

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

FINANCIAL REPORT

JUNE 30, 2016

AND

JUNE 30, 2015

This page is intentionally left blank

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
Required Supplementary Information	35
Schedule of Changes in Net Pension Liability and Related Ratios (Unaudited)	36
Schedule of Authority Contributions (Unaudited)	38
Other Supplementary Information	40
Detailed balance sheet as of June 30, 2016	41
Detailed balance sheet as of June 30, 2015	43
Detailed schedule of revenues, expenses and changes in fund net position for the year ended June 30, 2016	45
Detailed schedule of revenues, expenses and changes in fund net position for the year ended June 30, 2015	47

This page is intentionally left blank



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, as of and for the years ended June 30, 2016 and 2015, 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

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 opinions on these financial statements based on our audits. We conducted our audit 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 from material misstatement.

An audit involves 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 opinions.

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, 2016 and 2015, and the changes in its financial position and 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 (pages 3-5) and the required supplementary information, changes in net pension liability and related ratios, (pages 35-39) 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 net position, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The detailed balance sheets, the detailed schedules of revenues, and expenses and changes in fund net position 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 net position 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 19, 2016

Casper, Wyoming

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2016 and 2015

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, 2016. 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

	2016	Change		2015	Change		(As restated) 2014
Cash and cash equivalents	\$ 114,292,170	\$ 18,189,586	18.93%	\$ 96,102,584	\$ (19,671,490)	-16.99%	\$ 115,774,074
Investments	152,537,009	(4,923,328)	-3.13%	157,460,337	(23,267,012)	-12.87%	180,727,349
Mortgage loans receivable	748,653,451	(52,561,850)	-6.56%	801,215,301	(15,016,797)	-1.84%	816,232,098
Total assets	1,056,294,565	(33,561,852)	-3.08%	1,089,856,417	(65,419,311)	-5.66%	1,155,275,728
Deferred outflow of resources	979,347	546,186	126.09%	433,161	258,030	147.34%	175,131
Other current liabilities	8,573,109	(4,925,452)	-36.49%	13,498,561	9,797,814	264.75%	3,700,747
Bonds payable	655,477,664	(51,423,197)	-7.27%	706,900,861	(87,170,311)	-10.98%	794,071,172
Other long-term liabilities	5,544,584	423,909	8.28%	5,120,675	(380,429)	-6.92%	5,501,104
Total liabilities	669,595,357	(55,924,740)	-7.71%	725,520,097	(77,752,926)	-9.68%	803,273,023
Deferred inflow of resources	2,406,246	1,900,808	376.07%	505,438	(2,299,212)	-81.98%	2,804,650
Invested in capital assets	2,666,805	(51,889)	-1.91%	2,718,694	(91,803)	-3.27%	2,810,497
Restricted	270,158,318	4,644,378	1.75%	265,513,940	12,114,594	4.78%	253,399,346
Unrestricted	112,447,186	16,415,777	17.09%	96,031,409	2,868,066	3.08%	93,163,343
Total net position	385,272,309	21,008,266	5.77%	364,264,043	14,890,857	4.26%	349,373,186
Mortgage interest	31,710,521	(3,943,694)	-11.06%	35,654,215	(3,116,969)	-8.04%	38,771,184
Investment income	12,734,634	3,468,271	37.43%	9,266,363	4,351,193	88.53%	4,915,170
Other income	3,475,997	286,232	8.97%	3,189,765	12,867	0.41%	3,176,898
Total operating revenues	47,921,152	(189,191)	-0.39%	48,110,343	1,247,091	2.66%	46,863,252
Interest expense	20,522,912	(2,806,262)	-12.03%	23,329,174	(5,494,170)	-19.06%	28,823,344
Total operating expenses	30,816,975	(4,209,381)	-12.02%	35,026,356	(3,043,336)	-7.99%	38,069,692
Operating income	17,104,177	4,020,190	30.73%	13,083,987	4,290,427	48.79%	8,793,560
Net income	21,008,266	6,117,409	41.08%	14,890,857	4,058,818	37.47%	10,832,039

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2016 and 2015

Financial Position

Cash and cash equivalents increased by \$18.2 million and investments decreased by \$4.9 million for a combined increase in funds of \$13.3 million. A decrease in funds was due to the following: the net reduction in bonds outstanding of \$51.4 million and the decrease in other current liabilities of \$4.9 million. An increase of funds was due to the following: the net decrease in mortgage loans receivable of \$52.6 million and cash generated from operating activities of \$17.0 million.

Mortgage loans receivable decreased by \$52.6 million due to the following: mortgages decreased due to prepayments of \$102.7 and curtailments and scheduled payments \$20.0, while increases were a result of mortgage loan purchases of \$69.2 million and the reduction of loan loss reserves of \$.9 million.

Total assets declined by \$33.6 million due a decline in mortgage loans (discussed above) of \$52.6, a decline in mortgage and investment interest receivable of \$0.9 million and a combined decrease in deferred servicing costs and property and equipment of \$1.1 million. Increases to assets were due to an increase in cash, cash equivalents and investments (discussed above) of \$13.3 million, an increase in deferred hedging costs of fixed-rate swaps of \$1.7 million and an increase in accounts receivable of \$6.0 million.

Deferred outflow of resources increased \$0.5 million due to the effects of accounting for the increase in the pension liability (See Note 14).

Other current liabilities decreased \$4.9 million. The decrease is due to the net reduction in a short term line-of credit of \$6.1 million combined with an increase of accounts payable and other liabilities of \$1.2 million. Other long term liabilities, which include other deferred credits and pension liability, increased by \$0.4 million.

Bonds payable reflect a net decrease from 2015 of \$51.4 million. Bonds were reduced as a result of redemptions, refundings and maturities of \$191.9 million, while bonds increased due to bond issuances of \$140.5 million. See Note 7 for additional information.

Total liabilities fell by \$55.9 million from the prior year due to the net reduction in bonds payable of \$51.4 million and the decrease in other current liabilities of \$4.9 million combined with the increase in other long term liabilities of \$.4 million.

Deferred inflow of resources increased by \$1.9 million over the prior year due to the effects of accounting for the increase in the pension liability (See Note 14), the accounting for the increase in the fair value of swap agreements (See Note 10) and the accounting for the increase in fair value of forward commitments (See Note 16).

Results of Operation

Net income for fiscal year 2016 was \$21.0 million, a \$6.1 million increase from fiscal year 2015. Total operating revenues decreased by \$0.2 million, total operating expenses decreased by \$4.2 million and non-operating income from Federal Program activities increased \$2.1 million.

Total operating revenues decreased by \$.2 million. This decrease is due to a reduction of mortgage interest income of \$3.9 million combined with an increases in the following: investment interest income increase of \$.1 million, fair value of investments increase of \$3.3 million and fees and other income increase of \$0.3 million.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2016 and 2015

Total operating expenses declined by \$4.2 million. The decrease is due to a decrease of \$2.8 million in bond interest expense, a decrease of \$0.8 million in cost of issuance and other financing cost, and a decrease in provision for (recapture of) loan losses of \$1.0 million combined with an increase of \$0.4 million in general and administrative expenses.

Debt Administration

During FYE 2016 the Authority issued \$140.5 million in bonds in the 1994 Indenture. Bonds outstanding were reduced by \$191.9 million due to maturities, redemptions and refundings. See Note 7 for additional information.

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.wyomingcommunitycda.com.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

BALANCE SHEETS
June 30, 2016 and 2015

ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>2016</u>	<u>2015</u>
Current Assets		
Cash and cash equivalents	\$ 20,836,273	\$ 19,196,717
Investments	51,562,393	36,760,733
Interest receivable		
Mortgage loans	73,469	86,892
Investments	137,464	154,734
Accounts receivable and other assets	2,409,691	1,308,376
Total current assets	<u>75,019,290</u>	<u>57,507,452</u>
Noncurrent Assets		
Restricted cash and cash equivalents	93,455,897	76,905,867
Restricted investments	100,974,616	120,699,604
Restricted mortgage loans receivable, net	719,626,261	766,643,279
Restricted interest receivable		
Mortgage loans	2,909,060	3,632,425
Investments	894,254	1,077,854
Restricted accounts receivable and other assets	15,385,633	10,429,411
Mortgage loans receivable, net	29,027,190	34,572,022
Deferred hedging costs of fixed-rate swaps	2,217,557	505,438
Deferred servicing costs, net	14,118,002	15,164,371
Property and equipment, net	2,666,805	2,718,694
Total noncurrent assets	<u>981,275,275</u>	<u>1,032,348,965</u>
Total assets	<u>1,056,294,565</u>	<u>1,089,856,417</u>
Deferred Outflow of Resources		
Pension contributions and change in earnings	979,347	433,161
Total deferred outflow of resources	<u>979,347</u>	<u>433,161</u>
Total assets and deferred outflow of resources	<u>\$ 1,057,273,912</u>	<u>\$ 1,090,289,578</u>

(Continued)

See notes to the basic financial statements

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

	<u>2016</u>	<u>2015</u>
Current Liabilities		
Bonds payable	\$ 26,855,000	\$ 28,145,000
Note payable	3,601,000	9,667,000
Accrued interest payable	1,580,693	1,641,377
Accounts payable and other liabilities	3,391,416	2,190,184
Total current liabilities	<u>35,428,109</u>	<u>41,643,561</u>
Noncurrent Liabilities		
Bonds payable	628,622,664	678,755,861
Other deferred credits	2,250,756	2,679,143
Pension liability	3,293,828	2,441,532
Total noncurrent liabilities	<u>634,167,248</u>	<u>683,876,536</u>
Total liabilities	<u>669,595,357</u>	<u>725,520,097</u>
Deferred Inflow of Resources		
Differences between expected and actual pension experience	69,683	-
Derivative instrument liability	2,336,563	505,438
Total deferred inflow of resources	<u>2,406,246</u>	<u>505,438</u>
Net Position		
Invested in capital assets	2,666,805	2,718,694
Restricted	270,158,318	265,513,940
Unrestricted	112,447,186	96,031,409
Total net position	<u>385,272,309</u>	<u>364,264,043</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 1,057,273,912</u>	<u>\$ 1,090,289,578</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Mortgage interest	\$ 31,710,521	\$ 35,654,215
Investment interest income	6,124,849	5,995,122
Net increase in the fair value of investments	6,609,785	3,271,241
Fees and other income	3,475,997	3,189,765
Total operating revenue	<u>47,921,152</u>	<u>48,110,343</u>
 Operating Expenses		
Interest expense	20,522,912	23,329,174
Servicer fees	23,687	47,329
Amortization of deferred servicing costs	2,520,000	2,520,000
Cost of issuance and other financing costs	2,210,062	2,992,494
Provision for (recapture of) loan losses	(939,172)	116,174
General and administrative	6,479,486	6,021,185
Total operating expenses	<u>30,816,975</u>	<u>35,026,356</u>
 Operating income	<u>17,104,177</u>	<u>13,083,987</u>
 Nonoperating Revenue (Expenses)		
Federal program income	5,389,595	3,625,154
Federal program expense	<u>(1,485,506)</u>	<u>(1,818,284)</u>
Nonoperating income	<u>3,904,089</u>	<u>1,806,870</u>
 Net income	21,008,266	14,890,857
 Net position, beginning of year	364,264,043	349,373,186
Net position, end of year	<u>\$ 385,272,309</u>	<u>\$ 364,264,043</u>

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Cash receipts for services	\$ 2,879,154	\$ 3,189,765
Interest income on mortgage loans	32,018,922	35,553,213
Principal received on mortgage loans	143,155,295	137,780,399
Cash payments to purchase mortgage loans	(89,541,172)	(119,349,254)
Cash payments to servicers	(23,687)	(47,329)
Cash payments to suppliers	(6,091,100)	(4,059,847)
Cash payments to employees	(2,935,004)	(2,812,958)
Other cash receipts and payments on program notes	-	(24,110)
Net cash provided by operating activities	<u>79,462,408</u>	<u>50,229,879</u>
Cash Flows from Noncapital Financing Activities		
Federal revenue	5,389,595	3,625,154
Federal expenses	(1,485,506)	(1,818,284)
Federal program notes issued	(4,917,124)	(2,311,688)
Federal program note payments received	1,723,329	1,535,634
Proceeds from bonds	140,468,977	216,024,017
Principal paid on bonds	(191,917,428)	(303,252,510)
Interest paid on bonds	(20,558,342)	(23,811,096)
Proceeds from note payable	13,413,000	9,667,000
Payments on note payable	(19,479,000)	-
Net cash used in noncapital financing activities	<u>(77,362,499)</u>	<u>(100,341,773)</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of fixed assets	(295,524)	(210,824)
Purchase of mortgage servicing rights	(1,473,631)	(1,933,124)
Net cash used in capital and related financing activities	<u>(1,769,155)</u>	<u>(2,143,948)</u>
Cash Flows from Investing Activities		
Interest received from investments	6,325,719	6,046,099
Purchase of investments	(69,873,284)	(22,924,389)
Proceeds from sales and maturities of investments	81,406,397	49,462,642
Net cash provided by investing activities	<u>17,858,832</u>	<u>32,584,352</u>
Increase (decrease) in cash and cash equivalents	18,189,586	(19,671,490)
Cash and cash equivalents, beginning of year	96,102,584	115,774,074
Cash and cash equivalents, end of year	<u>\$ 114,292,170</u>	<u>\$ 96,102,584</u>

(Continued)

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Reconciliation of ending cash and cash equivalents		
Current cash and cash equivalents	\$ 20,836,273	\$ 19,196,717
Noncurrent restricted cash and cash equivalents	93,455,897	76,905,867
Cash and cash equivalents, ending	<u>\$ 114,292,170</u>	<u>\$ 96,102,584</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 17,104,177	\$ 13,083,987
Adjustments to reconcile operating income to net cash provided by operating activities		
Interest on bonds	20,522,912	23,329,174
Net change in fair value of investments	(6,609,785)	(3,271,241)
Interest from investments	(6,124,849)	(5,995,122)
Mortgage loan principal repayments		
Scheduled	40,443,367	22,590,916
Prepaid	102,711,928	115,189,483
Purchase of mortgage loans	(89,541,172)	(119,349,254)
Change in amortization of commitment fees, loan discounts and deferred outflow of resources	178,154	(277,822)
Amortization of deferred servicing costs	2,520,000	2,520,000
Change in provision for loan losses	(939,172)	116,174
Net change in other assets and liabilities	(803,152)	2,293,584
Net cash provided by operating activities	<u>\$ 79,462,408</u>	<u>\$ 50,229,879</u>
Supplemental Cash Flow Information		
Noncash noncapital financing activity		
Federal program notes rolled into mortgages	\$ 1,836,430	\$ 5,066,156
Noncash investing activity		
Investment trade settlement in process at year end	\$ 2,380,000	\$ -

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

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

Basis of Presentation - The Authority's financial statements have been prepared on the basis of the proprietary-fund concept which pertains to financial activities that operate in a manner similar to private business enterprises and are financed through fees and charges assessed primarily to the users of the services.

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.

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

Single 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 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 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, and the Multi-Family 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, 2016 AND 2015

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, 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. The investments of the Authority are automatically adjusted to fair value when the investment accounting module integrates with Wells Fargo bank each month.

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 \$378,517 to guarantee mortgage and project loans with principal balances outstanding of \$904,194 as of June 30, 2016. The Authority has also committed \$250,000 to guarantee second mortgages with principal balances outstanding of \$4,493,643. Initial recovery of second mortgage losses will come from other available sources.

General Fund

This fund is utilized to account for all of the operating activities of the Authority, including mortgage-servicing activities and all other activities, which are not required to be accounted for in other specific funds.

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 set 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, 2016 AND 2015

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.

Mortgage Loans Receivable

Mortgage 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. Loans receivable are carried at the lower of historical cost and fair value. The cost is approximately equal to fair value. 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 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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System (“WRS”) plans and additions to/deductions from WRS’s fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 2. Significant Accounting Policies (Continued)

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 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 \$5,890 at June 30, 2016 and 2015 for arbitrage rebates. There is no arbitrage rebate payable at June 30, 2016 and 2015.

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 would defer recognizing interest income from excess yields. The Authority has recorded no deferred interest income at June 30, 2016 and 2015. As of June 30, 2016 and 2015, the Authority also deferred \$334,432 and \$497,978, respectively, of interest income related to the HOME Run loan program.

Additionally, the Authority has deferred \$1,910,434 and \$2,175,275 as of June 30, 2016 and 2015, 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.

Indentures and Reporting Requirements

The Authority is subject to a number of limitations and restrictions contained in various indentures. Such limitations and covenants include: continued collection of pledged revenues, segregation of pledged revenues, maintaining specified levels of bond reserve funds, permissible investment of bond proceeds and pledged revenues, and ongoing disclosure to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12. The Authority is in compliance with all significant covenants.

Components of Net Position

The Authority's net position is reported in three components: investment in capital assets, restricted and unrestricted. Restricted net position includes amounts restricted under terms of an award, contract or law. Unrestricted net position includes all other equity components not meeting the criteria above.

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, 2016 AND 2015

Note 2. Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates and assumptions in these financial statements that require the exercise of management judgment include, though are not limited to, the allowance for loan losses and the fair value of investments. Due to the inherent uncertainty involved in making estimates, actual results in future periods could differ from those estimates. The estimates of fair value of investments and of pension liabilities are specifically significant to the Authority. It is reasonably possible that these estimates will change within one year of the date of the financial statement due to one or more future events. The effect of the change could be material to the financial statements and could result in a loss.

Note 3. Cash and Cash Equivalents and Investments

Deposits are placed with various financial institutions and are carried at cost. At June 30, 2016, the carrying amount of the Authority's bank deposits was \$9,225,624 and the bank balance was \$11,366,125. The difference between the carrying amount and the bank balance is a result of transactions in transit. All bank deposits at June 30, 2016 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:

	2016	2015
Investments		
U.S. Government and agency securities	\$ 152,537,009	\$ 157,460,337
Total	<u>\$ 152,537,009</u>	<u>\$ 157,460,337</u>

Investments are reported in the following classifications:

	2016	2015
Current	\$ 51,562,393	\$ 36,760,733
Noncurrent - restricted by bond indentures or contracts	100,974,616	120,699,604
Total	<u>\$ 152,537,009</u>	<u>\$ 157,460,337</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, 2016 and 2015, the Authority had unrealized investment gains (losses) of \$9,265,774 and \$2,655,989, respectively, in its investment portfolio. The change in unrealized gains (losses) of \$6,609,785 and \$3,269,804 for the years ended June 30, 2016 and 2015, 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, 2016, the Authority had the following investments and maturities.

Investment Type	Interest Rates	Fair Value	Investment Maturities (in Years)			
			Less Than 1	1 - 5	6 - 10	More Than 10
U.S. government and agency securities	0.24% - 8.94%	\$ 152,537,009	\$ 1,256	\$ 5,181,448	\$ 41,907,945	\$ 105,446,360
Total		<u>\$ 152,537,009</u>	<u>\$ 1,256</u>	<u>\$ 5,181,448</u>	<u>\$ 41,907,945</u>	<u>\$ 105,446,360</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

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.

Concentration of Credit Risk

As noted in the table above, the Authority has 100% percent of its total investments invested in the obligations of the United States and its agencies.

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 1994 and 2009 Indentures require the Authority to place a portion of bond proceeds in bond, mortgage and special reserve accounts. As of June 30, 2016, the Authority has \$65,915,793 in these reserve accounts which exceeds the reserve requirements contained in the applicable trust indentures of \$39,936,823. The amounts reserved in these accounts are as follows:

	1994 Indenture	2009 Indenture
Bond reserve requirement	\$ 14,867,400	\$ 4,717,050
Mortgage reserve requirement	10,516,588	2,900,785
Restricted special reserve requirement	6,935,000	-
Total required reserves	<u>\$ 32,318,988</u>	<u>\$ 7,617,835</u>
Total cash and investments held for reserves	<u>\$ 51,491,835</u>	<u>\$ 14,423,958</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 4. Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2016:

U.S. Treasury securities: Valued at the closing price reported in the active market in which the individual securities are traded.

U.S. government obligations and U.S. government agency mortgage backed securities: Valued using quoted prices for identical or similar assets in active markets.

The following table sets forth by level, within the fair value hierarchy, the Authority's investments at fair value as of June 30, 2016:

	Investments at Fair Value as of June 30, 2016			
	Level 1	Level 2	Level 3	Total
U.S Treasury securities	\$ 30,009,300	\$ -	\$ -	\$ 30,009,300
U.S. government obligations	-	120,192,539	-	120,192,539
U.S. government agency mortgage backed securities	-	2,335,170	-	2,335,170
Total investments at fair value	\$ 30,009,300	\$ 122,527,709	\$ -	\$ 152,537,009

As of June 30, 2016, the Authority's investment portfolio includes the following investments that have fair values highly sensitive to interest rate changes:

Mortgage-backed securities – when interest rates fall, mortgages are refinanced and paid off early. The reduced stream of future interest payments diminishes the value of the investment.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 5. Mortgage Loans Receivable, Net

	<u>2016</u>	<u>2015</u>
Housing Revenue Bonds 1994 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	\$ 534,957,160	\$ 552,447,344
Less: Reserve for losses on loans	(11,279,373)	(11,700,513)
	<u>523,677,787</u>	<u>540,746,831</u>
Single Family Mortgage Warehousing Bonds 2010 Fund, bearing interest at at 3.0% to 4.75%, 30 year term, FHA insured, or guaranteed by RD or VA	23,288,843	29,489,380
Less: Reserve for losses on loans	-	-
	<u>23,288,843</u>	<u>29,489,380</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	146,023,653	176,869,734
Less: Reserve for losses on loans	(2,558,810)	(3,334,195)
	<u>143,464,843</u>	<u>173,535,539</u>
Federal Program Fund with various terms, including deferred payments and bearing interest at 0% to 5.19%, 10 to 30 year term	56,509,383	56,195,942
Less: Reserve for losses on loans	(4,025,752)	(3,835,033)
	<u>52,483,631</u>	<u>52,360,909</u>
Housing Trust Fund, bearing interest at 0% to 8.5%, 1 to 30 year term, FHA or private mortgage company insured, or guaranteed by VA or mortgage guaranty fund	6,276,395	5,547,063
Less: Reserve for losses on loans	(538,048)	(464,421)
	<u>5,738,347</u>	<u>5,082,642</u>
Total mortgage loans receivable, net	<u>\$ 748,653,451</u>	<u>\$ 801,215,301</u>
	<u>2016</u>	<u>2015</u>
Reported in the following classifications		
Restricted mortgage loans receivable, net	\$ 719,626,261	\$ 766,643,279
Mortgage loans receivable, net	29,027,190	34,572,022
	<u>\$ 748,653,451</u>	<u>\$ 801,215,301</u>

The Authority estimates loan loss reserves using 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, 2016 and 2015 were \$18,401,983 and \$19,334,162, respectively.

As of June 30, 2016 and 2015, the Authority had 154 and 151 loans, respectively, delinquent for 90 days or more from the population of 7,965 and 8,411 loans, respectively. The outstanding balance of mortgages delinquent for 90 days or more was \$15,317,266 and \$14,819,846 as of June 30, 2016 and 2015, respectively.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 6. 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 7. 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 par.

The bonds of the 1994 and the 2009 Indentures are special obligations of the Authority, payable solely from the income and receipts of these indentures. All of the bonds are secured by mortgage loans and other assets of the respective indentures. Interest on outstanding bonds is generally payable either monthly or semi-annually. Certain of the variable rate debt reprices weekly or monthly based on market interest rates.

	Balance at June 30, 2015	Issued	Retired	Balance at June 30, 2016	Amount Due Within 1 Year
Housing Revenue Bonds 1994 Indenture Fund					
1995 Series 6 (including CABs), redeemed original amount issued \$15,097,280 at discount of \$473,253	\$ 1,000,000	-	1,000,000	-	-
2005 Series 1 and 2, redeemed original amount issued \$40,000,000	4,830,000	-	4,830,000	-	-
2005 Series 3 and 4, 2032 to 2035, interest at 4.5% to 4.70%, original amount issued \$40,000,000	23,270,000	-	10,175,000	13,095,000	-
2005 Series 5, 6 and 7, redeemed original amount issued \$40,000,000	14,590,000	-	14,590,000	-	-
2006 Series 1 and 2, redeemed original amount issued \$40,000,000	10,865,000	-	10,865,000	-	-
2006 Series 4 and 5, redeemed original amount issued \$50,000,000	10,000,000	-	10,000,000	-	-
2006 Series 6 and 7, 2037 interest at 0.45% original amount issued \$50,000,000 at premium of \$347,819	10,000,000	-	-	10,000,000	-

(Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 7. Bonds Payable (Continued)

	Balance at June 30, 2015	Issued	Retired	Balance at June 30, 2016	Amount Due Within 1 Year
2006 Series 8 and 9, 2016 to 2037, interest at 0.45% to 4.70%, original amount issued \$50,000,000	\$ 28,040,000	\$ -	\$ 3,955,000	\$ 24,085,000	\$ 545,000
2007 Series 1 and 2, 2017 to 2037, interest at 0.45% to 4.375%, original amount issued \$30,000,000	9,445,000	-	2,425,000	7,020,000	670,000
2007 Series 3 and 4, 2017 to 2037, interest at 0.47% to 4.75%, original amount issued \$70,000,000	30,680,000	-	8,075,000	22,605,000	1,550,000
2007 Series 5 and 6, 2017 to 2037, interest at 0.47% to 4.375%, original amount issued \$70,000,000	16,960,000	-	1,440,000	15,520,000	1,520,000
2007 Series 7, 8 and 9, 2038 interest at 0.47%, original amount issued \$60,000,000	12,000,000	-	-	12,000,000	-
2007 Series 10, 11 and 12, 2038 interest at 0.47% original amount issued \$60,000,000	12,000,000	-	-	12,000,000	-
2008 Series 1 and 2, redeemed original amount issued \$50,000,000	12,770,000	-	12,770,000	-	-
2008 Series 3, 2017 interest at 4.5%, original amount issued \$60,000,000 at premium of \$35,066	3,955,000	-	3,360,000	595,000	595,000
2010 Series 1 and 2, 2016 to 2017, interest at 3.875% to 4.000%, original amount issued \$34,710,000	10,910,000	-	7,750,000	3,160,000	2,880,000
2012 Series 1 and 2, 2016 to 2037, interest at 1.80% to 4.25%, original amount issued \$49,665,000 at premium of \$177,508	34,025,000	-	17,905,000	16,120,000	2,075,000
2013 Series 1, 2 and 3, 2016 to 2038, interest at 1.10% to 4.05%, original amount issued \$87,315,000	78,460,000	-	3,240,000	75,220,000	4,570,000

(Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 7. Bonds Payable (Continued)

	Balance at June 30, 2015	Issued	Retired	Balance at June 30, 2016	Amount Due Within 1 Year
2014 Series 1, 2, 3, 4, and 5, 2016 to 2044, interest at 0.55% to 4.125%, original amount issued \$138,225,000	\$ 115,310,000	\$ -	\$ 41,900,000	\$ 73,410,000	\$ 2,430,000
2015 Series 1, 2, and 3 2016 to 2044, interest at 0.75% to 3.70%, original amount issued \$77,130,000	76,885,000	-	2,240,000	74,645,000	1,365,000
2015 Series 4, 5, 6, 7 and 8 2016 to 2045, interest at 0.77% to 4.00% original amount issued \$138,375,000	-	138,375,000	2,270,000	136,105,000	2,570,000
Principal amounts of bonds outstanding 1994 Indenture Fund	515,995,000	138,375,000	158,790,000	495,580,000	20,770,000
Adjustment for premiums, discounts and appreciation	770,968	-	-	2,674,790	-
Carrying value of bonds outstanding 1994 Indenture Fund	516,765,968	138,375,000	158,790,000	498,254,790	20,770,000
Homeownership Mortgage Revenue Bonds 2009 Indenture Fund					
Homeownership Mortgage Revenue Bonds Series 2010 A and 2009 A-1, 2016 to 2041, interest at 2.30% to 4.00%, original amount issued \$70,000,000 at premium of \$92,240	44,025,000	-	8,840,000	35,185,000	1,400,000
Homeownership Mortgage Revenue Bonds Series 2011 series A, 2009 Series A-2 and A-3, 2016 to 2041 interest at 2.25% to 3.75% , original amount issued \$87,000,000 at discount of \$62,141	49,365,000	-	11,315,000	38,050,000	1,900,000
Homeownership Mortgage Revenue Bonds Series 2011 series B, 2009 Series A-4 and A-5, 2016 to 2041 interest at 2.20% to 4.125% , original amount issued \$80,000,000 at discount of \$54,964	53,610,000	-	7,810,000	45,800,000	1,825,000
Homeownership Mortgage Revenue Bonds Series 2009 series A-6, 2041, interest at 2.67%, original amount issued \$50,900,000	43,150,000	-	4,950,000	38,200,000	960,000

(Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 7. Bonds Payable (Continued)

Principal amounts of bonds outstanding					
2009 Indenture Fund	\$ 190,150,000	\$ -	\$ 32,915,000	\$ 157,235,000	\$ 6,085,000
Adjustment for premiums, discounts and appreciation	(15,107)	-	-	(12,126)	-
Carrying value of bonds outstanding					
2009 Indenture Fund	190,134,893	-	32,915,000	157,222,874	6,085,000
Total bonds payable	\$ 706,900,861	\$ 138,375,000	\$ 191,705,000	\$ 655,477,664	\$ 26,855,000

Scheduled bond principal and sinking fund requirements in each indenture for the five fiscal years subsequent to June 30, 2016, which includes in each of the respective years the bonds to be remarketed are as follows:

	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Totals
2017	\$ 20,770,000	\$ 6,085,000	\$ 26,855,000
2018	15,215,000	6,365,000	21,580,000
2019	14,545,000	6,630,000	21,175,000
2020	15,100,000	6,630,000	21,730,000
2021	15,710,000	3,435,000	19,145,000

Annual debt service requirements for the five fiscal years subsequent to June 30, 2016, 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
2017	\$ 26,855,000	\$ 17,942,602	\$ 44,797,602
2018	21,580,000	17,367,833	38,947,833
2019	21,175,000	16,933,127	38,108,127
2020	21,730,000	16,444,872	38,174,872
2021	19,145,000	15,928,577	35,073,577
5 years ending 2026	102,315,000	71,368,237	173,683,237
5 years ending 2031	140,100,000	54,792,793	194,892,793
5 years ending 2036	152,780,000	32,201,287	184,981,287
5 years ending 2041	109,035,000	13,939,495	122,974,495
5 years ending 2046	38,100,000	2,701,590	40,801,590
	\$ 652,815,000	\$ 259,620,413	\$ 912,435,413

The balances above do not include net premiums or discounts in the amount of \$2,662,664 that are reported as components of bonds payable.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 7. Bonds Payable (Continued)

Hedging Derivative Instrument Payments and Hedged Debt

Using rates as of June 30, 2016 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 2006 Series 7, 2006 Series 9, 2007 Series 6, and 2015 Series 7 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)	
2017	\$ -	\$ 239,549	\$ 870,958	\$ 1,110,507
2018	171,429	240,041	870,958	1,282,428
2019	355,714	239,070	875,808	1,470,592
2020	377,143	237,371	865,718	1,480,232
2021	398,571	235,102	870,958	1,504,631
5 years ending 2026	4,470,000	1,128,138	4,354,401	9,952,539
5 years ending 2031	7,057,143	1,002,976	4,349,533	12,409,652
5 years ending 2036	19,151,429	722,286	4,159,508	24,033,223
5 years ending 2041	7,993,571	254,972	522,282	8,770,825
5 years ending 2046	4,025,000	80,303	173,296	4,278,599
	<u>\$ 44,000,000</u>	<u>\$ 4,379,808</u>	<u>\$ 17,913,420</u>	<u>\$ 66,293,228</u>

Note 8. Note Payable

The Authority has a line of credit agreement with a financial institution, secured by specific collateral. This agreement allows the Authority to borrow approximately 81% of the fair market value of the collateral. As of June 30, 2016, the Authority had investments held as collateral with a fair value of \$29,991,423 on deposit with this financial institution; an advance of \$3,601,000 was outstanding at an overnight interest rate of .42%. This agreement expires on December 31, 2016.

Note 9. 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, 2016, there were three such series of Multi-Family Housing Revenue bonds outstanding, with an aggregate principal amount payable of \$21,652,532.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 10. 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, 2016

Bond Series	Swap Contractual Dates	Notional Amount	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value	Counterparty Credit Rating
2006 Series 7	9/1/2015	10,000,000	2.4125%	70% of LIBOR	6/1/2036	(474,596)	AA-/Aa3
2006 Series 9	9/1/2015	10,000,000	2.4125%	70% of LIBOR	6/1/2036	(474,596)	AA-/Aa3
2007 Series 6	9/1/2015	12,000,000	2.4125%	70% of LIBOR	6/1/2036	(569,516)	AA-/Aa3
		32,000,000				(1,518,708)	
2015 Series 7	1/15/2016	12,000,000	2.013%	70% of LIBOR	12/1/2045	(769,166)	AA-/Aa3
		<u>\$ 44,000,000</u>				<u>\$ (2,287,874)</u>	

June 30, 2015

Bond Series	Swap Contractual Dates	Notional Amount	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value	Counterparty Credit Rating
2007 Series 11	11/7/2007	12,000,000	3.530%	70% of LIBOR	12/1/2015	(203,025)	A+/Aa3
2008 Series 2	5/13/2008	13,000,000	3.075%	70% of LIBOR	6/1/2016	(366,145)	A+/Aa3
		<u>\$ 25,000,000</u>				<u>\$ (569,170)</u>	

As of June 30, 2016 and 2015, the Authority's swap agreements had a net fair value of (\$2,287,874) and (\$569,170), 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, 2016 and 2015 is inclusive of accrued interest of \$70,318 and \$63,732, respectively. Accrued interest is separately reported on the Authority's balance sheet. The resultant change in gross fair value was \$1,712,119. 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.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 10. Interest Rate Swaps (Continued)

Swap Risks

Credit Risk – As of June 30, 2016, 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, 2016, the swap counterparties were rated AA- by S&P Global Ratings 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.

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, 2016 and 2015, the SIFMA Index rate was 0.41 and 0.07, while 70 percent of LIBOR (the swap rate) was 0.32 and 0.13 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, 2016

Associated Bond Issuance	Bond Maturity Date	Swap Termination Date
2006 Series 7	June 1, 2037	June 1, 2036
2006 Series 9	June 1, 2037	June 1, 2036
2007 Series 6	December 1, 2037	June 1, 2036
2015 Series 7	December 1, 2045	December 1, 2045

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 11. Net Position

Below is a summary of net position as of June 30, 2016 and 2015:

	2016	2015
Investment in capital assets	<u>\$ 2,666,805</u>	<u>\$ 2,718,694</u>
Restricted		
Restricted by bond indentures	199,645,886	198,905,597
Restricted by grants	<u>70,512,432</u>	<u>66,608,343</u>
	<u>270,158,318</u>	<u>265,513,940</u>
Unrestricted		
Designated for the Housing Revenue Bonds 1994 Indenture Fund	13,496,085	-
Designated for the Single Family Mortgage Warehousing Fund	2,727,548	1,670,415
Designated for the Multi-Family Fund	2,271,641	2,182,642
Designated for the Housing Trust Fund	54,396,331	52,267,031
Designated for the Mortgage Guaranty Fund	22,837,500	21,542,292
Designated for non-current assets	14,118,002	15,164,371
Designated for operating reserve funds	<u>2,600,079</u>	<u>3,204,658</u>
	<u>112,447,186</u>	<u>96,031,409</u>
Total net position	<u>\$ 385,272,309</u>	<u>\$ 364,264,043</u>

The terms of the various bond indentures for the single-family program 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.

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 net position.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 12. Mortgage Loan Servicing

The Authority's mortgage servicing department services loans for its own portfolio and for others. During the year ended June 30, 2016 the Authority began servicing GNMA loans. The details of the loans serviced and servicing purchased during the year is shown below.

Type of Loans by Investor	2016		
	Servicing Rights Capitalized in 2016	Loans Serviced	Principal Balance
WCDA Single Family Loans - first mortgages	\$ 653,996	6,393	\$ 757,560,031
WCDA Single Family Loans - second mortgages	-	1,264	4,491,880
GNMA Advantage	203,776	12	2,299,177
GNMA Pooled	-	108	18,852,378
FNMA Single Family Loans	618,098	4,328	670,443,038
Total	<u>\$ 1,475,870</u>	<u>12,105</u>	<u>\$ 1,453,646,504</u>

Type of Loans by Investor	2015		
	Servicing Rights Capitalized in 2015	Loans Serviced	Principal Balance
WCDA Single Family Loans - first mortgages	\$ 1,157,396	6,785	\$ 804,629,369
WCDA Single Family Loans - second mortgages	-	1,231	3,258,192
GNMA Advantage	7,727	5	962,751
FNMA Single Family Loans	768,002	4,396	698,691,030
Total	<u>\$ 1,933,125</u>	<u>12,417</u>	<u>\$ 1,507,541,342</u>

Escrow balances for these loans were \$7,298,186 and \$6,910,121 at June 30, 2016 and 2015, respectively. These escrow balances are not included in the accompanying combined financial statements.

Note 13. Deferred Compensation Plan

The Authority 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.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 14. Pension Plans

Public Employees' Pension Plan

The Authority participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer public employee retirement system administered by the State of Wyoming Retirement System Board. All full-time employees of the Authority are eligible to participate. The PEPP provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes.

PEPP members are required to contribute 8.25% of their annual covered salary and the Authority is required to contribute 8.37% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The Authority currently pays 15.87% of the required employee's contribution and the employees pay .75%. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The Authority's contributions to the PEPP for the years ended June 30, 2016, 2015 and 2014 were \$410,819, \$402,439, and \$353,496, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Authority reported a liability of \$3,293,828 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating governmental entities, actuarially determined. The schedule below shows the Authority's proportionate share of the net pension liability at June 30, 2016, the proportionate portion at the measurement date of December 31, 2015, and the change in the proportion from its proportion measured as of December 31, 2014.

Pension liability at June 30, 2016	\$ 3,293,828
Proportion at December 31, 2015	0.1414056%
Increase (decrease) from December 31, 2014	0.0030510%

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 14. Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2016, the Authority recognized total pension expense of \$786,612. At June 30, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2016		2015	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 803,298	\$ -	\$ 200,185	\$ -
Difference between actual and expected experience		69,683	-	-
Change in employer's proportion Amortizing deferred outflows and deferred inflows	(35,976)	-	-	-
	<u>767,322</u>	<u>69,683</u>	<u>200,185</u>	<u>-</u>
Authority contributions subsequent to the measurement date	212,025	-	232,976	-
Total	<u>\$ 979,347</u>	<u>\$ 69,683</u>	<u>\$ 433,161</u>	<u>\$ -</u>

The Authority reported \$212,025 as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Deferred Outflows (Inflows)	
2017	\$ 200,988	\$ 23,916
2018	200,988	23,916
2019	202,055	21,851
2020	163,291	-
	<u>\$ 767,322</u>	<u>\$ 69,683</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 14. Pension Plans (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2015 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions and Methods

Valuation Date	1/1/2015
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent open
Remaining amortization period	30
Asset valuation method	5-year
Actuarial assumptions:	
Investment net rate of return	7.75%
Projected salary increases (includes inflation)	4.25% to 6.00%
Assumed inflation rate	3.25%
Mortality	RP-2000 Combined Mortality Table, fully generational

The current actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study that covered a five-year period ending December 31, 2011. Differences between assumptions and actual experience since the prior valuation are identified as actuarial gains and losses. These gains and losses impact the unfunded actuarial accrued liability and future funding requirements determined in subsequent valuations.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

For each major asset class that is included in the pension plan's target allocation as of January 1, 2016, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.50%	0.25%
Fixed income	15.00%	0.87%
Equity	59.00%	5.13%
Marketable Alternatives	15.50%	4.75%
Private Markets	8.00%	5.84%
	<u>100.00%</u>	

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 14. Pension Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed contributions from participating employers will be made on the actuarially determined rates based on the pension plan's funding policy, which establishes the contractually required rates under Wyoming State Statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

Authority's proportionate share of the net pension liability	
1% Decrease (6.75%)	\$ 4,728,772
Current Discount Rate (7.75%)	3,166,563
1% Increase (8.75%)	2,080,710

Pension Plan Fiduciary Net Position

The Wyoming Retirement System issues a publicly available financial report which includes audited financial statements and required supplementary information for each plan. Detailed information about the pension plans' fiduciary net position is available in the separately issued Wyoming Retirement System financial report. The report may be obtained from the Wyoming Retirement System website at <http://retirement.state.wy.us>.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 15. Commitments, Concentrations and Contingencies

At June 30, 2016, the Authority was committed to purchase single-family mortgages aggregating approximately \$20,182,000 under the Warehouse Indenture, \$5,246,234 under various Federal Programs, \$951,000 under the Housing Trust Fund, \$7,735,000 under the FNMA Program and \$7,920,000 under the GNMA Advantage Program.

The Authority has variable rate bonds outstanding in the 1994 Indenture of \$118,465,000.

As of June 30, 2016, the Authority had \$78,000,000 of variable rate debt in the 1994 Indenture. 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. These bonds were subject to two repurchase commitments, one assumed by the State Street Bank and Trust Company (\$26 million) and one assumed by Federal Home Loan Bank Des Moines (\$52 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, 2016, no variable rate bonds were held as unremarketed bank bonds under the terms of a standby bond purchase agreement.

In addition, WCDA has \$40,465,000 in floating rate notes outstanding at June 30, 2016.

The Authority uses a number of insurers for its mortgage receivables as noted in Note 5. The Authority requires private mortgage insurance (PMI) on some mortgages with coverage ranging from 30% to 50% of the outstanding balances. Approximately 7% of the Authority's outstanding mortgage receivable balances were covered by PMI from Radian and approximately 8% from Genworth, as of June 30, 2016.

Note 16. Forward Commitments

The Authority sells forward commitments to deliver Ginnie Mae guaranteed mortgage-backed securities. Commitments are sold as mortgage loan reservations are taken to hedge against market fluctuations prior to loan origination and securitization. The Authority is subject to market value fluctuations prior to loan origination and securitization, in the event that mortgage loans are not originated as expected and the committed securities cannot be delivered.

A net increase in fair value of \$241,810 on the outstanding forward commitments, classified as investment derivative instruments, has been recorded in investment income in the Single Family Mortgage Warehousing Fund for the year ended June 30, 2016. In addition, \$319,960 of forward commitments is recorded on the statement of net position as other current assets at June 30, 2016.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 16. Forward Commitments (Continued)

The Authority is subject to credit risk with respect to counterparties to the forward commitment contracts, summarized by counterparty at June 30, 2016 as follows:

June 30, 2016						
Counterparty	Count	Commitments at Par	Fair Value	Exposure by Counterparty	Purchased	Counterparty Rating (S&P/Moodys)
Bank of New York Mellon	1	\$ 500,000	\$ 522,650	6%	\$ 148,194	AA-/Aa2
Bank of Oklahoma	4	5,600,000	5,843,430	74%	1,696,045	A-/A3
Raymond James	1	500,000	522,650	7%	148,194	BBB/Baa2
Simmons First	1	1,000,000	1,043,000	13%	308,087	unknown
		<u>\$ 7,600,000</u>	<u>7,931,730</u>	<u>100%</u>	<u>\$ 2,300,520</u>	
Adjustment to fair value for related fees and funding risk			(11,770)			
Adjusted fair value			<u>\$ 7,919,960</u>			

June 30, 2015						
Counterparty	Count	Commitments at Par	Fair Value	Exposure by Counterparty	Purchased	Counterparty Rating (S&P/Moodys)
Bank of New York Mellon	3	\$ 1,500,000	\$ 1,537,000	50%	\$ -	AA-/Aa2
Bank of Oklahoma	3	1,500,000	1,541,150	50%	-	A/A2
		<u>\$ 3,000,000</u>	<u>\$ 3,078,150</u>	<u>100%</u>	<u>\$ -</u>	

The Authority has also recorded a derivative instrument liability of \$119,006 for its aggregate liability should it fail to fulfill these forward commitments. This expense has been netted in investment income.

Note 17. 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.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 17. Risk Management (Continued)

The State's group insurance fund, which includes medical, life and dental, was solvent at June 30, 2016 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, 2016 and 2015 were \$708,376 and \$659,114, respectively.

Note 18. Implementation of Governmental Accounting Standards Board Statements 72 and 82

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements.

GASB 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*, is designed to improve consistency in the application of the pension standards by clarifying or amending related areas of existing guidance. The Authority early implemented this standard.

Note 19. Subsequent Events

On August 19, 2016, the Authority instructed its trustee to redeem on September 1, 2016, bonds in the amount of \$17,425,000 from the 1994 Indenture.

On August 3, 2016, the Authority instructed its trustee to call on September 1, 2016, bonds in the amount of \$9,045,000 from the 2009 Indenture.

On September 8, 2016, the Authority priced a sale of \$79,850,000 in housing revenue bonds under the 1994 indenture.

REQUIRED SUPPLEMENTARY INFORMATION

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years
(Unaudited)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability (asset)	0.1414056%	0.1383546%	*
Authority's proportionate share of the net pension liability (asset)	\$ 3,293,828	\$ 2,441,532	*
Authority's covered-employee payroll	\$ 2,466,218	\$ 2,365,050	*
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	133.56%	103.23%	*
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%	*

The amounts presented for each fiscal year were determined as of 12/31.

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

SCHEDULE OF AUTHORITY CONTRIBUTIONS

Last 10 Fiscal Years

(Unaudited)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 410,819	\$ 366,743	*
Contributions in relation to the contractually required contribution	<u>(410,819)</u>	<u>(366,743)</u>	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*
Authority's covered-employee payroll	<u>\$2,471,835</u>	<u>\$2,310,920</u>	*
Contributions as a percentage of covered-employee payroll	16.62%	15.87%	*

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*

This page is intentionally left blank

OTHER SUPPLEMENTARY INFORMATION

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
DETAILED BALANCE SHEET

June 30, 2016

(See Independent Auditor's Report)

	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Single Family Mortgage Warehousing Fund
ASSETS AND DEFERRED OUTFLOW OF RESOURCES			
Current Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 3,644,944
Investments	13,496,085	-	1,263,669
Interest receivable: Mortgage loans	-	-	55,059
Investments	-	-	1,697
Due from other funds	-	10,158,613	-
Accounts receivable and other assets	-	-	1,526,995
Total current assets	<u>13,496,085</u>	<u>10,158,613</u>	<u>6,492,364</u>
Noncurrent Assets			
Restricted cash and cash equivalents	72,336,909	15,195,607	-
Restricted investments	89,754,285	9,681,296	-
Restricted mortgage loans receivable, net	523,677,787	143,464,843	-
Restricted interest receivable: Mortgage loans	2,347,979	561,081	-
Investments	835,783	44,557	-
Restricted accounts receivable and other assets	1,173,837	2,495,220	97,202
Mortgage loans receivable, net	-	-	23,288,843
Deferred hedging costs of fixed-rate swaps	2,217,557	-	-
Deferred servicing costs, net	-	-	-
Property and equipment, net	-	-	-
Total noncurrent assets	<u>692,344,137</u>	<u>171,442,604</u>	<u>23,386,045</u>
Total assets	<u>705,840,222</u>	<u>181,601,217</u>	<u>29,878,409</u>
Deferred Outflow of Resources			
Pension contributions and change in earnings	-	-	-
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflow of resources	<u>\$ 705,840,222</u>	<u>\$ 181,601,217</u>	<u>\$ 29,878,409</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION			
Current Liabilities			
Bonds payable	\$ 20,770,000	\$ 6,085,000	\$ -
Note payable	-	-	3,601,000
Accrued interest payable	1,205,764	374,887	42
Due to other funds	10,158,613	-	22,217,500
Accounts payable and other liabilities	193,138	2,421,089	1,213,313
Total current liabilities	<u>32,327,515</u>	<u>8,880,976</u>	<u>27,031,855</u>
Noncurrent Liabilities			
Bonds payable	477,484,790	151,137,874	-
Other deferred credits	1,924,580	326,176	-
Pension liabilities	-	-	-
Total noncurrent liabilities	<u>479,409,370</u>	<u>151,464,050</u>	<u>-</u>
Total liabilities	<u>511,736,885</u>	<u>160,345,026</u>	<u>27,031,855</u>
Deferred Inflow of Resources			
Pension experience difference from actual	-	-	-
Derivative instrument liability	2,217,557	-	119,006
Total deferred inflow of resources	<u>2,217,557</u>	<u>-</u>	<u>119,006</u>
Net Position			
Invested in capital assets	-	-	-
Restricted	178,389,695	21,256,191	-
Unrestricted	13,496,085	-	2,727,548
Total net position	<u>191,885,780</u>	<u>21,256,191</u>	<u>2,727,548</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 705,840,222</u>	<u>\$ 181,601,217</u>	<u>\$ 29,878,409</u>

Multi-Family Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 8,048,667	\$ 4,271,036	\$ 4,871,626	\$ -	\$ 20,836,273
-	-	18,269,011	18,533,628	-	-	51,562,393
-	-	18,410	-	-	-	73,469
-	-	102,931	32,836	-	-	137,464
-	-	22,217,500	-	-	(32,376,113)	-
-	-	369	-	882,327	-	2,409,691
-	-	48,656,888	22,837,500	5,753,953	(32,376,113)	75,019,290
719,506	5,203,875	-	-	-	-	93,455,897
1,539,035	-	-	-	-	-	100,974,616
-	52,483,631	-	-	-	-	719,626,261
-	-	-	-	-	-	2,909,060
13,100	814	-	-	-	-	894,254
-	12,824,112	2,966	-	-	(1,207,704)	15,385,633
-	-	5,738,347	-	-	-	29,027,190
-	-	-	-	-	-	2,217,557
-	-	-	-	14,118,002	-	14,118,002
-	-	-	-	2,666,805	-	2,666,805
2,271,641	70,512,432	5,741,313	-	16,784,807	(1,207,704)	981,275,275
2,271,641	70,512,432	54,398,201	22,837,500	22,538,760	(33,583,817)	1,056,294,565
-	-	-	-	979,347	-	979,347
-	-	-	-	979,347	-	979,347
\$ 2,271,641	\$ 70,512,432	\$ 54,398,201	\$ 22,837,500	\$ 23,518,107	\$ (33,583,817)	\$ 1,057,273,912
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,855,000
-	-	-	-	-	-	3,601,000
-	-	-	-	-	-	1,580,693
-	-	-	-	-	(32,376,113)	-
-	-	1,870	-	769,710	(1,207,704)	3,391,416
-	-	1,870	-	769,710	(33,583,817)	35,428,109
-	-	-	-	-	-	628,622,664
-	-	-	-	-	-	2,250,756
-	-	-	-	3,293,828	-	3,293,828
-	-	-	-	3,293,828	-	634,167,248
-	-	1,870	-	4,063,538	(33,583,817)	669,595,357
-	-	-	-	69,683	-	69,683
-	-	-	-	-	-	2,336,563
-	-	-	-	69,683	-	2,406,246
-	-	-	-	2,666,805	-	2,666,805
-	70,512,432	-	-	-	-	270,158,318
2,271,641	-	54,396,331	22,837,500	16,718,081	-	112,447,186
2,271,641	70,512,432	54,396,331	22,837,500	19,384,886	-	385,272,309
\$ 2,271,641	\$ 70,512,432	\$ 54,398,201	\$ 22,837,500	\$ 23,518,107	\$ (33,583,817)	\$ 1,057,273,912

WYOMING COMMUNITY DEVELOPMENT AUTHORITY
DETAILED BALANCE SHEET

June 30, 2015

(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	Single Family Mortgage Warehousing Fund
ASSETS AND DEFERRED OUTFLOW OF RESOURCES				
Current Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 3,926,536
Investments	-	-	-	-
Interest receivable: Mortgage loans	-	-	-	66,202
Investments	-	-	-	22
Due from other funds	-	-	10,158,613	-
Accounts receivable and other assets	-	-	-	20
Total current assets	<u>-</u>	<u>-</u>	<u>10,158,613</u>	<u>3,992,780</u>
Noncurrent Assets				
Restricted cash and cash equivalents	-	60,437,375	11,066,968	-
Restricted investments	-	105,297,331	13,890,838	-
Restricted mortgage loans receivable, net	-	540,746,831	173,535,539	-
Restricted interest receivable: Mortgage loans	-	2,932,573	699,852	-
Investments	-	1,026,635	36,670	-
Restricted accounts receivable and other assets	-	656,480	76,958	-
Mortgage loans receivable, net	-	-	-	29,489,380
Deferred hedging costs of fixed-rate swaps	-	505,438	-	-
Deferred servicing costs, net	-	-	-	-
Property and equipment, net	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>711,602,663</u>	<u>199,306,825</u>	<u>29,489,380</u>
Total assets	<u>-</u>	<u>711,602,663</u>	<u>209,465,438</u>	<u>33,482,160</u>
Deferred Outflow of Resources				
Pension contributions	-	-	-	-
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflow of resources	<u>\$ -</u>	<u>\$ 711,602,663</u>	<u>\$ 209,465,438</u>	<u>\$ 33,482,160</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION				
Current Liabilities				
Bonds payable	\$ -	\$ 22,235,000	\$ 5,910,000	\$ -
Note payable	-	-	-	9,667,000
Accrued interest payable	-	1,184,801	456,498	78
Due to other funds	-	10,158,613	-	22,088,500
Accounts payable and other liabilities	-	228,379	48,771	56,167
Total current liabilities	<u>-</u>	<u>33,806,793</u>	<u>6,415,269</u>	<u>31,811,745</u>
Noncurrent Liabilities				
Bonds payable	-	494,530,968	184,224,893	-
Other deferred credits	-	2,241,036	438,107	-
Pension liability	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>496,772,004</u>	<u>184,663,000</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>530,578,797</u>	<u>191,078,269</u>	<u>31,811,745</u>
Deferred Inflow of Resources				
Derivative instrument liability	-	505,438	-	-
Total deferred inflow of resources	<u>-</u>	<u>505,438</u>	<u>-</u>	<u>-</u>
Net Position				
Invested in capital assets	-	-	-	-
Restricted	-	180,518,428	18,387,169	-
Unrestricted	-	-	-	1,670,415
Total net position	<u>-</u>	<u>180,518,428</u>	<u>18,387,169</u>	<u>1,670,415</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ -</u>	<u>\$ 711,602,663</u>	<u>\$ 209,465,438</u>	<u>\$ 33,482,160</u>

Multi-Family Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 5,591,976	\$ 4,369,664	\$ 5,308,541	\$ -	\$ 19,196,717
-	-	19,349,183	17,151,078	260,472	-	36,760,733
-	-	20,690	-	-	-	86,892
-	-	133,162	21,550	-	-	154,734
-	-	22,088,500	-	-	(32,247,113)	-
-	-	1,339	-	1,307,017	-	1,308,376
-	-	47,184,850	21,542,292	6,876,030	(32,247,113)	57,507,452
\$ 656,695	4,744,829	-	-	-	-	76,905,867
1,511,435	-	-	-	-	-	120,699,604
-	52,360,909	-	-	-	-	766,643,279
-	-	-	-	-	-	3,632,425
14,512	37	-	-	-	-	1,077,854
-	9,743,429	1,299	-	-	(48,755)	10,429,411
-	-	5,082,642	-	-	-	34,572,022
-	-	-	-	-	-	505,438
-	-	-	-	15,164,371	-	15,164,371
-	-	-	-	2,718,694	-	2,718,694
2,182,642	66,849,204	5,083,941	-	17,883,065	(48,755)	1,032,348,965
2,182,642	66,849,204	52,268,791	21,542,292	24,759,095	(32,295,868)	1,089,856,417
-	-	-	-	433,161	-	433,161
-	-	-	-	433,161	-	433,161
\$ 2,182,642	\$ 66,849,204	\$ 52,268,791	\$ 21,542,292	\$ 25,192,256	\$ (32,295,868)	\$ 1,090,289,578
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,145,000
-	-	-	-	-	-	9,667,000
-	-	-	-	-	-	1,641,377
-	-	-	-	-	(32,247,113)	-
-	240,861	1,760	-	1,663,001	(48,755)	2,190,184
-	240,861	1,760	-	1,663,001	(32,295,868)	41,643,561
-	-	-	-	-	-	678,755,861
-	-	-	-	-	-	2,679,143
-	-	-	-	2,441,532	-	2,441,532
-	-	-	-	2,441,532	-	683,876,536
-	240,861	1,760	-	4,104,533	(32,295,868)	725,520,097
-	-	-	-	-	-	505,438
-	-	-	-	-	-	505,438
-	-	-	-	2,718,694	-	2,718,694
-	66,608,343	-	-	-	-	265,513,940
2,182,642	-	52,267,031	21,542,292	18,369,029	-	96,031,409
2,182,642	66,608,343	52,267,031	21,542,292	21,087,723	-	364,264,043
\$ 2,182,642	\$ 66,849,204	\$ 52,268,791	\$ 21,542,292	\$ 25,192,256	\$ (32,295,868)	\$ 1,090,289,578

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

Year Ended June 30, 2016

(See Independent Auditor's Report)

	Bonds 1994 Indenture Fund	Mortgage Revenue Bonds 2009 Indenture Fund	Mortgage Warehousing Fund
Operating Revenues			
Mortgage interest	\$ 24,531,457	\$ 6,391,223	\$ 563,851
Investment interest income	4,022,097	498,131	246,400
Net change in fair value of investments	4,270,829	628,513	56,634
Fees and other income	-	-	818,823
Total operating revenue	<u>32,824,383</u>	<u>7,517,867</u>	<u>1,685,708</u>
Operating Expenses			
Interest expense	15,482,972	5,019,126	429,501
Servicer fees	1,998,528	560,586	59,750
Amortization of deferred servicing costs	-	-	-
Cost of issuance and other financing costs	2,195,376	14,686	-
Provision for (recapture of) loan losses	(284,544)	(763,421)	-
General and administrative	(175,013)	57,580	139,324
Total operating expenses	<u>19,217,319</u>	<u>4,888,557</u>	<u>628,575</u>
Operating income (loss)	<u>13,607,064</u>	<u>2,629,310</u>	<u>1,057,133</u>
Nonoperating Revenue (Expenses)			
Federal program income	-	-	-
Federal program expense	-	-	-
Nonoperating income	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers	13,607,064	2,629,310	1,057,133
Transfers in (out)	<u>(2,239,712)</u>	<u>239,712</u>	<u>-</u>
Net income (loss)	11,367,352	2,869,022	1,057,133
Net position, beginning of year	<u>180,518,428</u>	<u>18,387,169</u>	<u>1,670,415</u>
Net position, end of year	<u>\$ 191,885,780</u>	<u>\$ 21,256,191</u>	<u>\$ 2,727,548</u>

Multi-Family Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 223,990	\$ -	\$ -	\$ -	\$ 31,710,521
62,312	-	1,103,453	596,844	4,882	(409,270)	6,124,849
27,687	-	926,604	699,518	-	-	6,609,785
-	-	11,624	-	5,264,476	(2,618,926)	3,475,997
89,999	-	2,265,671	1,296,362	5,269,358	(3,028,196)	47,921,152
-	-	429	154	-	(409,270)	20,522,912
-	-	23,749	-	-	(2,618,926)	23,687
-	-	-	-	2,520,000	-	2,520,000
-	-	-	-	-	-	2,210,062
-	-	108,793	-	-	-	(939,172)
1,000	-	3,400	1,000	6,452,195	-	6,479,486
1,000	-	136,371	1,154	8,972,195	(3,028,196)	30,816,975
88,999	-	2,129,300	1,295,208	(3,702,837)	-	17,104,177
-	5,389,595	-	-	-	-	5,389,595
-	(1,485,506)	-	-	-	-	(1,485,506)
-	3,904,089	-	-	-	-	3,904,089
88,999	3,904,089	2,129,300	1,295,208	(3,702,837)	-	21,008,266
-	-	-	-	2,000,000	-	-
88,999	3,904,089	2,129,300	1,295,208	(1,702,837)	-	21,008,266
2,182,642	66,608,343	52,267,031	21,542,292	21,087,723	-	364,264,043
\$ 2,271,641	\$ 70,512,432	\$ 54,396,331	\$ 22,837,500	\$ 19,384,886	\$ -	\$ 385,272,309

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

Year Ended June 30, 2015

(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	Single Family Mortgage Warehousing Fund
Operating Revenues				
Mortgage interest	\$ -	\$ 27,170,347	\$ 7,743,616	\$ 492,973
Investment interest income	-	4,016,128	460,173	346
Net change in fair value of investments	-	1,671,307	532,875	-
Fees and other income	-	-	-	397,826
Total operating revenue	<u>-</u>	<u>32,857,782</u>	<u>8,736,664</u>	<u>891,145</u>
Operating Expenses				
Interest expense	-	17,308,127	6,013,409	7,346
Servicer fees	-	2,058,140	677,577	50,808
Amortization of deferred servicing costs	-	-	-	-
Cost of issuance and other financing costs	-	2,976,001	16,493	-
Provision for (recapture of) loan losses	-	21,603	(122)	-
General and administrative	-	(156,577)	58,328	114,207
Total operating expenses	<u>-</u>	<u>22,207,294</u>	<u>6,765,685</u>	<u>172,361</u>
Operating income (loss)	<u>-</u>	<u>10,650,488</u>	<u>1,970,979</u>	<u>718,784</u>
Nonoperating Revenue (Expenses)				
Federal program income	-	-	-	-
Federal program expense	-	-	-	-
Nonoperating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers	-	10,650,488	1,970,979	718,784
Transfers in (out)	<u>(49,958,908)</u>	<u>47,651,522</u>	<u>(6,357)</u>	<u>313,943</u>
Net income (loss)	<u>(49,958,908)</u>	<u>58,302,010</u>	<u>1,964,622</u>	<u>1,032,727</u>
Net position, beginning of year	<u>49,958,908</u>	<u>122,216,418</u>	<u>16,422,547</u>	<u>637,688</u>
Net position, end of year	<u>\$ -</u>	<u>\$ 180,518,428</u>	<u>\$ 18,387,169</u>	<u>\$ 1,670,415</u>

Multi-Family Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 247,279	\$ -	\$ -	\$ -	\$ 35,654,215
74,319	-	752,261	685,094	6,801	-	5,995,122
49,181	-	368,139	649,739	-	-	3,271,241
-	-	78,277	-	5,475,336	(2,761,674)	3,189,765
<u>123,500</u>	<u>-</u>	<u>1,445,956</u>	<u>1,334,833</u>	<u>5,482,137</u>	<u>(2,761,674)</u>	<u>48,110,343</u>
-	-	170	122	-	-	23,329,174
-	-	22,478	-	-	(2,761,674)	47,329
-	-	-	-	2,520,000	-	2,520,000
-	-	-	-	-	-	2,992,494
-	-	94,693	-	-	-	116,174
1,000	-	2,018	1,000	6,001,209	-	6,021,185
<u>1,000</u>	<u>-</u>	<u>119,359</u>	<u>1,122</u>	<u>8,521,209</u>	<u>(2,761,674)</u>	<u>35,026,356</u>
<u>122,500</u>	<u>-</u>	<u>1,326,597</u>	<u>1,333,711</u>	<u>(3,039,072)</u>	<u>-</u>	<u>13,083,987</u>
-	3,625,154	-	-	-	-	3,625,154
-	(1,818,284)	-	-	-	-	(1,818,284)
-	1,806,870	-	-	-	-	1,806,870
122,500	1,806,870	1,326,597	1,333,711	(3,039,072)	-	14,890,857
-	-	-	-	1,999,800	-	-
122,500	1,806,870	1,326,597	1,333,711	(1,039,272)	-	14,890,857
2,060,142	64,801,473	50,940,434	20,208,581	22,126,995	-	349,373,186
<u>\$ 2,182,642</u>	<u>\$ 66,608,343</u>	<u>\$ 52,267,031</u>	<u>\$ 21,542,292</u>	<u>\$ 21,087,723</u>	<u>\$ -</u>	<u>\$ 364,264,043</u>

This page is intentionally left blank