

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

FINANCIAL REPORT

June 30, 2013

and

June 30, 2012

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CONTENTS

Independent Auditor's Report	1
Required Supplementary Information	
Management's discussion and analysis (Unaudited)	3
Financial Statements	
Balance sheets	6
Statements of revenues, expenses and changes in fund net position	8
Statements of cash flows	9
Notes to basic financial statements	11
Supplementary Information	
Detailed balance sheet as of June 30, 2013	34
Detailed balance sheet as of June 30, 2012	36
Detailed schedule of revenues, expenses and changes in fund net position for the year ended June 30, 2013	38
Detailed schedule of revenues, expenses and changes in fund net position for the year ended June 30, 2012	40

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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

Report on the Financial Statements

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, 2013 and 2012, and the related notes to the financial statements, which collectively comprise Wyoming Community Development Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Wyoming Community Development Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wyoming Community Development Authority as of June 30, 2013 and 2012, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Wyoming Community Development Authority's basic financial statements. The detailed balance sheets and the detailed schedules of revenues, expenses and changes in fund equity, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The detailed balance sheets and the detailed schedules of revenues, expenses and changes in fund equity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the detailed balance sheets and detailed schedules of revenues, expenses and changes in fund equity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

September 25, 2013

Except for Note 10 as to which the date is

November 1, 2013

Casper, Wyoming

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2013 and 2012

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, 2013. 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.

	2013	<i>Change</i>		2012	<i>Change</i>		2011
Cash and cash equivalents	\$ 87,388,698	\$ (264,044,186)	-75.13%	\$ 351,432,884	\$ 176,927,614	101.39%	\$ 174,505,270
Investments	229,471,903	32,739,852	16.64%	196,732,051	(123,884,805)	-38.64%	320,616,856
Mortgage loans receivable	867,895,853	(83,285,002)	-8.76%	951,180,855	(73,289,159)	-7.15%	1,024,470,014
Total assets	1,233,803,676	(324,970,958)	-20.85%	1,558,774,634	(30,041,922)	-1.89%	1,588,816,556
Other current liabilities	4,971,150	(2,838,065)	-36.34%	7,809,215	(5,694,604)	-42.17%	13,503,819
Bonds payable	877,993,286	(329,472,276)	-27.29%	1,207,465,562	(47,683,764)	-3.80%	1,255,149,326
Other long-term liabilities	4,206,609	(1,009,350)	-19.35%	5,215,959	(2,035,662)	-28.07%	7,251,621
Total liabilities	887,171,045	(333,319,691)	-27.31%	1,220,490,736	(55,414,030)	-4.34%	1,275,904,766
Deferred inflow of resources-swaps	6,142,515	(3,722,612)	-37.74%	9,865,127	(929,221)	-8.61%	10,794,348
Invested in capital assets	2,712,792	210,114	8.40%	2,502,678	(3,772)	-0.15%	2,506,450
Restricted	244,700,983	12,675,177	5.46%	232,025,806	32,040,995	16.02%	199,984,811
Unrestricted	93,076,341	(813,946)	-0.87%	93,890,287	(5,735,894)	-5.76%	99,626,181
Total net position	340,490,116	12,071,345	3.68%	328,418,771	26,301,329	8.71%	302,117,442
Mortgage interest	44,986,965	(6,936,648)	-13.36%	51,923,613	(10,380,990)	-16.66%	62,304,603
Investment income	(7,411,341)	(23,224,777)	-146.87%	15,813,436	11,875,172	301.53%	3,938,264
Other income	3,873,259	1,276,803	49.17%	2,596,456	987,646	61.39%	1,608,810
Total operating revenues	41,448,883	(28,884,622)	-41.07%	70,333,505	2,481,828	3.66%	67,851,677
Interest expense	42,824,973	(5,976,691)	-12.25%	48,801,664	(3,739,794)	-7.12%	52,541,458
Total operating expenses	33,805,357	(20,348,704)	-37.58%	54,154,061	(4,752,676)	-8.07%	58,906,737
Operating income	7,643,526	(8,535,918)	-52.76%	16,179,444	7,234,504	80.88%	8,944,940
Net income	12,071,345	(14,229,984)	-54.10%	26,301,329	8,338,627	46.42%	17,962,702

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2013 and 2012

Financial Position

Cash and cash equivalents decreased by \$264.0 million and investments increased by \$32.7 million for a combined decrease in funds of \$231.3 million. Funds decreased due to: (1) combined redemptions and maturities of bonds of \$467.7 million, (2) purchase of mortgage loans of \$75.8 million, (3) payment of bond interest and issuance costs of \$44.7 million, and (4) payments to servicers, suppliers, employees, lenders and others of \$11.8 million. Funds increased due to: (1) receipt of mortgage principal and interest from borrowers of \$228.6 million, (2) proceeds from the issuance of bonds of \$138.2 million, (3) receipt of investment income of \$7.5 million, (4) receipts for services of \$4.9 million, (4) net funds provided from Federal Program activities of \$3.5 million, and finally the unrealized loss in fair value of investments of \$14.0 million.

Mortgage loans receivable decreased by \$86.5 million. Mortgages decreased due to prepayments of \$163.1 along with curtailments and scheduled payments \$21.1. Mortgages increased as a result of: (1) mortgage loan purchases of \$75.8 million, (2) conversion of Federal Program short term receivables of \$5.8 million to long-term mortgage loans, and (3) a net reduction of loan loss reserves of \$16.1 million.

Total assets declined by \$325.0 million due to: (1) a decline in cash, cash equivalents and investments (discussed above) of \$231.3 million, (2) a decline in mortgage loans (discussed above) of \$86.5 million, (3) a reduction of deferred hedging costs of fixed-rate swaps of \$3.7 million, (4) a decline in accounts receivable of \$4.0 million, (5) a decline in mortgage and investment interest receivable of \$.5 million, and (5) a combined increase in deferred servicing costs and property and equipment of \$1.0 million.

Other current liabilities decreased by \$2.8 million. This category includes bond interest payable, accounts payable and other liabilities. Other long-term liabilities which include deferred credits, decreased by \$1.0 million.

Bonds payable were reduced by \$329.5 million as a result of redemptions and maturities of \$467.7 million combined with bonds issued during the year of \$138.2 million. See Debt Administration for additional information regarding bonds.

Total liabilities fell by \$333.3 million from the prior year due mostly to the large reduction in bonds of \$329.5 million, but also reflect other smaller reductions in current and long-term liabilities of \$3.8 million.

Results of Operation

Net income for fiscal year 2013 was \$12.1 million, a \$14.2 million decrease from fiscal year 2012. Total operating revenues declined by \$28.9 million, total operating expenses declined by \$20.4 million and nonoperating income declined by \$5.7 million.

Total operating revenues declined by \$28.9 million due mostly to the \$22.6 million decrease in revenue related to the fair value of the Authority's investment portfolio between the fiscal years. In addition, mortgage interest income declined by \$6.9 million due to the high level of mortgage prepayments experienced in 2013 and investment interest income fell \$.6 million. Fees and other income increased \$1.3 million from 2012.

Total operating expenses declined by \$20.4 million due to a number of factors. In fiscal year 2013 the Authority reduced its loan loss reserves for mortgages in total by \$18.2 million, which is \$14.1 million more than in fiscal year 2012. The large reduction of outstanding bonds during 2013 resulted in bond interest expense being \$6.0 million less than in 2012. Other minor increases and decreases of servicer fees, amortization of deferred servicing costs, cost of issuance and general and administrative expenses add a net decrease of \$.3 million.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2013 and 2012

Debt Administration

During FYE 2013 the Authority issued \$138.2 which included \$50.9 million under the 2009 Indenture and \$87.3 million under the 1994 Indenture. The 2009 Indenture issuance of \$50.9 million converted the final tranche of New Issued Bond Program (NIBP) bonds to long-term fixed rates. The NIBP was instituted in 2009 to provide temporary financing for state housing finance agencies (HFA's) in order to assist those agencies in issuing mortgage revenue bonds. As of June 30, 2013, all NIBP bonds have been converted to long-term fixed rate bonds. The bonds issued under the 1994 Indenture were used to refund prior bonds and to provide funds to purchase new loans.

Conclusion

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

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

BALANCE SHEETS
June 30, 2013 and 2012

ASSETS	<u>2013</u>	<u>2012</u>
Current Assets		
Cash and cash equivalents	\$ 8,834,727	\$ 26,725,653
Investments	59,177,517	44,027,497
Interest receivable		
Mortgage loans	97,435	56,261
Investments	236,104	317,608
Accounts receivable and other assets	2,728,427	2,727,726
Total current assets	<u>71,074,210</u>	<u>73,854,745</u>
Noncurrent Assets		
Restricted cash and cash equivalents	78,553,971	324,707,231
Restricted investments	170,294,386	152,704,554
Restricted mortgage loans receivable, net	860,716,894	941,604,612
Restricted interest receivable		
Mortgage loans	5,125,724	5,456,214
Investments	979,352	1,064,305
Restricted accounts receivable and other assets	14,843,849	22,038,162
Mortgage loans receivable, net	7,178,959	9,576,243
Deferred hedging costs of fixed-rate swaps	6,142,515	9,865,127
Deferred servicing costs, net	16,181,024	15,400,763
Property and equipment, net	2,712,792	2,502,678
Total noncurrent assets	<u>1,162,729,466</u>	<u>1,484,919,889</u>
 Total assets	 <u>\$ 1,233,803,676</u>	 <u>\$ 1,558,774,634</u>

(Continued)

See notes to the basic financial statements

**LIABILITIES, DEFERRED INFLOW OF
RESOURCES AND NET POSITION**

	<u>2013</u>	<u>2012</u>
Current Liabilities		
Bonds payable	\$ 29,910,000	\$ 79,845,000
Accrued interest payable	2,912,520	3,824,021
Accounts payable and other liabilities	2,058,630	3,985,194
Total current liabilities	<u>34,881,150</u>	<u>87,654,215</u>
Noncurrent Liabilities		
Bonds payable	848,083,286	1,127,620,562
Other deferred credits	4,206,609	5,215,959
Total noncurrent liabilities	<u>852,289,895</u>	<u>1,132,836,521</u>
Total liabilities	<u>887,171,045</u>	<u>1,220,490,736</u>
Deferred Inflow of Resources		
Derivative instrument liability	6,142,515	9,865,127
Total deferred inflow of resources	<u>6,142,515</u>	<u>9,865,127</u>
Net Position		
Invested in capital assets	2,712,792	2,502,678
Restricted	244,700,983	232,025,806
Unrestricted	93,076,341	93,890,287
Total net position	<u>340,490,116</u>	<u>328,418,771</u>
Total liabilities, deferred inflow of resources and net position	<u><u>\$ 1,233,803,676</u></u>	<u><u>\$ 1,558,774,634</u></u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating Revenues		
Mortgage interest	\$ 44,986,965	\$ 51,923,613
Investment interest income	6,558,859	7,179,414
Net increase (decrease) in the fair value of investments	(13,970,200)	8,634,022
Fees and other income	3,873,259	2,596,456
Total operating revenue	<u>41,448,883</u>	<u>70,333,505</u>
Operating Expenses		
Interest expense	42,824,973	48,801,664
Servicer fees	129,902	147,381
Amortization of deferred servicing costs	2,280,000	1,740,000
Cost of issuance and other related costs	1,035,940	1,688,000
Recapture of loan losses	(18,248,946)	(4,129,322)
General and administrative	5,783,488	5,906,338
Total operating expenses	<u>33,805,357</u>	<u>54,154,061</u>
Operating income	<u>7,643,526</u>	<u>16,179,444</u>
Nonoperating Revenue (Expenses)		
Federal program income	11,781,037	15,092,757
Federal program expense	(7,353,218)	(4,970,872)
Nonoperating income	<u>4,427,819</u>	<u>10,121,885</u>
Net income	12,071,345	26,301,329
Net position, beginning of year - as previously reported	328,418,771	311,136,833
Prior period adjustment	-	(9,019,391)
Net position, beginning of year - as restated	<u>328,418,771</u>	<u>302,117,442</u>
Net position, end of year	<u>\$ 340,490,116</u>	<u>\$ 328,418,771</u>

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities		
Cash receipts for services	\$ 4,939,509	\$ 2,379,775
Interest income on mortgage loans	44,297,920	51,117,779
Principal received on mortgage loans	181,052,957	171,433,408
Cash payments to purchase mortgage loans	(75,814,083)	(81,204,337)
Cash payments to servicers	(129,902)	(147,381)
Cash payments to suppliers	(3,937,747)	(4,233,383)
Cash payments to employees	(2,718,577)	(2,568,043)
Other cash receipts and payments on program notes	(1,506,069)	143,419
Net cash provided by operating activities	<u>146,184,008</u>	<u>136,921,237</u>
Cash Flows from Noncapital Financing Activities		
Federal revenue	11,781,037	15,092,757
Federal expenses	(7,353,218)	(4,970,872)
Federal program notes issued	1,197,594	(10,483,243)
Federal program note payments received	1,159,740	785,638
Proceeds from bonds	138,215,000	216,714,680
Principal paid on bonds	(467,738,720)	(264,446,818)
Interest paid on bonds	(43,685,030)	(48,717,512)
Payment of bond issuance costs	(1,035,940)	(1,688,000)
Net cash used in noncapital financing activities	<u>(367,459,537)</u>	<u>(97,713,370)</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of fixed assets	(449,831)	(176,189)
Purchase of mortgage servicing rights	(3,060,261)	(2,347,467)
Net cash used in capital and related financing activities	<u>(3,510,092)</u>	<u>(2,523,656)</u>
Cash Flows from Investing Activities		
Interest received from investments	7,451,487	7,724,576
Purchase of investments	(175,501,486)	(94,707,337)
Proceeds from sales and maturities of investments	128,791,434	227,226,164
Net cash provided by (used in) investing activities	<u>(39,258,565)</u>	<u>140,243,403</u>
Increase (decrease) in cash and cash equivalents	(264,044,186)	176,927,614
Cash and cash equivalents, beginning of year	<u>351,432,884</u>	<u>174,505,270</u>
Cash and cash equivalents, end of year	<u>\$ 87,388,698</u>	<u>\$ 351,432,884</u>

(Continued)

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Reconciliation of ending cash and cash equivalents		
Current cash and cash equivalents	\$ 8,834,727	\$ 26,725,653
Noncurrent restricted cash and cash equivalents	78,553,971	324,707,231
Cash and cash equivalents, ending	<u>\$ 87,388,698</u>	<u>\$ 351,432,884</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 7,643,526	\$ 16,112,527
Adjustments to reconcile operating income to net cash provided by operating activities		
Interest on bonds	42,824,973	48,801,664
Net change in fair value of investments	13,970,200	(8,634,022)
Interest from investments	(6,558,859)	(7,179,414)
Mortgage loan principal repayments		
Scheduled	17,910,754	23,628,774
Prepaid	163,142,203	147,804,634
Purchase of mortgage loans	(75,814,083)	(81,204,337)
Amortization of commitment fees and loan discounts	(1,113,800)	(1,078,462)
Amortization of deferred issuance and other costs	3,315,940	3,494,918
Decrease in provision for loan losses	(18,248,946)	(4,129,322)
Net change in other assets and liabilities	(887,900)	(695,723)
Net cash provided by operating activities	<u>\$ 146,184,008</u>	<u>\$ 136,921,237</u>
Supplemental Cash Flow Information		
Noncash investing activity		
Investment transactions in progress	\$ -	\$ 2,220,000
Noncash noncapital financing activity		
Federal program notes rolled into mortgages	\$ 4,864,666	\$ -

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Authority has elected not to follow subsequent private-sector guidance.

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, and the Homeownership Mortgage Revenue Bonds 2009 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 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.

The Authority also has funds that had been established under past indentures and the bonds related to those indentures have been completely redeemed. Assets in the Single Family Mortgage Warehousing Fund, the Multi-Family Fund, and the Wyoming Homeownership Fund are no longer reported as restricted since no bonds are outstanding in those funds.

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, 2013 and 2012

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 \$521,858 to guarantee mortgage and project loans with principal balances outstanding of \$1,189,286 as of June 30, 2013. The Authority has also committed \$250,000 to guarantee second mortgages with principal balances outstanding of \$4,212,003. 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.

Restricted Assets

Certain proceeds of the Authority's bonds, as well as certain resources aside for their repayment are classified as restricted assets because they are maintained in separate accounts and their use is limited by bond covenants.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

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 Servicing Costs

Deferred servicing and other costs consist of costs of acquiring mortgage loan servicing rights. 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

Implementation of Governmental Accounting Standards Board (GASB) Statements No. 63 and 65

During the year ended June 30, 2013, the Authority implemented two new accounting standards. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, resulted in a change to the Authority's financial reporting. Those changes are reflected in this financial report. GASB No. 65, *Items Previously Reported as Assets and Liabilities*, resulted in a prior period adjustment for a change in accounting policies. See Note 15 for more details.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

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 \$18,406 and \$49,394 at June 30, 2013 and 2012, respectively, for arbitrage rebates. This amount is reported with other deferred credits. The Authority has recorded an arbitrage rebate payable of \$11,594 and \$825,606 at June 30, 2013 and 2012, respectively, for amounts expected to be assessed within the next year. This amount is reported with accounts payable and other liabilities.

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 \$62,402 and \$92,540 at June 30, 2013 and 2012, 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, 2013 and 2012, the Authority also deferred \$1,285,859 and \$2,124,152, respectively, of interest income related to the HOME Run loan program.

Additionally, the Authority has deferred \$2,839,942 and \$2,949,873 as of June 30, 2013 and 2012, 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of American requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassification

Certain balances of the prior year have been reclassified to conform with the presentation of the current year with no effect on net position.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 3. Cash and Cash Equivalents and Investments

Deposits are placed with various financial institutions and are carried at cost. At June 30, 2013, the carrying amount of the Authority's bank deposits was \$5,358,303 and the bank balance was \$8,351,604. The difference between the carrying amount and the bank balance is a result of transactions in transit. All bank deposits at June 30, 2013 were covered by insurance or collateral held in joint custody with the financial institution.

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

	<u>2013</u>	<u>2012</u>
Investments		
U.S. Government and agency securities	\$ 218,521,903	\$ 134,922,051
Housing revenue bonds	10,950,000	10,910,000
Escrowed money market accounts	-	50,900,000
	<u> </u>	<u> </u>
Total	<u>\$ 229,471,903</u>	<u>\$ 196,732,051</u>

Investments are reported in the following classifications:

	<u>2013</u>	<u>2012</u>
Current	\$ 59,177,517	\$ 44,027,497
Noncurrent - restricted by bond indentures or contracts	170,294,386	152,704,554
	<u> </u>	<u> </u>
Total	<u>\$ 229,471,903</u>	<u>\$ 196,732,051</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, 2013 and 2012, the Authority had unrealized investment gains of \$873,627 and \$15,889,684, respectively, in its investment portfolio. The unrealized gains(losses) of (\$15,016,057) and \$7,584,587 for the years ended June 30, 2013 and 2012, 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, 2013, 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
U.S. government and agency securities	\$ 218,521,903	\$ 71,743,239	\$ 5,290,427	\$ 19,032,016	\$ 122,456,221
Housing revenue bonds	10,950,000	-	-	-	10,950,000
Total	<u>\$ 229,471,903</u>	<u>\$ 71,743,239</u>	<u>\$ 5,290,427</u>	<u>\$ 19,032,016</u>	<u>\$ 133,406,221</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

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.

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, 2013, the Authority has \$81,556,135 in these reserve accounts which exceeds the reserve requirements contained in the applicable trust indentures of \$56,508,429. The amounts reserved in these accounts are as follows:

	1978	1994	2009
	<u>Indenture</u>	<u>Indenture</u>	<u>Indenture</u>
Bond reserve requirement	\$ 7,920,200	\$ 17,467,106	\$ 7,470,150
Mortgage reserve requirement	465,450	11,327,217	4,923,306
Restricted special reserve requirement	<u>-</u>	<u>6,935,000</u>	<u>-</u>
Total required reserves	<u>\$ 8,385,650</u>	<u>\$ 35,729,323</u>	<u>\$ 12,393,456</u>
Total cash and investments held for reserves	<u>\$ 13,282,799</u>	<u>\$ 53,845,394</u>	<u>\$ 14,427,942</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 4. Mortgage Loans Receivable, Net

	<u>2013</u>	<u>2012</u>
Single Family Mortgage Bonds 1978 Indenture Fund, bearing interest at 0% to 8.875%, 25 to 30 year term, FHA or private mortgage company insured, or guaranteed by RD, VA, or mortgage guaranty fund	\$ 50,098,083	\$ 91,236,269
Less: Reserve for losses on loans	<u>(1,054,513)</u>	<u>(3,289,454)</u>
	<u>49,043,570</u>	<u>87,946,815</u>
Housing Revenue Bonds 1994 Indenture Fund, bearing interest at 1.5% to 8.9%, 25 to 30 year term, FHA or private mortgage company insured, or guaranteed by RD, VA or mortgage guaranty fund	544,022,174	644,575,162
Less: Reserve for losses on loans	<u>(11,695,276)</u>	<u>(22,621,651)</u>
	<u>532,326,898</u>	<u>621,953,511</u>
Single Family Mortgage Warehousing Bonds 2010, bearing interest at 4%, 30 year term, FHA insured, or guaranteed by RD or VA	-	3,555,657
Less: Reserve for losses on loans	<u>-</u>	<u>(50,000)</u>
	<u>-</u>	<u>3,505,657</u>
Homeownership Mortgage Revenue Bonds 2009 Indenture Fund bearing interest at 3% to 7.25%, 30 year term, FHA insured, or guaranteed by RD or VA	236,149,232	201,568,423
Less: Reserve for losses on loans	<u>(3,564,307)</u>	<u>(7,055,000)</u>
	<u>232,584,925</u>	<u>194,513,423</u>
Wyoming Homeownership Bonds 1992 Indenture Fund, bearing interest at 7.625%, 30 year term, FHA or private mortgage company insured, or RD guaranteed	-	380,028
	<u>-</u>	<u>380,028</u>
Federal Program Fund with various terms, including deferred payments and bearing interest at 0% to 5.19%, 10 to 30 year term	50,481,720	38,150,835
Less: Reserve for losses on loans	<u>(3,720,219)</u>	<u>(1,340,000)</u>
	<u>46,761,501</u>	<u>36,810,835</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	7,863,425	8,514,481
Less: Reserve for losses on loans	<u>(684,466)</u>	<u>(2,443,895)</u>
	<u>7,178,959</u>	<u>6,070,586</u>
Total mortgage loans receivable, net	<u>\$ 867,895,853</u>	<u>\$ 951,180,855</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 4. Mortgage Loans Receivable, Net (Continued)

	2013	2012
Reported in the following classifications		
Restricted mortgage loans receivable, net	\$ 860,716,894	\$ 941,604,612
Mortgage loans receivable, net	7,178,959	9,576,243
	\$ 867,895,853	\$ 951,180,855

During the year ended June 30, 2013, the Authority changed its process for estimating the loan loss reserve from a straight percentage of the whole portfolio to a risk based approach applied to specific identified risks in its portfolio. Total loan loss reserves for mortgage loans receivable established by the Authority as of June 30, 2013 and 2012 were \$20,718,781 and \$36,800,000, respectively, for mortgage loans receivable.

As of June 30, 2013 and 2012, the Authority had 315 and 258 loans, respectively, delinquent for 90 days or more from the population of 9,824 and 11,097 loans, respectively. The outstanding balance of mortgages delinquent for 90 days or more was \$25,387,849 and \$21,810,614 as of June 30, 2013 and 2012, 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 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, 2013 and 2012

Note 6. Bonds Payable (Continued)

	Balance at June 30, 2012	Issued	Retired	Balance at June 30, 2013	Amount Due Within 1 Year
Single Family Mortgage Bonds 1978 Indenture Fund					
1998 Series B, redeemed, original amount issued \$15,000,000	\$ 4,710,000	\$ -	\$ 4,710,000	\$ -	\$ -
2001 Series A, 2025 to 2035 variable interest, interest at 0.07%, original amount issued \$9,545,000	9,545,000	-	-	9,545,000	-
2002 Series A, 2022 to 2032 variable interest, interest at 0.07%, original amount issued \$37,000,000	37,000,000	-	-	37,000,000	-
2003 Series A/B, redeemed, original amount issued \$53,745,000	53,745,000	-	53,745,000	-	-
Principal amounts of bonds outstanding 1978 Indenture Fund	105,000,000	-	58,455,000	46,545,000	-
Less: deferred loss on prior series refunded by 1998 Series A and 2003 Series A/B	(613,907)	-	(613,907)	-	-
Principal amounts of bonds outstanding 1978 Indenture Fund, net	104,386,093	-	57,841,093	46,545,000	-
Housing Revenue Bonds 1994 Indenture Fund					
1995 Series 6 (including CABs), 2015, interest at 6.25%, original amount issued \$15,097,280 at discount of \$473,253	810,410	-	(51,444)	861,854	-
1996 Series 7, redeemed, original amount issued \$60,000,000	14,615,000	-	14,615,000	-	-
1997 Series 5, redeemed, original amount issued \$100,000,000	10,920,000	-	10,920,000	-	-
1998 Series 3, 2018, interest at 5.30% original amount issued \$30,000,000	1,040,000	-	975,000	65,000	-
1999 Series 1, 2018, interest at 5.25% original amount issued \$30,000,000	1,695,000	-	1,230,000	465,000	-

(Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 6. Bonds Payable (Continued)

	Balance at June 30, 2012	Issued	Retired	Balance at June 30, 2013	Amount Due Within 1 Year
2001 Series 5, 6 and 7, redeemed, original amount issued \$33,500,000	\$ 8,875,000	\$ -	\$ 8,875,000	\$ -	\$ -
2002 Series 1 and 2, redeemed, original amount issued \$42,475,000	1,245,000	-	1,245,000	-	-
2002 Series 4 and 5, redeemed, original amount issued \$42,110,000	20,445,000	-	20,445,000	-	-
2002 Series 6, 7 and 8, redeemed, original amount issued \$27,000,000	9,125,000	-	9,125,000	-	-
2003 Series 1, redeemed, original amount issued \$26,065,000	16,000,000	-	16,000,000	-	-
2003 Series 2, 3, and 4, redeemed, original amount issued \$26,230,000	14,755,000	-	14,755,000	-	-
2003 Series 5 and 6, 2013 to 2034, interest at 3.90% to 5.00%, original amount issued \$25,990,000	22,015,000	-	2,875,000	19,140,000	605,000
2004 Series 1, 2, and 3, 2013 to 2034, interest at 3.55% to 4.60%, original amount issued \$35,000,000	18,780,000	-	920,000	17,860,000	850,000
2004 Series 4, 5, and 6, 2014 to 2030, interest at 4.55% to 5.20%, original amount issued \$40,000,000	20,780,000	-	855,000	19,925,000	495,000
2004 Series 7, 8, and 9, 2013 to 2024, interest at 3.95% to 4.80%, original amount issued \$40,000,000	24,445,000	-	10,960,000	13,485,000	900,000
2004 Series 10 and 11, 2014 to 2024, interest at 4.25% to 4.75%, original amount issued \$30,000,000	19,465,000	-	9,330,000	10,135,000	700,000
2005 Series 1 and 2, 2013 to 2034, interest at 0.09% to 4.85%, original amount issued \$40,000,000	29,050,000	-	8,685,000	20,365,000	895,000

(Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 6. Bonds Payable (Continued)

	Balance at June 30, 2012	Issued	Retired	Balance at June 30, 2013	Amount Due Within 1 Year
2005 Series 3 and 4, 2013 to 2035, interest at 0.09% to 4.70%, original amount issued \$40,000,000	\$ 30,575,000	\$ -	\$ 810,000	\$ 29,765,000	\$ 860,000
2005 Series 5, 6 and 7, 2013 to 2034, interest at 0.09% to 4.70%, original amount issued \$40,000,000	28,705,000	-	7,610,000	21,095,000	815,000
2006 Series 1 and 2, 2013 to 2035, interest at 0.09% to 4.80%, original amount issued \$40,000,000	36,480,000	-	17,355,000	19,125,000	760,000
2006 Series 4 and 5, 2013 to 2036, interest at 0.09% to 4.85%, original amount issued \$50,000,000	45,680,000	-	25,415,000	20,265,000	970,000
2006 Series 6 and 7, 2013 to 2037, interest at 0.09% to 5.50%, original amount issued \$50,000,000 at premium of \$347,819	46,516,340	-	31,874,854	14,641,486	915,000
2006 Series 8 and 9, 2013 to 2037, interest at 0.09% to 4.70%, original amount issued \$50,000,000	46,105,000	-	870,000	45,235,000	920,000
2007 Series 1 and 2, 2013 to 2037, interest at 0.09% to 4.80%, original amount issued \$30,000,000	27,675,000	-	540,000	27,135,000	570,000
2007 Series 3 and 4, 2013 to 2037, interest at 0.09% to 4.75%, original amount issued \$70,000,000	62,620,000	-	1,250,000	61,370,000	1,320,000
2007 Series 5 and 6, 2013 to 2037, interest at 0.09% to 4.80%, original amount issued \$70,000,000	65,055,000	-	28,445,000	36,610,000	1,295,000
2007 Series 7, 8 and 9, 2016 to 2038, interest at 0.09% to 4.60%, original amount issued \$60,000,000	52,000,000	-	38,215,000	13,785,000	-

(Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 6. Bonds Payable (Continued)

	Balance at June 30, 2012	Issued	Retired	Balance at June 30, 2013	Amount Due Within 1 Year
2007 Series 10, 11 and 12, 2017 to 2038, interest at 0.09% to 4.625%, original amount issued \$60,000,000	\$ 37,840,000	\$ -	\$ 24,670,000	\$ 13,170,000	\$ -
2008 Series 1 and 2, 2013 to 2038, interest at 0.09% to 4.80%, original amount issued \$50,000,000	18,650,000	-	3,685,000	14,965,000	775,000
2008 Series 3, 2013 to 2018, interest at 3.80% to 4.625%, original amount issued \$60,000,000 at premium of \$35,066	14,141,426	-	8,289,127	5,852,299	920,000
2010 Series 1 and 2, 2013 to 2030, interest at 2.875% to 4.375%, original amount issued \$34,710,000	27,775,000	-	5,005,000	22,770,000	5,285,000
2012 Series 1 and 2, 2013 to 2037, interest at 0.625% to 4.375%, original amount issued \$49,665,000 at premium of \$177,508	49,842,508	-	2,773,963	47,068,545	1,960,000
2013 Series 1, 2 and 3, 2013 to 2038, interest at 0.375% to 4.05%, original amount issued \$87,315,000	-	87,315,000	-	87,315,000	2,565,000
Principal amounts of bonds outstanding	823,720,684	87,315,000	328,566,500	582,469,184	24,375,000
1994 Indenture Fund					(Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 6. Bonds Payable (Continued)

	Balance at June 30, 2012	Issued	Retired	Balance at June 30, 2013	Amount Due Within 1 Year
Homeownership Mortgage Revenue Bonds 2009 Indenture Fund					
Homeownership Mortgage Revenue Bonds Series 2009 A, preconversion bonds, redeemed, original amount issued \$193,100,000	\$ 50,900,000	\$ -	\$ 50,900,000	\$ -	\$ -
Homeownership Mortgage Revenue Bonds Series 2010 A and 2009 A-1, 2013 to 2041, interest at 1.25% to 4.25%, original amount issued \$70,000,000 at premium of \$92,240	66,435,891	-	6,911,780	59,524,111	1,220,000
Homeownership Mortgage Revenue Bonds Series 2011 series A, 2009 Series A-2 and A-3, 2013 to 2041 interest at 1.25% to 4.50% , original amount issued \$87,000,000 at discount of \$62,141	84,002,858	-	15,141,159	68,861,699	1,655,000
Homeownership Mortgage Revenue Bonds Series 2011 series B, 2009 Series A-4 and A-5, 2013 to 2041 interest at 1.00% to 4.25% , original amount issued \$80,000,000 at discount of \$54,964	78,020,036	-	7,796,744	70,223,292	1,600,000
Homeownership Mortgage Revenue Bonds Series 2009 series A-6 2013 to 2041, interest at 2.67%, original amount issued \$50,900,000	-	50,900,000	530,000	50,370,000	1,060,000
Principal amounts of bonds outstanding 2009 Fund Indenture	279,358,785	50,900,000	81,279,683	248,979,102	5,535,000
Total bonds payable	\$ 1,207,465,562	\$ 138,215,000	\$ 467,687,276	\$ 877,993,286	\$ 29,910,000

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 6. Bonds Payable (Continued)

Scheduled bond principal and sinking fund requirements in each indenture for the five fiscal years subsequent to June 30, 2013, 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	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Totals
2014	\$ -	\$ 24,375,000	\$ 5,535,000	\$ 29,910,000
2015	-	28,020,000	5,805,000	33,825,000
2016	-	26,415,000	6,030,000	32,445,000
2017	-	27,495,000	6,315,000	33,810,000
2018	-	23,645,000	6,575,000	30,220,000

Annual debt service requirements for the five fiscal years subsequent to June 30, 2013, 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
2014	\$ 29,910,000	\$ 26,787,374	\$ 56,697,374
2015	33,825,000	25,487,859	59,312,859
2016	32,445,000	24,402,474	56,847,474
2017	33,810,000	23,266,300	57,076,300
2018	30,220,000	22,072,533	52,292,533
5 years ending 2023	155,430,000	94,207,363	249,637,363
5 years ending 2028	161,175,000	65,079,291	226,254,291
5 years ending 2033	178,690,000	40,609,161	219,299,161
5 years ending 2038	177,565,000	16,537,851	194,102,851
5 years ending 2043	44,855,000	2,067,268	46,922,268
	<u>\$ 877,925,000</u>	<u>\$ 340,517,474</u>	<u>\$ 1,218,442,474</u>

The balances above do not include net premiums, discounts, or losses on refundings in the amount of \$68,286 that are reported as components of bonds payable.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 6. Bonds Payable (Continued)

Hedging Derivative Instrument Payments and Hedged Debt

Using rates as of June 30, 2013 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 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)	
2014	\$ -	\$ 103,312	\$ 3,760,535	\$ 3,863,847
2015	-	101,358	2,548,532	2,649,890
2016	-	101,732	606,364	708,096
2017	-	101,406	3,823	105,229
2018	805,000	101,570	-	906,570
5 years ending 2023	11,510,000	483,147	-	11,993,147
5 years ending 2028	17,025,000	419,891	-	17,444,891
5 years ending 2033	23,840,000	332,319	-	24,172,319
5 years ending 2038	55,820,000	140,950	-	55,960,950
5 years ending 2043	3,855,000	1,740	-	3,856,740
	<u>\$ 112,855,000</u>	<u>\$ 1,887,425</u>	<u>\$ 6,919,254</u>	<u>\$ 121,661,679</u>

Note 7. Conduit Debt

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

As of June 30, 2013, there were three such series of Multi-Family Housing Revenue bonds outstanding, with an aggregate principal amount payable of \$22,231,829.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 8. 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, 2013

Bond Series	Swap Contractual Dates	Notional Amount	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value	Counterparty Credit Rating
2005 Series 7	9/20/2005	\$ 2,185,000	3.325%	70% of LIBOR	12/1/2016	\$ (31,340)	AAA/Aa3
2006 Series 2	1/19/2006	8,000,000	3.465%	70% of LIBOR	12/1/2013	(133,425)	AAA/Aa3
2006 Series 5	4/20/2006	10,000,000	3.926%	70% of LIBOR	6/1/2014	(374,560)	AAA/Aa3
2006 Series 7	6/26/2006	10,000,000	4.115%	70% of LIBOR	6/1/2014	(393,368)	AAA/Aa3
2006 Series 9	9/27/2006	10,000,000	3.621%	70% of LIBOR	12/1/2014	(509,293)	AAA/Aa3
2007 Series 2	1/11/2007	6,000,000	3.678%	70% of LIBOR	12/1/2014	(310,689)	AAA/Aa3
2007 Series 4	3/13/2007	14,000,000	3.577%	70% of LIBOR	6/1/2015	(920,087)	AAA/Aa3
2007 Series 6	5/10/2007	14,000,000	3.661%	70% of LIBOR	6/1/2015	(943,490)	AAA/Aa3
2007 Series 8	7/31/2007	12,000,000	3.924%	USD-SIFMA	6/1/2015	(869,687)	AAA/Aa3
2007 Series 11	11/7/2007	12,000,000	3.530%	70% of LIBOR	12/1/2015	(943,817)	AAA/Aa3
2008 Series 2	5/13/2008	13,000,000	3.075%	70% of LIBOR	6/1/2016	(1,005,227)	AAA/Aa3
		<u>\$ 111,185,000</u>				<u>\$ (6,434,983)</u>	

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 9. Interest Rate Swaps (Continued)

Swap Terms and Values (Continued)

June 30, 2012

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	\$ 2,965,000	3.523%	70% of LIBOR	6/1/2021	\$ (88,902)	AAA/Aa3
2005 Series 4	6/30/2005	4,145,000	3.260%	70% of LIBOR	12/1/2021	(115,979)	AAA/Aa3
2005 Series 7	9/20/2005	2,980,000	3.325%	70% of LIBOR	12/1/2016	(114,783)	AAA/Aa3
2006 Series 2	1/19/2006	8,000,000	3.465%	70% of LIBOR	12/1/2013	(384,573)	AAA/Aa3
2006 Series 5	4/20/2006	10,000,000	3.926%	70% of LIBOR	6/1/2014	(727,646)	AAA/Aa3
2006 Series 7	6/26/2006	10,000,000	4.115%	70% of LIBOR	6/1/2014	(765,120)	AAA/Aa3
2006 Series 9	9/27/2006	10,000,000	3.621%	70% of LIBOR	12/1/2014	(826,132)	AAA/Aa3
2007 Series 2	1/11/2007	6,000,000	3.678%	70% of LIBOR	12/1/2014	(504,169)	AAA/Aa3
2007 Series 4	3/13/2007	14,000,000	3.577%	70% of LIBOR	6/1/2015	(1,352,088)	AAA/Aa3
2007 Series 6	5/10/2007	14,000,000	3.661%	70% of LIBOR	6/1/2015	(1,387,041)	AAA/Aa3
2007 Series 8	7/31/2007	12,000,000	3.924%	USD-SIFMA	6/1/2015	(1,255,084)	AAA/Aa3
2007 Series 11	11/7/2007	12,000,000	3.530%	70% of LIBOR	12/1/2015	(1,309,573)	AAA/Aa3
2008 Series 2	5/13/2008	13,000,000	3.075%	70% of LIBOR	6/1/2016	(1,353,682)	AAA/Aa3
		<u>\$ 119,090,000</u>				<u>\$ (10,184,772)</u>	

As of June 30, 2013 and 2012, the Authority's swap agreements had a net fair value of (\$6,434,983) and (\$10,184,772), 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, 2013 and 2012 is inclusive of accrued interest of \$292,469 and \$319,646, respectively. Accrued interest is separately reported on the Authority's balance sheet. The resultant change in gross fair value was \$3,722,612. 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, 2013, 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, 2013, 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, 2013 and 2012

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, 2013 and 2012, the SIFMA Index rate was 0.06 and 0.18 percent, respectively, while 70 percent of LIBOR (the swap rate) was 0.14 and 0.17 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, 2013

Associated Bond Issuance	Bond Maturity Date	Swap Termination Date
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, 2013 and 2012

Note 9. 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, 2013 and 2012:

	2013	2012
Investment in capital assets	<u>\$ 2,712,792</u>	<u>\$ 2,502,678</u>
Restricted		
Restricted by bond indentures	181,937,989	173,690,631
Restricted by grants	62,762,994	58,335,175
	<u>244,700,983</u>	<u>232,025,806</u>
Unrestricted		
Designated for the Single Family Mortgage Warehousing Fund	171,731	(46,525)
Designated for the Multi-Family Mortgage Fund	1,992,935	2,049,553
Designated for the Housing Trust Fund	49,774,845	49,701,952
Designated for the Mortgage Guaranty Fund	19,570,395	20,411,213
Designated for non-current assets	18,893,816	17,903,441
Designated for operating reserve funds	2,672,619	3,870,653
	<u>93,076,341</u>	<u>93,890,287</u>
Total fund equity	<u>\$ 340,490,116</u>	<u>\$ 328,418,771</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.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 10. Mortgage Loan Servicing

The Authority's mortgage servicing department services loans for its own portfolio and for others. The details of the loans serviced and servicing purchased during the year is shown below.

Type of Loans by Investor	2013		
	Servicing Rights Capitalized in 2013	Loans Serviced	Principal Balance
WCDA Single Family Loans - first mortgages	\$ 866,360	7,558	\$ 860,418,868
WCDA Single Family Loans - second mortgages	-	1,726	4,202,595
FNMA Single Family Loans	2,193,901	4,029	671,782,074
Total	<u>\$ 3,060,261</u>	<u>13,313</u>	<u>\$1,536,403,537</u>

Type of Loans by Investor	2012		
	Servicing Rights Capitalized in 2012	Loans Serviced	Principal Balance
WCDA Single Family Loans - first mortgages	\$ 875,937	8,268	\$ 947,531,156
WCDA Single Family Loans - second mortgages	-	2,099	5,445,285
FNMA Single Family Loans	1,614,531	2,912	483,800,889
Total	<u>\$ 2,490,468</u>	<u>13,279</u>	<u>\$1,436,777,330</u>

Escrow balances for these loans were \$6,053,731 at June 30, 2013. These escrow balances are not included in the accompanying combined financial statements.

Note 11. 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 14.12% of the covered employee's salary to be contributed to the plan of which 7.00% is the responsibility of the employee and 7.12% 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, 2013, 2012 and 2011 were \$339,460, \$322,842, and \$296,455, respectively, equal to the required contributions for each year.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 11. Retirement Commitments (Continued)

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 12. Commitments, Concentrations and Contingencies

At June 30, 2013, the Authority was committed to purchase single-family mortgages aggregating approximately \$649,567 under the 1978 Indenture, \$3,550,466 under the 1994 Indenture, \$28,589,922 under the Warehouse Indenture, \$2,284,900 under various Federal Programs, \$402,508 under the Housing Trust Fund, and \$3,548,165 under the new FNMA Program.

The Authority has variable rate bonds outstanding in the 1978 Indenture of \$46,545,000 and in the 1994 Indenture of \$121,260,000. 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, 2013, the entire \$46,545,000 of the variable rate debt in the 1978 Indenture was subject to a repurchase commitment assumed by the Bank of America/Merrill Lynch through a standby bond purchase agreement. The \$121,260,000 of the variable rate debt in the 1994 Indenture was subject to two repurchase commitments, one assumed by the Bank of New York Mellon (\$65 million) and one assumed by State Street Bank and Trust Company (\$56.26 million), through two standby bond purchase agreements.

Under these agreements, the providers 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, 2013, 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, 2013 and 2012

Note 12. 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, 2013, approximately 16% and 11% 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 1% deductible. As of June 30, 2013, approximately 4% of the Authority's outstanding mortgage receivable balances were covered by pool insurance from Genworth.

Note 13. 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, 2013 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, 2013 and 2012 were \$651,566 and \$575,119, respectively.

Note 14. Accounting Standards Issued, But Not Implemented

As of June 30, 2013, the Governmental Accounting Standards Board had issued the following standards which the Authority will implement in its next fiscal year.

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* was issued to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. Management has not concluded its assessment of the effect of implementing this guidance.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 15. Prior Period Adjustment

In the year ended June 30, 2013, the Authority adopted the provisions contained in the Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These provisions change the accepted accounting for costs of issuance among other items. Costs of issuance associated with a bond offering were deferred in the past and amortized over the life of the bonds. The new provisions require the costs to be expensed when incurred. In the year of implementation, all financial information presented is to be restated to the new required presentation. Implementing GASB Statement No. 65 resulted in the following changes to information previously reported:

	<u>June 30, 2012</u>
Net position, beginning of year - as previously reported	\$ 311,136,833
Prior period adjustment	<u>(9,019,391)</u>
Net position, beginning of year - as restated	<u>\$ 302,117,442</u>
Costs of issuance and other related costs - as previously reported	\$ 1,754,918
Prior period adjustment	<u>(66,918)</u>
Costs of issuance and other related costs - as restated	<u>\$ 1,688,000</u>

Note 16. Subsequent Events

On August 5, 2013, Standard & Poor's lowered its credit rating on Merrill Lynch Derivative Products AG (MLDP) from AAA to A+ . MLDP is the swap counter party to the Authority's swap agreements.

On August 14, 2013, the Authority instructed its trustee to call on September 3, 2013, bonds in the amount of \$17,395,000 from the 1994 Indenture.

On August 14, 2013, the Authority instructed its trustee to call on September 3, 2013 bonds in the amount of \$5,145,000 from the 2009 Indenture.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED BALANCE SHEET

June 30, 2013

(See Independent Auditor's Report)

	Single Family Mortgage Bonds 1978 Indenture Fund	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Wyoming Homeownership Fund	Single Family Mortgage Warehousing Fund
ASSETS					
Current Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,260,176
Investments	-	-	-	-	-
Interest receivable: Mortgage loans	-	-	-	-	674
Investments	-	-	-	-	11
Due from other funds	-	-	183,613	-	-
Accounts receivable and other assets	-	-	-	-	1,307
Total current assets	-	-	183,613	-	1,262,168
Noncurrent Assets					
Restricted cash and cash equivalents	4,673,432	53,147,661	17,465,861	-	-
Restricted investments	42,174,205	114,791,499	13,328,682	-	-
Restricted mortgage loans receivable, net	49,043,570	532,326,898	232,584,925	-	-
Restricted interest receivable					
Mortgage loans	203,668	3,912,311	1,009,745	-	-
Investments	147,738	757,761	73,833	-	-
Restricted accounts receivable and other assets	40,190	1,572,189	89,135	-	-
Mortgage loans receivable, net	-	-	-	-	-
Deferred hedging costs of fixed-rate swaps	-	6,142,515	-	-	-
Deferred servicing costs, net	-	-	-	-	-
Property and equipment, net	-	-	-	-	-
Total noncurrent assets	96,282,803	712,650,834	264,552,181	-	-
Total assets	\$ 96,282,803	\$ 712,650,834	\$ 264,735,794	\$ -	\$ 1,262,168
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION					
Current Liabilities					
Bonds payable	\$ -	\$ 24,375,000	\$ 5,535,000	\$ -	\$ -
Accrued interest payable	3,226	2,311,190	598,104	-	-
Due to other funds	-	183,613	-	-	1,002,500
Accounts payable and other liabilities	12,991	299,508	68,337	-	-
Total current liabilities	16,217	27,169,311	6,201,441	-	1,002,500
Noncurrent Liabilities					
Bonds payable	46,545,000	558,094,184	243,444,102	-	-
Other deferred credits	845,211	2,678,064	595,397	-	87,937
Total noncurrent liabilities	47,390,211	560,772,248	244,039,499	-	87,937
Total liabilities	47,406,428	587,941,559	250,240,940	-	1,090,437
Deferred Inflow of Resources					
Derivative instrument liability	-	6,142,515	-	-	-
Total deferred inflow of resources	-	6,142,515	-	-	-
Net Position					
Invested in capital assets	-	-	-	-	-
Restricted	48,876,375	118,566,760	14,494,854	-	-
Unrestricted	-	-	-	-	171,731
Total net position	48,876,375	118,566,760	14,494,854	-	171,731
Total liabilities, deferred inflow of resources and net position	\$ 96,282,803	\$ 712,650,834	\$ 264,735,794	\$ -	\$ 1,262,168

Multi-Family Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ 4,429	\$ -	\$ 2,881,217	\$ 208,805	\$ 4,480,100	\$ -	\$ 8,834,727
1,971,246	-	37,679,863	19,279,579	246,829	-	59,177,517
-	-	96,761	-	-	-	97,435
17,260	-	136,822	82,011	-	-	236,104
-	-	1,002,500	-	-	(1,186,113)	-
-	-	805,811	-	1,921,309	-	2,728,427
1,992,935	-	42,602,974	19,570,395	6,648,238	(1,186,113)	71,074,210
-	3,267,017	-	-	-	-	78,553,971
-	-	-	-	-	-	170,294,386
-	46,761,501	-	-	-	-	860,716,894
-	-	-	-	-	-	5,125,724
-	20	-	-	-	-	979,352
-	13,142,335	-	-	-	-	14,843,849
-	-	7,178,959	-	-	-	7,178,959
-	-	-	-	-	-	6,142,515
-	-	-	-	16,181,024	-	16,181,024
-	-	-	-	2,712,792	-	2,712,792
-	63,170,873	7,178,959	-	18,893,816	-	1,162,729,466
\$ 1,992,935	\$ 63,170,873	\$ 49,781,933	\$ 19,570,395	\$ 25,542,054	\$ (1,186,113)	\$ 1,233,803,676
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,910,000
-	-	-	-	-	-	2,912,520
-	-	-	-	-	(1,186,113)	-
-	407,879	7,088	-	1,262,827	-	2,058,630
-	407,879	7,088	-	1,262,827	(1,186,113)	34,881,150
-	-	-	-	-	-	848,083,286
-	-	-	-	-	-	4,206,609
-	-	-	-	-	-	852,289,895
-	407,879	7,088	-	1,262,827	(1,186,113)	887,171,045
-	-	-	-	-	-	6,142,515
-	-	-	-	-	-	6,142,515
-	-	-	-	2,712,792	-	2,712,792
-	62,762,994	-	-	-	-	244,700,983
1,992,935	-	49,774,845	19,570,395	21,566,435	-	93,076,341
1,992,935	62,762,994	49,774,845	19,570,395	24,279,227	-	340,490,116
\$ 1,992,935	\$ 63,170,873	\$ 49,781,933	\$ 19,570,395	\$ 25,542,054	\$ (1,186,113)	\$ 1,233,803,676

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED BALANCE SHEET
 June 30, 2012
 (See Independent Auditor's Report)

	Single Family Mortgage Bonds 1978 Indenture Fund	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Wyoming Homeownership Fund	Single Family Mortgage Warehousing Fund
ASSETS					
Current Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 808,751
Investments	-	-	-	-	-
Interest receivable: Mortgage loans	-	-	-	-	6,367
Investments	-	-	-	-	-
Due from other funds	-	3,375,390	183,613	-	-
Accounts receivable and other assets	-	-	-	-	-
Total current assets	-	3,375,390	183,613	-	815,118
Noncurrent Assets					
Restricted cash and cash equivalents	42,817,867	248,981,627	28,315,347	509,843	-
Restricted investments	18,667,469	71,652,672	62,384,413	-	-
Restricted mortgage loans receivable, net	87,946,815	621,953,511	194,513,423	380,028	-
Restricted interest receivable					
Mortgage loans	401,986	4,221,243	831,392	1,593	-
Investments	178,579	806,315	79,381	4	-
Restricted accounts receivable and other assets	2,288,296	1,121,386	54,660	-	-
Mortgage loans receivable, net	-	-	-	-	3,505,657
Deferred hedging costs of fixed-rate swaps	-	9,865,127	-	-	-
Deferred servicing costs, net	-	-	-	-	-
Property and equipment, net	-	-	-	-	-
Total noncurrent assets	152,301,012	958,601,881	286,178,616	891,468	3,505,657
Total assets	\$ 152,301,012	\$ 961,977,271	\$ 286,362,229	\$ 891,468	\$ 4,320,775
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION					
Current Liabilities					
Bonds payable	\$ -	\$ 24,690,000	\$ 55,155,000	\$ -	\$ -
Accrued interest payable	211,026	3,038,496	574,499	-	-
Due to other funds	-	-	-	-	4,061,503
Accounts payable and other liabilities	546,768	823,772	108,973	52	296,912
Total current liabilities	757,794	28,552,268	55,838,472	52	4,358,415
Noncurrent Liabilities					
Bonds payable	104,386,093	799,030,684	224,203,785	-	-
Other deferred credits	1,000,106	3,584,529	622,439	-	8,885
Total noncurrent liabilities	105,386,199	802,615,213	224,826,224	-	8,885
Total liabilities	106,143,993	831,167,481	280,664,696	52	4,367,300
Deferred Inflow of Resources					
Derivative instrument liability	-	9,865,127	-	-	-
Total deferred inflow of resources	-	9,865,127	-	-	-
Net Position					
Invested in capital assets	-	-	-	-	-
Restricted	46,157,019	120,944,663	5,697,533	891,416	-
Unrestricted	-	-	-	-	(46,525)
Total net position	46,157,019	120,944,663	5,697,533	891,416	(46,525)
Total liabilities, deferred inflow of resources and net position	\$ 152,301,012	\$ 961,977,271	\$ 286,362,229	\$ 891,468	\$ 4,320,775

Multi-Family Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ 145,187	\$ -	\$ 19,368,441	\$ 1,052,693	\$ 5,350,581	\$ -	\$ 26,725,653
1,870,638	-	22,688,923	19,227,927	240,009	-	44,027,497
-	-	49,894	-	-	-	56,261
33,728	-	151,793	132,087	-	-	317,608
-	-	502,500	-	-	(4,061,503)	-
-	-	877,284	-	1,857,814	(7,372)	2,727,726
2,049,553	-	43,638,835	20,412,707	7,448,404	(4,068,875)	73,854,745
-	4,082,547	-	-	-	-	324,707,231
-	-	-	-	-	-	152,704,554
-	36,810,835	-	-	-	-	941,604,612
-	-	-	-	-	-	5,456,214
-	26	-	-	-	-	1,064,305
-	18,573,820	-	-	-	-	22,038,162
-	-	6,070,586	-	-	-	9,576,243
-	-	-	-	-	-	9,865,127
-	-	-	-	15,400,763	-	15,400,763
-	-	-	-	2,502,678	-	2,502,678
-	59,467,228	6,070,586	-	17,903,441	-	1,484,919,889
\$ 2,049,553	\$ 59,467,228	\$ 49,709,421	\$ 20,412,707	\$ 25,351,845	\$ (4,068,875)	\$ 1,558,774,634
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,845,000
-	-	-	-	-	-	3,824,021
-	-	-	-	-	(4,061,503)	-
-	1,132,053	7,469	1,494	1,075,073	(7,372)	3,985,194
-	1,132,053	7,469	1,494	1,075,073	(4,068,875)	87,654,215
-	-	-	-	-	-	1,127,620,562
-	-	-	-	-	-	5,215,959
-	-	-	-	-	-	1,132,836,521
-	1,132,053	7,469	1,494	1,075,073	(4,068,875)	1,220,490,736
-	-	-	-	-	-	9,865,127
-	-	-	-	-	-	9,865,127
-	-	-	-	2,502,678	-	2,502,678
-	58,335,175	-	-	-	-	232,025,806
2,049,553	-	49,701,952	20,411,213	21,774,094	-	93,890,287
2,049,553	58,335,175	49,701,952	20,411,213	24,276,772	-	328,418,771
\$ 2,049,553	\$ 59,467,228	\$ 49,709,421	\$ 20,412,707	\$ 25,351,845	\$ (4,068,875)	\$ 1,558,774,634

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Year Ended June 30, 2013

(See Independent Auditor's Report)

	Single Family Mortgage Bonds 1978 Indenture Fund	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Wyoming Homeownership Fund	Single Family Mortgage Warehousing Fund
Operating Revenues					
Mortgage interest	\$ 3,590,598	\$ 31,173,842	\$ 9,501,010	\$ 22,064	\$ 217,749
Investment interest income	639,804	3,718,773	514,585	58	115
Net change in fair value of investments	(1,600,139)	(7,739,225)	(1,356,262)	-	-
Fees and other income	495,315	109,867	-	-	285,159
Total operating revenue	<u>3,125,578</u>	<u>27,263,257</u>	<u>8,659,333</u>	<u>22,122</u>	<u>503,023</u>
Operating Expenses					
Interest expense	3,324,487	32,185,463	7,296,050	-	221,993
Servicer fees	274,951	2,098,501	785,899	723	22,376
Amortization of deferred servicing costs	-	-	-	-	-
Costs of issuance and other related costs	-	907,324	128,616	-	-
Provision for (recapture of) loan losses	(2,234,973)	(10,917,219)	(3,486,386)	-	(50,000)
General and administrative	-	144,546	99,686	5,000	90,398
Total operating expenses	<u>1,364,465</u>	<u>24,418,615</u>	<u>4,823,865</u>	<u>5,723</u>	<u>284,767</u>
Operating income (loss)	<u>1,761,113</u>	<u>2,844,642</u>	<u>3,835,468</u>	<u>16,399</u>	<u>218,256</u>
Nonoperating Revenue (Expenses)					
Federal program income	-	-	-	-	-
Federal program expense	-	-	-	-	-
Nonoperating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers	1,761,113	2,844,642	3,835,468	16,399	218,256
Transfers in (out)	<u>958,243</u>	<u>(5,222,545)</u>	<u>4,961,853</u>	<u>(907,815)</u>	<u>-</u>
Net income (loss)	2,719,356	(2,377,903)	8,797,321	(891,416)	218,256
Net position, beginning of year	<u>46,157,019</u>	<u>120,944,663</u>	<u>5,697,533</u>	<u>891,416</u>	<u>(46,525)</u>
Net position, end of year	<u>\$ 48,876,375</u>	<u>\$ 118,566,760</u>	<u>\$ 14,494,854</u>	<u>\$ -</u>	<u>\$ 171,731</u>

Multi-Family Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 481,702	\$ -	\$ -	\$ -	\$ 44,986,965
53,950	-	1,114,107	710,446	12,374	(205,353)	6,558,859
(109,568)	-	(1,613,248)	(1,551,758)	-	-	(13,970,200)
-	-	408,043	1,494	5,656,581	(3,083,200)	3,873,259
(55,618)	-	390,604	(839,818)	5,668,955	(3,288,553)	41,448,883
-	-	2,333	-	-	(205,353)	42,824,973
-	-	30,652	-	-	(3,083,200)	129,902
-	-	-	-	2,280,000	-	2,280,000
-	-	-	-	-	-	1,035,940
-	-	(1,560,368)	-	-	-	(18,248,946)
1,000	-	55,358	1,000	5,386,500	-	5,783,488
1,000	-	(1,472,025)	1,000	7,666,500	(3,288,553)	33,805,357
(56,618)	-	1,862,629	(840,818)	(1,997,545)	-	7,643,526
-	11,781,037	-	-	-	-	11,781,037
-	(7,353,218)	-	-	-	-	(7,353,218)
-	4,427,819	-	-	-	-	4,427,819
(56,618)	4,427,819	1,862,629	(840,818)	(1,997,545)	-	12,071,345
-	-	(1,789,736)	-	2,000,000	-	-
(56,618)	4,427,819	72,893	(840,818)	2,455	-	12,071,345
2,049,553	58,335,175	49,701,952	20,411,213	24,276,772	-	328,418,771
\$ 1,992,935	\$ 62,762,994	\$ 49,774,845	\$ 19,570,395	\$ 24,279,227	\$ -	\$ 340,490,116

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2012
(See Independent Auditor's Report)

	Single Family Mortgage Bonds 1978 Indenture Fund	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Wyoming Homeownership Fund	Single Family Mortgage Warehousing Fund
Operating Revenues					
Mortgage interest	\$ 4,453,787	\$ 38,879,194	\$ 7,650,590	\$ 30,269	\$ 282,055
Investment interest income	883,638	4,292,336	413,693	73	860
Net change in fair value of investments	940,876	5,609,063	414,271	-	-
Fees and other income	1,727	-	3,455	591	8,614
Total operating revenue	<u>6,280,028</u>	<u>48,780,593</u>	<u>8,482,009</u>	<u>30,933</u>	<u>291,529</u>
Operating Expenses					
Interest expense	3,400,041	39,337,113	5,775,161	13,738	316,175
Servicer fees	339,750	2,540,378	597,001	984	24,180
Amortization of deferred servicing costs	-	-	-	-	-
Costs of issuance and other related costs	-	570,000	1,118,000	-	-
Provision for (recapture of) loan losses	(400,000)	(7,278,693)	4,933,355	-	(600,000)
General and administrative	206,803	455,216	80,592	5,594	100,112
Total operating expenses	<u>3,546,594</u>	<u>35,624,014</u>	<u>12,504,109</u>	<u>20,316</u>	<u>(159,533)</u>
Operating income (loss)	<u>2,733,434</u>	<u>13,156,579</u>	<u>(4,022,100)</u>	<u>10,617</u>	<u>451,062</u>
Nonoperating Revenue (Expenses)					
Federal program income	-	-	-	-	-
Federal program expense	-	-	-	-	-
Nonoperating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers	2,733,434	13,156,579	(4,022,100)	10,617	451,062
Transfers in (out)	<u>(564,406)</u>	<u>3,518,471</u>	<u>7,086,515</u>	<u>-</u>	<u>(291,231)</u>
Net income (loss)	2,169,028	16,675,050	3,064,415	10,617	159,831
Net position, beginning of year - as previously reported	44,661,422	111,842,626	3,406,065	880,799	(206,356)
Prior period adjustment	(673,431)	(7,573,013)	(772,947)	-	-
Net position, beginning of year - as restated	<u>43,987,991</u>	<u>104,269,613</u>	<u>2,633,118</u>	<u>880,799</u>	<u>(206,356)</u>
Net position, end of year	<u>\$ 46,157,019</u>	<u>\$ 120,944,663</u>	<u>\$ 5,697,533</u>	<u>\$ 891,416</u>	<u>\$ (46,525)</u>

Multi-Family Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 627,718	\$ -	\$ -	\$ -	\$ 51,923,613
82,692	-	759,612	769,498	17,576	(40,564)	7,179,414
61,389	-	652,857	955,566	-	-	8,634,022
-	-	50,177	-	5,927,835	(3,395,943)	2,596,456
<u>144,081</u>	<u>-</u>	<u>2,090,364</u>	<u>1,725,064</u>	<u>5,945,411</u>	<u>(3,436,507)</u>	<u>70,333,505</u>
-	-	-	-	-	(40,564)	48,801,664
-	-	41,031	-	-	(3,395,943)	147,381
-	-	-	-	1,740,000	-	1,740,000
-	-	-	-	-	-	1,688,000
-	-	(783,984)	-	-	-	(4,129,322)
999	-	38,890	999	5,017,133	-	5,906,338
999	-	(704,063)	999	6,757,133	(3,436,507)	54,154,061
<u>143,082</u>	<u>-</u>	<u>2,794,427</u>	<u>1,724,065</u>	<u>(811,722)</u>	<u>-</u>	<u>16,179,444</u>
-	15,092,757	-	-	-	-	15,092,757
-	(4,970,872)	-	-	-	-	(4,970,872)
-	10,121,885	-	-	-	-	10,121,885
143,082	10,121,885	2,794,427	1,724,065	(811,722)	-	26,301,329
-	-	(11,749,349)	-	2,000,000	-	-
143,082	10,121,885	(8,954,922)	1,724,065	1,188,278	-	26,301,329
1,906,471	48,213,290	58,656,874	18,687,148	23,088,494	-	311,136,833
-	-	-	-	-	-	(9,019,391)
<u>1,906,471</u>	<u>48,213,290</u>	<u>58,656,874</u>	<u>18,687,148</u>	<u>23,088,494</u>	<u>-</u>	<u>302,117,442</u>
<u>\$ 2,049,553</u>	<u>\$ 58,335,175</u>	<u>\$ 49,701,952</u>	<u>\$ 20,411,213</u>	<u>\$ 24,276,772</u>	<u>\$ -</u>	<u>\$ 328,418,771</u>