

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**FINANCIAL REPORT**

**June 30, 2011**

**and**

**June 30, 2010**

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# **PORTER, MUIRHEAD, CORNIA & HOWARD**

*(A Corporation of Certified Public Accountants)*

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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, 2011 and 2010, 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, 2011 and 2010, 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, 2011, 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, 2011, 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

Certified Public Accountants

October 28, 2011

## WYOMING COMMUNITY DEVELOPMENT AUTHORITY

### MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

June 30, 2011 and 2010

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, 2011. 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.

	2011	Change		2010	Change		2009
Cash and cash equivalents	\$ 174,505,270	\$ 8,831,523	5.33%	\$ 165,673,747	\$ 20,523,240	14.14%	\$ 145,150,507
Investments	320,616,856	(85,842,645)	-21.12%	406,459,501	107,356,946	35.89%	299,102,555
Mortgage loans receivable	1,024,470,014	(63,490,487)	-5.84%	1,087,960,501	38,624,772	3.68%	1,049,335,729
Total assets	1,597,835,947	(133,053,060)	-7.69%	1,730,889,007	198,025,742	12.92%	1,532,863,265
Bonds payable	1,255,149,326	(144,698,000)	-10.34%	1,399,847,326	144,545,177	11.51%	1,255,302,149
Total liabilities	1,286,699,114	(149,895,376)	-10.43%	1,436,594,490	162,536,953	12.76%	1,274,057,537
Fund equity	311,136,833	16,842,316	5.72%	294,294,517	35,488,789	13.71%	258,805,728
Total operating revenues	67,851,677	(7,658,013)	-10.14%	75,509,690	(10,661,756)	-12.37%	86,171,446
Total operating expenses	60,027,123	(6,341,719)	-9.56%	66,368,842	(2,262,324)	-3.30%	68,631,166
Operating income	7,824,554	(1,316,294)	-14.40%	9,140,848	(8,399,432)	-47.89%	17,540,280

### Financial Position

Cash and cash equivalents increased \$8.8 million from 2010 and investment balances declined by \$85.8 million (21.12%) for a collective decrease of \$77.0 million in cash and investments from 2010. There are several factors that, when combined, lead to this decrease. First, activities that decreased cash and investment balances include the following: use of \$244.8 million to redeem bonds and fund bond maturities; use of \$99.7 million to purchase mortgages; \$52.9 million used to pay bond interest; funds paid to servicers, suppliers and employees of \$17.9 million, and an unrealized loss in the value of the investment portfolio of \$4.0 million, for a combined decrease in cash and investments of \$419.3 million. Activities that generated funds for the year consisted of: mortgage principal and interest received from borrowers of \$223.0 million; proceeds from bond issuance of \$100.1 million; investment income received of \$8.6 million; operating receipts of \$1.6 million; and Federal funds received net of expenditures of \$9.0 million, for a total increase of \$342.3 million.

# WYOMING COMMUNITY DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

June 30, 2011 and 2010

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

Mortgage loans receivable decreased by \$63.5 million due to normal principal received of \$27.2 million, \$138.9 million of prepayments, netted with of \$99.7 in mortgage purchases and a reduction of loan loss reserves of \$2.9 million.

Total assets declined by \$133.1 million due to the decline in mortgage loans receivable of \$63.5, the decline in cash and investments of \$77.0 million, describe above, a decline in deferred hedging costs of \$1.2 million and a slight decrease in various other assets of \$.2 million, combined with an increase in accounts receivable and other assets of \$8.9 million.

Bonds payable declined \$144.7 million from 2010 as the result of normal maturities of \$30.3 million, redemptions of \$214.5 million netted with total bond issuance for the year of \$100.1 million. The Authority issued \$70.0 million in Bonds under the 2009 Indenture which utilized \$42.0 million of convertible option bonds made available under the New Issue Bond Program (NIBP). At June 30, 2011, the balance of the convertible option bonds under the NIBP was \$151.1 million. (See debt administration for additional discussion regarding the NIBP). The decrease in total liabilities of \$150.0 million was due mostly to the decrease in Bonds outstanding as discussed above. Other changes in liabilities included a decrease in other deferred credits of \$5.9 million, a decrease in derivative instrument liability of \$1.2 million and an increase in accounts payable and other liabilities of \$1.8 million.

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

The Authority's operating income decreased \$1.3 million as compared to fiscal year 2010. As discussed below, total operating revenue declined by \$7.6 million and total operating expenses decreased by \$6.3 million for a decline in net operating income of \$1.3 million.

Total operating revenue declined by \$7.6 million (approximately 10%) from 2010 due mostly to a decline in the Authority's unrealized investment income \$8.7 million. Slight changes in mortgage interest, investment interest income and other income resulted in a combined increase for these revenue categories of \$1.1 million from 2010.

Total operating expenses decreased by \$6.3 million from 2010 due largely to the decreases in bond interest expense of \$4.0 million and in the provision for loan losses of \$4.1 million. A combined increase in other expenses including servicer fees, amortization and general and administrative expenses, of \$1.8 million results in the net decrease of \$6.3 million.



# WYOMING COMMUNITY DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

June 30, 2011 and 2010

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### ***Debt Administration***

The Authority issued \$100.0 million in bonds during 2011 (\$149.7 million less than in 2010), which included \$30.0 million in warehouse bonds (also redeemed during the year) and \$70.0 under the New Issue Bond Program (NIBP). Of the bonds issued, 60% (\$42.0 million) were NIBP short term bonds converted to long-term below-market fixed rates and 40% (\$28.0 million) were sold to investors at market rates. The NIBP was instituted to provide temporary financing for state housing finance agencies (HFA's) in order to assist those agencies in issuing mortgage revenue bonds. Under the NIBP, Fannie Mae and Freddie Mac purchased the NIBP bonds from the HFA, which bear interest at a short term rate and are convertible by the HFA to a long-term below-market rate. The purpose of the program is to allow the HFA to borrow funds long term at a lower than market rate in order to provide affordable mortgage rates to first-time homebuyers. Under the NIBP, the HFA can issue bonds that convert at least 60% of the NIBP bonds to a long-term below-market rate and 40% of the issue must be sold to private investors at market rates. In December 2009, the Authority issued \$193.1 million of convertible option bonds under this program, of which \$151.1 million were outstanding as of June 30, 2011.

### **Conclusion**

The above discussion and analysis is presented to provide additional information regarding the activities of the Authority and 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.wyomingeda.com](http://www.wyomingeda.com).

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**BALANCE SHEETS**  
June 30, 2011 and 2010

<b>ASSETS</b>	<u>2011</u>	<u>2010</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 17,698,418	\$ 13,519,065
Investments	46,404,316	51,366,813
Interest receivable		
Mortgage loans	203,989	187,043
Investments	452,514	471,319
Accounts receivable and other assets	6,893,510	3,879,301
Total current assets	<u>71,652,747</u>	<u>69,423,541</u>
<b>Noncurrent Assets</b>		
Restricted cash and cash equivalents	156,806,852	152,154,682
Restricted investments	274,212,540	355,092,688
Restricted mortgage loans receivable, net	971,070,258	1,080,016,742
Restricted interest receivable		
Mortgage loans	5,931,309	6,346,557
Investments	1,424,561	1,562,949
Restricted accounts receivable and other assets	26,224,438	20,307,590
Mortgage loans receivable, net	53,399,756	7,943,759
Deferred hedging costs of fixed-rate swaps	10,794,348	12,013,867
Deferred issuance, servicing and other costs, net	23,812,688	23,891,479
Property and equipment, net	2,506,450	2,135,153
Total noncurrent assets	<u>1,526,183,200</u>	<u>1,661,465,466</u>
<b>Total assets</b>	<u>\$ 1,597,835,947</u>	<u>\$ 1,730,889,007</u>

(Continued)

See notes to the basic financial statements

**LIABILITIES AND FUND EQUITY**

	<u>2011</u>	<u>2010</u>
Current Liabilities		
Bonds payable	\$ 174,243,781	\$ 235,799,263
Accrued interest payable	3,788,243	4,227,024
Arbitrage rebate payable	168,601	291,721
Accounts payable and other liabilities	9,546,975	7,037,356
Total current liabilities	<u>187,747,600</u>	<u>247,355,364</u>
Noncurrent Liabilities		
Bonds payable	1,080,905,545	1,164,048,063
Deferred arbitrage rebate	656,399	703,279
Derivative instrument liability	10,794,348	12,013,867
Other deferred credits	6,595,222	12,473,917
Total noncurrent liabilities	<u>1,098,951,514</u>	<u>1,189,239,126</u>
Total liabilities	<u>1,286,699,114</u>	<u>1,436,594,490</u>
Commitments and Contingencies		
Fund Equity		
Invested in capital assets	2,506,450	2,135,153
Restricted	209,004,202	190,233,540
Unrestricted	99,626,181	101,925,824
Total fund equity	<u>311,136,833</u>	<u>294,294,517</u>
Total liabilities and fund equity	<u>\$ 1,597,835,947</u>	<u>\$ 1,730,889,007</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, 2011 and 2010

	2011	2010
Operating Revenues		
Mortgage interest	\$ 62,304,603	\$ 59,071,933
Investment interest income	7,933,327	9,212,930
Net change in fair value of investments	(3,995,063)	4,713,909
Fees and other income	1,608,810	2,510,918
Total operating revenue	67,851,677	75,509,690
Operating Expenses		
Interest expense	52,541,458	56,563,176
Servicer fees	510,389	267,205
Amortization of deferred issuance and other costs	3,333,276	2,614,684
Provision for loan losses	(2,926,689)	1,137,786
General and administrative	6,568,689	5,785,991
Total operating expenses	60,027,123	66,368,842
Operating income	7,824,554	9,140,848
Nonoperating Revenue (Expenses)		
Federal program income	18,748,265	17,491,608
Federal program expense	(9,730,503)	(5,274,120)
Nonoperating income	9,017,762	12,217,488
Net income	16,842,316	21,358,336
Fund equity, beginning of year	294,294,517	272,936,181
Fund equity, end of year	\$ 311,136,833	\$ 294,294,517

See notes to the basic financial statements

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities		
Cash receipts for services	\$ 1,608,810	\$ 2,510,918
Interest income on mortgage loans	56,824,210	58,918,527
Principal received on mortgage loans	166,138,813	148,548,276
Cash payments to purchase mortgage loans	(99,721,637)	(181,646,925)
Cash payments to servicers	(510,389)	(267,205)
Cash payments to suppliers	(1,395,392)	(2,753,845)
Cash payments to employees	(2,479,885)	(2,134,173)
Other cash payments	(9,674,842)	(9,916,498)
Net cash provided by operating activities	<u>110,789,688</u>	<u>13,259,075</u>
Cash Flows from Noncapital Financing Activities		
Federal revenue	18,748,265	17,491,608
Federal expenses	(9,730,503)	(5,274,120)
Proceeds from bonds	100,092,240	249,810,000
Principal paid on bonds	(244,835,726)	(89,478,342)
Interest paid on bonds	(52,934,753)	(56,952,473)
Payment of bond issuance costs	(514,890)	(737,337)
Net cash provided by (used in) noncapital financing activities	<u>(189,175,367)</u>	<u>114,859,336</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of fixed assets	(547,198)	(429,189)
Purchase of mortgage servicing rights	(2,739,595)	(2,632,787)
Net cash used in capital and related financing activities	<u>(3,286,793)</u>	<u>(3,061,976)</u>
Cash Flows from Investing Activities		
Interest received from investments	8,656,413	11,920,927
Purchase of investments	(214,679,711)	(319,275,444)
Proceeds from sales and maturities of investments	296,527,293	160,029,452
Net cash provided by (used in) investing activities	<u>90,503,995</u>	<u>(147,325,065)</u>
Increase (decrease) in cash and cash equivalents	8,831,523	(22,268,630)
Cash and cash equivalents, beginning of year	<u>165,673,747</u>	<u>187,942,377</u>
Cash and cash equivalents, end of year	<u>\$ 174,505,270</u>	<u>\$ 165,673,747</u>

(Continued)

See notes to the basic financial statements

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**STATEMENTS OF CASH FLOWS (CONTINUED)**

Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Reconciliation of ending cash and cash equivalents		
Current cash and cash equivalents	\$ 17,698,418	\$ 13,519,065
Noncurrent restricted cash and cash equivalents	156,806,852	152,154,682
Cash and cash equivalents, ending	<u>\$ 174,505,270</u>	<u>\$ 165,673,747</u>
 Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 7,824,554	\$ 9,140,848
Adjustments to reconcile operating income to net cash provided by operating activities		
Interest on bonds	52,541,458	56,563,176
Net change in fair value of investments	3,995,063	(4,713,909)
Interest from investments	(7,933,327)	(9,212,930)
Mortgage loan principal repayments		
Scheduled	28,303,088	25,904,115
Prepaid	138,917,952	122,644,161
Purchase of mortgage loans	(100,803,864)	(181,646,925)
Amortization of commitment fees and loan discounts	(1,231,123)	(1,346,893)
Amortization of deferred issuance and other costs	3,333,276	2,614,684
Increase in provision for loan losses	(2,926,689)	1,137,786
Net change in other assets and liabilities	(11,230,700)	(7,825,038)
Net cash provided by operating activities	<u>\$ 110,789,688</u>	<u>\$ 13,259,075</u>
 Supplemental Cash Flow Information		
Noncash investing activity		
Investment purchase in progress	\$ (7,497,450)	\$ (5,390,000)

See notes to the basic financial statements

# WYOMING COMMUNITY DEVELOPMENT AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011 and 2010

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### **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, 2011 and 2010

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### **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 \$581,005 to guarantee mortgage and project loans with principal balances outstanding of \$1,390,540 as of June 30, 2011. The Authority has also committed \$250,000 to guarantee second mortgages with principal balances outstanding of \$7,145,391. 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, 2011 and 2010

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**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, 2011 and 2010

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**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 \$656,399 and \$703,279 at June 30, 2011 and 2010, respectively, for arbitrage rebates. The Authority has recorded an arbitrage rebate payable of \$168,601 and \$291,721 at June 30, 2011 and 2010, 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 \$305,477 and \$5,294,126 at June 30, 2011 and 2010, 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, 2011 and 2010, the Authority also deferred \$3,315,916 and \$4,455,491, respectively, of interest income related to the HOME Run loan program.

Additionally, the Authority has deferred \$2,973,830 and \$2,724,300 as of June 30, 2011 and 2010, 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, 2011 and 2010

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

Deposits are placed with various financial institutions and are carried at cost. At June 30, 2011, the carrying amount of the Authority's bank deposits was \$4,134,569 and the bank balance was \$5,829,926. The difference between the carrying amount and the bank balance is a result of transactions in transit. All bank deposits at June 30, 2011 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:

	2011	2010
Investments		
Certificates of deposit	\$ -	\$ 276,547
U.S. Government and agency securities	154,916,856	190,082,954
Housing revenue bonds	14,600,000	23,000,000
Guaranteed investment contracts	151,100,000	193,100,000
	<u>\$ 320,616,856</u>	<u>\$ 406,459,501</u>
Total		

Investments are reported in the following classifications:

	2011	2010
Current	\$ 46,404,316	\$ 51,366,813
Noncurrent - restricted by bond indentures or contracts	274,212,540	355,092,688
	<u>\$ 320,616,856</u>	<u>\$ 406,459,501</u>
Total		

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, 2011 and 2010, the Authority had unrealized investment gains of 8,305,097 and \$12,300,230, respectively, in its investment portfolio. The unrealized gains(losses) of (\$3,995,134) and \$4,713,909 for the years ended June 30, 2011 and 2010, 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, 2011, 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	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. government and agency securities	154,916,856	1,496,265	2,908,706	13,635,319	136,876,566
Housing revenue bonds	14,600,000	-	-	-	14,600,000
Escrowed money market accounts	151,100,000	151,100,000	-	-	-
Total	<u>\$ 320,616,856</u>	<u>\$ 152,596,265</u>	<u>\$ 2,908,706</u>	<u>\$ 13,635,319</u>	<u>\$ 151,476,566</u>

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011 and 2010

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**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, 2011, the Authority has \$90,123,535 in these reserve accounts which exceeds the reserve requirements contained in the applicable trust indentures of \$73,406,020. The amounts reserved in these accounts are as follows:

	1978 Indenture	1994 Indenture	2009 Indenture
Bond reserve requirement	\$ 18,025,915	\$ 27,752,311	\$ 2,085,150
Mortgage reserve requirement	1,050,000	16,330,911	1,226,733
Restricted special reserve requirement	-	6,935,000	-
Total required reserves	<u>\$ 19,075,915</u>	<u>\$ 51,018,222</u>	<u>\$ 3,311,883</u>
Total cash and investments held for reserves	<u>\$ 20,520,906</u>	<u>\$ 66,097,271</u>	<u>\$ 3,505,358</u>

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011 and 2010

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

	<u>2011</u>	<u>2010</u>
Single Family Mortgage Bonds 1978 Indenture Fund, bearing interest at 0% to 8.9%, 25 to 30 year term, FHA or private mortgage company insured, or guaranteed by RD, VA, or mortgage guaranty fund	\$ 102,419,017	\$ 108,406,548
Less: Reserve for losses on loans	<u>(3,689,454)</u>	<u>(3,689,454)</u>
	<u>98,729,563</u>	<u>104,717,094</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	 818,187,267	 959,325,709
Less: Reserve for losses on loans	<u>(30,121,651)</u>	<u>(35,371,650)</u>
	<u>788,065,616</u>	<u>923,954,059</u>
 Single Family Mortgage Warehousing Bonds 2010, bearing interest at 4.75%, 30 year term, FHA insured, or guaranteed by RD or VA	 47,351,998	 27,834,229
Less: Reserve for losses on loans	<u>(650,000)</u>	<u>-</u>
	<u>46,701,998</u>	<u>27,834,229</u>
 Homeownership Mortgage Revenue Bonds 2009 Indenture Fund bearing interest at 4.25% to 4.75%, 30 year term, FHA insured, or guaranteed by RD or VA	 61,352,008	 -
Less: Reserve for losses on loans	<u>(2,150,000)</u>	<u>-</u>
	<u>59,202,008</u>	<u>-</u>
 Wyoming Homeownership Bonds 1992 Indenture Fund, bearing interest at 7.625%, 30 year term, FHA or private mortgage company insured, or RD guaranteed	 425,746	 618,385
 Federal Program Fund with various terms, including deferred payments and bearing interest at 0% to 5.19%, 10 to 30 year term	 25,542,326	 23,292,975
Less: Reserve for losses on loans	<u>(895,000)</u>	<u>(400,000)</u>
	<u>24,647,326</u>	<u>22,892,975</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	 10,441,653	 12,987,655
Less: Reserve for losses on loans	<u>(3,743,895)</u>	<u>(5,043,896)</u>
	<u>6,697,758</u>	<u>7,943,759</u>
 Total mortgage loans receivable, net	<u><u>\$ 1,024,470,015</u></u>	<u><u>\$ 1,087,960,501</u></u>

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011 and 2010

**Note 4. Mortgage Loans Receivable, Net (Continued)**

	<u>2011</u>	<u>2010</u>
Reported in the following classifications		
Restricted mortgage loans receivable, net	\$ 971,070,258	\$ 1,080,016,742
Mortgage loans receivable, net	53,399,756	7,943,759
	<u>\$ 1,024,470,014</u>	<u>\$ 1,087,960,501</u>

Total loan loss reserves for mortgage loans receivable established by the Authority as of June 30, 2011 and 2010 were \$41,250,000 and \$44,505,000, respectively, for mortgage loans receivable.

As of June 30, 2011 and 2010, the Authority had 416 and 524 loans, respectively, delinquent for 90 days or more from the population of 12,305 and 13,478 loans, respectively. The outstanding balance of mortgages delinquent for 90 days or more was \$29,720,808 and \$33,941,884 as of June 30, 2011 and 2010, respectively.

**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.

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2011 and 2010

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

	Balance at June 30, 2010	Issued	Retired	Balance at June 30, 2011	Amount Due Within 1 Year
<b>Single Family Mortgage Bonds 1978 Indenture Fund</b>					
1998 Series B, 2031 to 2033 interest at 5.30%, original amount issued \$15,000,000	\$ 13,000,000	\$ -	\$ 8,290,000	\$ 4,710,000	\$ -
2001 Series A, 2025 to 2035 variable interest, interest at 0.05%, original amount issued \$9,545,000	9,545,000	-	-	9,545,000	-
2002 Series A, 2022 to 2032 variable interest, interest at 0.05%, original amount issued \$37,000,000	37,000,000	-	-	37,000,000	-
2003 Series A/B, 2022 to 2033, interest at 0.05% to 4.55%, original amount issued \$53,745,000	53,745,000	-	-	53,745,000	-
Principal amounts of bonds outstanding 1978 Trust Indenture	113,290,000	-	8,290,000	105,000,000	-
Less: deferred loss on prior series refunded by 1998 Series A and 2003 Series A/B	(728,898)	-	(57,495)	(671,403)	-
Principal amounts of bonds outstanding 1978 Indenture Fund, net	112,561,102	-	8,232,505	104,328,597	-
<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	716,550	-	(45,486)	762,036	-
1996 Series 7, 2021 to 2030, interest at 5.25% original amount issued \$60,000,000	17,050,000	-	1,115,000	15,935,000	-
1997 Series 5, 2017 to 2030, interest at 5.15% to 5.3%, original amount issued \$100,000,000	17,905,000	-	4,985,000	12,920,000	-

(Continued)

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2011 and 2010

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

	Balance at June 30, 2010	Issued	Retired	Balance at June 30, 2011	Amount Due Within 1 Year
1997 Series 6 and 7, redeemed, original amount issued \$50,000,000	\$ 485,000	\$ -	\$ 485,000	\$ -	\$ -
1998 Series 1 and 2, redeemed, original amount issued \$40,000,000	10,760,000	-	10,760,000	-	-
1998 Series 3, 2017 to 2030, interest at 5.30% to 5.35%, original amount issued \$30,000,000	12,145,000	-	1,245,000	10,900,000	-
1999 Series 1, 2017 to 2030, interest at 5.25% to 5.32%, original amount issued \$30,000,000	12,955,000	-	1,600,000	11,355,000	-
1999 Series 4, redeemed, original amount issued \$40,000,000	2,155,000	-	2,155,000	-	-
1999 Series 7 and 8, redeemed, original amount issued \$25,000,000	3,250,000	-	3,250,000	-	-
1999 Series 10 and 11, redeemed, original amount issued \$25,000,000	2,385,000	-	2,385,000	-	-
2000 Series 1 and 2, redeemed, original amount issued \$35,000,000	3,655,000	-	3,655,000	-	-
2000 Series 4 and 5, redeemed, original amount issued \$50,000,000 at premium of \$189,437	12,094,125	-	12,094,125	-	-
2000 Series 6 and 7, redeemed, original amount issued \$30,000,000	8,235,000	-	8,235,000	-	-
2001 Series 1, 2023 to to 2027, interest at 5.35%, original amount issued \$30,000,000 at premium of \$179,692	9,246,202	-	1,467,698	7,778,504	-

(Continued)



**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2011 and 2010

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

	<u>Balance at June 30, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at June 30, 2011</u>	<u>Amount Due Within 1 Year</u>
2001 Series 5, 6 and 7, 2011 to 2031, interest at 0.09% to 5.30%; original amount issued \$33,500,000	\$ 20,755,000	\$ -	\$ 2,835,000	\$ 17,920,000	\$ 700,000
2002 Series 1 and 2, 2024 to 2026, interest at 5.50%, original amount issued \$42,475,000	6,170,000	-	1,855,000	4,315,000	-
2002 Series 4 and 5, 2011 to 2027, interest at 4.50% to 5.30%, original amount issued \$42,110,000	22,170,000	-	845,000	21,325,000	880,000
2002 Series 6, 7 and 8, 2011 to 2033, interest at 0.09% to 5.20% original amount issued \$27,000,000	17,795,000	-	1,325,000	16,470,000	570,000
2003 Series 1, 2012 to 2032, interest at 3.50% to 4.60% original amount issued \$26,065,000	20,710,000	-	2,200,000	18,510,000	485,000
2003 Series 2, 3, and 4, 2012 to 2032, interest at 0.09% to 5.25% original amount issued \$26,230,000	23,120,000	-	780,000	22,340,000	595,000
2003 Series 5 and 6, 2012 to 2034, interest at 3.80% to 5.00% original amount issued \$25,990,000	23,015,000	-	560,000	22,455,000	440,000
2004 Series 1, 2, and 3, 2011 to 2034, interest at 0.09% to 4.60% original amount issued \$35,000,000	28,585,000	-	1,360,000	27,225,000	790,000 (Continued)

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2011 and 2010

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

	Balance at June 30, 2010	Issued	Retired	Balance at June 30, 2011	Amount Due Within 1 Year
2004 Series 4, 5, and 6, 2012 to 2035, interest at 0.09% to 5.25% original amount issued \$40,000,000	\$ 33,420,000	\$ -	\$ 1,190,000	\$ 32,230,000	\$ 565,000
2004 Series 7, 8, and 9, 2011 to 2034, interest at 0.09% to 5.00% original amount issued \$40,000,000	33,215,000	-	970,000	32,245,000	825,000
2004 Series 10 and 11, 2012 to 2035, interest at 0.09% to 4.90% original amount issued \$30,000,000	27,170,000	-	620,000	26,550,000	650,000
2005 Series 1 and 2, 2011 to 2035, interest at 0.09% to 4.95% original amount issued \$40,000,000	36,695,000	-	805,000	35,890,000	830,000
2005 Series 3 and 4, 2011 to 2035, interest at 0.09% to 4.70% original amount issued \$40,000,000	37,070,000	-	735,000	36,335,000	770,000
2005 Series 5, 6 and 7, 2011 to 2036, interest at 0.09% to 4.85% original amount issued \$40,000,000	36,850,000	-	890,000	35,960,000	725,000
2006 Series 1 and 2, 2011 to 2035, interest at 0.09% to 4.90% original amount issued \$40,000,000	37,800,000	-	640,000	37,160,000	680,000
2006 Series 4 and 5, 2011 to 2036, interest at 0.09% to 5.05% original amount issued \$50,000,000	47,365,000	-	820,000	46,545,000	865,000
2006 Series 6 and 7, 2011 to 2037, interest at 0.09% to 5.50% original amount issued \$50,000,000 at premium of \$347,819	48,130,165	-	787,067	47,343,098	810,000 (Continued)

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2011 and 2010

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

	Balance at June 30, 2010	Issued	Retired	Balance at June 30, 2011	Amount Due Within 1 Year
2006 Series 8 and 9, 2011 to 2037, interest at 0.09% to 4.70% original amount issued \$50,000,000	\$ 47,705,000	\$ -	\$ 775,000	\$ 46,930,000	\$ 825,000
2007 Series 1 and 2, 2011 to 2037, interest at 0.09% to 4.80%; original amount issued \$30,000,000	28,665,000	-	475,000	28,190,000	515,000
2007 Series 3 and 4, 2011 to 2037, interest at 0.09% to 4.75% original amount issued \$70,000,000	64,935,000	-	1,125,000	63,810,000	1,190,000
2007 Series 5 and 6, 2011 to 2038, interest at 0.09% to 4.90% original amount issued \$70,000,000	67,310,000	-	1,100,000	66,210,000	1,155,000
2007 Series 7, 8 and 9, 2011 to 2038, interest at 0.09% to 5.359% original amount issued \$60,000,000	55,645,000	-	1,825,000	53,820,000	880,000
2007 Series 10, 11 and 12, 2011 to 2038, interest at 0.09% to 5.30% original amount issued \$60,000,000	58,650,000	-	3,990,000	54,660,000	835,000
2008 Series 1 and 2, 2011 to 2038, interest at 0.09% to 5.45% original amount issued \$50,000,000	41,910,000	-	13,220,000	28,690,000	690,000
2008 Series 3, 2011 to 2023, interest at 3.20% to 5.25% original amount issued \$60,000,000 premium of \$35,066	58,966,469	-	44,014,032	14,952,437	810,000
2010 Series 1 and 2, 2011 to 2030, interest at 1.75% to 4.375% original amount issued \$34,710,000	34,710,000	-	2,740,000	31,970,000	3,940,000
					(Continued)

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2011 and 2010

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

	<u>Balance at June 30, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at June 30, 2011</u>	<u>Amount Due Within 1 Year</u>
Principal amounts of bonds outstanding					
1994 Indenture Fund	\$ 1,071,568,511	\$ -	\$ 141,867,436	\$ 929,701,075	\$ 22,020,000
<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>22,000,000</u>	<u>-</u>	<u>22,000,000</u>	<u>-</u>	<u>-</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>617,713</u>	<u>-</u>	<u>191,967</u>	<u>425,746</u>	<u>18,781</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	193,100,000	-	42,000,000	151,100,000	151,100,000
Homeownership Mortgage Revenue Bonds Series 2010 A and 2009 A-1, 2011 to 2041, interest at 0.65% to 4.25%, original amount issued \$70,000,000 at premium of \$92,240	<u>-</u>	<u>70,092,240</u>	<u>498,332</u>	<u>69,593,908</u>	<u>1,105,000</u>
Principal amounts of bonds outstanding					
2009 Fund Indenture	<u>193,100,000</u>	<u>70,092,240</u>	<u>42,498,332</u>	<u>220,693,908</u>	<u>152,205,000</u>
Total bonds payable	<u>\$ 1,399,847,326</u>	<u>\$ 70,092,240</u>	<u>\$ 214,790,240</u>	<u>\$ 1,255,149,326</u>	<u>\$ 174,243,781</u>

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011 and 2010

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

Scheduled bond principal and sinking fund requirements in each indenture for the five fiscal years subsequent to June 30, 2011, 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	Wyoming Homeownership Bonds 1992 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Totals
2012	\$ -	\$ 22,020,000	\$ 18,781	\$ 152,205,000	\$ 174,243,781
2013	-	25,140,000	20,264	1,160,000	26,320,264
2014	-	23,945,000	21,865	1,220,000	25,186,865
2015	-	25,955,000	23,591	1,275,000	27,253,591
2016	-	27,170,000	25,454	1,340,000	28,535,454

Annual debt service requirements for the five fiscal years subsequent to June 30, 2011, 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
2012	\$ 174,243,781	\$ 40,950,815	\$ 215,194,596
2013	26,320,264	40,107,746	66,428,010
2014	25,186,865	39,112,526	64,299,391
2015	27,253,591	38,132,462	65,386,053
2016	28,535,454	37,010,576	65,546,030
5 years ending 2021	154,050,792	165,802,690	319,853,482
5 years ending 2026	235,849,999	125,280,533	361,130,532
5 years ending 2031	276,335,000	74,314,894	350,649,894
5 years ending 2036	247,430,000	26,190,147	273,620,147
5 years ending 2041	60,355,000	2,729,380	63,084,380
5 years ending 2046	100,000	1,562	101,562
	<u>\$ 1,255,660,746</u>	<u>\$ 589,633,331</u>	<u>\$ 1,845,294,077</u>

The balances above do not include net premiums, discounts, or losses on refundings in the amount of (\$511,420) that are reported as components of bonds payable.

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011 and 2010

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

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

Using rates as of June 30, 2011 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)	
2012	\$ -	\$ 126,414	\$ 4,209,532	\$ 4,335,946
2013	-	120,095	4,142,075	4,262,170
2014	-	119,406	3,946,914	4,066,320
2015	-	119,407	2,700,262	2,819,669
2016	115,000	119,892	730,839	965,731
5 years ending 2021	8,310,000	586,336	247,606	9,143,942
5 years ending 2026	16,785,000	528,798	1,329	17,315,127
5 years ending 2031	22,475,000	442,127	-	22,917,127
5 years ending 2036	65,525,000	283,017	-	65,808,017
5 years ending 2041	19,790,000	23,022	-	19,813,022
	<u>\$ 133,000,000</u>	<u>\$ 2,468,514</u>	<u>\$ 15,978,557</u>	<u>\$ 151,447,071</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 defeased bonds were called and cancelled by August 1, 2010.

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, 2011 and 2010

**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, 2011, there were two such series of Multi-Family Housing Revenue bonds outstanding, with an aggregate principal amount payable of \$7,141,688.

**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, 2011

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	\$ 3,670,000	3.523%	70% of LIBOR	6/1/2021	\$ (182,787)	AAA/Aa3
2005 Series 4	6/30/2005	4,735,000	3.260%	70% of LIBOR	12/1/2021	(213,687)	AAA/Aa3
2005 Series 7	9/20/2005	3,855,000	3.325%	70% of LIBOR	12/1/2016	(195,010)	AAA/Aa3
2006 Series 2	1/19/2006	8,000,000	3.465%	70% of LIBOR	12/1/2013	(578,424)	AAA/Aa3
2006 Series 5	4/20/2006	10,000,000	3.926%	70% of LIBOR	6/1/2014	(956,075)	AAA/Aa3
2006 Series 7	6/26/2006	10,000,000	4.115%	70% of LIBOR	6/1/2014	(1,011,910)	AAA/Aa3
2006 Series 9	9/27/2006	10,000,000	3.621%	70% of LIBOR	12/1/2014	(950,219)	AAA/Aa3
2007 Series 2	1/11/2007	6,000,000	3.678%	70% of LIBOR	12/1/2014	(581,897)	AAA/Aa3
2007 Series 4	3/13/2007	14,000,000	3.577%	70% of LIBOR	6/1/2015	(1,400,574)	AAA/Aa3
2007 Series 6	5/10/2007	14,000,000	3.661%	70% of LIBOR	6/1/2015	(1,446,564)	AAA/Aa3
2007 Series 8	7/31/2007	12,000,000	3.924%	USD-SIFMA	6/1/2015	(1,280,902)	AAA/Aa3
2007 Series 11	11/7/2007	12,000,000	3.530%	70% of LIBOR	12/1/2015	(1,235,924)	AAA/Aa3
2008 Series 2	5/13/2008	13,000,000	3.075%	70% of LIBOR	6/1/2016	(1,100,481)	AAA/Aa3
		<u>\$ 121,260,000</u>				<u>\$ (11,134,454)</u>	

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2011 and 2010

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

*Swap Terms and Values (Continued)*

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

As of June 30, 2011 and 2010, the Authority's swap agreements had a net fair value of (\$11,134,454) and (\$12,348,370), 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, 2011 and 2010 is inclusive of accrued interest of \$340,106 and \$334,503, respectively. Accrued interest is separately reported on the Authority's balance sheet. The resultant change in gross fair value was \$1,219,519. 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, 2011, 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, 2011, 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, 2011 and 2010

**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, 2011 and 2010, the SIFMA Index rate was 0.09 and 0.25 percent, respectively, while 70 percent of LIBOR (the swap rate) was 0.13 and 0.24 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, 2011

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, 2011 and 2010

**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, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Investment in capital assets	\$ 2,506,450	\$ 2,135,153
Restricted		
Restricted by bond indentures	160,790,912	151,038,012
Restricted by grants	<u>48,213,290</u>	<u>39,195,528</u>
	<u>209,004,202</u>	<u>190,233,540</u>
Unrestricted		
Designated for the Single Family Mortgage Warehousing Bonds 2010 Indenture	(206,356)	-
Designated for the Multi-Family Mortgage Bonds 1982 Indenture Fund	1,906,471	-
Designated for the Housing Trust Fund	58,656,874	62,126,033
Designated for the Mortgage Guaranty Fund	18,687,148	18,698,413
Designated for non-current assets	17,299,747	15,886,854
Designated for operating reserve funds	<u>3,282,297</u>	<u>5,214,524</u>
	<u>99,626,181</u>	<u>101,925,824</u>
 Total fund equity	 <u>\$ 311,136,833</u>	 <u>\$ 294,294,517</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 13,351 single-family loans with unpaid principal balances of \$1,357,708,828 as of June 30, 2011. Included in these amounts were 2,530 second mortgages with outstanding principal balances of \$7,119,572. Escrow balances for these loans were \$5,624,188 at June 30, 2011. These escrow balances are not included in the accompanying combined financial statements. During the years ended June 30, 2011 and 2010, the Authority purchased and capitalized loan servicing rights of \$943,773 and \$1,711,208, respectively, for loans of approximately \$94,000,000 and \$171,000,000, respectively.

## WYOMING COMMUNITY DEVELOPMENT AUTHORITY

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011 and 2010

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#### **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, 2011, 2010 and 2009 were \$296,455, \$222,555, and \$182,125, 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, 2011, the Authority was committed to purchase single-family mortgages aggregating approximately \$684,000 under the 1978 Indenture, \$20,163,761 under the Warehouse Indenture, \$4,753,275 under various Federal Programs, and \$166,907 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 \$170,600,000. 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, 2011, the entire \$223,145,000 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, 2011, 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, 2011 and 2010

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#### **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, 2011, approximately 15% and 18% 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, 2011, approximately 20% 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, 2010 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, 2011 and 2010 were \$490,349 and \$416,695, respectively.

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

On June 24, 2011, the Authority instructed its trustee to call on July 13, 2011, bonds in the amount of \$34,905,000 from the 1994 Indenture.

On July 6, 2011, the Authority issued \$15,300,000 of Student Housing Revenue Bonds in conduit debt on behalf of the University of Wyoming.

On July 13, 2011, the Authority redeemed \$34,905,000 of bonds under the 1994 Indenture.

On August 23, 2011, the Authority issued \$87,000,000 of bonds under the 2009 Indenture, \$17,600,000 of these proceeds were used to refund the variable rate bonds in the 1994 Indenture on September 1, 2011.

On October 20, 2011, pursuant to the 1978 Indenture, the Authority replaced the Standby Irrevocable Temporary Credit and Liquidity Facility issued by Fannie Mae and Federal Home Loan Mortgage Corporation for a Substitute Liquidity Facility which is a Standby Bond Purchase Agreement among the Authority, the Trustee and Tender Agent, and Bank of America, N.A.

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**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

**DETAILED BALANCE SHEET**  
 June 30, 2011  
 (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>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 512,378	\$ -	\$ 867,499
Investments	-	-	-	-	1,019,336
Interest receivable: Mortgage loans	-	-	122,897	-	-
Investments	-	-	4	-	19,636
Due from other funds	-	34,918,721	-	-	-
Accounts receivable and other assets	-	-	-	-	-
Total current assets	-	34,918,721	635,279	-	1,906,471
<b>Noncurrent Assets</b>					
Restricted cash and cash equivalents	25,293,658	118,771,952	-	880,587	-
Restricted investments	25,162,225	94,588,084	-	-	-
Restricted mortgage loans receivable, net	98,729,562	788,065,616	-	425,746	-
Restricted interest receivable					
Mortgage loans	462,206	5,231,819	-	1,842	-
Investments	238,249	1,148,241	-	7	-
Restricted accounts receivable and other assets	252,104	4,285,529	-	-	-
Mortgage loans receivable, net	-	-	46,701,998	-	-
Deferred hedging costs of fixed-rate swaps	-	10,794,348	-	-	-
Deferred issuance, servicing and other costs, net	673,431	7,573,013	-	-	-
Property and equipment, net	-	-	-	-	-
Total noncurrent assets	150,811,435	1,030,458,602	46,701,998	1,308,182	-
Total assets	\$ 150,811,435	\$ 1,065,377,323	\$ 47,337,277	\$ 1,308,182	\$ 1,906,471
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Current Liabilities</b>					
Bonds payable	\$ -	\$ 22,020,000	\$ -	\$ 18,781	\$ -
Accrued interest payable	204,507	3,399,968	-	-	-
Arbitrage rebate payable	-	168,601	-	-	-
Due to other funds	-	-	46,918,721	-	-
Accounts payable and other liabilities	246,965	3,985,959	255,998	1,637	-
Total current liabilities	451,472	29,574,528	47,174,719	20,418	-
<b>Noncurrent Liabilities</b>					
Bonds payable	104,328,597	907,681,075	-	406,965	-
Deferred arbitrage rebate	415,000	241,399	-	-	-
Derivative instrument liability	-	10,794,348	-	-	-
Other deferred credits	954,944	5,243,347	368,914	-	-
Total noncurrent liabilities	105,698,541	923,960,169	368,914	406,965	-
Total liabilities	106,150,013	953,534,697	47,543,633	427,383	-
<b>Fund Equity</b>					
Invested in capital assets	-	-	-	-	-
Restricted	44,661,422	111,842,626	-	880,799	-
Unrestricted	-	-	(206,356)	-	1,906,471
Total fund equity	44,661,422	111,842,626	(206,356)	880,799	1,906,471
Total liabilities and fund equity	\$ 150,811,435	\$ 1,065,377,323	\$ 47,337,277	\$ 1,308,182	\$ 1,906,471

Homeownership						
Mortgage Revenue Bonds 2009 Indenture Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 10,464,043	\$ 1,738,047	\$ 4,116,451	\$ -	\$ 17,698,418
-	-	28,379,802	16,775,588	229,590	-	46,404,316
-	-	81,092	-	-	-	203,989
-	-	257,867	175,007	-	-	452,514
-	-	12,000,000	-	-	(46,918,721)	-
-	-	3,286,635	1,243,730	2,608,672	(245,527)	6,893,510
-	-	54,469,439	19,932,372	6,954,713	(47,164,248)	71,652,747
9,623,888	2,236,767	-	-	-	-	156,806,852
154,462,231	-	-	-	-	-	274,212,540
59,202,008	24,647,326	-	-	-	-	971,070,258
235,442	-	-	-	-	-	5,931,309
38,054	10	-	-	-	-	1,424,561
-	21,686,805	-	-	-	-	26,224,438
-	-	6,697,758	-	-	-	53,399,756
-	-	-	-	-	-	10,794,348
772,947	-	-	-	14,793,297	-	23,812,688
-	-	-	-	2,506,450	-	2,506,450
224,334,570	48,570,908	6,697,758	-	17,299,747	-	1,526,183,200
\$ 224,334,570	\$ 48,570,908	\$ 61,167,197	\$ 19,932,372	\$ 24,254,460	\$ (47,164,248)	\$ 1,597,835,947
\$ 152,205,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,243,781
183,768	-	-	-	-	-	3,788,243
-	-	-	-	-	-	168,601
-	-	-	-	-	(46,918,721)	-
22,812	357,618	2,510,323	1,245,224	1,165,966	(245,527)	9,546,975
152,411,580	357,618	2,510,323	1,245,224	1,165,966	(47,164,248)	187,747,600
68,488,908	-	-	-	-	-	1,080,905,545
-	-	-	-	-	-	656,399
-	-	-	-	-	-	10,794,348
28,017	-	-	-	-	-	6,595,222
68,516,925	-	-	-	-	-	1,098,951,514
220,928,505	357,618	2,510,323	1,245,224	1,165,966	(47,164,248)	1,286,699,114
-	-	-	-	2,506,450	-	2,506,450
3,406,065	48,213,290	-	-	-	-	209,004,202
-	-	58,656,874	18,687,148	20,582,044	-	99,626,181
3,406,065	48,213,290	58,656,874	18,687,148	23,088,494	-	311,136,833
\$ 224,334,570	\$ 48,570,908	\$ 61,167,197	\$ 19,932,372	\$ 24,254,460	\$ (47,164,248)	\$ 1,597,835,947

**WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

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

Year Ended June 30, 2011

(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	\$ 8,214,217	\$ 50,092,151	\$ 1,059,303	\$ 35,297	\$ -
Investment interest income	1,084,530	4,702,356	1,851	253	87,446
Net change in fair value of investments	(758,799)	(1,805,604)	-	-	(17,618)
Fees and other income	2,306	-	1,394	2,129	-
Total operating revenue	<u>8,542,254</u>	<u>52,988,903</u>	<u>1,062,548</u>	<u>37,679</u>	<u>69,828</u>
<b>Operating Expenses</b>					
Interest expense	3,667,765	46,928,110	397,582	33,554	-
Servicer fees	375,485	3,284,153	86,999	1,195	-
Amortization of deferred issuance and other costs	88,047	1,479,114	10,000	-	-
Provision for (recapture of) loan losses	442	(5,192,084)	650,000	-	-
General and administrative	355,997	958,548	186,137	6,369	1,001
Total operating expenses	<u>4,487,736</u>	<u>47,457,841</u>	<u>1,330,718</u>	<u>41,118</u>	<u>1,001</u>
Operating income	<u>4,054,518</u>	<u>5,531,062</u>	<u>(268,170)</u>	<u>(3,439)</u>	<u>68,827</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	4,054,518	5,531,062	(268,170)	(3,439)	68,827
Transfers in (out)	<u>(82,085)</u>	<u>(917,915)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	3,972,433	4,613,147	(268,170)	(3,439)	68,827
Fund equity, beginning 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>
Fund equity, end of year	<u>\$ 44,661,422</u>	<u>\$ 111,842,626</u>	<u>\$ (206,356)</u>	<u>\$ 880,799</u>	<u>\$ 1,906,471</u>



Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ 2,103,535	\$ -	\$ 800,100	\$ -	\$ -	\$ -	\$ 62,304,603
283,514	-	995,331	767,136	10,910	-	7,933,327
(142,769)	-	(492,872)	(777,401)	-	-	(3,995,063)
-	-	16,979	-	5,038,984	(3,452,982)	1,608,810
<u>2,244,280</u>	<u>-</u>	<u>1,319,538</u>	<u>(10,265)</u>	<u>5,049,894</u>	<u>(3,452,982)</u>	<u>67,851,677</u>
1,514,447	-	-	-	-	-	52,541,458
165,624	-	49,915	-	-	(3,452,982)	510,389
58,115	-	-	-	1,698,000	-	3,333,276
2,150,000	-	(535,047)	-	-	-	(2,926,689)
6,235	-	53,471	1,000	4,999,931	-	6,568,689
<u>3,894,421</u>	<u>-</u>	<u>(431,661)</u>	<u>1,000</u>	<u>6,697,931</u>	<u>(3,452,982)</u>	<u>60,027,123</u>
(1,650,141)	-	1,751,199	(11,265)	(1,648,037)	-	7,824,554
-	18,748,265	-	-	-	-	18,748,265
-	(9,730,503)	-	-	-	-	(9,730,503)
<u>-</u>	<u>9,017,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,017,762</u>
(1,650,141)	9,017,762	1,751,199	(11,265)	(1,648,037)	-	16,842,316
4,720,358	-	(5,220,358)	-	1,500,000	-	-
3,070,217	9,017,762	(3,469,159)	(11,265)	(148,037)	-	16,842,316
335,848	39,195,528	62,126,033	18,698,413	23,236,531	-	294,294,517
<u>\$ 3,406,065</u>	<u>\$ 48,213,290</u>	<u>\$ 58,656,874</u>	<u>\$ 18,687,148</u>	<u>\$ 23,088,494</u>	<u>\$ -</u>	<u>\$ 311,136,833</u>