-	-	-	-	-	-	-	-	7,296,008	42,889,026
2050-2054	-	-	-	-	-	-	-	-	820,948	7,095,569
2055-2059	-	-	-	-	-	-	-	-	60,798	1,061,314
Totals	\$ 346,335	\$ 1,290,000	\$ 612,729	\$ 1,165,000	\$ 3,167,788	\$ 4,195,000	\$ 127,229,869	\$ 157,640,000	\$ 760,561,620	\$ 732,476,100
Unamortized Premium / (Discount)	-	-	-	-	-	(148,182)	-	5,060,138	-	2,837,564
Bonds Payable	\$ 346,335	\$ 1,290,000	\$ 612,729	\$ 1,165,000	\$ 3,167,788	\$ 4,046,818	\$ 127,229,869	\$ 162,700,138	\$ 760,561,620	\$ 735,313,664



**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 7: BONDS PAYABLE (Continued)**

The interest calculations on outstanding variable rate bonds under the Multi-Family (Conduit Bond) Program are based on the variable rates in effect on September 30, 2009 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.

**NOTE 8: 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 Combining Statements of Revenues, Expenses and Changes in Net Assets is reduced by the rebate liability due to excess investment earnings. The increase/decrease in fair value of investments on the Combining Statements of Revenues, Expenses and Changes in Net Assets 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 mortgage-backed securities.

Rebate liability activity for the year ended September 30, 2009 was as follows:

	<b>DC Building Finance Corporation</b>	<b>1986 Family Whole Loan Bond Program</b>	<b>1988 Collateralized Single Family Mortgage Revenue Bonds</b>	<b>1996 Single Family Mortgage Revenue Bonds</b>	<b>Multi- Family (Conduit Bond) Program</b>
Rebate Liability as of September 30, 2008	\$ -	\$ -	\$ -	\$ -	\$ -
Change in estimated liability due to excess investment earnings	-	-	-	1,476,830	-
Change in estimated liability due to change in fair value of investments	-	-	-	-	-
Rebate Liability as of September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,476,830</u>	<u>\$ -</u>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 8: REBATE LIABILITY (Continued)**

Total rebate liability is allocated as follows:

	<b>DC Building Finance Corporation</b>	<b>1986 Family Whole Loan Bond Program</b>	<b>1988 Collateralized Single Family Mortgage Revenue Bonds</b>	<b>1996 Single Family Mortgage Revenue Bonds</b>	<b>Multi- Family (Conduit Bond) Program</b>
Estimated liability due to excess investment earnings	\$ -	\$ -	\$ -	\$ 1,476,830	\$ -
Estimated liability due to change in fair value of investments	-	-	-	-	-
Rebate Liability as of September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,476,830</u>	<u>\$ -</u>

The Agency did not recognize rebate liability for the year ended September 30, 2008.

**NOTE 9: 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.

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 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. Interfund 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, 2009, amounted to \$186,227 and is included in the Building Finance Fund revenue. Rental expense of \$186,227 is reflected in the General Fund expenses. Improvements are funded by and recorded in the General Fund.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 9: CERTIFICATES OF PARTICIPATION (Continued)**

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, 2009 and 2008, of \$1,290,000 and \$1,400,000, respectively. Interest is payable semi-annually at 5.35% for Certificates due through June 1, 2018.

**NOTE 10: DEFERRED CREDITS**

The deferred credit balance represents 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. In fiscal years 2009 and 2008, the Agency included, in the financial statements, funds received from these providers to the extent of unexpended monies in the project accounts (See Note 3).

**NOTE 11: DEFERRED REVENUE**

Deferred revenue represents funds received in advance and unearned at year-end. Deferred revenue also includes funds related to non-refundable fees and costs associated with financing activities. The deferred fees are deferred and recognized over the life of the mortgage.

**NOTE 12: NET ASSETS**

**McKinney Act Fund** - The Agency qualifies for 50% of the savings resulting from Financing Adjustment Factors (FAF) on Section (11)(b) bond refunding transactions. These funds are restricted in nature 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. Restricted net assets related to the McKinney Act Fund as of September 30, 2009 and 2008 were \$8,532,925 and \$8,413,903, respectively.

**Bond Funds and Risk Share Program** - The Revenue Obligation Funds net assets are reserved as collateral for the respective bond issues. Under the General Fund, the initial deposit made to participate in the Risk Sharing Program and the 1% of the FHA-insured mortgage balances in the Risk Sharing Program account are also restricted. Combined restricted net assets related to the Bond Funds and the HUD Risk-Share Program as of September 30, 2009 and 2008 were \$59,833,026 and \$56,512,995, respectively.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 13: RETIREMENT PLAN**

The Agency established a defined contribution, money purchase 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 amended its Retirement Plan, a Money Purchase Pension Plan (the Plan) effective August 10, 2002. Due to the amendment, future Agency contributions to the Plan ceased effective August 10, 2002. The amendment also provides that each participant and former participant with an account balance under the 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.

**NOTE 14: OTHER INCOME**

The Agency's other income for fiscal year 2009 is comprised of the following:

Description	Single Family Program Funds						Total
	General Fund	DC Building Finance Corporation Fund	1986, 1996 Single Family Whole Loan Program	1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Multifamily (Conduit Bond) Program	
Owner's contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,060,314	\$ 10,060,314
Amortization income	-	-	-	-	370,680	435,787	806,467
Financing fees	415,688	-	-	-	-	-	415,688
Annual administrative fees	3,344,117	-	-	-	-	-	3,344,117
Permitted spread	56,817	-	-	-	-	-	56,817
FHA financing fee	-	-	-	-	-	-	-
Construction and development monitoring fees	851,840	-	-	-	-	-	851,840
FHA placement fee	-	-	-	-	-	-	-
Tax credit fees	292,051	-	-	-	-	-	292,051
Service acquisition fee	637,133	-	-	-	-	-	637,133
Rental income	-	186,227	-	-	-	-	186,227
Legal fees	75,000	-	-	-	-	-	75,000
Mortgage servicing fees	171,184	-	-	-	-	-	171,184
MIP Risk Share Program	59,988	-	-	-	-	-	59,988
Interest reduction payment subsidy	-	-	-	-	-	1,477,708	1,477,708
Other	150,040	-	-	-	-	-	150,040
<b>Total</b>	<b>\$ 6,053,858</b>	<b>\$ 186,227</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 370,680</b>	<b>\$ 11,973,809</b>	<b>\$ 18,584,574</b>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 14: OTHER INCOME (Continued)**

The Agency's other income for fiscal year 2008 is comprised of the following:

Description	Single Family Program Funds						Total
	General Fund	DC Building Finance Corporation Fund	1986, 1996 Single Family Whole Loan Program	1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Multifamily (Conduit Bond) Program	
Owner's contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,538,681	\$ 7,538,681
Amortization income	-	-	-	-	661,378	206,236	867,614
Financing fees	1,743,410	-	-	-	-	-	1,743,410
Annual administrative fees	2,714,757	-	-	-	-	-	2,714,757
Permitted spread	106,672	-	-	-	-	-	106,672
FHA financing fee	46,470	-	-	-	-	-	46,470
Construction and development monitoring fees	850,333	-	-	-	-	-	850,333
FHA placement fee	30,980	-	-	-	-	-	30,980
Tax credit fees	252,139	-	-	-	-	-	252,139
Service acquisition fee	166,350	-	-	-	-	-	166,350
Rental income	-	206,105	-	-	-	-	206,105
Legal fees	-	-	-	-	-	-	-
Mortgage servicing fees	164,473	-	-	-	-	-	164,473
MIP Risk Share Program	58,034	-	-	-	-	-	58,034
Interest reduction payment subsidy	-	-	-	-	-	439,622	439,622
Other	281,920	-	-	-	-	-	281,920
<b>Total</b>	<u>\$ 6,415,538</u>	<u>\$ 206,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 661,378</u>	<u>\$ 8,184,539</u>	<u>\$ 15,467,560</u>

**NOTE 15: CONTINGENT LIABILITY**

In fiscal year 2007, the HUD risk-sharing program faced the first casualty in its portfolio where the Section 8 HAP subsidies were abated by HUD due to successive REAC failures by Parkway Overlook East & West (the Property). The Agency took over the operations of the Property as a mortgagee in possession and is working diligently to expedite the disposition of the Property. The Agency's financial exposure as joint insurer of the Property depends on how soon the disposition of the Property is carried out and how much can be realized from the disposition. As of September 30, 2009 the Agency has determined such loss exposure to be \$347,390, and accordingly, has established a contingent liability.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 16: SUBSEQUENT EVENTS**

The following subsequent events have occurred:

New Programs Issuances:

- On December 30, 2009, \$25,000,000 of District of Columbia Housing Finance Agency Single Family Housing Revenue Bonds, Series 2009 A (Program Bonds-Taxable) were issued with a delivery date of January 12, 2010.
- On December 30, 2009, \$168,100,000 of District of Columbia Housing Finance Agency Multifamily Housing Revenue Bonds 2009 Series A (NIB Program) (Program Bonds - Taxable) with a delivery date of January 12, 2010.

1996 Single Family Mortgage Revenue Bonds Redemptions and Maturities:

- On November 1, 2009, \$2,775,000 of Single Family Mortgage Revenue Bonds 2007 Series A were redeemed.
- On December 1, 2009, the following Single Family Mortgage Revenue Bonds were redeemed:

<u>Series</u>	<u>Maturing Principal</u>	<u>Principal Redemptions</u>	<u>Total</u>
1996 Series A	\$ 75,000	\$ 4,885,000	\$ 4,960,000
1997 Series B	85,000	235,000	320,000
1998 Series A	160,000	860,000	1,020,000
1999 Series A	135,000	570,000	705,000
2000 Series A	55,000	95,000	150,000
2000 Series C	10,000	-	10,000
2000 Series D	30,000	-	30,000
2001 Series A	40,000	-	40,000
2005 Series A	130,000	175,000	305,000
2005 Series B	130,000	615,000	745,000
2006 Series A	65,000	205,000	270,000
2006 Series B	165,000	1,715,000	1,880,000
2006 Series D	60,000	-	60,000
2006 Series E	430,000	1,440,000	1,870,000
2007 Series A	115,000	1,965,000	2,080,000
<b>Total</b>	<b>\$ 1,685,000</b>	<b>\$ 12,760,000</b>	<b>\$ 14,445,000</b>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 16: SUBSEQUENT EVENTS (Continued)**

Multi-family (Conduit Bond) Program, New Issuances:

- Between October 1, 2009 and December 31, 2009, the following multi-family mortgage revenue bonds were issued through draws on the existing draw down bonds.

<u>Series</u>	<u>Project Name</u>	<u>Draw Date</u>	<u>New Issue Draw Amount</u>
2008 Series A	Wheeler Terrace Apartments	10/8/2009	\$ 1,110,986
2008 Series A	St. Martin's Apartments	10/13/2009	1,712,835
2007 Series	Mayfair Mansions Apartments	11/2/2009	223,758
2008 Series A	St. Martin's Apartments	11/5/2009	1,424,294
2008 Series A	Wheeler Terrace Apartments	11/17/2009	1,706,846
2008 Series A	St. Martin's Apartments	12/9/2009	2,522,276
<b>Total</b>			<b><u><u>\$ 8,700,995</u></u></b>

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 16: SUBSEQUENT EVENTS (Continued)**

Multifamily (Conduit Bond) Program, Redemptions and Maturities:

- Between October 1, 2009 and December 31, 2009, the following multi-family mortgage revenue bonds were redeemed or matured:

<u>Series</u>	<u>Project Name</u>	<u>Redemption / Maturity Date</u>	<u>Principal Redeemed</u>
1997 Series A	Colorado Avenue	12/1/2009	\$ 15,000
2000 Series	Garfield Park Apts	10/1/2009-12/1/2009	13,851
1999 Series A	Walbraff Apts	12/1/2009	10,000
1999 Series	Barnaby Manor	10/1/2009-12/1/2009	17,830
1999 Series	Ft. Chaplin	10/1/2009-12/1/2009	80,815
1999 Series	Staton Glenn Apt	11/1/2009	90,000
2000 Series	Widrich Court Apt	10/1/2009	28,168
2000 Series A	Congress Park Plaza	11/20/2009	20,000
2000 Series A	Haven House	12/1/2009	5,000
2000 Series D	Chesapeake (Madison)	12/1/2009	15,000
2001 Series A	Douglas Knoll	12/1/2009	40,000
2001 Series D	Meridian Manor	12/1/2009	15,000
2001 Series	Clifton Terrace	12/1/2009	46,295
2001 Series E	Huntwood Apts	12/1/2009	40,000
2000 Series	WDC I LP (Regency)	12/1/2009	195,000
2001 Series	Columbia Heights	11/20/2009	145,000
2002 Series A&B	DCCH Pool: Euclid Street	12/1/2009	5,000
2002 Series C&D	DCCH Pool: Chapin Street	12/1/2009	5,000
2002 Series G	Trinity Towers Apts	12/1/2009	50,000
2002 Series E&F	Golden Rule Plaza	12/1/2009	25,000
2002 Series I	Henson Ridge	12/1/2009	15,000
2002 Series J	Fairmont I & II	12/1/2009	95,000
2003 Series A	Elsinore Courtyard	12/1/2009	25,000
2003 Series	Bowling Green	12/20/2009	55,000
2003 Series B	Urban Village	12/1/2009	30,000
2003 Series A	St. Paul Sr. Living @ Wayne Place	12/1/2009	15,000
2004 Series A	1330 7th Street	12/1/2009	100,000
2004 Series A, B, C	Congress Park II	10/15/2009-12/15/2009	11,196
2004 Series B&C	JW King Seniors Center	12/1/2009	25,000
2004 Series	Savannah Heights	12/20/2009	20,000
2004 Series D	Henson Ridge Phase II	12/1/2009	25,000
2004 Series E	Henson Ridge Phase II	12/1/2009	60,000
2005 Series A&B	Faircliff Plaza - West	10/1/2009-12/1/2009	17,692
2005 Series	Shiple Park Apts	12/1/2009	80,000
2006 Series	Hunter Pines	10/1/2009-12/1/2009	16,684
2006 Series	GW Carver Senior Apts	10/1/2009-12/1/2009	15,971
2006 Series	Galen Terrace	10/1/2009-12/1/2009	7,359
2006 Series A&B	Southview I & II	10/1/2009-12/1/2009	17,127
2006 Series	Golden Rule Apts	11/1/2009	275,000
2006 Series	Azeeze Bates Apts	11/1/2009	50,000
2006 Series	Eastgate Family Rental	12/1/2009	11,000,000
2007 Series	Cavalier Apts	10/1/2009-12/1/2009	26,124
2007 Series	Mayfair Mansions Apts	10/1/2009-12/1/2009	51,631
2008 Series A	Fairmont I and II Apts	12/1/2009	15,000
<b>Total</b>			<b><u>\$ 12,910,743</u></b>



**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009 AND 2008**

**NOTE 17: RECLASSIFICATIONS**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**SUPPLEMENTAL INFORMATION**

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**COMBINING BALANCE SHEET**  
**SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

<u>ASSETS</u>	<u>General Fund</u>	<u>Single Family Program Fund</u>	<u>Multi-Family (Conduit Bond) Program Fund</u>	<u>DC Building Finance Corporation</u>	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS</b>						
<b>Unrestricted current assets:</b>						
Cash and cash equivalents	\$ 25,435,434	\$ -	\$ -	\$ -	\$ 25,435,434	\$ 22,690,359
Other receivables	6,327,580	2,177	-	61,561	6,391,318	4,116,041
Total unrestricted current assets	<u>31,763,014</u>	<u>2,177</u>	<u>-</u>	<u>61,561</u>	<u>31,826,752</u>	<u>26,806,400</u>
<b>Restricted current assets:</b>						
Restricted cash and cash equivalents	10,564,963	5,342,188	45,907,770	278,308	62,093,229	53,420,054
Accrued interest receivable	88,794	1,355,627	3,942,119	-	5,386,540	6,475,777
Total restricted current assets	<u>10,653,757</u>	<u>6,697,815</u>	<u>49,849,889</u>	<u>278,308</u>	<u>67,479,769</u>	<u>59,895,831</u>
<b>TOTAL CURRENT ASSETS</b>	<u>42,416,771</u>	<u>6,699,992</u>	<u>49,849,889</u>	<u>339,869</u>	<u>99,306,521</u>	<u>86,702,231</u>
<b>NON-CURRENT ASSETS</b>						
<b>Unrestricted non-current assets:</b>						
Investments	4,843,169	-	-	-	4,843,169	7,262,835
Loans receivable	-	-	140,000	-	140,000	140,000
Prepaid expenses	124,240	-	-	14,686	138,926	195,983
Due from (to) other funds	2,715,356	(2,684,066)	(25,546)	(5,744)	-	-
Total unrestricted non-current assets	<u>7,682,765</u>	<u>(2,684,066)</u>	<u>114,454</u>	<u>8,942</u>	<u>5,122,095</u>	<u>7,598,818</u>
<b>Restricted non-current assets:</b>						
Investments held in trust	-	34,277,761	59,799,747	-	94,077,508	436,868,129
Mortgage backed securities at fair value	-	146,993,585	147,150,776	-	294,144,361	268,076,621
Mortgage and construction loans receivable	-	1,271,320	572,278,669	-	573,549,989	525,920,915
Loans receivable	-	-	2,276,709	-	2,276,709	2,017,593
McKinney Act loans receivable	2,340,254	-	-	-	2,340,254	2,698,089
Other receivables	125,521	-	49,430	-	174,951	139,903
Bond issue costs, net	-	2,010,327	-	52,428	2,062,755	2,068,923
Total restricted non-current assets	<u>2,465,775</u>	<u>184,552,993</u>	<u>781,555,331</u>	<u>52,428</u>	<u>968,626,527</u>	<u>1,237,790,173</u>
<b>Capital assets:</b>						
Land	-	-	-	573,000	573,000	573,000
Property and equipment	1,913,970	-	-	1,795,238	3,709,208	3,630,909
Leasehold improvements	1,528,294	-	-	-	1,528,294	1,524,389
Less accumulated depreciation and amortization	(2,498,439)	-	-	(749,860)	(3,248,299)	(3,081,160)
Total capital assets, net	<u>943,825</u>	<u>-</u>	<u>-</u>	<u>1,618,378</u>	<u>2,562,203</u>	<u>2,647,138</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>11,092,365</u>	<u>181,868,927</u>	<u>781,669,785</u>	<u>1,679,748</u>	<u>976,310,825</u>	<u>1,248,036,129</u>
<b>TOTAL ASSETS</b>	<u>\$ 53,509,136</u>	<u>\$ 188,568,919</u>	<u>\$ 831,519,674</u>	<u>\$ 2,019,617</u>	<u>\$ 1,075,617,346</u>	<u>\$ 1,334,738,360</u>

(Continued)

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**COMBINING BALANCE SHEET – (CONTINUED)**  
**SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

LIABILITIES AND NET ASSETS	<u>General Fund</u>	<u>Single Family Program Fund</u>	<u>Multi-Family (Conduit Bond) Program Fund</u>	<u>DC Building Finance Corporation</u>	<u>2009</u>	<u>2008</u>
<b>CURRENT LIABILITIES</b>						
<b>Current liabilities payable from unrestricted assets:</b>						
Accounts payable and accrued liabilities	\$ 773,619	\$ 1,489,735	\$ 57,382	\$ 2,110	\$ 2,322,846	\$ 932,797
Accrued salary and vacation payable	196,849	-	-	-	196,849	201,857
Deferred revenue	1,092,997	-	-	-	1,092,997	1,489,849
Total current liabilities payable from unrestricted assets	<u>2,063,465</u>	<u>1,489,735</u>	<u>57,382</u>	<u>2,110</u>	<u>3,612,692</u>	<u>2,624,503</u>
<b>Current liabilities payable from restricted assets:</b>						
Tenant subsidy funds	542,927	-	-	-	542,927	542,927
Escrow deposits	4,857,808	-	798,500	206,668	5,862,976	7,220,898
Deferred credits	-	3,423,285	40,942,287	-	44,365,572	52,494,654
Deferred revenue	-	720,595	131,095	49,687	901,377	1,007,242
Interest payable	-	2,818,655	7,871,153	23,005	10,712,813	12,195,365
Current portion of bonds payable	-	3,210,000	54,085,264	-	57,295,264	98,442,558
Current portion of certificates of participation	-	-	-	115,000	115,000	110,000
Total current liabilities payable from restricted assets	<u>5,400,735</u>	<u>10,172,535</u>	<u>103,828,299</u>	<u>394,360</u>	<u>119,795,929</u>	<u>172,013,644</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>7,464,200</u>	<u>11,662,270</u>	<u>103,885,681</u>	<u>396,470</u>	<u>123,408,621</u>	<u>174,638,147</u>
<b>NON-CURRENT LIABILITIES</b>						
<b>Non-current liabilities payable from restricted assets:</b>						
Loans payable	-	-	457,027	-	457,027	459,779
Bonds payable—less current portion	-	164,701,955	681,228,438	-	845,930,393	1,067,208,732
Certificates of participation—less current portion	-	-	-	1,175,000	1,175,000	1,290,000
Total non-current liabilities payable from restricted assets	<u>-</u>	<u>164,701,955</u>	<u>681,685,465</u>	<u>1,175,000</u>	<u>847,562,420</u>	<u>1,068,958,511</u>
<b>TOTAL LIABILITIES</b>	<u>7,464,200</u>	<u>176,364,225</u>	<u>785,571,146</u>	<u>1,571,470</u>	<u>970,971,041</u>	<u>1,243,596,658</u>
<b>NET ASSETS</b>						
Invested in capital assets—net of related debt	943,826	-	-	328,379	1,272,205	1,247,139
<b>Restricted for:</b>						
Bond Fund and Risk Share	1,958,109	12,204,694	45,948,528	-	60,111,331	56,512,995
McKinney Act Fund	8,532,925	-	-	-	8,532,925	8,413,903
Total restricted net assets	<u>10,491,034</u>	<u>12,204,694</u>	<u>45,948,528</u>	<u>-</u>	<u>68,644,256</u>	<u>64,926,898</u>
Unrestricted net assets	34,610,076	-	-	119,768	34,729,844	24,967,665
<b>TOTAL NET ASSETS</b>	<u>46,044,936</u>	<u>12,204,694</u>	<u>45,948,528</u>	<u>448,147</u>	<u>104,646,305</u>	<u>91,141,702</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 53,509,136</u>	<u>\$ 188,568,919</u>	<u>\$ 831,519,674</u>	<u>\$ 2,019,617</u>	<u>\$ 1,075,617,346</u>	<u>\$ 1,334,738,360</u>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	<u>General Fund</u>	<u>Single Family Program Fund</u>	<u>Multi-Family (Conduit Bond) Program Fund</u>	<u>DC Building Finance Corporation</u>	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES</b>						
Investment interest income	\$ 679,605	\$ 2,808,603	\$ 3,263,991	\$ 387	\$ 6,752,586	\$ 22,040,323
Mortgage-backed security interest income	-	7,404,817	7,962,107	-	15,366,924	14,457,485
Interest on mortgage and construction loans	-	123,899	27,968,943	-	28,092,842	21,889,031
McKinney Act interest revenue	182,634	-	-	-	182,634	223,027
Application and commitment fees	47,923	-	-	-	47,923	75,685
HUD Section 8 housing assistance receipts	10,264	-	-	-	10,264	53,815
Service project receipts	6,828,403	-	-	-	6,828,403	6,425,565
Other	6,053,858	370,680	11,973,809	186,227	18,584,574	15,467,560
Total operating revenues	<u>13,802,687</u>	<u>10,707,999</u>	<u>51,168,850</u>	<u>186,614</u>	<u>75,866,150</u>	<u>80,632,491</u>
<b>OPERATING EXPENSES</b>						
General and administrative	1,710,081	199,344	5,196,624	-	7,106,049	7,525,221
Personnel and related costs	3,932,732	-	-	-	3,932,732	3,760,497
Interest expense	-	10,945,811	38,925,158	72,938	49,943,907	58,320,535
Depreciation and amortization	95,107	-	-	66,490	161,597	201,275
Service project payments	6,731,294	-	-	-	6,731,294	6,428,175
Bond cost of issuance amortization	-	554,743	6,745	8,753	570,241	606,833
Trustee fees and other expenses	1,500	2,835,037	5,182,889	500	8,019,926	806,038
Total operating expenses	<u>12,470,714</u>	<u>14,534,935</u>	<u>49,311,416</u>	<u>148,681</u>	<u>76,465,746</u>	<u>77,648,574</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,331,973</u>	<u>(3,826,936)</u>	<u>1,857,434</u>	<u>37,933</u>	<u>(599,596)</u>	<u>2,983,917</u>
<b>NON-OPERATING REVENUES/EXPENSES</b>						
Increase in fair value of mortgage-backed securities	-	7,949,507	6,154,692	-	14,104,199	2,752,208
<b>CHANGE IN NET ASSETS</b>	1,331,973	4,122,571	8,012,126	37,933	13,504,603	5,736,125
Net assets, beginning of year	44,712,963	8,082,123	37,936,402	410,214	91,141,702	85,405,577
Net assets, end of year	<u>\$ 46,044,936</u>	<u>\$ 12,204,694</u>	<u>\$ 45,948,528</u>	<u>\$ 448,147</u>	<u>\$ 104,646,305</u>	<u>\$ 91,141,702</u>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	<u>General Fund</u>	<u>Single Family Program Fund</u>	<u>Multi-Family (Conduit Bond) Program Fund</u>	<u>DC Building Finance Corporation</u>	<u>2009</u>	<u>2008</u>
<b>Cash Flows From Operating Activities:</b>						
Interest and principal received on loans	\$ 230,557	\$ 126,525	\$ 20,139,968	\$ -	\$ 20,497,050	\$ 17,013,351
Other cash receipts	3,793,468	478,885	20,300,543	182,588	24,755,484	20,281,628
Payments to vendors	(1,533,252)	(199,344)	(5,624,145)	-	(7,356,741)	(7,701,522)
Payments to employees	(3,937,740)	-	-	-	(3,937,740)	(3,846,864)
Net mortgage and construction loans disbursed	-	475,436	(48,363,626)	-	(47,888,190)	(61,228,001)
Receipts of service project income	6,838,667	-	-	-	6,838,667	6,479,380
Payments of service project expenses	(6,732,794)	-	-	-	(6,732,794)	(6,429,675)
Principal and interest received on mortgage-backed securities	-	19,792,786	6,859,423	-	26,652,209	31,931,093
Payment for the purchase of mortgage-backed securities	-	(30,485,789)	(9,162,388)	-	(39,648,177)	(15,687,693)
Other cash payments	-	(1,358,207)	(5,182,889)	(500)	(6,541,596)	(13,966,443)
<b>Net cash used in operating activities</b>	<u>(1,341,094)</u>	<u>(11,169,708)</u>	<u>(21,033,114)</u>	<u>182,088</u>	<u>(33,361,828)</u>	<u>(33,154,746)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Acquisition of fixed assets	(82,202)	-	-	-	(82,202)	(366,950)
Payments of bonds and long-term debt	-	-	-	(110,000)	(110,000)	(125,000)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(82,202)</u>	<u>-</u>	<u>-</u>	<u>(110,000)</u>	<u>(192,202)</u>	<u>(491,950)</u>
<b>Cash Flows From Non-Capital Financing Activities</b>						
Funds disbursed for multi-family projects	-	-	(59,242,089)	-	(59,242,089)	(85,780,285)
Interest paid on bonds	-	(11,944,977)	(39,191,989)	(74,898)	(51,211,864)	(57,327,147)
Proceeds from tax credit equity	-	-	48,878,648	-	48,878,648	65,311,919
Transfer (to) from other funds	159,358	(159,358)	-	-	-	-
Proceeds from bond issuances	-	-	79,328,778	-	79,328,778	154,760,807
Principal payments on issued debt	-	(271,615,000)	(70,356,756)	-	(341,971,756)	(125,801,392)
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>159,358</u>	<u>(283,719,335)</u>	<u>(40,583,408)</u>	<u>(74,898)</u>	<u>(324,218,283)</u>	<u>(48,836,098)</u>
<b>Cash Flows From Investing Activities</b>						
Interest received on investments	710,829	5,461,529	3,970,575	387	10,143,320	20,827,347
Sale of investments	19,618,506	301,391,457	132,517,108	-	453,527,071	305,651,836
Purchase of investments	(16,841,005)	(6,632,663)	(71,006,160)	-	(94,479,828)	(221,125,059)
<b>Net cash provided by (used in) investing activities</b>	<u>3,488,330</u>	<u>300,220,323</u>	<u>65,481,523</u>	<u>387</u>	<u>369,190,563</u>	<u>105,354,124</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>2,224,392</u>	<u>5,331,280</u>	<u>3,865,001</u>	<u>(2,423)</u>	<u>11,418,250</u>	<u>22,871,330</u>
Cash and cash equivalents, beginning of year	33,776,005	10,908	42,042,769	280,731	76,110,413	53,239,083
Cash and cash equivalents, end of year	<u>\$ 36,000,397</u>	<u>\$ 5,342,188</u>	<u>\$ 45,907,770</u>	<u>\$ 278,308</u>	<u>\$ 87,528,663</u>	<u>\$ 76,110,413</u>

(Continued)

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**COMBINING STATEMENT OF CASH FLOWS – (CONTINUED)**  
**YEARS ENDED SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	<u>General Fund</u>	<u>Single Family Program Fund</u>	<u>Multi-Family (Conduit Bond) Program Fund</u>	<u>DC Building Finance Corporation</u>	<u>2009</u>	<u>2008</u>
<b>Reconciliation of Operating Income to Net Cash Used In Operating Activities</b>						
Operating income (loss)	\$ 1,331,973	\$ (3,826,936)	\$ 1,857,434	\$ 37,933	\$ (599,596)	\$ 2,983,917
Depreciation	95,107	-	-	72,030	167,137	201,275
Amortization	-	554,743	6,745	6,838	568,326	(268,071)
Interest on bonds	-	10,945,811	38,925,158	72,938	49,943,907	57,327,148
(Decrease) Increase in mortgage and construction loans	-	475,436	(48,363,626)	-	(47,888,190)	(61,228,001)
Decrease in mortgage-backed securities	-	12,438,650	1,141,790	-	13,580,440	14,721,400
Purchases of mortgage-backed securities	-	(30,485,789)	(9,162,388)	-	(39,648,177)	(15,687,693)
Investment interest income	(679,605)	(2,808,603)	(3,263,991)	(387)	(6,752,586)	(22,040,323)
Decrease (increase) in assets:						
Receivables	(2,321,106)	-	-	-	(2,321,106)	2,009,956
Other current assets	55,141	-	-	1,915	57,056	(443,231)
Other receivables	(56,047)	42,229	20,999	3,600	10,781	-
Accrued interest received	-	(48,055)	(2,253,447)	-	(2,301,502)	-
Increase (decrease) in liabilities:						
Accounts payables and accrued liabilities	116,680	1,476,830	(427,521)	-	1,165,989	861,007
Deferred revenue and credits	(396,852)	65,976	2,357,271	(12,779)	2,013,616	(11,221,687)
Escrow deposits	513,615	-	(1,871,538)	-	(1,357,923)	(370,443)
<b>Net cash used in operating activities</b>	<u>\$ (1,341,094)</u>	<u>\$ (11,169,708)</u>	<u>\$ (21,033,114)</u>	<u>\$ 182,088</u>	<u>\$ (33,361,828)</u>	<u>\$ (33,154,746)</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, 2009**

**General Fund**

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>11-15</u>	<u>More than 15</u>
<u>Cash and Cash Equivalents</u>							
Demand Money Market Deposits	\$ 34,840,680	\$ 34,840,680	\$ 34,840,680	\$ -	\$ -	\$ -	\$ -
Money Market Funds	1,159,717	1,159,717	1,159,717	-	-	-	-
<b>Total Cash and Cash Equivalents</b>	<b>36,000,397</b>	<b>36,000,397</b>	<b>36,000,397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Investments</u>							
Certificates of Deposit	594,120	594,691	495,436	99,255	-	-	-
U.S. Treasury Obligations	1,050,346	1,058,713	-	1,058,713	-	-	-
U.S. Agency Obligations	-	-	-	-	-	-	-
Investment Agreements	-	-	-	-	-	-	-
Corporate Obligations	2,233,544	2,272,331	1,096,383	1,175,948	-	-	-
Government Sponsored Enterprises	904,464	917,434	204,220	713,214	-	-	-
<b>Total Investments</b>	<b>4,782,474</b>	<b>4,843,169</b>	<b>1,796,039</b>	<b>3,047,130</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General Fund Total Cash/Cash Equivalents and Investments</b>	<b>\$ 40,782,872</b>	<b>\$ 40,843,567</b>	<b>\$ 37,796,437</b>	<b>\$ 3,047,130</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(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, 2009**

**DC Building Finance Corporation**

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>11-15</u>	<u>More than 15</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 278,308	\$ 278,308	\$ 278,308	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<b><u>278,308</u></b>	<b><u>278,308</u></b>	<b><u>278,308</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>DC Building Finance Corporation</b>							
<b>Total Cash/Cash Equivalents and Investments</b>	<b><u>\$ 278,308</u></b>	<b><u>\$ 278,308</u></b>	<b><u>\$ 278,308</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

(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, 2009**

**1986, 1996 Single Family Whole Loan Program**

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>11-15</u>	<u>More than 15</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 442,806	\$ 442,806	\$ 442,806	\$ -	\$ -	\$ -	\$ -
<b>Total Cash and Cash Equivalents</b>	<b>442,806</b>	<b>442,806</b>	<b>442,806</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Investments</u>							
Investment Agreements	87,583	87,583	-	87,583	-	-	-
<b>Total Investments</b>	<b>87,583</b>	<b>87,583</b>	<b>-</b>	<b>87,583</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>1986, 1996 Single Family Whole Loan Program Total Cash/Cash Equivalents and Investments</b>	<b>\$ 530,389</b>	<b>\$ 530,389</b>	<b>\$ 442,806</b>	<b>\$ 87,583</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(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, 2009**

**1988 Collateralized Single Family Mortgage Revenue Bonds**

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>11-15</u>	<u>More than 15</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 111,309	\$ 111,309	\$ 111,309	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<b>111,309</b>	<b>111,309</b>	<b>111,309</b>	-	-	-	-
<u>Investments</u>							
Investment Agreements	\$ 8,736,259	\$ 8,736,259	\$ -	\$ -	\$ -	\$ -	\$ 8,736,259
Total Investments	<b>8,736,259</b>	<b>8,736,259</b>	-	-	-	-	<b>8,736,259</b>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	\$ 3,393,622	\$ 3,817,997	\$ -	\$ -	\$ 1,275,031	\$ 2,542,966	\$ -
Total Mortgage-Backed Securities	<b>3,393,622</b>	<b>3,817,997</b>	-	-	<b>1,275,031</b>	<b>2,542,966</b>	-
<b>1988 Collateralized Single Family Mortgage Revenue Bonds Total Cash/Cash Equivalents, Investments and Mortgage-Backed Securities</b>	<b>\$ 12,241,191</b>	<b>\$ 12,665,565</b>	<b>\$ 111,309</b>	<b>\$ -</b>	<b>\$ 1,275,031</b>	<b>\$ 2,542,966</b>	<b>\$ 8,736,259</b>

(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, 2009**

**1996 Single Family Mortgage Revenue Bonds**

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>11-15</u>	<u>More than 15</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 4,788,072	\$ 4,788,072	\$ 4,788,072	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>4,788,072</u>	<u>4,788,072</u>	<u>4,788,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Investment Agreements	25,453,919	25,453,919	6,395,629	1,170,408	-	-	17,887,881
Corporate Obligations	-	-	-	-	-	-	-
Government Sponsored Enterprises	-	-	-	-	-	-	-
Total Investments	<u>25,453,919</u>	<u>25,453,919</u>	<u>6,395,629</u>	<u>1,170,408</u>	<u>-</u>	<u>-</u>	<u>17,887,881</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	42,764,255	44,867,800	-	-	19,303	4,084,252	40,764,246
Fannie Mae	40,375,942	41,616,797	-	-	-	-	41,616,797
Freddie Mac	53,704,957	56,690,990	-	-	-	-	56,690,990
Total Mortgage-Backed Securities	<u>136,845,154</u>	<u>143,175,587</u>	<u>-</u>	<u>-</u>	<u>19,303</u>	<u>4,084,252</u>	<u>139,072,032</u>
<b>1996 Single Family Mortgage Revenue Bonds Total Cash/Cash Equivalents, Investments and Mortgage-Backed Securities</b>	<b><u>\$ 167,087,145</u></b>	<b><u>\$ 173,417,578</u></b>	<b><u>\$ 11,183,701</u></b>	<b><u>\$ 1,170,408</u></b>	<b><u>\$ 19,303</u></b>	<b><u>\$ 4,084,252</u></b>	<b><u>\$ 156,959,914</u></b>

(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, 2009**

**Multi-family (Conduit Bond) Program**

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>11-15</u>	<u>More than 15</u>
Cash and Cash Equivalents							
Money Market Funds	\$ 45,907,770	\$ 45,907,770	\$ 45,907,770	\$ -	\$ -	\$ -	\$ -
<b>Total Cash and Cash Equivalents</b>	<b>45,907,770</b>	<b>45,907,770</b>	<b>45,907,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investments							
Investment Agreements	59,799,747	59,799,747	10,961,000	37,508,333	-	-	11,330,414
<b>Total Investments</b>	<b>59,799,747</b>	<b>59,799,747</b>	<b>10,961,000</b>	<b>37,508,333</b>	<b>-</b>	<b>-</b>	<b>11,330,414</b>
Mortgage-Backed Securities							
Ginnie Mae	122,107,287	139,664,328	-	2,433,389	-	-	137,230,939
Fannie Mae	7,328,231	7,486,448	-	-	-	-	7,486,448
<b>Total Mortgage-Backed Securities</b>	<b>129,435,518</b>	<b>147,150,776</b>	<b>-</b>	<b>2,433,389</b>	<b>-</b>	<b>-</b>	<b>144,717,387</b>
<b>Multi-family (Conduit Bond) Program Total Cash/Cash Equivalents, Investments and Mortgage-Backed Securities</b>	<b>\$ 235,143,035</b>	<b>\$ 252,858,293</b>	<b>\$ 56,868,770</b>	<b>\$ 39,941,722</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 156,047,801</b>

(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, 2009**

**Combined Revenue Obligation Funds and General Fund**

Asset	Cost	Fair Value	Maturities (in years)				
			Less Than 1	1-5	6-10	11-15	More than 15
<u>Cash and Cash Equivalents</u>							
Demand Money Market Deposits	34,840,680	34,840,680	34,840,680	-	-	-	-
Money Market Funds	52,687,983	52,687,983	52,687,983	-	-	-	-
<b>Total Cash and Cash Equivalents</b>	<b>87,528,663</b>	<b>87,528,663</b>	<b>87,528,663</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Investments

Certificates of Deposits	594,120	594,691	495,436	99,255	-	-	-
U.S. Treasury Obligations	1,050,346	1,058,713	-	1,058,713	-	-	-
U.S. Agency Obligations	-	-	-	-	-	-	-
Investment Agreements	94,077,508	94,077,508	17,356,629	38,766,325	-	-	37,954,554
Corporate Obligations	2,233,544	2,272,331	1,096,383	1,175,948	-	-	-
Government Sponsored Enterprises	904,464	917,434	204,220	713,214	-	-	-
<b>Total Investments</b>	<b>98,859,983</b>	<b>98,920,677</b>	<b>19,152,668</b>	<b>41,813,455</b>	<b>-</b>	<b>-</b>	<b>37,954,554</b>

Mortgage-Backed Securities

Ginnie Mae	168,265,164	188,350,125	-	2,433,389	1,294,334	6,627,219	177,995,185
Fannie Mae	47,704,173	49,103,245	-	-	-	-	49,103,245
Freddie Mac	53,704,957	56,690,990	-	-	-	-	56,690,990
<b>Total Mortgage-Backed Securities</b>	<b>269,674,294</b>	<b>294,144,360</b>	<b>-</b>	<b>2,433,389</b>	<b>1,294,334</b>	<b>6,627,219</b>	<b>283,789,420</b>

**Combined General Fund and  
Revenue Obligation Funds Total  
Cash/Cash Equivalents, Investments  
and Mortgage-Backed Securities**

<b>\$ 456,062,940</b>	<b>\$ 480,593,700</b>	<b>\$ 106,681,331</b>	<b>\$ 44,246,843</b>	<b>\$ 1,294,334</b>	<b>\$ 6,627,219</b>	<b>\$ 321,743,974</b>
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Individual amounts may not add up to the total amount due to rounding.

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, 2009**

**General Fund**

<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>
<b><u>Cash and Cash Equivalents</u></b>					
Demand Money Market Deposits	\$ 26,507,749	65%		S&P	Federal Reserve-Held AAA Collateral
Demand Money Market Deposits	8,332,931	20%		S&P	Third Party-Held AAA Collateral
Money Market Funds	1,159,718	3%	AAAm	S&P	
<b>Total Cash and Cash Equivalents</b>	<b><u>36,000,398</u></b>	<b><u>88%</u></b>			
<b><u>Investments</u></b>					
Certificates of Deposits	594,692	1%			FDIC Insurance
U.S. Treasury Obligations	1,058,713	3%	AAA	S&P	
Corporate Obligations	181,355	0%	AAA	S&P	
Corporate Obligations	1,635,450	4%	AA	S&P	
Corporate Obligations	25,068	0%	Aa1	Moody's	
Corporate Obligations	430,458	1%	A	S&P	
GSE Obligations	917,433	2%	AAA	S&P	
<b>Total Investments</b>	<b><u>4,843,169</u></b>	<b><u>12%</u></b>			
<b>General Fund Total Cash/Cash Equivalents and Investments</b>	<b><u>\$ 40,843,567</u></b>	<b><u>100%</u></b>			

(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, 2009**

**DC Building Finance Corporation**

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
<u>Cash and Cash Equivalents</u>				
Money Market Funds	\$ 278,308	100%	AAAm	S&P
Total Cash and Cash Equivalents	<u>278,308</u>	<u>100%</u>		
<b>DC Building Finance Corporation Total Cash/Cash Equivalents and Investments</b>	<b><u>\$ 278,308</u></b>	<b><u>100%</u></b>		

(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, 2009**

**1986, 1996 Single Family Whole Loan Program**

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
<u>Cash and Cash Equivalents</u>				
Money Market Funds	\$ 442,806	83%	AAAm	S&P
Total Cash and Cash Equivalents	<u>442,806</u>	<u>83%</u>		
<u>Investments</u>				
Investment Agreements	87,583	17%	AAA	S&P
Total Investments	<u>87,583</u>	<u>17%</u>		
<b>1986, 1996 Single Family Whole Loan Program Total Cash/Cash Equivalents and Investments</b>	<b><u>\$ 530,389</u></b>	<b><u>100%</u></b>		

(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, 2009**

**1988 Collateralized Single Family Mortgage Revenue Bonds**

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
<u>Cash and Cash Equivalents</u>				
Money Market Funds	\$ 111,309	1%	AAAm	S&P
Total Cash and Cash Equivalents	<u>111,309</u>	<u>1%</u>		
<u>Investments</u>				
Investment Agreements	8,736,259	69%	AA	S&P
Total Investments	<u>8,736,259</u>	<u>69%</u>		
<u>Mortgage-Backed Securities</u>				
Ginnie Mae	3,817,997	30%	AAA	S&P
Total Mortgage-Backed Securities	<u>3,817,997</u>	<u>30%</u>		
<b>1988 Collateralized Single Family Mortgage Revenue Bonds Total Cash/Cash Equivalents, Investments and Mortgage- Backed Securities</b>	<b><u>\$ 12,665,565</u></b>	<b><u>100%</u></b>		

(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, 2009**

**1996 Single Family Mortgage Revenue Bonds**

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
<u>Cash and Cash Equivalents</u>				
Money Market Funds	\$ 4,788,072	3%	AAAm	S&P
Total Cash and Cash Equivalents	<u>4,788,072</u>	<u>3%</u>		
<u>Investments</u>				
Investment Agreements	1,561,857	1%	Aaa	Moody's
Investment Agreements	17,354,583	10%	AA	S&P
Investment Agreements	6,537,479	4%	A	S&P
Total Investments	<u>25,453,919</u>	<u>15%</u>		
<u>Mortgage-Backed Securities</u>				
Ginnie Mae	44,867,800	26%	AAA	S&P
Fannie Mae	41,616,797	24%	AAA	S&P
Freddie Mac	56,690,990	32%	AAA	S&P
Total Mortgage-Backed Securities	<u>143,175,587</u>	<u>82%</u>		
<b>1996 Single Family Mortgage Revenue Bonds Total Cash/Cash Equivalents, Investments and Mortgage-Backed Securities</b>	<u><u>\$ 173,417,578</u></u>	<u><u>100%</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, 2009**

**Multi-family (Conduit Bond) Program**

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
<u>Cash and Cash Equivalents</u>				
Money Market Funds	\$ 45,907,770	18%	AAAm	S&P
<b>Total Cash and Cash Equivalents</b>	<b><u>45,907,770</u></b>	<b><u>18%</u></b>		
<u>Investments</u>				
Investment Agreements	7,162,377	3%	Aaa	Moody's
Investment Agreements	19,841,730	8%	AA	S&P
Investment Agreements	32,408,333	13%	A	S&P
Investment Agreements	387,307	0%	A	Moody's
<b>Total Investments</b>	<b><u>59,799,747</u></b>	<b><u>24%</u></b>		
<u>Mortgage-Backed Securities</u>				
Ginnie Mae	139,664,328	55%	AAA	S&P
Fannie Mae	7,486,448	3%	AAA	S&P
<b>Total Mortgage-Backed Securities</b>	<b><u>147,150,776</u></b>	<b><u>58%</u></b>		
<b>Multifamily (Conduit Bond) Program</b>				
<b>Total Cash/Cash Equivalents, Investments and Mortgage-Backed Securities</b>	<b><u>\$ 252,858,293</u></b>	<b><u>100%</u></b>		

(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**  
**SEPTEMBER 30, 2009**

**Combined Revenue Obligation Funds and General Fund**

<u>Asset</u>	<u>Fair Value</u>	<u>Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<b><u>Cash and Cash Equivalents</u></b>					
Demand Money Market Deposits	\$ 26,507,749	6%		S&P	Federal Reserve-Held AAA Colateral
Demand Money Market Deposits	8,332,931	2%		S&P	Third Party-Held AAA Colateral
Money Market Funds	52,687,984	11%	AAA	S&P	
<b>Total Cash and Cash Equivalents</b>	<b>87,528,664</b>	<b>18%</b>			
<b><u>Investments</u></b>					
Certificates of Deposits	594,691	0%			FDIC Insurance
U.S. Treasury Obligations	1,058,713	0%	AAA	S&P	
Corporate Obligations	181,355	0%	AAA	S&P	
Corporate Obligations	1,635,450	0%	AA	S&P	
Corporate Obligations	25,068	0%	Aa1	Moody's	
Corporate Obligations	430,458	0%	A	S&P	
GSE Obligations	917,433	0%	AAA	S&P	
Investment Agreements	87,583	0%	AAA	S&P	
Investment Agreements	8,724,235	3%	Aaa	Moody's	
Investment Agreements	45,932,572	18%	AA	S&P	
Investment Agreements	38,945,812	15%	A	S&P	
Investment Agreements	387,307	0%	A	Moody's	
<b>Total Investments</b>	<b>98,920,677</b>	<b>21%</b>			
<b><u>Mortgage-Backed Securities</u></b>					
Ginnie Mae	188,350,125	39%	AAA	S&P	
Fannie Mae	49,103,245	10%	AAA	S&P	
Freddie Mac	56,690,990	12%	AAA	S&P	
<b>Total Mortgage-Backed Securities</b>	<b>294,144,360</b>	<b>61%</b>			
<b>Combined General Fund and Revenue Obligation Funds Total Cash/Cash Equivalents, Investments and Mortgage-Backed Securities</b>					
	<b>\$ 480,593,700</b>	<b>100%</b>			

Individual amounts may not add up to the total amount due to rounding.

See Accompanying Independent Auditor's Report.