

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

FINANCIAL REPORT

June 30, 2009

and

June 30, 2008

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PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

123 West First Street Suite 800 P.O. Box 2759 Casper, Wyoming 82602 (307) 265-4311 Fax (307) 265-5180

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wyoming Community Development Authority
Casper, Wyoming

We have audited the accompanying financial statements of the Wyoming Community Development Authority, a component unit of the State of Wyoming, as of and for the years ended June 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Wyoming Community Development Authority'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 audit 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 Wyoming Community Development Authority as of June 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 3-5 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 consist 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 Wyoming Community Development Authority's basic financial statements. The detailed balance sheet and the detailed schedule of revenues, expenses and changes in fund equity as of and for the year ended June 30, 2009, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The detailed balance sheet and the detailed schedule of revenues, expenses and changes in fund equity as of and for the year ended June 30, 2009, have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

September 8, 2009

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

June 30, 2009 and 2008

This section of the Wyoming Community Development Authority's (the Authority) annual financial report presents our discussion and analysis of financial activities for the fiscal year ended June 30, 2009. The selected data presented was derived from the Authority's financial statements, which were audited by Porter, Muirhead, Cornia & Howard, Certified Public Accountants. The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short-term and long-term financial information about the Authority's activities. The Independent Auditor's Report, audited financial statements and accompanying notes, and supplementary information should be read in conjunction with the following discussion.

Financial Highlights

The Authority's overall financial position and results of operations for the current and prior years are presented below.

	2009	Change		2008	Change		2007
Cash and cash equivalents	187,942,377	42,791,870	29.48%	145,150,507	57,971,490	66.50%	87,179,017
Investments	242,499,600	(56,602,955)	-18.92%	299,102,555	(69,431,417)	-18.84%	368,533,972
Mortgage loans receivable	1,055,999,638	6,663,909	0.64%	1,049,335,729	169,665,498	19.29%	879,670,231
Total assets	1,538,844,530	5,981,265	0.39%	1,532,863,265	163,862,050	11.97%	1,369,001,215
Bonds payable	1,239,472,898	(15,829,251)	-1.26%	1,255,302,149	143,712,535	12.93%	1,111,589,614
Total liabilities	1,265,908,349	(8,149,188)	-0.64%	1,274,057,537	144,500,380	12.79%	1,129,557,157
Fund equity	272,936,181	14,130,453	5.46%	258,805,728	19,361,670	8.09%	239,444,058
Total operating revenues	78,795,205	(7,376,241)	-8.56%	86,171,446	9,276,458	12.06%	76,894,988
Total operating expenses	69,425,417	794,251	1.16%	68,631,166	10,937,297	18.96%	57,693,869
Operating income	9,369,788	(8,170,492)	-46.58%	17,540,280	(1,660,839)	-8.65%	19,201,119

Financial Position

Cash and cash equivalents increased \$42.8 million from 2008, due to an increase in funds on hand to fund future mortgage loan purchases and to sustain a level of liquidity management feels is necessary given the economic conditions. Investment balances declined by 18.92% (\$56.6 million) primarily due to: (1) a decrease of \$75.8 million in guaranteed investment contracts; and (2) an increase of \$19.6 million in discount notes on hand at fiscal year end. Mortgage loans receivable increased by only \$6.7 million or 0.64%. Included in this increase are mortgage loan purchases of \$148 million, less repayments of principal of \$139.4 million and less an increase in loan loss reserves of \$1.9 million over the prior year. The overall increase in total assets of \$6 million is primarily the result of the changes discussed above in addition to an increase of \$11.3 million in restricted accounts receivable due to \$9.5 million of investments which were purchased prior to June 30, 2009, but did not settle until the next fiscal year.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

June 30, 2009 and 2008

Financial Position (Continued)

Bonds payable decreased \$15.8 million from 2008. This decrease includes bonds issued during the year of \$60 million less normal maturities of \$22.1 million and redemptions of \$53.7 million. The demand for the Authority's Single Family mortgage loan programs saw a considerable decrease during 2009 due to the global economic crisis. Because of this, the Authority purchased less than half the dollar volume of loans from the previous year and issued approximately one-third the amount of bonds. While the Authority issued \$115.4 million fewer bonds than in 2008, it was able to recycle approximately \$123.8 million of prepayments into purchases of new mortgage loans. See the Debt Administration discussion below.

Results of Operation

The Authority's total operating revenue was \$78.8 million (down \$7.4 million from 2008) and its operating expenses were \$69.4 million (up \$0.8 million from 2008) resulting in a net decrease in operating income of \$8.2 million or 46.58%.

The decrease of \$7.4 million (8.56%) in total operating revenues includes: (1) an increase of \$5.4 million in mortgage interest as a result of the Authority's growing mortgage portfolio; (2) a \$5.5 million decrease in the change in net fair value of investments from 2008; and (3) a decline in investment interest income of \$7.5 million due to the low investment rates encountered during the year. Other miscellaneous revenues increased approximately \$.2 million during 2009.

The increase of \$0.8 million (1.16%) in total operating expenses is primarily due to a rise in interest expense of \$4.9 million related to higher bond interest rates and interest amounts being paid on the swaps and the decrease in the provision for loan losses of \$4.8 million. In addition, general and administrative expenses increased \$0.3 million and the amortization of deferred issuance and other costs increased \$0.4 million over 2008.

Debt Administration

The Authority issued \$60 million in Housing Revenue Bonds during 2009, which is approximately \$115.4 million less than in 2008. The decline in the level of bonds issued from the prior year was offset by the Authority's ability to recycle approximately \$123.8 million of loan prepayments. The Authority uses various financing strategies to obtain the most favorable rates possible and currently intends to continue to recycle mortgage prepayments and explore the use of alternative financing methods in order to reduce its long term cost of funds. See Note 6 for additional bond information.

The financial rating for the Authority's 1994 Indenture Housing Revenue Bond Program remained at Aa1 from Moody's Investment Service and AA+ from Standard & Poor's. The financial rating for the Authority's 1978 Indenture Single Family Mortgage Bond Program remained at Aa2 from Moody's and AA+ from Standard & Poor's.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

June 30, 2009 and 2008

Conclusion

The above discussion and analysis is presented to provide additional information regarding the activities of the Authority and also to meet the disclosure requirements of GASB Statement No. 34. If you have questions about the report or need additional financial information, please contact the Director of Finance, Wyoming Community Development Authority, P.O. Box 634, Casper, Wyoming 82602, or go to our website at www.wyomingcda.com.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	2009	2008
Current Assets		
Cash and cash equivalents	\$ 11,632,912	\$ 25,790,564
Investments	39,229,367	67,154,804
Interest receivable		
Mortgage loans	113,498	109,404
Investments	493,371	442,610
Accounts receivable and other assets	3,431,188	2,128,182
Total current assets	54,900,336	95,625,564
Noncurrent Assets		
Restricted cash and cash equivalents	176,309,465	119,359,943
Restricted investments	203,270,233	231,947,751
Restricted mortgage loans receivable, net	1,045,859,934	1,038,120,511
Restricted interest receivable		
Mortgage loans	5,751,683	6,022,604
Investments	2,185,620	2,155,659
Restricted accounts receivable and other assets	15,403,242	4,126,252
Mortgage loans receivable, net	10,139,704	11,215,218
Deferred issuance, servicing and other costs, net	23,136,039	22,577,295
Property and equipment, net	1,888,274	1,712,468
Total noncurrent assets	1,483,944,194	1,437,237,701
Total assets	\$ 1,538,844,530	\$ 1,532,863,265

(Continued)

LIABILITIES AND FUND EQUITY

	<u>2009</u>	<u>2008</u>
Current Liabilities		
Bonds payable	\$ 22,383,795	\$ 62,027,374
Accrued interest payable	4,659,091	4,640,274
Arbitrage rebate payable	142,136	897,305
Accounts payable and other liabilities	10,784,594	1,304,147
Total current liabilities	<u>37,969,616</u>	<u>68,869,100</u>
Noncurrent Liabilities		
Bonds payable	1,217,089,103	1,193,274,775
Deferred arbitrage rebate	1,107,864	2,639,383
Other deferred credits	9,741,766	9,274,279
Total noncurrent liabilities	<u>1,227,938,733</u>	<u>1,205,188,437</u>
Total liabilities	<u>1,265,908,349</u>	<u>1,274,057,537</u>
Commitments and Contingencies		
Fund Equity		
Invested in capital assets	1,888,274	1,712,468
Restricted	194,122,394	179,815,173
Unrestricted	76,925,513	77,278,087
Total fund equity	<u>272,936,181</u>	<u>258,805,728</u>
Total liabilities and fund equity	<u>\$ 1,538,844,530</u>	<u>\$ 1,532,863,265</u>

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY

Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Mortgage interest	\$ 63,794,624	\$ 58,384,028
Investment interest income	13,745,638	21,248,347
Net change in fair value of investments	215,003	5,727,272
Fees and other income	1,039,940	811,799
Total operating revenue	<u>78,795,205</u>	<u>86,171,446</u>
 Operating Expenses		
Interest expense	60,046,572	55,195,500
Servicer fees	351,060	377,821
Amortization of deferred issuance and other costs	2,195,311	1,807,855
Provision for loan losses	1,884,928	6,642,053
General and administrative	4,947,546	4,607,937
Total operating expenses	<u>69,425,417</u>	<u>68,631,166</u>
 Operating income	<u>9,369,788</u>	<u>17,540,280</u>
 Nonoperating Revenue (Expenses)		
Federal program income	8,774,302	4,963,672
Federal program expense	(4,013,637)	(3,142,282)
Nonoperating income	<u>4,760,665</u>	<u>1,821,390</u>
 Net income	14,130,453	19,361,670
 Fund equity, beginning of year	<u>258,805,728</u>	<u>239,444,058</u>
 Fund equity, end of year	<u>\$ 272,936,181</u>	<u>\$ 258,805,728</u>

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Cash receipts for services	\$ 1,039,940	\$ 811,799
Interest income on mortgage loans	64,792,407	58,982,994
Principal received on mortgage	139,409,650	133,801,300
Cash payments to purchase mortgage loans	(147,958,487)	(310,108,851)
Cash payments to servicers	(351,060)	(377,821)
Cash payments to suppliers	(4,139,190)	(3,746,270)
Cash payments to employees	(1,928,506)	(1,570,338)
Other cash payments	(2,864,738)	(2,339,779)
Net cash provided by (used in) operating activities	<u>48,000,016</u>	<u>(124,546,966)</u>
Cash Flows from Noncapital Financing Activities		
Federal revenue	8,774,302	4,963,672
Federal expenses	(4,013,637)	(3,142,282)
Proceeds from bonds	60,035,066	175,355,000
Principal paid on bonds	(75,904,535)	(31,680,281)
Interest paid on bonds and note payable	(59,987,537)	(54,875,504)
Payment of bond issuance costs	(402,317)	(1,810,830)
Net cash provided by (used in) noncapital financing activities	<u>(71,498,658)</u>	<u>88,809,775</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of fixed assets	(317,849)	(81,994)
Purchase of mortgage servicing rights	(2,351,738)	(3,207,552)
Net cash used in capital and related financing activities	<u>(2,669,587)</u>	<u>(3,289,546)</u>
Cash Flows from Investing Activities		
Interest received from investments	12,142,141	21,839,538
Purchase of investments	(223,387,142)	(291,325,230)
Proceeds from sales and maturities of investments	280,205,100	366,483,919
Net cash provided by investing activities	<u>68,960,099</u>	<u>96,998,227</u>
Increase in cash and cash equivalents	42,791,870	57,971,490
Cash and cash equivalents, beginning of year	145,150,507	87,179,017
Cash and cash equivalents, end of year	<u>\$ 187,942,377</u>	<u>\$ 145,150,507</u>

(Continued)

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Reconciliation of ending cash and cash equivalents		
Current cash and cash equivalents	\$ 11,632,912	\$ 25,790,564
Noncurrent restricted cash and cash equivalents	176,309,465	119,359,943
Cash and cash equivalents, ending	<u>\$ 187,942,377</u>	<u>\$ 145,150,507</u>
Reconciliation of operating income to net cash		
(used in) operating activities		
Operating income	\$ 9,369,788	\$ 17,540,280
Adjustments to reconcile operating income to net cash		
(used in) operating activities		
Interest on bonds and note payable	60,046,572	55,195,500
Net change in fair value of investments	(215,003)	(5,727,272)
Interest from investments	(13,745,638)	(21,248,347)
Mortgage loan principal repayments		
Scheduled	28,591,392	21,755,099
Prepaid	110,941,258	113,346,988
Purchase of mortgage loans	(148,081,487)	(311,409,638)
Amortization of commitment fees and loan discounts	(1,215,523)	(841,280)
Amortization of deferred issuance and other costs	2,195,311	1,807,855
Increase in provision for loan losses	1,884,928	6,642,053
Net change in other assets and liabilities	(1,771,582)	(1,608,204)
Net cash provided by (used in) operating activities	<u>\$ 48,000,016</u>	<u>\$ (124,546,966)</u>
Supplemental Cash Flow Information		
Noncash investing activity		
Investment purchase in progress	\$ 9,447,550	\$ -

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 1. Authority Legislation

The Wyoming Community Development Authority (the "Authority") was created in 1975 by the Wyoming Community Development Authority Act to provide financing for housing needs within the State of Wyoming (the "State"). The Authority is a component unit of the State and is reported as an enterprise fund.

In March 2002, the Authority was authorized by the Legislature of the State of Wyoming to issue additional bonds. In addition to the bonds presently outstanding, any bonds authorized for care facility projects, bonds that may be issued to refund bonds, and bonds the Authority may issue from time to time as private activity bonds exempt from federal income taxation under Section 146 of the Internal Revenue Code of 1986, as amended, the Authority may issue and have outstanding additional bonds in an aggregate amount of up to \$400,000,000. In addition, the Authority may issue and have outstanding additional bonds for care facility projects in an aggregate amount of up to \$250,000,000. Amounts so issued shall not be deemed to constitute a debt of the State or any political subdivision thereof.

Note 2. Significant Accounting Policies

Fund Accounting and Generally Accepted Accounting Principles

The financial activities of the Authority are recorded in funds established under various bond indentures (program funds) and in funds established for the administration of the Authority's programs. The Authority uses the accrual method of accounting. The Authority's program funds and other funds have been presented on a combined basis, as the Authority is considered a single enterprise fund for financial reporting purposes. All interfund balances and transactions have been eliminated in the financial statements.

The accounting principles generally accepted in the United States of America that are applicable to the Authority are generally those applicable to similar businesses in the private sector; however, the Authority has elected the provision of Governmental Accounting Standards Board (GASB) Statement No. 20 which applies all GASB pronouncements and those Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989.

Further description of the Funds established by the Authority is as follows:

Single and Multi-Family Program Funds

These funds, established under the Single Family Mortgage Bonds 1978 Indenture, the Housing Revenue Bonds 1994 Indenture, the Single Family Mortgage Revenue Bonds 2007 Indenture, the Multi-Family Mortgage Bonds 1982 Indenture, and the Wyoming Homeownership Bonds 1992 Indenture are to account for the proceeds from the sale of Single and Multi-Family Mortgage Bonds and the debt service requirements of the bond indebtedness. Activities of these funds are, in general, limited to the purchase of mortgage loans collateralized by eligible mortgages on single and multi-family residential housing. Assets in these funds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The trust indentures have various insurance, guaranty and reserve provisions as set forth in those trust indentures.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as needed.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 2. Significant Accounting Policies (Continued)

Federal Program Fund

This fund was established for the purpose of receiving and disbursing funds relating to projects funded by the U.S. Department of Housing and Urban Development's Community Development Block Grant, HOME Investment Partnership, and other federal programs. These funds are restricted by federal law to specific purposes.

Housing Trust Fund

This fund was established to provide direct funding of approved housing or housing projects within the State of Wyoming.

Mortgage Guaranty Fund

This fund is used to provide guarantees on mortgage loans, leases, or other credit agreements purchased by the Authority. Claims made against the Mortgage Guaranty Fund are not a debt or liability of the State nor a general obligation of the Authority. The Authority has committed \$797,446 to guarantee mortgage and project loans with principal balances outstanding of \$1,755,766 as of June 30, 2009. The Authority has also committed \$5,081,201 to guarantee second mortgages with principal balances outstanding of \$11,291,557. Initial recovery of second mortgage losses will come from other available sources.

General Fund

This fund is utilized to account for all other activities of the Authority, including mortgage-servicing activities, which are not accounted for in the individual Program Funds, the Mortgage Guaranty Fund, the Federal Program Fund, or the Housing Trust Fund.

Interfund Activity

As a general rule, the effect of interfund activity has been eliminated from the Authority's basic financial statements.

Cash and Cash Equivalents

For purposes of reporting the statements of cash flows, the Authority considers all cash, obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government with initial maturities of three months or less, and money market investments to be cash equivalents.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 2. Significant Accounting Policies (Continued)

Investments

The trust indentures and State statutes authorize the types of investments in which the Authority invests. Among these authorized investments are certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts, mutual funds and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government. The investments are carried at fair value, except for certificates of deposit which are carried at cost.

Mortgage Loans Receivable

Loans receivable are reported net of the loan loss reserve. The loan loss reserve for mortgages is increased by provisions charged and decreased by recoveries credited to operations based on a periodic evaluation of the loan portfolio and actual losses that occur. Deferred commitment fees on mortgages are amortized to earnings over the estimated life of the mortgages by a method which approximates the interest method. Interest income on delinquent loans is accrued up to one year, after which time the loan is classified as a non-accrual loan.

Deferred Issuance and Other Costs

Deferred issuance and other costs consist of bond issuance costs, including underwriter discounts, and costs of acquiring mortgage loan servicing rights. The deferred issuance costs are amortized over the life of the remaining outstanding bonds. The cost of loan servicing rights is amortized in proportion to, and over the period of, estimated net servicing revenue.

Property and Equipment

Property and equipment, including rehabilitations of single-family dwellings, is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the following estimated useful lives:

Furniture and equipment	3 - 7 years
Buildings and improvements	20 - 40 years

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 2. Significant Accounting Policies (Continued)

Arbitrage Rebate Payable, Deferred Arbitrage Rebate and Other Deferred Credits

As a result of applicable federal income tax rules, the Authority is limited in the investment yield which it may retain for its own use on the non-mortgage investments of most of its bond issues. For bond issues before 1989, the excess yields can be rebated to mortgagors, used to reduce future mortgage loan interest rates, or paid to the federal government. For bond issues after 1988, excess arbitrage yields must be rebated to the federal government not less than every five years pursuant to applicable federal tax regulations. The Authority has deferred \$1,107,864 and \$2,639,383 at June 30, 2009 and 2008, respectively, for arbitrage rebates. The Authority has recorded an arbitrage rebate payable of \$142,136 and \$897,305 at June 30, 2009 and 2008, respectively, for amounts expected to be assessed within the next year.

The Authority could also incur arbitrage rebates related to excess yields collected on mortgage receivables funded with Bond proceeds; management monitors whether excess yields are accumulating in a given series. The Authority has recorded deferred interest income of \$3,076,987 and \$3,340,457 at June 30, 2009 and 2008, respectively, from bond issues to recognize the effect of reducing mortgage loan interest rates in the future to comply with applicable federal tax laws. These deferred amounts are being amortized into mortgage interest income over the estimated life of the related mortgages. As of June 30, 2009 and 2008, the Authority also deferred \$4,049,432 and \$3,017,359, respectively, of interest income related to the HOME Run loan program.

Additionally, the Authority has deferred \$2,615,347 and \$2,916,463 as of June 30, 2009 and 2008, respectively, in unamortized commitment fees received. These fees are being amortized over the estimated life of the related mortgages by a method which approximates the interest method.

Revenue and Expense Recognition

The Authority records all revenues derived from mortgages, investments, servicing and financing as operating revenues since these revenues are generated from the Authority's daily operations needed to carry out its statutory purpose. The Authority considers revenues and expenses related to federal programs to be non-operating revenues and expenses.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 3. Cash and Cash Equivalents and Investments

Deposits are placed with various financial institutions and are carried at cost. At June 30, 2009, the carrying amount of the Authority's bank deposits was \$2,492,806 and the bank balance was \$5,301,695. The difference between the carrying amount and the bank balance is a result of transactions in transit. All bank deposits at June 30, 2009 were covered by insurance or collateral held in joint custody with the financial institution.

The components of the Authority's investment portfolio are as follows:

	<u>2009</u>	<u>2008</u>
Investments		
Certificates of deposit	\$ 276,547	\$ 276,547
U.S. Government and agency securities	242,223,053	222,960,301
Guaranteed investment contracts	-	75,865,707
	<u> </u>	<u> </u>
Total	<u>\$ 242,499,600</u>	<u>\$ 299,102,555</u>

Investments are reported in the following classifications:

	<u>2009</u>	<u>2008</u>
Current	\$ 39,229,367	\$ 67,154,804
Noncurrent - restricted by bond indentures or contracts	<u>203,270,233</u>	<u>231,947,751</u>
	<u> </u>	<u> </u>
Total	<u>\$ 242,499,600</u>	<u>\$ 299,102,555</u>

The net change in fair value of investments takes into account all changes in fair value that occurred during the year. Fair value for individual investments fluctuates based on changes in the market interest rates available to investors. At June 30, 2009 and 2008, the Authority had unrealized investment gains of \$7,586,321 and \$6,675,149, respectively, in its investment portfolio. The unrealized gains of \$911,172 and \$5,722,535 for the years ended June 30, 2009 and 2008, respectively, as well as the effects of any realized gains and losses, which may have been partially or fully recognized in prior years, are included in the net change in fair value of investments as reported.

As of June 30, 2009, the Authority had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Certificates of deposit	\$ 276,547	\$ 276,547	\$ -	\$ -	\$ -
U.S. government and agency securities	242,223,053	88,473,244	1,352,561	9,462,657	142,934,591
Total	<u>\$ 242,499,600</u>	<u>\$ 88,749,791</u>	<u>\$ 1,352,561</u>	<u>\$ 9,462,657</u>	<u>\$ 142,934,591</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 3. Cash and Cash Equivalents and Investments (Continued)

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority attempts to match its investment maturities to the expected call dates of its bonds or needs for purchasing mortgages. With this investment focus, investments would be expected to reach maturity with limited realized gains or losses.

Credit Risk

As mentioned in Note 1, State statutes limit the types of investments available to the Authority. Investments, including the underlying securities for repurchase agreements, are held by the Authority's trustees in the Authority's name. Guaranteed investment contracts which have a maturity beyond 18 months are generally guaranteed by AAA rated institutions or collateralized.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Substantially all of the Authority's investments are held in the name of the Authority by a trustee.

Reserve Requirements

The 1978 and 1994 Indentures require the Authority to place a portion of bond proceeds in bond, mortgage and special reserve accounts. As of June 30, 2009, the Authority has \$90,538,229 in these reserve accounts which exceeds the reserve requirements contained in the applicable trust indentures of \$80,161,893. The amounts reserved in these accounts are as follows:

	1978	1994
	<u>Indenture</u>	<u>Indenture</u>
Bond reserve requirement	\$ 18,465,285	\$ 33,784,489
Mortgage reserve requirement	1,132,900	19,844,219
Restricted special reserve requirement	<u>-</u>	<u>6,935,000</u>
Total required reserves	<u>\$ 19,598,185</u>	<u>\$ 60,563,708</u>
Total cash and investments held for reserves	<u>\$ 24,444,388</u>	<u>\$ 66,093,841</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 4. Mortgage Loans Receivable, Net

	<u>2009</u>	<u>2008</u>
Single Family Mortgage Bonds 1978 Indenture Fund, bearing interest at 0% to 11.375%, 25 to 30 year term, FHA or private mortgage company insured or guaranteed by RD, VA, or mortgage guaranty fund	\$ 72,101,445	\$ 80,668,115
Less: Reserve for losses on loans	<u>(2,844,455)</u>	<u>(3,844,455)</u>
	<u>69,256,990</u>	<u>76,823,660</u>
 Housing Revenue Bonds 1994 Indenture Fund, bearing interest at 1.5% to 8.625%, 25 to 30 year term, FHA or private mortgage company insured, or guaranteed by RD, VA or mortgage guaranty fund	 992,210,964	 978,676,590
Less: Reserve for losses on loans	<u>(35,371,651)</u>	<u>(34,192,893)</u>
	<u>956,839,313</u>	<u>944,483,697</u>
 Wyoming Homeownership Bonds 1992 Indenture Fund, bearing interest at 7.625%, 30 year term, FHA or private mortgage company insured, or RD guaranteed	 823,649	 916,468
 Federal Program Fund with various terms, including deferred payments and fixed rates, 10 to 30 year term	 19,339,982	 16,096,686
Less: Reserve for losses on loans	<u>(400,000)</u>	<u>(200,000)</u>
	<u>18,939,982</u>	<u>15,896,686</u>
 Housing Trust Fund, bearing interest at 0% to 11.375%, 1 to 30 year term, FHA or private mortgage company insured or guaranteed by VA or mortgage guaranty fund	 15,423,599	 14,999,113
Less: Reserve for losses on loans	<u>(5,283,895)</u>	<u>(3,783,895)</u>
	<u>10,139,704</u>	<u>11,215,218</u>
Total mortgage loans receivable, net	<u>\$ 1,055,999,638</u>	<u>\$ 1,049,335,729</u>
 Reported in the following classifications		
Restricted mortgage loans receivable, net	\$ 1,045,859,934	\$ 1,038,120,511
Mortgage loans receivable, net	<u>10,139,704</u>	<u>11,215,218</u>
	<u>\$ 1,055,999,638</u>	<u>\$ 1,049,335,729</u>

Total loan loss reserves for mortgage loans receivable established by the Authority as of June 30, 2009 and 2008 were \$43,900,001 and \$42,021,243, respectively, for mortgage loans receivable.

As of June 30, 2009, the Authority had 334 loans delinquent for 90 days or more from the population of 14,017 loans. The outstanding balance of mortgages delinquent for 90 days or more was \$24,201,666.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 5. Federal Programs

The Authority receives funds to provide housing assistance to low income families in Wyoming through various federal programs. Programs provide grants to individuals or organizations for the purchase, construction, and rehabilitation of single and multi-family residential properties. Revenue is recognized as expenses are incurred under these programs. Funding from these programs has been fully utilized or obligated as of June 30, 2009.

Federal program funds are also received for the purpose of making low interest loans to qualified borrowers. As these loans are collected, the funds must be re-loaned under the same program restrictions. These funds, net of any allowance for losses on loans, are included in net income when received and remain in retained earnings, subject to the program use restrictions, as long as the program is available under federal regulations.

Note 6. Bonds Payable

Bonds are generally payable in scheduled annual and semiannual installments and are subject to mandatory sinking fund requirements in scheduled amounts. Redemption is optional after various dates at prices ranging from 100% (par) to 102% of par. Capital Appreciation Bonds (CABs) are reported at accreted value.

The bonds of the 1978, 1992, 1994, and 2007 Indentures are special obligations of the Authority, payable solely from the income and receipts of these indentures. All of the bonds are secured by mortgage loans and other assets of the respective indentures. Interest on outstanding bonds is generally payable either semi-annually or annually, except for certain of the variable rate debt which reprices weekly, based on market interest rates.

	Balance at June 30, 2008	Issued	Retired	Balance at June 30, 2009	Amount Due Within 1 Year
Single Family Mortgage Bonds 1978 Indenture Fund					
1998 Series B, 2025 to 2033 interest at 5.30%, original amount issued \$15,000,000	\$ 13,000,000	\$ -	\$ -	\$ 13,000,000	\$ -
2001 Series A, 2025 to 2035 variable interest, interest at 0.65%, original amount issued \$9,545,000	9,545,000	-	-	9,545,000	-
2002 Series A, 2022 to 2032 variable interest, interest at 0.65%, original amount issued \$37,000,000	37,000,000	-	-	37,000,000	-
2003 Series A/B, 2022 to 2033, interest at 0.23% to 4.55%, original amount issued \$53,745,000	53,745,000	-	-	53,745,000	-
	<u>53,745,000</u>	<u>-</u>	<u>-</u>	<u>53,745,000</u>	<u>-</u>

(Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 6. Bonds Payable (Continued)

	Balance at June 30, 2008	Issued	Retired	Balance at June 30, 2009	Amount Due Within 1 Year
Principal amounts of bonds outstanding 1978 Trust Indenture	\$ 113,290,000	\$ -	\$ -	\$ 113,290,000	\$ -
Less: deferred loss on prior series refunded by 1998 Series A and 2003 Series A/B	(843,890)	-	(57,496)	(786,394)	-
Principal amounts of bonds outstanding 1978 Indenture Fund, net	112,446,110	-	(57,496)	112,503,606	-

Housing Revenue Bonds 1994 Indenture Fund

1995 Series 6 (including CABs), 2015, interest rate at 6.25%, original amount issued \$15,097,280 at discount of \$473,253	633,562	-	(40,218)	673,780	-
1996 Series 7, 2009 to 2030, interest at 5.0% to 5.25% original amount issued \$60,000,000	21,940,000	-	2,325,000	19,615,000	530,000
1997 Series 5, 2009 to 2030, interest at 5.15% to 5.3%, original amount issued \$100,000,000	32,295,000	-	4,200,000	28,095,000	835,000
1997 Series 6 and 7, 2011 to 2015, interest at 5.35%, original amount issued \$50,000,000	8,415,000	-	1,055,000	7,360,000	-
1998 Series 1 and 2, 2009 to 2026, interest at 5.10% to 5.45%, original amount issued \$40,000,000	12,275,000	-	830,000	11,445,000	445,000
1998 Series 3, 2009 to 2030, interest at 5.30% to 5.35%, original amount issued \$30,000,000	20,215,000	-	1,785,000	18,430,000	605,000 (Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 6. Bonds Payable (Continued)

	Balance at June 30, 2008	Issued	Retired	Balance at June 30, 2009	Amount Due Within 1 Year
1999 Series 1, 2009 to 2030, interest at 4.85% to 5.32%, original amount issued \$30,000,000	\$ 21,735,000	\$ -	\$ 1,720,000	\$ 20,015,000	\$ 665,000
1999 Series 4, 2009 to 2019, interest at 5.30% to 5.55%, original amount issued \$40,000,000	12,380,000	-	805,000	11,575,000	845,000
1999 Series 7 and 8, 2021 to 2026, interest at 6.15%, original amount issued \$25,000,000	6,430,000	-	305,000	6,125,000	-
1999 Series 10 and 11, 2017 to 2024, interest at 6.15%, original amount issued \$25,000,000	6,485,000	-	40,000	6,445,000	-
2000 Series 1 and 2, 2015 to 2022, interest at 6.05%, original amount issued \$35,000,000	8,000,000	-	220,000	7,780,000	-
2000 Series 4 and 5, 2021 to 2026, interest at 6.1%, original amount issued \$50,000,000 at premium of \$189,437	12,343,250	-	142,063	12,201,187	-
2000 Series 6 and 7, 2009 to 2026, interest at 5.10% to 5.85%, original amount issued \$30,000,000	9,885,000	-	570,000	9,315,000	600,000
2001 Series 1, 2009 to 2027, interest at 5.25% to 5.35%, original amount issued \$30,000,000 at premium of \$179,692	11,281,598	-	627,698	10,653,900	630,000
2001 Series 3 and 4, 2010, interest at 4.95%, original amount issued \$44,600,000	1,630,000	-	1,015,000	615,000	615,000

(Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 6. Bonds Payable (Continued)

	Balance at June 30, 2008	Issued	Retired	Balance at June 30, 2009	Amount Due Within 1 Year
2001 Series 5, 6 and 7, 2009 to 2031, interest at 0.75% to 5.30%; original amount issued \$33,500,000	\$ 22,570,000	\$ -	\$ 690,000	\$ 21,880,000	\$ 610,000
2002 Series 1 and 2, 2023 to 2026, interest at 5.50%, original amount issued \$42,475,000	6,650,000	-	405,000	6,245,000	-
2002 Series 3, 2015, interest at 4.8%, original amount issued \$36,820,000 at premium of \$483,904	2,086,192	-	1,476,192	610,000	-
2002 Series 4 and 5, 2009 to 2027, interest at 4.15% to 5.30%, original amount issued \$42,110,000	23,750,000	-	775,000	22,975,000	805,000
2002 Series 6, 7 and 8, 2009 to 2033, interest at 0.75% to 5.20% original amount issued \$27,000,000	19,510,000	-	970,000	18,540,000	525,000
2003 Series 1, 2010 to 2032, interest at 3.35% to 4.60% original amount issued \$26,065,000	22,335,000	-	780,000	21,555,000	450,000
2003 Series 2, 3, and 4, 2010 to 2032, interest at 0.75% to 5.25% original amount issued \$26,230,000	24,195,000	-	525,000	23,670,000	550,000
2003 Series 5 and 6, 2010 to 2034, interest at 3.60% to 5.00% original amount issued \$25,990,000	24,090,000	-	530,000	23,560,000	545,000
2004 Series 1, 2, and 3, 2009 to 2034, interest at 0.75% to 4.60% original amount issued \$35,000,000	30,840,000	-	1,155,000	29,685,000	750,000 (Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 6. Bonds Payable (Continued)

	Balance at June 30, 2008	Issued	Retired	Balance at June 30, 2009	Amount Due Within 1 Year
2004 Series 4, 5, and 6, 2010 to 2035, interest at 0.75% to 5.25% original amount issued \$40,000,000	\$ 36,040,000	\$ -	\$ 1,375,000	\$ 34,665,000	\$ 640,000
2004 Series 7, 8, and 9, 2009 to 2034, interest at 0.75% to 5.00% original amount issued \$40,000,000	35,545,000	-	1,135,000	34,410,000	760,000
2004 Series 10 and 11, 2010 to 2035, interest at 0.75% to 4.90% original amount issued \$30,000,000	28,355,000	-	585,000	27,770,000	600,000
2005 Series 1 and 2, 2009 to 2035, interest at 0.75% to 4.95% original amount issued \$40,000,000	38,220,000	-	750,000	37,470,000	775,000
2005 Series 3 and 4, 2009 to 2035, interest at 0.32% to 4.70% original amount issued \$40,000,000	38,425,000	-	660,000	37,765,000	695,000
2005 Series 5, 6 and 7, 2009 to 2036, interest at 0.32% to 4.85% original amount issued \$40,000,000	38,470,000	-	820,000	37,650,000	650,000
2006 Series 1 and 2, 2009 to 2035, interest at 0.32% to 4.90% original amount issued \$40,000,000	38,975,000	-	570,000	38,405,000	605,000
2006 Series 4 and 5, 2009 to 2036, interest at 0.32% to 5.05% original amount issued \$50,000,000	48,875,000	-	735,000	48,140,000	775,000
2006 Series 6 and 7, 2009 to 2037, interest at 0.32% to 5.50% original amount issued \$50,000,000 at premium of \$347,819	49,565,129	-	697,567	48,867,562	720,000 (Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 6. Bonds Payable (Continued)

	Balance at June 30, 2008	Issued	Retired	Balance at June 30, 2009	Amount Due Within 1 Year
2006 Series 8 and 9, 2009 to 2037, interest at 0.32% to 4.70% original amount issued \$50,000,000	\$ 49,130,000	\$ -	\$ 695,000	\$ 48,435,000	\$ 730,000
2007 Series 1 and 2, 2009 to 2037, interest at 0.32% to 4.80%; original amount issued \$30,000,000	29,540,000	-	425,000	29,115,000	450,000
2007 Series 3 and 4, 2009 to 2037, interest at 0.32% to 4.75% original amount issued \$70,000,000	69,160,000	-	1,015,000	68,145,000	1,065,000
2007 Series 5 and 6, 2009 to 2038, interest at 0.32% to 4.90% original amount issued \$70,000,000	69,340,000	-	990,000	68,350,000	1,040,000
2007 Series 7, 8 and 9, 2009 to 2038, interest at 0.32% to 5.701% original amount issued \$60,000,000	60,000,000	-	735,000	59,265,000	785,000
2007 Series 10, 11 and 12, 2009 to 2038, interest at 0.32% to 5.50% original amount issued \$60,000,000	60,000,000	-	610,000	59,390,000	740,000
2008 Series 1 and 2, 2009 to 2038, interest at 0.32% to 5.60% original amount issued \$50,000,000	50,000,000	-	435,000	49,565,000	610,000
2008 Series 3, 2009 to 2038, interest at 2.70% to 5.625% original amount issued \$60,000,000 at premium of \$35,066	-	60,000,000	321,809	59,678,191	710,000
Principal amounts of bonds outstanding 1994 Indenture Fund	<u>1,101,609,731</u>	<u>60,000,000</u>	<u>35,460,111</u>	<u>1,126,149,620</u>	<u>22,355,000</u>

(Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 6. Bonds Payable (Continued)

	Balance at June 30, 2008	Issued	Retired	Balance at June 30, 2009	Amount Due Within 1 Year
Single Family Mortgage Revenue Bonds 2007 Indenture Fund					
Draw Down Series 2007, redeemed, available as needed, not to exceed \$500,000,000, variable interest rate, callable on demand or maturing 2010	\$ 40,328,436	\$ -	\$ 40,328,436	\$ -	\$ -
Wyoming Homeownership Bonds 1992 Indenture Fund					
Homeownership Revenue Bonds Series I, due 2024, interest at 6.7%, original amount issued \$24,964,754	917,872	-	98,200	819,672	28,795
Total bonds payable	\$ 1,255,302,149	\$ 60,000,000	\$ 75,829,251	\$ 1,239,472,898	\$ 22,383,795

Scheduled bond principal and sinking fund requirements in each indenture for the five fiscal years subsequent to June 30, 2009, which includes in each of the respective years the bonds to be remarketed or expected to be refunded, are as follows:

	Single Family Mortgage Bonds 1978 Indenture Fund	Housing Revenue Bonds 1994 Indenture Fund	Single Family Mortgage Revenue Bonds 2007 Indenture Fund	Wyoming Homeownership Bonds 1992 Indenture Fund	Totals
2010	\$ -	\$ 22,355,000	\$ -	\$ 28,795	\$ 22,383,795
2011	-	23,025,000	-	31,069	23,056,069
2012	-	23,160,000	-	33,523	23,193,523
2013	-	25,875,000	-	36,170	25,911,170
2014	-	24,945,000	-	39,026	24,984,026

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 6. Bonds Payable (Continued)

Annual debt service requirements for the five fiscal years subsequent to June 30, 2009, and for each five year segment thereafter, including the bonds to be remarketed or expected to be refunded, are as follows:

	Principal	Interest	Total Debt Service
2010	\$ 22,383,795	\$ 51,129,128	\$ 73,512,923
2011	23,056,069	50,198,966	73,255,035
2012	23,193,523	49,216,478	72,410,001
2013	25,911,170	48,188,621	74,099,791
2014	24,984,026	47,031,472	72,015,498
5 years ending 2019	154,696,527	215,062,082	369,758,609
5 years ending 2024	233,805,508	173,138,378	406,943,886
5 years ending 2029	292,029,054	112,124,556	404,153,610
5 years ending 2034	297,750,000	50,974,970	348,724,970
5 years ending 2039	142,280,000	8,861,681	151,141,681
	<u>\$ 1,240,089,672</u>	<u>\$ 805,926,332</u>	<u>\$ 2,046,016,004</u>

The balances above do not include net premiums, discounts, or losses on refundings in the amount of (\$616,774) that are reported as components of bonds payable.

Swap Payments and Associated Debt

Using rates as of June 30, 2009 and giving effect to scheduled reductions in the notional amount of the swap, debt service requirements of the Authority's outstanding variable-rate debt in 2005 Series 2, 2005 Series 4, 2005 Series 7, 2006 Series 2, 2006 Series 5, 2006 Series 7, 2006 Series 9, 2007 Series 2, 2007 Series 4, 2007 Series 6, 2007 Series 8, 2007 Series 11, and 2008 Series 2 and net swap payments are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

	Variable Rate Bonds		Interest Rate	Total
	Principal	Interest	Swaps (net)	
2010	\$ -	\$ 464,699	\$ 4,229,260	\$ 4,693,959
2011	-	460,000	4,149,028	4,609,028
2012	-	460,737	4,074,996	4,535,733
2013	-	461,784	4,009,218	4,471,002
2014	-	458,740	3,819,634	4,278,374
5 years ending 2019	3,625,000	2,293,026	3,517,563	9,435,589
5 years ending 2024	14,215,000	2,149,596	37,380	16,401,976
5 years ending 2029	20,090,000	1,874,530	-	21,964,530
5 years ending 2034	38,945,000	1,478,570	-	40,423,570
5 years ending 2039	56,125,000	369,344	-	56,494,344
	<u>\$ 133,000,000</u>	<u>\$ 10,471,026</u>	<u>\$ 23,837,079</u>	<u>\$ 167,308,105</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 7. Conduit Debt

From time to time, the Authority has issued Multi-Family Housing Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of low-income multi-family housing deemed to be in the public interest. The bonds are secured by the revenues from the property financed. Neither the Authority, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2009, there were two such series of Multi-Family Housing Revenue bonds outstanding, with an aggregate principal amount payable of \$7,327,127.

Note 8. Note Payable

The Authority has a line of credit agreement with a financial institution, secured by specific investments. This agreement allows the Authority to borrow approximately 80% of the value of the investment collateral. As of June 30, 2009, the Authority had investments of approximately \$14,353,469 par value on deposit with this financial institution; however, no amounts were outstanding on this line.

Note 9. Interest Rate Swaps

Swap Objectives

The Authority has entered into interest rate swap agreements in connection with variable-rate bond series as a technique to lower the cost of long-term debt. The objective of the swaps is to effectively change the variable interest rate on the bonds to a synthetic fixed rate.

Terms and Values

June 30, 2009

Bond Series	Swap Contractual Dates	Notional Amount	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value	Counterparty Credit Rating
2005 Series 2	3/31/2005	\$ 5,325,000	3.523%	70% of LIBOR	6/1/2021	\$ (276,181)	AAA/Aaa
2005 Series 4	6/30/2005	6,105,000	3.260%	70% of LIBOR	12/1/2021	(238,500)	AAA/Aaa
2005 Series 7	9/20/2005	5,820,000	3.325%	70% of LIBOR	12/1/2016	(284,428)	AAA/Aaa
2006 Series 2	1/19/2006	8,000,000	3.465%	70% of LIBOR	12/1/2013	(552,218)	AAA/Aaa
2006 Series 5	4/20/2006	10,000,000	3.926%	70% of LIBOR	6/1/2014	(922,630)	AAA/Aaa
2006 Series 7	6/26/2006	10,000,000	4.115%	70% of LIBOR	6/1/2014	(1,011,312)	AAA/Aaa
2006 Series 9	9/27/2006	10,000,000	3.621%	70% of LIBOR	12/1/2014	(794,226)	AAA/Aaa
2007 Series 2	1/11/2007	6,000,000	3.678%	70% of LIBOR	12/1/2014	(494,070)	AAA/Aaa
2007 Series 4	3/13/2007	14,000,000	3.577%	70% of LIBOR	6/1/2015	(1,097,349)	AAA/Aaa
2007 Series 6	5/10/2007	14,000,000	3.661%	70% of LIBOR	6/1/2015	(1,162,483)	AAA/Aaa
2007 Series 8	7/31/2007	12,000,000	3.924%	USD-SIFMA	6/1/2015	(900,950)	AAA/Aaa
2007 Series 11	11/7/2007	12,000,000	3.530%	70% of LIBOR	12/1/2015	(920,872)	AAA/Aaa
2008 Series 2	5/13/2008	13,000,000	3.075%	70% of LIBOR	6/1/2016	(635,647)	AAA/Aaa
		<u>\$ 126,250,000</u>				<u>\$ (9,290,866)</u>	

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 9. Interest Rate Swaps (Continued)

Terms and Values (Continued)

June 30, 2008

Bond Series	Swap Contractual Dates	Notional Amount	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value	Counterparty Credit Rating
2005 Series 2	3/31/2005	\$ 6,275,000	3.523%	70% of LIBOR	6/1/2021	\$ (102,957)	AAA/Aaa
2005 Series 4	6/30/2005	6,885,000	3.260%	70% of LIBOR	12/1/2021	(7,345)	AAA/Aaa
2005 Series 7	9/20/2005	6,890,000	3.325%	70% of LIBOR	12/1/2016	(85,633)	AAA/Aaa
2006 Series 2	1/19/2006	8,000,000	3.465%	70% of LIBOR	12/1/2013	(185,469)	AAA/Aaa
2006 Series 5	4/20/2006	10,000,000	3.926%	70% of LIBOR	6/1/2014	(474,308)	AAA/Aaa
2006 Series 7	6/26/2006	10,000,000	4.115%	70% of LIBOR	6/1/2014	(574,094)	AAA/Aaa
2006 Series 9	9/27/2006	10,000,000	3.621%	70% of LIBOR	12/1/2014	(315,245)	AAA/Aaa
2007 Series 2	1/11/2007	6,000,000	3.678%	70% of LIBOR	12/1/2014	(209,204)	AAA/Aaa
2007 Series 4	3/13/2007	14,000,000	3.577%	70% of LIBOR	6/1/2015	(406,521)	AAA/Aaa
2007 Series 6	5/10/2007	14,000,000	3.661%	70% of LIBOR	6/1/2015	(477,519)	AAA/Aaa
2007 Series 8	7/31/2007	12,000,000	3.924%	USD-SIFMA	6/1/2015	(476,613)	AAA/Aaa
2007 Series 11	11/7/2007	12,000,000	3.530%	70% of LIBOR	12/1/2015	(309,190)	AAA/Aaa
2008 Series 2	5/13/2008	13,000,000	3.075%	70% of LIBOR	6/1/2016	68,119	AAA/Aaa
		<u>\$ 129,050,000</u>				<u>\$ (3,555,979)</u>	

As of June 30, 2009 and 2008, the Authority's swap agreements had a fair value of (\$9,290,866) and (\$3,555,979), respectively. If negative, the fair value of the swaps may be offset by reductions in total interest payments required under the related variable-rate bond, creating lower synthetic rates. Because the coupons on the related variable-rate bonds adjust to the changing interest rates, the bonds do not have a corresponding fair value increase. The fair value amounts, obtained from an independent third-party, represent mid-market valuations that approximate the current economic value using prices and rates at the average of the estimated bid and offer amounts.

Swap Risks

Credit Risk – As of June 30, 2009, the Authority was exposed to credit risk on certain swaps which had a positive fair value. The positive fair value of any one swap represents the Authority's exposure as of June 30, 2009, to the potential failure of a single counterparty. Should the counterparty to this transaction fail to perform according to the swap contract, the Authority would face a maximum possible loss equivalent to the swap's fair value. As of June 30, 2009, the swap counterparty was rated Aaa by Moody's Investors Service and AAA by Standard & Poor's. The Authority's policy to manage credit risk would require the Authority to seek credit enhancements should the counterparty's ratings be below AA- or Aa3.

Effective July 16, 2009, Moody's Investor Services downgraded the counterparty to the Authority's swap transactions. from Aaa to Aa1.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 9. Interest Rate Swaps (Continued)

Swap Risks (Continued)

Basis Risk – Basis risk is the potential mismatch between the variable interest rate paid on the underlying bonds and the variable rate payments received by the Authority pursuant to the swap. The Authority’s variable rate bond interest payments should correspond to the SIFMA Index (formerly the BMA Index), while the payments the Authority receives pursuant to the swap are for the most part 70 percent of LIBOR. The Authority is exposed to basis risk should LIBOR and SIFMA Index rates converge. If a change occurs that results in the rates moving to convergence (that is, the SIFMA Index exceeding 70 percent of LIBOR), the value to the Authority of the hedge from the swap is diminished. As of June 30, 2009 and 2008, the SIFMA Index rate was 0.35 and 1.55 percent, respectively, while 70 percent of LIBOR (the swap rate) was 0.22 and 1.72 percent, respectively.

Termination Risk – The Authority or the counterparty may terminate the swaps if the other party fails to perform under the terms of the swap contracts. The swaps may be terminated by the Authority at its discretion with a maximum of ten days’ notice. If a swap was terminated, the variable-rate bonds would no longer carry a synthetic fixed rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap’s fair value.

Rollover Risk –The Authority is exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated bonds. When these swaps terminate or are terminated by either party, the Authority will not realize the synthetic fixed rate offered by the swaps on the underlying bond issues. The following bond series are exposed to rollover risk:

June 30, 2009

Associated Bond Issuance	Bond Maturity Date	Swap Termination Date
2005 Series 2	December 1, 2035	June 1, 2021
2005 Series 4	December 1, 2035	December 1, 2021
2005 Series 7	June 1, 2036	December 1, 2016
2006 Series 2	December 1, 2035	December 1, 2013
2006 Series 5	December 1, 2036	June 1, 2014
2006 Series 7	June 1, 2037	June 1, 2014
2006 Series 9	June 1, 2037	December 1, 2014
2007 Series 2	December 1, 2037	December 1, 2014
2007 Series 4	December 1, 2037	June 1, 2015
2007 Series 6	December 1, 2037	June 1, 2015
2007 Series 8	June 1, 2038	June 1, 2015
2007 Series 11	December 1, 2038	December 1, 2015
2008 Series 2	December 1, 2038	June 1, 2016

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 10. Fund Equity

The Authority's fund equity is reported in three components: investment in capital assets, restricted and unrestricted. Restricted fund equity includes amounts restricted under terms of an award, contract or law. Unrestricted equity includes all other equity components not meeting the criteria above. Below is a summary of fund equity as of June 30, 2009 and 2008:

	2009	2008
Investment in capital assets	<u>\$ 1,888,274</u>	<u>\$ 1,712,468</u>
Restricted		
Restricted by bond indentures	167,144,354	157,597,798
Restricted by grants	<u>26,978,040</u>	<u>22,217,375</u>
	<u>194,122,394</u>	<u>179,815,173</u>
Unrestricted		
Designated for the Housing Trust Fund	37,739,499	37,836,212
Designated for the Mortgage Guaranty Fund	17,693,335	17,183,649
Designated for non-current assets	14,563,189	11,723,178
Designated for operating reserve funds	<u>6,929,490</u>	<u>10,535,048</u>
	<u>76,925,513</u>	<u>77,278,087</u>
Total fund equity	<u><u>\$ 272,936,181</u></u>	<u><u>\$ 258,805,728</u></u>

The terms of the various bond indentures for the single-family and multi-family programs generally restrict the assets of the respective trust indenture by requiring their retention in the trust to satisfy debt service obligations of the applicable trust indenture. Monies can be withdrawn from a trust indenture with a cash flow certificate which demonstrates the Authority's ability to pay program expenses and debt service when due, in each bond year. In addition, some series in the 1994 Indenture may be subject to over-parity tests.

In addition, should the Authority fail to comply with terms of the general obligation bonds and the line of credit, the holders of such general obligations would have recourse to the Authority's unrestricted fund equity.

Note 11. Mortgage Loan Servicing

The Authority's mortgage servicing department services a total of 13,052 single-family loans with unpaid principal balances of \$1,117,652,771 as of June 30, 2009. Included in these amounts were 3,386 second mortgages with outstanding principal balances of \$11,404,968. Escrow balances for these loans were \$4,428,407 at June 30, 2009. These escrow balances are not included in the accompanying combined financial statements. During the years ended June 30, 2009 and 2008, the Authority purchased and capitalized loan servicing rights of \$1,412,763 and \$3,207,552, respectively, for loans of approximately \$141,000,000 and \$320,000,000, respectively.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 12. Retirement Commitments

Retirement Plan

The Authority's full-time employees participate in the Wyoming Retirement System (the "System"), a cost-sharing multiple-employer public employee retirement system. The System provides retirement benefits at age 60 with early retirement options available. The System also provides disability and death benefits. Benefits are established by State statute. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Wyoming Retirement System, Fifth Floor West, 6101 Yellowstone Road, Cheyenne, Wyoming 82002 or by calling (307)777-7691. The System statutorily requires 11.25% of the covered employee's salary to be contributed to the plan of which 5.57% is the responsibility of the employee and 5.68% is the responsibility of the employer. The Authority has elected to pay the total contributions on behalf of its employees. The Authority's contributions to the System for the years ended June 30, 2009, 2008 and 2007 were \$182,125, \$143,651, and \$130,002, respectively, equal to the required contributions for each year.

Deferred Compensation Plan

The Authority also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan, accounted for by the State of Wyoming and available to all of the Authority's full-time employees, permits employees to defer a portion of their salary until future years. Compensation deferred under this plan is not available until termination, retirement, death or unforeseeable emergency. All deferred compensation and earnings are held in trust or custodial accounts for the exclusive benefit of individual program participants and their beneficiaries. Investments are managed and controlled by the deferred compensation plan's trustee, not the Authority, under various investment options as directed by the employee. These investments and the related liability to the employees are not included in the Authority's financial statements.

Note 13. Commitments, Concentrations and Contingencies

At June 30, 2009, the Authority was committed to purchase single-family mortgages aggregating approximately \$36,002,036 under the 1978 Indenture, \$12,017,350 under the 1994 Indenture and \$923,647 under the Housing Trust Fund. In addition, at June 30, 2009, the Authority had committed approximately \$13,310,324 for other project mortgages to be funded through federal programs or housing trust funds.

The Authority has variable rate bonds outstanding in the 1978 Indenture of \$52,545,000 and in the 1994 Indenture of \$170,900,000. These bonds are subject to tender at par for repurchase by the Authority at the option of the bondholders; however, the Authority may remarket these bonds if they are tendered by the bondholders. As of June 30, 2009, \$6,000,000 of the variable rate debt is subject to repurchase directly by the Authority, and \$92,445,000 of the repurchase commitment has been assumed by Westdeutsche Landesbank Girozentrale and \$125,000,000 of the repurchase commitment has been assumed by State Street Bank, through a standby bond purchase agreement.

Under these agreements, the banks will purchase any bonds tendered by bondholders and not successfully remarketed by the settlement date, and will adjust the interest rate associated with any unremarketed bonds to a bank rate. As of June 30, 2009, no variable rate bonds held as bank bonds under the terms of a standby bond purchase agreement.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Note 13. Commitments, Concentrations and Contingencies (Continued)

The Authority uses a number of insurers for its mortgage receivables as noted in Note 4. The Authority requires private mortgage insurance (PMI) on some mortgages with coverage ranging from 30% to 50% of the outstanding balances. As of June 30, 2009, approximately 17% and 13% of the Authority's outstanding mortgage receivable balances were covered by PMI from Radian and Genworth, respectively.

In addition, the Authority has obtained pool insurance for its mortgage receivables. Pool insurance provides stop loss coverage of up to 5% of the covered balances with a .5% to 1% deductible. As of June 30, 2009, approximately 25% and 17% of the Authority's outstanding mortgage receivable balances were covered by pool insurance from Radian and Genworth, respectively.

Note 14. Risk Management

The Authority carries commercial insurance for risks of loss related to wrongful acts, general liability protection, and theft of, damage to, or destruction of real and personal property. Settled claims resulting from these risks have not exceeded the commercial insurance coverage.

The Authority manages its risks in respect to the mortgages it acquires by obtaining insurance or guarantees from various sources. None of the insurance and guarantees cover 100% of potential losses on the mortgage portfolio. The Authority has established loan loss reserves for additional coverage of potential losses that exist in its mortgage portfolio.

The Authority participates in the State of Wyoming self-insured employee medical, life and dental insurance program. This group medical insurance program is co-administered with a third-party health provider/claim service company. The State self-insures medical costs and assumes all the risk for claims incurred by plan participants. The employee life insurance and dental insurance plans are administered solely by insurance providers. The State does not retain any risk of loss for the life or dental insurance plans as the insurance providers assume all the risk for claims incurred by the participants. The Authority contributes the insurance premiums for each covered participant for these plans.

The State's group insurance fund, which includes medical, life and dental, was solvent at June 30, 2008 and the Authority expects to incur no liability in connection with the group insurance program. Group insurance premiums paid by the Authority during the years ended June 30, 2009 and 2008 were \$395,896 and \$327,409, respectively.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED BALANCE SHEET
 June 30, 2009
 (See Independent Auditor's Report)

	Single Family Mortgage Bonds 1978 Indenture Fund	Housing Revenue Bonds 1994 Indenture Fund	Single Family Mortgage Revenue Bonds 2007 Indenture Fund	Wyoming Homeownership Bonds 1992 Indenture Fund	Multi-Family Mortgage Bonds 1982 Indenture Fund
ASSETS					
Current Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Interest receivable: Mortgage loans	-	-	-	-	-
Investments	-	-	-	-	-
Accounts receivable and other assets	-	-	-	-	-
Total current assets	-	-	-	-	-
Noncurrent Assets					
Restricted cash and cash equivalents	46,169,081	126,668,819	-	887,077	19,261
Restricted investments	64,902,777	136,692,497	-	-	1,674,959
Restricted mortgage loans receivable, net	69,256,990	956,839,313	-	823,649	-
Restricted interest receivable					
Mortgage loans	373,659	5,374,546	-	3,478	-
Investments	378,169	1,778,885	-	93	28,204
Restricted accounts receivable and other assets	2,038,028	7,642,194	-	-	-
Mortgage loans receivable, net	-	-	-	-	-
Deferred issuance, servicing and other costs, net	803,043	9,658,081	-	-	-
Property and equipment, net	-	-	-	-	-
Total noncurrent assets	183,921,747	1,244,654,335	-	1,714,297	1,722,424
Total assets	\$ 183,921,747	\$ 1,244,654,335	\$ -	\$ 1,714,297	\$ 1,722,424
LIABILITIES AND FUND EQUITY					
Current Liabilities					
Bonds payable	\$ -	\$ 22,355,000	\$ -	\$ 28,795	\$ -
Accrued interest payable	276,981	4,382,025	-	-	-
Arbitrage rebate payable	-	142,136	-	-	-
Accounts payable and other liabilities	2,045,681	7,700,807	-	7,541	-
Total current liabilities	2,322,662	34,579,968	-	36,336	-
Noncurrent Liabilities					
Bonds payable	112,503,606	1,103,794,620	-	790,877	-
Deferred arbitrage rebate	350,000	757,864	-	-	-
Other deferred credits	2,561,178	7,171,338	-	-	-
Total noncurrent liabilities	115,414,784	1,111,723,822	-	790,877	-
Total liabilities	117,737,446	1,146,303,790	-	827,213	-
Fund Equity					
Invested in capital assets	-	-	-	-	-
Restricted	66,184,301	98,350,545	-	887,084	1,722,424
Unrestricted	-	-	-	-	-
Total fund equity	66,184,301	98,350,545	-	887,084	1,722,424
Total liabilities and fund equity	\$ 183,921,747	\$ 1,244,654,335	\$ -	\$ 1,714,297	\$ 1,722,424

Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ 4,968,075	\$ 40,860	\$ 6,623,977	\$ -	\$ 11,632,912
-	21,299,610	17,401,951	527,806	-	39,229,367
-	113,498	-	-	-	113,498
-	236,288	252,018	5,065	-	493,371
-	744,276	-	2,686,912	-	3,431,188
-	27,361,747	17,694,829	9,843,760	-	54,900,336
2,565,227	-	-	-	-	176,309,465
-	-	-	-	-	203,270,233
18,939,982	-	-	-	-	1,045,859,934
-	-	-	-	-	5,751,683
269	-	-	-	-	2,185,620
5,474,853	250,167	-	-	(2,000)	15,403,242
-	10,139,704	-	-	-	10,139,704
-	-	-	12,674,915	-	23,136,039
-	-	-	1,888,274	-	1,888,274
26,980,331	10,389,871	-	14,563,189	(2,000)	1,483,944,194
\$ 26,980,331	\$ 37,751,618	\$ 17,694,829	\$ 24,406,949	\$ (2,000)	\$ 1,538,844,530
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,383,795
-	24	-	61	-	4,659,091
-	-	-	-	-	142,136
2,291	12,095	1,494	1,016,685	(2,000)	10,784,594
2,291	12,119	1,494	1,016,746	(2,000)	37,969,616
-	-	-	-	-	1,217,089,103
-	-	-	-	-	1,107,864
-	-	-	9,250	-	9,741,766
-	-	-	9,250	-	1,227,938,733
2,291	12,119	1,494	1,025,996	(2,000)	1,265,908,349
-	-	-	1,888,274	-	1,888,274
26,978,040	-	-	-	-	194,122,394
-	37,739,499	17,693,335	21,492,679	-	76,925,513
26,978,040	37,739,499	17,693,335	23,380,953	-	272,936,181
\$ 26,980,331	\$ 37,751,618	\$ 17,694,829	\$ 24,406,949	\$ (2,000)	\$ 1,538,844,530

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY

Year Ended June 30, 2009

(See Independent Auditor's Report)

	Single Family Mortgage Bonds 1978 Indenture Fund	Housing Revenue Bonds 1994 Indenture Fund	Single Family Mortgage Revenue Bonds 2007 Indenture Fund	Wyoming Homeownership Bonds 1992 Indenture Fund	Multi-Family Mortgage Bonds 1982 Indenture Fund
Operating Revenues					
Mortgage interest	\$ 4,359,412	\$ 58,224,636	\$ -	\$ 60,067	\$ -
Investment interest income	2,715,148	8,645,838	-	6,997	57,024
Net change in fair value of investments	275,665	881,637	-	-	7,127
Fees and other income	-	12,112	-	3,683	-
Total operating revenue	<u>7,350,225</u>	<u>67,764,223</u>	<u>-</u>	<u>70,747</u>	<u>64,151</u>
Operating Expenses					
Interest expense	4,942,392	55,044,847	-	58,148	-
Servicer fees	278,409	3,701,025	-	2,138	-
Amortization of deferred issuance and other costs	41,564	753,747	-	-	-
Provision for (recapture of) loan losses	(1,000,000)	1,178,758	-	-	-
General and administrative	227,656	467,077	-	7,029	-
Total operating expenses	<u>4,490,021</u>	<u>61,145,454</u>	<u>-</u>	<u>67,315</u>	<u>-</u>
Operating income	<u>2,860,204</u>	<u>6,618,769</u>	<u>-</u>	<u>3,432</u>	<u>64,151</u>
Nonoperating Revenue (Expenses)					
Federal program income	-	-	-	-	-
Federal program expense	-	-	-	-	-
Nonoperating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income before transfers	2,860,204	6,618,769	-	3,432	64,151
Transfers in (out)	<u>(4,533,878)</u>	<u>4,550,668</u>	<u>(16,790)</u>	<u>-</u>	<u>-</u>
Net income (loss)	(1,673,674)	11,169,437	(16,790)	3,432	64,151
Fund equity, beginning of year	<u>67,857,975</u>	<u>87,181,108</u>	<u>16,790</u>	<u>883,652</u>	<u>1,658,273</u>
Fund equity, end of year	<u>\$ 66,184,301</u>	<u>\$ 98,350,545</u>	<u>\$ -</u>	<u>\$ 887,084</u>	<u>\$ 1,722,424</u>

Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ 1,150,509	\$ -	\$ -	\$ -	\$ 63,794,624
-	901,106	1,257,070	162,455	-	13,745,638
-	(206,327)	(752,673)	9,574	-	215,003
-	15,650	5,289	4,705,725	(3,702,519)	1,039,940
-	1,860,938	509,686	4,877,754	(3,702,519)	78,795,205
-	456	-	729	-	60,046,572
-	72,007	-	-	(3,702,519)	351,060
-	-	-	1,400,000	-	2,195,311
-	1,706,170	-	-	-	1,884,928
-	179,018	-	4,066,766	-	4,947,546
-	1,957,651	-	5,467,495	(3,702,519)	69,425,417
-	(96,713)	509,686	(589,741)	-	9,369,788
8,774,302	-	-	-	-	8,774,302
(4,013,637)	-	-	-	-	(4,013,637)
4,760,665	-	-	-	-	4,760,665
4,760,665	(96,713)	509,686	(589,741)	-	14,130,453
-	-	-	-	-	-
4,760,665	(96,713)	509,686	(589,741)	-	14,130,453
22,217,375	37,836,212	17,183,649	23,970,694	-	258,805,728
\$ 26,978,040	\$ 37,739,499	\$ 17,693,335	\$ 23,380,953	\$ -	\$ 272,936,181