

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**FINANCIAL REPORT**

**June 30, 2010**

**and**

**June 30, 2009**

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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, 2010 and 2009, 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, 2010 and 2009, 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 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 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, 2010, 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, 2010, 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 17, 2010

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

(UNAUDITED)

June 30, 2010 and 2009

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, 2010. 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.

	2010	Change		2009	Change		2008
Cash and cash equivalents	\$ 165,673,747	\$ (22,268,630)	-11.85%	\$ 187,942,377	\$ 42,791,870	29.48%	\$ 145,150,507
Investments	406,459,501	163,959,901	67.61%	242,499,600	(56,602,955)	-18.92%	299,102,555
Mortgage loans receivable	1,087,960,501	31,960,863	3.03%	1,055,999,638	6,663,909	0.64%	1,049,335,729
Total assets	1,730,889,007	183,096,263	11.83%	1,547,792,744	14,929,479	0.97%	1,532,863,265
Bonds payable	1,399,847,326	160,374,428	12.94%	1,239,472,898	(15,829,251)	-1.26%	1,255,302,149
Total liabilities	1,436,594,490	161,737,927	12.69%	1,274,856,563	799,026	0.06%	1,274,057,537
Fund equity	294,294,517	21,358,336	7.83%	272,936,181	14,130,453	5.46%	258,805,728
Total operating revenues	75,509,690	(3,285,515)	-4.17%	78,795,205	(7,376,241)	-8.56%	86,171,446
Total operating expenses	66,368,842	(3,056,575)	-4.40%	69,425,417	794,251	1.16%	68,631,166
Operating income	9,140,848	(228,940)	-2.44%	9,369,788	(8,170,492)	-46.58%	17,540,280

**Financial Position**

Cash and cash equivalents decreased \$22.2 million from 2009, due to a decrease in funds on hand to fund future mortgage loan purchases and to maintain the level of liquidity management feels is necessary given current economic conditions. Investment balances increased by 67.61% (\$163.9 million) due to; (1) an increase of \$193.1 million in investments held in escrow in the 2009 Indenture; and (2) a decrease of \$60 million in discount notes on hand at fiscal year end. Mortgage loans receivable increased by \$32 million or 3.03%. Included in this increase are additional mortgage loan purchases of \$33.8 million, less the increase in repayments of principal of \$1.5 million and less an increase in loan loss reserves of \$.65 million over the prior year. The overall increase in total assets of \$182.7 million is primarily the result of the changes discussed above.

# WYOMING COMMUNITY DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010 and 2009

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### ***Financial Position (Continued)***

Bonds payable increased \$160.4 million from 2009. This increase includes bonds issued during the year of \$249.8 million less normal maturities of \$21.6 million and redemptions of \$67.8 million. The demand for the Authority's Single Family mortgage loan programs saw a slight increase during 2010. While the Authority issued \$249.8 million in bonds during 2010 it only purchased approximately \$181.8 million in mortgages. \$193.1 million of bonds issued under the 2009 Indenture are convertible option bonds (COBs) purchased by the U.S. government to assist in financing affordable housing. The proceeds of those bonds have been placed in escrow until such time as WCDA issues market rate bonds and converts a portion of the COBs to fund mortgage purchases. No COBs were converted in FY 2010. WCDA was able to recycle approximately \$62.7 million of prepayments into purchases of new mortgage loans during FY 2010. See the Debt Administration discussion below.

### ***Results of Operation***

The Authority's total operating revenue was \$75.5 million (down \$3.3 million from 2009) and its operating expenses were \$66.4 million (down \$3.1 million from 2009) resulting in a net decrease in operating income of \$.2 million or 2.44%.

The decrease of \$3.3 million (4.17%) in total operating revenues includes; (1) a decrease of \$4.7 million in mortgage interest as a result of the decrease in mortgage rates experienced during the year; (2) a \$4.5 million increase in the change in net fair value of investments from 2009; and (3) a decline in investment interest income of \$4.5 million due to the low investment rates which continued during the year. Fees and other income increased approximately \$1.5 million during 2010.

The decrease of \$3.1 million (4.40%) in total operating expenses is primarily due to a reduction in interest expense of \$3.4 million related to lower overall bond interest rates due to redemption of higher coupon bonds. In addition the provision for loan losses decreased \$0.8 million, general and administrative expenses increased \$0.9 million, and the amortization of deferred issuance and other costs increased \$0.4 million over 2009.

### ***Debt Administration***

The Authority issued \$249.8 million in bonds during 2010, which is approximately \$189.8 million more than in 2009. The increase in the level of bonds issued from the prior year was mainly a result of the New Issue Bond Program (NIBP) which provides temporary financing for state housing finance agencies (HFAs) to issue mortgage revenue bonds. Under the NIBP, Fannie Mae and Freddie Mac purchased mortgage revenue bonds from HFAs which bear interest at a short-term rate, convertible by the HFA to a below market long-term rate which will allow the HFA to pass the interest rate savings on to the first-time homebuyer via an affordable mortgage interest rate. Under the program, up to 60% of a bond issue can be NIBP bonds converted to a long-term rate and the balance must be sold to private investors. In December 2009, WCDA issued \$193.1 million of bonds under this program in the 2009 Indenture. The Authority uses various financing strategies to obtain the most favorable rates possible. See Note 6 for additional bond information.

# WYOMING COMMUNITY DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010 and 2009

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### ***Debt Administration (Continued)***

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. The 2009 Indenture Homeownership Mortgage Revenue Bond Program was assigned a financial rating of Aa2 from Moody's and the 2010 Single Family Mortgage Warehousing Bond Program was assigned a financial rating of Aa1/VMIG1 by Moody's.

### **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](http://www.wyomingcda.com).

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

BALANCE SHEETS  
June 30, 2010 and 2009

<b>ASSETS</b>	<u>2010</u>	<u>2009</u>
Current Assets		
Cash and cash equivalents	\$ 13,519,065	\$ 11,632,912
Investments	51,366,813	39,229,367
Interest receivable		
Mortgage loans	187,043	113,498
Investments	471,319	493,371
Accounts receivable and other assets	3,879,301	3,431,188
Total current assets	<u>69,423,541</u>	<u>54,900,336</u>
Noncurrent Assets		
Restricted cash and cash equivalents	152,154,682	176,309,465
Restricted investments	355,092,688	203,270,233
Restricted mortgage loans receivable, net	1,080,016,742	1,045,859,934
Restricted interest receivable		
Mortgage loans	6,346,557	5,751,683
Investments	1,562,949	2,185,620
Restricted accounts receivable and other assets	20,307,590	15,403,242
Mortgage loans receivable, net	7,943,759	10,139,704
Deferred hedging costs of fixed-rate swaps	12,013,867	8,948,214
Deferred issuance, servicing and other costs, net	23,891,479	23,136,039
Property and equipment, net	2,135,153	1,888,274
Total noncurrent assets	<u>1,661,465,466</u>	<u>1,492,892,408</u>
Total assets	<u>\$ 1,730,889,007</u>	<u>\$ 1,547,792,744</u>

(Continued)

See notes to the basic financial statements

**LIABILITIES AND FUND EQUITY**

	<u>2010</u>	<u>2009</u>
Current Liabilities		
Bonds payable	\$ 235,799,263	\$ 22,383,795
Accrued interest payable	4,227,024	4,659,091
Arbitrage rebate payable	291,721	142,136
Accounts payable and other liabilities	7,037,356	10,784,594
Total current liabilities	<u>247,355,364</u>	<u>37,969,616</u>
Noncurrent Liabilities		
Bonds payable	1,164,048,063	1,217,089,103
Deferred arbitrage rebate	703,279	1,107,864
Derivative instrument liability	12,013,867	8,948,214
Other deferred credits	12,473,917	9,741,766
Total noncurrent liabilities	<u>1,189,239,126</u>	<u>1,236,886,947</u>
Total liabilities	<u>1,436,594,490</u>	<u>1,274,856,563</u>
Commitments and Contingencies		
Fund Equity		
Invested in capital assets	2,135,153	1,888,274
Restricted	190,233,540	194,122,394
Unrestricted	101,925,824	76,925,513
Total fund equity	<u>294,294,517</u>	<u>272,936,181</u>
Total liabilities and fund equity	<u>\$ 1,730,889,007</u>	<u>\$ 1,547,792,744</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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Mortgage interest	\$ 59,071,933	\$ 63,794,624
Investment interest income	9,212,930	13,745,638
Net change in fair value of investments	4,713,909	215,003
Fees and other income	2,510,918	1,039,940
Total operating revenue	<u>75,509,690</u>	<u>78,795,205</u>
 Operating Expenses		
Interest expense	56,563,176	60,046,572
Servicer fees	267,205	351,060
Amortization of deferred issuance and other costs	2,614,684	2,195,311
Provision for loan losses	1,137,786	1,884,928
General and administrative	5,785,991	4,947,546
Total operating expenses	<u>66,368,842</u>	<u>69,425,417</u>
 Operating income	<u>9,140,848</u>	<u>9,369,788</u>
 Nonoperating Revenue (Expenses)		
Federal program income	17,491,608	8,774,302
Federal program expense	(5,274,120)	(4,013,637)
Nonoperating income	<u>12,217,488</u>	<u>4,760,665</u>
 Net income	21,358,336	14,130,453
  Fund equity, beginning of year	<u>272,936,181</u>	<u>258,805,728</u>
Fund equity, end of year	<u>\$ 294,294,517</u>	<u>\$ 272,936,181</u>

See notes to the basic financial statements

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Cash receipts for services	\$ 2,510,918	\$ 1,039,940
Interest income on mortgage loans	58,918,527	64,792,407
Principal received on mortgage loans	148,548,276	139,409,650
Cash payments to purchase mortgage loans	(181,646,925)	(147,958,487)
Cash payments to servicers	(267,205)	(351,060)
Cash payments to suppliers	(2,753,845)	(4,139,190)
Cash payments to employees	(2,134,173)	(1,928,506)
Other cash payments	(9,916,498)	(2,864,738)
Net cash provided by operating activities	<u>13,259,075</u>	<u>48,000,016</u>
Cash Flows from Noncapital Financing Activities		
Federal revenue	17,491,608	8,774,302
Federal expenses	(5,274,120)	(4,013,637)
Proceeds from bonds	249,810,000	60,035,066
Principal paid on bonds	(89,478,342)	(75,904,535)
Interest paid on bonds	(56,952,473)	(59,987,537)
Payment of bond issuance costs	(737,337)	(402,317)
Net cash provided by (used in) noncapital financing activities	<u>114,859,336</u>	<u>(71,498,658)</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of fixed assets	(429,189)	(317,849)
Purchase of mortgage servicing rights	(2,632,787)	(2,351,738)
Net cash used in capital and related financing activities	<u>(3,061,976)</u>	<u>(2,669,587)</u>
Cash Flows from Investing Activities		
Interest received from investments	11,920,927	12,142,141
Purchase of investments	(319,275,444)	(223,387,142)
Proceeds from sales and maturities of investments	160,029,452	280,205,100
Net cash provided by (used in) investing activities	<u>(147,325,065)</u>	<u>68,960,099</u>
Increase (decrease) in cash and cash equivalents	(22,268,630)	42,791,870
Cash and cash equivalents, beginning of year	187,942,377	145,150,507
Cash and cash equivalents, end of year	<u>\$ 165,673,747</u>	<u>\$ 187,942,377</u>

(Continued)

See notes to the basic financial statements

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**STATEMENTS OF CASH FLOWS (CONTINUED)**

Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Reconciliation of ending cash and cash equivalents		
Current cash and cash equivalents	\$ 13,519,065	\$ 11,632,912
Noncurrent restricted cash and cash equivalents	152,154,682	176,309,465
Cash and cash equivalents, ending	<u>\$ 165,673,747</u>	<u>\$ 187,942,377</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 9,140,848	\$ 9,369,788
Adjustments to reconcile operating income to net cash provided by operating activities		
Interest on bonds	56,563,176	60,046,572
Net change in fair value of investments	(4,713,909)	(215,003)
Interest from investments	(9,212,930)	(13,745,638)
Mortgage loan principal repayments		
Scheduled	25,904,115	28,591,392
Prepaid	122,644,161	110,941,258
Purchase of mortgage loans	(181,646,925)	(148,081,487)
Amortization of commitment fees and loan discounts	(1,346,893)	(1,215,523)
Amortization of deferred issuance and other costs	2,614,684	2,195,311
Increase in provision for loan losses	1,137,786	1,884,928
Net change in other assets and liabilities	(7,825,038)	(1,771,582)
Net cash provided by operating activities	<u>\$ 13,259,075</u>	<u>\$ 48,000,016</u>
Supplemental Cash Flow Information		
Noncash investing activity		
Investment purchase in progress	\$ (5,390,000)	\$ 9,447,550

See notes to the basic financial statements

# WYOMING COMMUNITY DEVELOPMENT AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

### **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 Warehousing Bonds 2010 Indenture, the Multi-Family Mortgage Bonds 1982 Indenture, the Homeownership Mortgage Revenue Bonds 2009 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, 2010 and 2009

### **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, Neighborhood Stabilization Program, Tax Credit Assistance Program and other federal programs, including the Department of Treasury's Tax Credit Exchange Program. 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 \$593,860 to guarantee mortgage and project loans with principal balances outstanding of \$1,533,241 as of June 30, 2010. The Authority has also committed \$250,000 to guarantee second mortgages with principal balances outstanding of \$9,520,899. 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, 2010 and 2009

### **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, 2010 and 2009

### **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 \$703,279 and \$1,107,864 at June 30, 2010 and 2009, respectively, for arbitrage rebates. The Authority has recorded an arbitrage rebate payable of \$291,721 and \$142,136 at June 30, 2010 and 2009, 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 \$5,294,126 and \$3,076,987 at June 30, 2010 and 2009, 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, 2010 and 2009, the Authority also deferred \$4,455,491 and \$4,049,432, respectively, of interest income related to the HOME Run loan program.

Additionally, the Authority has deferred \$2,724,300 and \$2,615,347 as of June 30, 2010 and 2009, 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.

#### ***Implementation of New Accounting Standard and Reclassification***

In June 2008, the Government Accounting Standards Board issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This standard requires governments to measure derivative instruments at fair value in their financial statements and addresses hedge accounting requirements. It is retroactively applicable for periods beginning after June 15, 2009. The Authority implemented this standard as required in the current year. This implementation resulted in an increase of \$8,948,214 in both noncurrent assets and noncurrent liabilities for the year ended June 30, 2009, with no effect on net income for the year then ended.

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010 and 2009

**Note 3. Cash and Cash Equivalents and Investments**

Deposits are placed with various financial institutions and are carried at cost. At June 30, 2010, the carrying amount of the Authority's bank deposits was \$6,500,033 and the bank balance was \$8,909,751. The difference between the carrying amount and the bank balance is a result of transactions in transit. All bank deposits at June 30, 2010 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:

	2010	2009
Investments		
Certificates of deposit	\$ 276,547	\$ 276,547
U.S. Government and agency securities	190,082,954	242,223,053
Housing revenue bonds	23,000,000	-
Guaranteed investment contracts	193,100,000	-
	<hr/>	<hr/>
Total	<u>\$ 406,459,501</u>	<u>\$ 242,499,600</u>

Investments are reported in the following classifications:

	2010	2009
Current	\$ 51,366,813	\$ 39,229,367
Noncurrent - restricted by bond indentures or contracts	355,092,688	203,270,233
	<hr/>	<hr/>
Total	<u>\$ 406,459,501</u>	<u>\$ 242,499,600</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, 2010 and 2009, the Authority had unrealized investment gains of \$12,300,230 and \$7,586,321, respectively, in its investment portfolio. The unrealized gains of \$4,713,909 and \$911,172 for the years ended June 30, 2010 and 2009, 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, 2010, 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	190,082,954	25,172,640	3,786,690	14,337,127	146,786,497
Housing revenue bonds	23,000,000	-	-	-	23,000,000
Escrowed money market accounts	193,100,000	193,100,000	-	-	-
Total	<u>\$ 406,459,501</u>	<u>\$ 218,549,187</u>	<u>\$ 3,786,690</u>	<u>\$ 14,337,127</u>	<u>\$ 169,786,497</u>

# WYOMING COMMUNITY DEVELOPMENT AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

### 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, 2010, the Authority has \$86,574,663 in these reserve accounts which exceeds the reserve requirements contained in the applicable trust indentures of \$77,866,754. The amounts reserved in these accounts are as follows:

	1978 Indenture	1994 Indenture
Bond reserve requirement	\$ 18,465,285	\$ 32,147,055
Mortgage reserve requirement	1,132,900	19,186,514
Restricted special reserve requirement	-	6,935,000
Total required reserves	<u>\$ 19,598,185</u>	<u>\$ 58,268,569</u>
Total cash and investments held for reserves	<u>\$ 20,490,764</u>	<u>\$ 66,083,899</u>

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010 and 2009

**Note 4. Mortgage Loans Receivable, Net**

	<u>2010</u>	<u>2009</u>
Single Family Mortgage Bonds 1978 Indenture Fund, bearing interest at 0% to 10.375%, 25 to 30 year term, FHA or private mortgage company insured, or guaranteed by RD, VA, or mortgage guaranty fund	\$ 108,406,548	\$ 72,101,445
Less: Reserve for losses on loans	<u>(3,689,454)</u>	<u>(2,844,455)</u>
	<u>104,717,094</u>	<u>69,256,990</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	959,325,709	992,210,964
Less: Reserve for losses on loans	<u>(35,371,650)</u>	<u>(35,371,651)</u>
	<u>923,954,059</u>	<u>956,839,313</u>
Single Family Mortgage Warehousing Bonds 2010, bearing interest at 4.75%, 30 year term, FHA insured, or guaranteed by RD or VA	27,834,229	-
Wyoming Homeownership Bonds 1992 Indenture Fund, bearing interest at 7.625%, 30 year term, FHA or private mortgage company insured, or RD guaranteed	<u>618,385</u>	<u>823,649</u>
Federal Program Fund with various terms, including deferred payments and fixed rates, 10 to 30 year term	23,292,975	19,339,982
Less: Reserve for losses on loans	<u>(400,000)</u>	<u>(400,000)</u>
	<u>22,892,975</u>	<u>18,939,982</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	12,987,655	15,423,599
Less: Reserve for losses on loans	<u>(5,043,896)</u>	<u>(5,283,895)</u>
	<u>7,943,759</u>	<u>10,139,704</u>
Total mortgage loans receivable, net	<u>\$ 1,087,960,501</u>	<u>\$ 1,055,999,638</u>
Reported in the following classifications		
Restricted mortgage loans receivable, net	\$ 1,080,016,742	\$ 1,045,859,934
Mortgage loans receivable, net	<u>7,943,759</u>	<u>10,139,704</u>
	<u>\$ 1,087,960,501</u>	<u>\$ 1,055,999,638</u>

Total loan loss reserves for mortgage loans receivable established by the Authority as of June 30, 2010 and 2009 were \$44,505,000 and \$43,900,001, respectively, for mortgage loans receivable.

As of June 30, 2010 and 2009, the Authority had 524 and 334 loans, respectively, delinquent for 90 days or more from the population of 13,478 and 14,017 loans, respectively. The outstanding balance of mortgages delinquent for 90 days or more was \$33,941,884 and \$24,201,666 as of June 30, 2010 and 2009, respectively.

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

**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.

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 2010 Indenture are general obligations of the Authority, payable from any assets of the Authority, not specifically restricted to other uses. The bonds of the 1978, 1992, 1994, and 2009 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 monthly or semi-annually. Certain of the variable rate debt reprices weekly or monthly based on market interest rates.

	Balance at June 30, 2009	Issued	Retired	Balance at June 30, 2010	Amount Due Within 1 Year
<b>Single Family Mortgage Bonds 1978 Indenture Fund</b>					
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 0.25%, original amount issued \$9,545,000	9,545,000	-	-	9,545,000	-
2002 Series A, 2022 to 2032 variable interest, interest at 0.25%, original amount issued \$37,000,000	37,000,000	-	-	37,000,000	-
2003 Series A/B, 2022 to 2033, interest at 0.25% to 4.55%, original amount issued \$53,745,000	53,745,000	-	-	53,745,000	-

(Continued)

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010 and 2009

**Note 6. Bonds Payable (Continued)**

	Balance at June 30, 2009	Issued	Retired	Balance at June 30, 2010	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	(786,394)	-	(57,496)	(728,898)	-
Principal amounts of bonds outstanding 1978 Indenture Fund, net	112,503,606	-	(57,496)	112,561,102	-
<b>Housing Revenue Bonds 1994 Indenture Fund</b>					
1995 Series 6 (including CABs), 2015, interest rate at 6.25%, original amount issued \$15,097,280 at discount of \$473,253	673,780	-	(42,770)	716,550	-
1996 Series 7, 2020 to 2030, interest at 5.25% original amount issued \$60,000,000	19,615,000	-	2,565,000	17,050,000	-
1997 Series 5, 2010 to 2030, interest at 5.15% to 5.3%, original amount issued \$100,000,000	28,095,000	-	10,190,000	17,905,000	435,000
1997 Series 6 and 7, 2012 to 2015, interest at 5.35%, original amount issued \$50,000,000	7,360,000	-	6,875,000	485,000	-
1998 Series 1 and 2, 2019 to 2026, interest at 5.45%, original amount issued \$40,000,000	11,445,000	-	685,000	10,760,000	-
1998 Series 3, 2017 to 2030, interest at 5.30% to 5.35%, original amount issued \$30,000,000	18,430,000	-	6,285,000	12,145,000	-

(Continued)

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010 and 2009

**Note 6. Bonds Payable (Continued)**

	Balance at June 30, 2009	Issued	Retired	Balance at June 30, 2010	Amount Due Within 1 Year
1999 Series 1, 2017 to 2030, interest at 5.25% to 5.32%, original amount issued \$30,000,000	\$ 20,015,000	\$ -	\$ 7,060,000	\$ 12,955,000	\$ -
1999 Series 4, 2011 to 2019, interest at 5.55%, original amount issued \$40,000,000	11,575,000	-	9,420,000	2,155,000	200,000
1999 Series 7 and 8, 2023 to 2026, interest at 6.15%, original amount issued \$25,000,000	6,125,000	-	2,875,000	3,250,000	-
1999 Series 10 and 11, 2021 to 2024, interest at 6.15%, original amount issued \$25,000,000	6,445,000	-	4,060,000	2,385,000	-
2000 Series 1 and 2, 2020 to 2022, interest at 6.05%, original amount issued \$35,000,000	7,780,000	-	4,125,000	3,655,000	-
2000 Series 4 and 5, 2021 to 2026, interest at 6.1%, original amount issued \$50,000,000 at premium of \$189,437	12,201,187	-	107,062	12,094,125	-
2000 Series 6 and 7, 2010 to 2026, interest at 5.15% to 5.85%, original amount issued \$30,000,000	9,315,000	-	1,080,000	8,235,000	235,000
2001 Series 1, 2011 to 2027, interest at 5.25% to 5.35%, original amount issued \$30,000,000 at premium of \$179,692	10,653,900	-	1,407,698	9,246,202	-
2001 Series 3 and 4, redeemed, original amount issued \$44,600,000	615,000	-	615,000	-	-

(Continued)

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010 and 2009

**Note 6. Bonds Payable (Continued)**

	Balance at June 30, 2009	Issued	Retired	Balance at June 30, 2010	Amount Due Within 1 Year
2001 Series 5, 6 and 7, 2010 to 2031, interest at 0.35% to 5.30%; original amount issued \$33,500,000	\$ 21,880,000	\$ -	\$ 1,125,000	\$ 20,755,000	\$ 905,000
2002 Series 1 and 2, 2023 to 2026, interest at 5.50%, original amount issued \$42,475,000	6,245,000	-	75,000	6,170,000	-
2002 Series 3, redeemed, original amount issued \$36,820,000 at premium of \$483,904	610,000	-	610,000	-	-
2002 Series 4 and 5, 2010 to 2027, interest at 4.35% to 5.30%, original amount issued \$42,110,000	22,975,000	-	805,000	22,170,000	845,000
2002 Series 6, 7 and 8, 2010 to 2033, interest at 0.35% to 5.20% original amount issued \$27,000,000	18,540,000	-	745,000	17,795,000	545,000
2003 Series 1, 2011 to 2032, interest at 3.55% to 4.60% original amount issued \$26,065,000	21,555,000	-	845,000	20,710,000	465,000
2003 Series 2, 3, and 4, 2011 to 2032, interest at 0.35% to 5.25% original amount issued \$26,230,000	23,670,000	-	550,000	23,120,000	570,000
2003 Series 5 and 6, 2011 to 2034, interest at 3.85% to 5.00% original amount issued \$25,990,000	23,560,000	-	545,000	23,015,000	560,000
2004 Series 1, 2, and 3, 2010 to 2034, interest at 0.35% to 4.60% original amount issued \$35,000,000	29,685,000	-	1,100,000	28,585,000	770,000

(Continued)

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010 and 2009

**Note 6. Bonds Payable (Continued)**

	Balance at June 30, 2009	Issued	Retired	Balance at June 30, 2010	Amount Due Within 1 Year
2004 Series 4, 5, and 6, 2011 to 2035, interest at 0.35% to 5.25% original amount issued \$40,000,000	\$ 34,665,000	\$ -	\$ 1,245,000	\$ 33,420,000	\$ 605,000
2004 Series 7, 8, and 9, 2010 to 2034, interest at 0.35% to 5.00% original amount issued \$40,000,000	34,410,000	-	1,195,000	33,215,000	790,000
2004 Series 10 and 11, 2011 to 2035, interest at 0.35% to 4.90% original amount issued \$30,000,000	27,770,000	-	600,000	27,170,000	620,000
2005 Series 1 and 2, 2010 to 2035, interest at 0.35% to 4.95% original amount issued \$40,000,000	37,470,000	-	775,000	36,695,000	805,000
2005 Series 3 and 4, 2010 to 2035, interest at 0.35% to 4.70% original amount issued \$40,000,000	37,765,000	-	695,000	37,070,000	735,000
2005 Series 5, 6 and 7, 2010 to 2036, interest at 0.35% to 4.85% original amount issued \$40,000,000	37,650,000	-	800,000	36,850,000	695,000
2006 Series 1 and 2, 2010 to 2035, interest at 0.35% to 4.90% original amount issued \$40,000,000	38,405,000	-	605,000	37,800,000	640,000
2006 Series 4 and 5, 2010 to 2036, interest at 0.35% to 5.05% original amount issued \$50,000,000	48,140,000	-	775,000	47,365,000	820,000
2006 Series 6 and 7, 2010 to 2037, interest at 0.35% to 5.50% original amount issued \$50,000,000 at premium of \$347,819	48,867,562	-	737,397	48,130,165	770,000 (Continued)

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010 and 2009

**Note 6. Bonds Payable (Continued)**

	Balance at June 30, 2009	Issued	Retired	Balance at June 30, 2010	Amount Due Within 1 Year
2006 Series 8 and 9, 2010 to 2037, interest at 0.35% to 4.70% original amount issued \$50,000,000	\$ 48,435,000	\$ -	\$ 730,000	\$ 47,705,000	\$ 775,000
2007 Series 1 and 2, 2010 to 2037, interest at 0.35% to 4.80%; original amount issued \$30,000,000	29,115,000	-	450,000	28,665,000	475,000
2007 Series 3 and 4, 2010 to 2037, interest at 0.35% to 4.75% original amount issued \$70,000,000	68,145,000	-	3,210,000	64,935,000	1,125,000
2007 Series 5 and 6, 2010 to 2038, interest at 0.35% to 4.90% original amount issued \$70,000,000	68,350,000	-	1,040,000	67,310,000	1,100,000
2007 Series 7, 8 and 9, 2010 to 2038, interest at 0.35% to 5.551% original amount issued \$60,000,000	59,265,000	-	3,620,000	55,645,000	835,000
2007 Series 10, 11 and 12, 2010 to 2038, interest at 0.35% to 5.50% original amount issued \$60,000,000	59,390,000	-	740,000	58,650,000	785,000
2008 Series 1 and 2, 2010 to 2038, interest at 0.35% to 5.60% original amount issued \$50,000,000	49,565,000	-	7,655,000	41,910,000	650,000
2008 Series 3 and 2, 2010 to 2038, interest at 2.95% to 5.625% original amount issued \$60,000,000 premium of \$35,066	59,678,191	-	711,722	58,966,469	755,000
2010 Series 1 and 2, 2010 to 2030, interest at 0.68% to 4.375% original amount issued \$34,710,000	-	34,710,000	-	34,710,000	2,165,000
					(Continued)

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010 and 2009

**Note 6. Bonds Payable (Continued)**

	<u>Balance at June 30, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at June 30, 2010</u>	<u>Amount Due Within 1 Year</u>
Principal amounts of bonds outstanding					
1994 Indenture Fund	\$ 1,126,149,620	\$ 34,710,000	\$ 89,291,109	\$ 1,071,568,511	\$ 20,675,000
 <b>Single Family Mortgage Warehousing Bonds 2010 Indenture Fund</b>					
Single Family Mortgage Warehousing Bonds Series 2010 A-1, draw down bonds not to exceed \$100,000,000 variable interest at 1 month LIBOR plus 65 basis points	<u>-</u>	<u>22,000,000</u>	<u>-</u>	<u>22,000,000</u>	<u>22,000,000</u>
 <b>Wyoming Homeownership Bonds 1992 Indenture Fund</b>					
Homeownership Revenue Bonds Series I, due 2024, interest at 6.7%, original amount issued \$24,964,754	<u>819,672</u>	<u>-</u>	<u>201,959</u>	<u>617,713</u>	<u>24,263</u>
 <b>Homeownership Mortgage Revenue Bonds 2009 Indenture Fund</b>					
Homeownership Mortgage Revenue Bonds Series 2009 A, preconversion bonds, variable interest rate, original amount issued, \$193,100,000	<u>-</u>	<u>193,100,000</u>	<u>-</u>	<u>193,100,000</u>	<u>193,100,000</u>
Total bonds payable	<u>\$ 1,239,472,898</u>	<u>\$ 249,810,000</u>	<u>\$ 89,435,572</u>	<u>\$ 1,399,847,326</u>	<u>\$ 235,799,263</u>

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

**Note 6. Bonds Payable (Continued)**

Scheduled bond principal and sinking fund requirements in each indenture for the five fiscal years subsequent to June 30, 2010, 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 Warehousing Bonds 2010 Indenture Fund	Wyoming Homeownership Bonds 1992 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Totals
2011	\$ -	\$ 20,675,000	\$ 22,000,000	\$ 24,263	\$193,100,000	\$ 235,799,263
2012	-	23,090,000	-	26,179	-	23,116,179
2013	-	25,875,000	-	28,246	-	25,903,246
2014	-	24,945,000	-	30,477	-	24,975,477
2015	-	26,960,000	-	32,884	-	26,992,884

Annual debt service requirements for the five fiscal years subsequent to June 30, 2010, 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
2011	\$ 235,799,263	\$ 47,184,838	\$ 282,984,101
2012	23,116,179	46,495,436	69,611,615
2013	25,903,246	45,610,996	71,514,242
2014	24,975,477	44,584,692	69,560,169
2015	26,992,884	43,565,329	70,558,213
5 years ending 2020	149,842,726	198,932,290	348,775,016
5 years ending 2025	251,382,938	156,651,889	408,034,827
5 years ending 2030	294,920,000	95,491,766	390,411,766
5 years ending 2035	274,345,000	38,906,531	313,251,531
5 years ending 2040	93,155,000	4,854,391	98,009,391
	<u>\$ 1,400,432,713</u>	<u>\$ 722,278,158</u>	<u>\$ 2,122,710,871</u>

The balances above do not include net premiums, discounts, or losses on refundings in the amount of (\$585,387) that are reported as components of bonds payable.

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010 and 2009

**Note 6. Bonds Payable (Continued)**

***Hedging Derivative Instrument Payments and Hedged Debt***

Using rates as of June 30, 2010 and giving effect to scheduled reductions in the notional amount of the hedging derivative instruments, 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 receipts or payments on the hedging derivative instruments will vary.

	Variable Rate Bonds		Interest Rate	Total
	Principal	Interest	Swaps (net)	
2011	\$ -	\$ 402,680	\$ 4,139,862	\$ 4,542,542
2012	-	399,639	4,067,188	4,466,827
2013	-	400,317	4,001,811	4,402,128
2014	-	398,022	3,813,318	4,211,340
2015	-	398,022	2,604,930	3,002,952
5 years ending 2020	5,950,000	1,975,377	932,011	8,857,388
5 years ending 2025	15,475,000	1,810,271	12,104	17,297,375
5 years ending 2030	21,245,000	1,538,249	-	22,783,249
5 years ending 2035	52,200,000	1,110,453	-	53,310,453
5 years ending 2040	38,130,000	176,290	-	38,306,290
	<u>\$ 133,000,000</u>	<u>\$ 8,609,320</u>	<u>\$ 19,571,224</u>	<u>\$ 161,180,544</u>

**Note 7. Defeased Bonds**

On June 30, 2010, the Authority issued \$31,610,000 in Housing Revenue Bonds in 2010 Series 1 with an average interest rate of 3.10 percent to partially refund \$31,610,000 of outstanding 1997 Series 5, 1997 Series 6 and 7, 1998 Series 3, 1999 Series 1, and 1999 Series 4 bonds with an average interest rate of 5.33 percent. Net proceeds of \$31,610,000 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the partially refunded 1997 Series 5, 1997 Series 6 and 7, 1998 Series 3, 1999 Series 1, and 1999 Series 4 bonds. As a result, the refunded 1997 Series 5, 1997 Series 6 and 7, 1998 Series 3, 1999 Series 1, and 1999 Series 4 bonds are considered to be defeased and the liability for those bonds has been removed from the balance sheet.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$187,813. This difference was expensed in the accompanying financial statements. The Authority completed the refunding to reduce its total debt service payments over the next 9 years by \$2.67 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$5,100,000.

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010 and 2009

**Note 8. 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, 2010, there were two such series of Multi-Family Housing Revenue bonds outstanding, with an aggregate principal amount payable of \$7,239,928.

**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.

*Swap Terms and Values*

June 30, 2010

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	\$ 4,460,000	3.523%	70% of LIBOR	6/1/2021	\$ (264,801)	AAA/Aa3
2005 Series 4	6/30/2005	5,385,000	3.260%	70% of LIBOR	12/1/2021	(285,812)	AAA/Aa3
2005 Series 7	9/20/2005	4,795,000	3.325%	70% of LIBOR	12/1/2016	(275,038)	AAA/Aa3
2006 Series 2	1/19/2006	8,000,000	3.465%	70% of LIBOR	12/1/2013	(690,164)	AAA/Aa3
2006 Series 5	4/20/2006	10,000,000	3.926%	70% of LIBOR	6/1/2014	(1,108,110)	AAA/Aa3
2006 Series 7	6/26/2006	10,000,000	4.115%	70% of LIBOR	6/1/2014	(1,181,465)	AAA/Aa3
2006 Series 9	9/27/2006	10,000,000	3.621%	70% of LIBOR	12/1/2014	(1,049,806)	AAA/Aa3
2007 Series 2	1/11/2007	6,000,000	3.678%	70% of LIBOR	12/1/2014	(644,767)	AAA/Aa3
2007 Series 4	3/13/2007	14,000,000	3.577%	70% of LIBOR	6/1/2015	(1,511,944)	AAA/Aa3
2007 Series 6	5/10/2007	14,000,000	3.661%	70% of LIBOR	6/1/2015	(1,568,435)	AAA/Aa3
2007 Series 8	7/31/2007	12,000,000	3.924%	USD-SIFMA	6/1/2015	(1,316,147)	AAA/Aa3
2007 Series 11	11/7/2007	12,000,000	3.530%	70% of LIBOR	12/1/2015	(1,316,558)	AAA/Aa3
2008 Series 2	5/13/2008	13,000,000	3.075%	70% of LIBOR	6/1/2016	(1,135,323)	AAA/Aa3
		<u>\$ 123,640,000</u>				<u>\$ (12,348,370)</u>	

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010 and 2009

**Note 9. Interest Rate Swaps (Continued)**

***Swap Terms and Values (Continued)***

June 30, 2009

Bond Series	Swap	Notional Amount	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value	Counterparty
	Contractual Dates						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>	

As of June 30, 2010 and 2009, the Authority's swap agreements had a net fair value of (\$12,348,370) and (\$9,290,866), 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. The net fair value reported above as of June 30, 2010 and 2009 is inclusive of accrued interest of \$334,503 and \$342,652, respectively. Accrued interest is separately reported on the Authority's balance sheet. The resultant change in gross fair value was (\$3,065,653). 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, 2010, the Authority was exposed to credit risk on swaps which could have a positive fair value. The positive fair value of any one swap would represent the Authority's exposure 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, 2010, the swap counterparties were rated AAA by Standard & Poor's and Aa3 by Moody's Investors Service. 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.

**Interest Rate Risk** – The Authority is exposed to interest rate risk on its interest rate swap. On its pay-fixed, receive-variable interest rate swap, as LIBOR or the SIFMA swap index decreases, the Authority's net payment on the swap increases.

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

**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, 2010 and 2009, the SIFMA Index rate was 0.25 and 0.35 percent, respectively, while 70 percent of LIBOR (the swap rate) was 0.24 and 0.22 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 hedging derivative instruments 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, 2010

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, 2010 and 2009

**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, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Investment in capital assets	<u>\$ 2,135,153</u>	<u>\$ 1,888,274</u>
Restricted		
Restricted by bond indentures	151,038,012	167,144,354
Restricted by grants	<u>39,195,528</u>	<u>26,978,040</u>
	<u>190,233,540</u>	<u>194,122,394</u>
Unrestricted		
Designated for the Housing Trust Fund	62,126,033	37,739,499
Designated for the Mortgage Guaranty Fund	18,698,413	17,693,335
Designated for non-current assets	15,886,854	14,563,189
Designated for operating reserve funds	<u>5,214,524</u>	<u>6,929,490</u>
	<u>101,925,824</u>	<u>76,925,513</u>
Total fund equity	<u><u>\$ 294,294,517</u></u>	<u><u>\$ 272,936,181</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 13,216 single-family loans with unpaid principal balances of \$1,240,689,489 as of June 30, 2010. Included in these amounts were 2,999 second mortgages with outstanding principal balances of \$9,362,207. Escrow balances for these loans were \$4,467,290 at June 30, 2010. These escrow balances are not included in the accompanying combined financial statements. During the years ended June 30, 2010 and 2009, the Authority purchased and capitalized loan servicing rights of \$1,711,208 and \$1,412,763, respectively, for loans of approximately \$171,000,000 and \$141,000,000, respectively.

# WYOMING COMMUNITY DEVELOPMENT AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

### **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, 2010, 2009 and 2008 were \$222,555, \$182,125, and \$143,651, 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, 2010, the Authority was committed to purchase single-family mortgages aggregating approximately \$1,575,000 under the 1978 Indenture, \$908,000 under the 1994 Indenture, \$30,380,000 under the 2009 Indenture, \$16,501,468 under various Federal Programs, and \$137,000 under the Housing Trust Fund.

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, 2010, the entire \$223,445,000 of the variable rate debt was subject to a repurchase commitment assumed by the Government Sponsored Entities (GSEs) of Fannie Mae and Freddie Mac, through a standby bond purchase agreement.

Under these agreements, the GSEs 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, 2010, no variable rate bonds were held as unremarketed bank bonds under the terms of a standby bond purchase agreement.

# WYOMING COMMUNITY DEVELOPMENT AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

### **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, 2010, approximately 17% and 20% 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, 2010, approximately 23% and 30% 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 or 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, 2009 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, 2010 and 2009 were \$416,695 and \$395,896, respectively.

### **Note 15. Subsequent Events**

On August 20, 2010, the Authority instructed its trustee to call on September 13, 2010, bonds in the amount of \$9,145,000 from the 1994 Indenture.

On September 1, 2010, the U.S. Department of Treasury announced a change to the New Issue Bond Program (NIBP). The 2009 Series A Bonds in the 2009 Indenture were issued under the parameters of this program. The changes to the program will extend the period to draw from the escrowed funds from December 31, 2010, to December 31, 2011, increase the number of times the Authority can draw the funds from the escrow from 3 to 6 times, and also allow for interest rate resets which will allow greater flexibility in locking interest rates within the program.

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**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**DETAILED BALANCE SHEET**  
**June 30, 2010**  
(See Independent Auditor's Report)

	Single Family Mortgage Bonds 1978 Indenture Fund	Housing Revenue Bonds 1994 Indenture Fund	Single Family Mortgage Warehousing Bonds 2010 Indenture Fund	Wyoming Homeownership Bonds 1992 Indenture Fund	Multi-Family Mortgage Bonds 1982 Indenture Fund
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Interest receivable: Mortgage loans	-	-	68,278	-	-
Investments	-	-	183	-	-
Due from other funds	-	-	-	-	-
Accounts receivable and other assets	-	-	-	-	-
Total current assets	-	-	68,461	-	-
Noncurrent Assets					
Restricted cash and cash equivalents	19,311,398	123,563,632	6,289,250	883,759	46,398
Restricted investments	32,225,423	127,990,223	-	-	1,777,042
Restricted mortgage loans receivable, net	104,717,094	923,954,059	27,834,229	618,385	-
Restricted interest receivable					
Mortgage loans	484,802	5,858,900	-	2,855	-
Investments	303,849	1,244,795	-	31	14,204
Restricted accounts receivable and other assets	914,665	5,051,380	-	-	-
Mortgage loans receivable, net	-	-	-	-	-
Deferred hedging costs of fixed-rate swaps	-	12,013,867	-	-	-
Deferred issuance, servicing and other costs, net	761,478	9,052,237	10,000	-	-
Property and equipment, net	-	-	-	-	-
Total noncurrent assets	158,718,709	1,208,729,093	34,133,479	1,505,030	1,837,644
Total assets	\$ 158,718,709	\$ 1,208,729,093	\$ 34,201,940	\$ 1,505,030	\$ 1,837,644
<b>LIABILITIES AND FUND EQUITY</b>					
Current Liabilities					
Bonds payable	\$ -	\$ 20,675,000	22,000,000	\$ 24,263	\$ -
Accrued interest payable	246,678	3,961,944	18,402	-	-
Arbitrage rebate payable	-	291,721	-	-	-
Due to other funds	-	-	12,000,000	-	-
Accounts payable and other liabilities	928,300	4,896,138	5,601	3,079	-
Total current liabilities	1,174,978	29,824,803	34,024,003	27,342	-
Noncurrent Liabilities					
Bonds payable	112,561,102	1,050,893,511	-	593,450	-
Deferred arbitrage rebate	300,000	403,279	-	-	-
Derivative instrument liability	-	12,013,867	-	-	-
Other deferred credits	3,993,640	8,364,154	116,123	-	-
Total noncurrent liabilities	116,854,742	1,071,674,811	116,123	593,450	-
Total liabilities	118,029,720	1,101,499,614	34,140,126	620,792	-
Fund Equity					
Invested in capital assets	-	-	-	-	-
Restricted	40,688,989	107,229,479	61,814	884,238	1,837,644
Unrestricted	-	-	-	-	-
Total fund equity	40,688,989	107,229,479	61,814	884,238	1,837,644
Total liabilities and fund equity	\$ 158,718,709	\$ 1,208,729,093	\$ 34,201,940	\$ 1,505,030	\$ 1,837,644

Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 6,529,225	\$ 935,746	\$ 6,054,094	\$ -	\$ 13,519,065
-	-	33,484,170	17,657,292	225,351	-	51,366,813
-	-	118,765	-	-	-	187,043
-	-	364,267	106,869	-	-	471,319
-	-	12,000,000	-	-	(12,000,000)	-
-	-	1,695,013	-	2,184,288	-	3,879,301
-	-	54,191,440	18,699,907	8,463,733	(12,000,000)	69,423,541
19,785	2,040,460	-	-	-	-	152,154,682
193,100,000	-	-	-	-	-	355,092,688
-	22,892,975	-	-	-	-	1,080,016,742
-	-	-	-	-	-	6,346,557
-	70	-	-	-	-	1,562,949
-	14,339,478	2,067	-	-	-	20,307,590
-	-	7,943,759	-	-	-	7,943,759
-	-	-	-	-	-	12,013,867
316,063	-	-	-	13,751,701	-	23,891,479
-	-	-	-	2,135,153	-	2,135,153
193,435,848	39,272,983	7,945,826	-	15,886,854	-	1,661,465,466
\$ 193,435,848	\$ 39,272,983	\$ 62,137,266	\$ 18,699,907	\$ 24,350,587	\$ (12,000,000)	\$ 1,730,889,007
\$ 193,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 235,799,263
-	-	-	-	-	-	4,227,024
-	-	-	-	-	-	291,721
-	-	-	-	-	(12,000,000)	-
-	77,455	11,233	1,494	1,114,056	-	7,037,356
193,100,000	77,455	11,233	1,494	1,114,056	(12,000,000)	247,355,364
-	-	-	-	-	-	1,164,048,063
-	-	-	-	-	-	703,279
-	-	-	-	-	-	12,013,867
-	-	-	-	-	-	12,473,917
-	-	-	-	-	-	1,189,239,126
193,100,000	77,455	11,233	1,494	1,114,056	(12,000,000)	1,436,594,490
-	-	-	-	2,135,153	-	2,135,153
335,848	39,195,528	-	-	-	-	190,233,540
-	-	62,126,033	18,698,413	21,101,378	-	101,925,824
335,848	39,195,528	62,126,033	18,698,413	23,236,531	-	294,294,517
\$ 193,435,848	\$ 39,272,983	\$ 62,137,266	\$ 18,699,907	\$ 24,350,587	\$ (12,000,000)	\$ 1,730,889,007

## WYOMING COMMUNITY DEVELOPMENT AUTHORITY

### DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY

Year Ended June 30, 2010

(See Independent Auditor's Report)

	Single Family Mortgage Bonds 1978 Indenture Fund	Housing Revenue Bonds 1994 Indenture Fund	Single Family Mortgage Warehousing Bonds 2010 Indenture Fund	Wyoming Homeownership Bonds 1992 Indenture Fund	Multi-Family Mortgage Bonds 1982 Indenture Fund
<b>Operating Revenues</b>					
Mortgage interest	\$ 3,545,049	\$ 54,357,228	\$ 121,937	\$ 48,469	\$ -
Investment interest income	1,632,019	5,346,823	475	212	88,265
Net change in fair value of investments	296,573	3,425,846	-	-	29,444
Fees and other income	735	4,394	-	2,883	-
Total operating revenue	<u>5,474,376</u>	<u>63,134,291</u>	<u>122,412</u>	<u>51,564</u>	<u>117,709</u>
<b>Operating Expenses</b>					
Interest expense	4,053,810	52,445,858	16,493	45,979	-
Servicer fees	358,776	3,548,762	9,421	1,663	-
Amortization of deferred issuance and other costs	41,565	997,365	-	-	-
Provision for (recapture of) loan losses	845,000	5,542	-	-	-
General and administrative	154,820	748,547	39,684	6,768	2,489
Total operating expenses	<u>5,453,971</u>	<u>57,746,074</u>	<u>65,598</u>	<u>54,410</u>	<u>2,489</u>
Operating income	<u>20,405</u>	<u>5,388,217</u>	<u>56,814</u>	<u>(2,846)</u>	<u>115,220</u>
<b>Nonoperating Revenue (Expenses)</b>					
Federal program income	-	-	-	-	-
Federal program expense	-	-	-	-	-
Nonoperating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers	20,405	5,388,217	56,814	(2,846)	115,220
Transfers in (out)	<u>(25,515,717)</u>	<u>3,490,717</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Net income (loss)	(25,495,312)	8,878,934	61,814	(2,846)	115,220
Fund equity, beginning of year	<u>66,184,301</u>	<u>98,350,545</u>	<u>-</u>	<u>887,084</u>	<u>1,722,424</u>
Fund equity, end of year	<u>\$ 40,688,989</u>	<u>\$ 107,229,479</u>	<u>\$ 61,814</u>	<u>\$ 884,238</u>	<u>\$ 1,837,644</u>

Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 999,250	\$ -	\$ -	\$ -	\$ 59,071,933
2	-	1,246,142	871,471	27,521	-	9,212,930
-	-	824,583	159,040	(21,577)	-	4,713,909
-	-	74,675	-	6,141,511	(3,713,280)	2,510,918
2	-	3,144,650	1,030,511	6,147,455	(3,713,280)	75,509,690
-	-	330	-	706	-	56,563,176
-	-	61,863	-	-	(3,713,280)	267,205
19,754	-	-	-	1,556,000	-	2,614,684
-	-	287,244	-	-	-	1,137,786
-	-	73,079	25,433	4,735,171	-	5,785,991
19,754	-	422,516	25,433	6,291,877	(3,713,280)	66,368,842
(19,752)	-	2,722,134	1,005,078	(144,422)	-	9,140,848
-	17,491,608	-	-	-	-	17,491,608
-	(5,274,120)	-	-	-	-	(5,274,120)
-	12,217,488	-	-	-	-	12,217,488
(19,752)	12,217,488	2,722,134	1,005,078	(144,422)	-	21,358,336
355,600	-	21,664,400	-	-	-	-
335,848	12,217,488	24,386,534	1,005,078	(144,422)	-	21,358,336
-	26,978,040	37,739,499	17,693,335	23,380,953	-	272,936,181
\$ 335,848	\$ 39,195,528	\$ 62,126,033	\$ 18,698,413	\$ 23,236,531	\$ -	\$ 294,294,517

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