we make housing affordable™

Florida Housing
Finance Corporation

Independent Certified Public Accountants' Reports and Financial Statements with Supplemental Information

December 31, 2011

GOVERNOR

Rick Scott

BOARD OF DIRECTORS

Len Tylka, Chairman
Cliff Hardy, Vice Chairman

EXECUTIVE DIRECTOR

Stephen P. Auger

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FLORIDA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Florida)

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Report of Independent Certified Public Accountants

The Board of Directors of Florida Housing Finance Corporation

We have audited the accompanying basic financial statements of the Florida Housing Finance Corporation ("Florida Housing") (a component unit of the state of Florida) as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of Florida Housing's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of Florida Housing's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Florida Housing's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Housing as of December 31, 2011, and changes in financial position and cash flows for the year then ended in conformity with US generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2012 on our consideration of the Florida Housing's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States require that management's discussion and analysis on pages 4 through 10 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, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements referred to above. The accompanying supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Similarly, the accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ernst + Young LLP

May 29, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Florida Housing Finance Corporation (Florida Housing), we offer readers of Florida Housing's financial statements this narrative overview and analysis of Florida Housing's financial activities for the year ended December 31, 2011. This overview and analysis is required by accounting principles generally accepted in the United States and by Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

FINANCIAL HIGHLIGHTS

- As a result of operations in 2011, net assets increased $84.3 million to $2.0 billion as of December 31, 2011. This change consists of increases in bond programs ($90.8 million), and State and Federal programs ($0.5 million), with offsetting decreases in the Operating Fund ($6.4 million) and the subsidiary corporations ($0.6 million).

- Bonds outstanding, net decreased by $283.7 million to $4.1 billion in 2011. The overall decrease is comprised of decreases in single family bonds ($64.9 million) and multifamily bonds ($218.8 million).

- Loans receivable, net decreased by $22.8 million to $3.0 billion in 2011. The change consists of a net increase in State and Federal programs ($73.2 million), with offsetting decreases in the Operating Fund ($4.1 million), the Multifamily Housing Revenue bond programs ($91.1 million) and the single family bond programs ($0.8 million).

- The change in net assets for all programs and funds decreased $131.4 million from $215.7 million in 2010 to $84.3 million in 2011. This change consists of decreases in the State and Federal programs of $135.4 million, the Operating Fund of $10.3 million, and subsidiary corporations of $1.2 million, with offsetting increases in the bond programs of $15.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of two parts: Management's Discussion and Analysis and the Financial Statements. Florida Housing is a component unit of the state of Florida and follows enterprise fund reporting. Therefore, the financial statements are presented in a manner similar to that of a private business, using the economic resources measurement focus and the accrual basis of accounting.

The financial statements report information for all of Florida Housing's programs and operations. The *Balance Sheet* includes all of Florida Housing's assets and liabilities. The difference between assets and liabilities is presented as net assets, and is displayed in three components: capital assets; restricted net assets; and unrestricted net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of Florida Housing is improving or deteriorating. Included in the Balance Sheet are bonds issued by Florida Housing as conduit debt and, as such, both principal and interest are payable solely from the assets and income of the various programs which are pledged under the bond resolutions authorizing the particular issues. These issues do not constitute an obligation, either general or special, of Florida Housing, the state of Florida, or of any local government therein. Neither the faith, credit and revenues, nor the taxing power of the state of Florida or any local government therein shall be pledged to the payment of the principal or interest on the obligations. Net assets are restricted when external constraints are placed upon their use, such as bond indentures, legal agreements or statutes. Conduit debt and related assets reported on the balance sheet includes $4.7 billion in assets and $4.1 billion in net bonds payable as of December 31, 2011.

The *Statement of Revenues, Expenses, and Changes in Net Assets* identifies all of Florida Housing's revenues and expenses for the reporting period, distinguishing between operating and nonoperating activities. This statement measures Florida Housing's operations over the past year and can be used to determine whether Florida Housing has recovered all of its costs through mortgage loans, externally funded programs and other revenue sources.

The *Statement of Cash Flows* provides information about Florida Housing's cash receipts and cash payments during the reporting period. This statement reports cash transactions, including receipts, payments and net changes resulting from operations, noncapital financing, capital financing, and investing activities. This statement provides information regarding the sources and uses of cash and the change in cash during the reporting period.

The *Notes to the Financial Statements* provide additional information that is essential for understanding financial data that may not be displayed on the face of the financial statements and as such, are an integral part of Florida Housing's basic financial statements.

FINANCIAL ANALYSIS OF FLORIDA HOUSING

Balance Sheet

The following table summarizes the assets, liabilities, and net assets (in millions) as of December 31:

	2011	2010
Non-capital assets		
Current assets	$ 1,130.1	$ 1,330.5
Noncurrent assets		
Investments	2,394.1	2,454.3
Loans receivable, net	2,906.6	2,983.2
Deferred finance charges, net	18.7	16.9
Total non-capital assets	6,449.5	6,784.9
Capital assets, net	–	0.1
Total assets	$ 6,449.5	$ 6,785.0
Current liabilities	$ 403.9	$ 878.2
Noncurrent liabilities		
Notes payable, net	64.5	79.4
Bonds payable, net	3,765.1	3,712.7
Deferred fee income, net	73.0	71.3
Due to developers	123.2	87.0
Other liabilities	5.8	26.7
Total liabilities	4,435.5	4,855.3
Net assets		
Invested in capital assets	–	0.1
Restricted	1,904.1	1,810.9
Unrestricted	109.9	118.7
Total net assets	2,014.0	1,929.7
Total liabilities and net assets	$ 6,449.5	$ 6,785.0

Florida Housing's net assets increased by $84.3 million, or 4.4%, from the December 31, 2010 balance. This is largely due to $53.8 million in unrealized gains recorded to reflect the fair value of investments as of year-end, primarily mortgage-backed securities associated with Homeowner Mortgage Revenue Bond (Special Program) activity.

Total loans receivable, net (current and noncurrent) decreased $22.8 million in 2011. The largest components of this change were a decrease in mortgage loans outstanding in the Multifamily Mortgage Revenue bonds program, offset by an increase in the State and Federal Programs. Loans receivable in the Multifamily Mortgage Revenue bond program decreased by $91.1 million, to $1.8 billion, primarily due to properties refinancing out of the Florida Housing bond portfolio. Loans receivable in the State and Federal Programs increased by $73.2 million, to $1.1 billion, primarily in the State Apartment Incentive Loan (SAIL) Program, the Homeownership Assistance Program (HAP) for downpayment assistance, and the HOME Investment Partnerships Program (HOME).

Bonds payable, net (current and noncurrent) decreased $283.7 million, to $4.1 billion, in 2011. Single family bonds outstanding, including those issued under the federal New Issue Bond Program (NIBP), showed a net decrease of $64.9 million comprised of increases due to issuance and related premiums on the 2011 single family bonds ($260.0 million) and accreted interest on capital appreciation bonds ($0.2 million) offset by principal payments on bonds ($325.1 million). The $218.8 million net decrease in multifamily bonds outstanding is comprised of increases due to bond issuances ($51.1 million) and accreted interest on capital appreciation bonds ($0.4 million), offset by principal payments on bonds ($270.3 million). Included in the $270.3 million in multifamily bond principal repayments are early retirements of $248.9 million.

Net assets of the bond programs, State and Federal programs and a portion of the Operating Fund are classified as restricted because the uses of the funds are directed by trust indentures, state statute or federal regulations.

Florida Housing has designated all the unrestricted net assets in the Operating Fund, $110.0 million, for demonstration loans and associated costs, support of the single family bond program, support of the Guarantee Program portfolio, and future operating and capital expenditures, including the funding of compliance monitoring for housing credit developments in the early history of Florida Housing from which partial or no monitoring fees were collected.

Statements of Revenues, Expenses, and Changes in Net Assets

The following table summarizes the revenues, expenses, and changes in net assets (in millions) for the years ended December 31:

	2011	2010
Operating revenues		
Interest on loans	$ 98.3	$ 99.6
Investment income	162.9	165.3
Federal program administrative fees	10.4	2.1
Recovery of claims	0.9	25.8
Other income	23.8	31.1
Total operating revenues	296.3	323.9
Operating expenses		
Interest expense	161.3	173.8
Payments to other governments	27.7	1.4
Provision for uncollectible loans	40.3	40.6
Claims expense	–	9.0
General and administrative expenses	47.4	41.5
Total operating expenses	276.7	266.3
Nonoperating revenues (expenses)		
Federal and state program revenue	346.8	422.4
Federal and state program expenses	(282.2)	(330.3)
State documentary stamp tax revenue	175.5	161.8
Transfers to state agencies	(175.4)	(95.8)
Net nonoperating revenues	64.7	158.1
Change in net assets	$ 84.3	$ 215.7

Investment income decreased $2.4 million in 2011. The overall decrease was comprised of a decrease in investment income for the Operating Fund ($2.8 million), the State and Federal programs ($4.6 million), and the multifamily bond program ($3.3 million), with an offsetting net increase in investment income for the single family bond programs ($7.6 million) and the

Guarantee Program ($0.7 million). Unrealized gain on investments in 2011 was $53.8 million, compared to a $48.4 million unrealized gain recorded in 2010. Actual income earned from investments decreased $8.6 million from 2010, a result of the continued low interest rates on investments.

Total operating expenses increased $10.4 million, to $276.7 million in 2011. Components of the increase include increases in the payment of State Housing Initiatives Partnership (SHIP) funds to local governments ($26.2 million) and general and administrative expenses ($6.0 million). These are offset by decreases in interest expense ($12.5 million), claims expense in the Guarantee Program ($9.0 million), and provision for uncollectible loans ($0.3 million). The decrease in bond interest expense is due to the timing of bond issuances and redemptions throughout 2011. The Guarantee Fund had one claim in 2010 and none in 2011, explaining the decrease in claims expense.

Net nonoperating revenues decreased $93.4 million, to $64.7 million in 2011. Components of the decrease include decreased revenues related to federal programs, primarily the Tax Credit Assistance Program (TCAP); and an increase in required transfers to the state; offset by an increase in documentary stamp tax revenue.

For the bond programs, loan related interest earnings ($82.5 million) and investment income ($154.9 million) are the primary components of total revenues. Bond interest expense ($161.3 million) is the largest expense item.

Florida Housing’s revenues in the Operating Fund were primarily generated from issuer fees ($7.8 million), investment income ($2.8 million), and administrative fees for federal programs ($10.4 million). General and administrative expenses ($25.2 million), which include operating expenses and program administration (credit underwriting, servicing, and monitoring), comprise the bulk of expenses in the Operating Fund.

Revenue from federal and state programs of $346.2 million makes up the majority of the revenues in the State and Federal programs. Federal and state program expenses ($280.4 million) and transfers to state agencies ($175.4 million) are the largest components of expenses. The decrease in federal and state program revenue ($75.8 million), the decrease in federal and state program expenses ($47.5 million), the increase in transfers to state agencies ($79.6 million), and the increase in payments to other governments ($26.3 million) are primarily responsible for the decrease in the change in net assets in the State and Federal programs.

DEBT ADMINISTRATION

At year-end, Florida Housing had total bonded debt outstanding of $4.1 billion, net of discounts. This represents a net decrease of $283.7 million during 2011, resulting from the issuance of bonds and premiums ($311.1 million) and accreted interest on capital appreciation bonds ($0.6 million), offset by principal payments and refunding on bonds ($595.4 million). All bonds issued in the First Time Homebuyer Program are backed by Federal National Mortgage Association (Fannie Mae), Government National Mortgage Association (Ginnie Mae) or Federal Home Loan Mortgage Corporation (Freddie Mac) securities and have maintained their AAA – AA ratings. More detailed information about Florida Housing’s debt is presented in Note 10 to the financial statements.

OTHER FINANCIAL INFORMATION

Florida's economy and its housing market improved in 2011 but continue to face risks for their recovery. The following information is based on reports entitled "Florida: An Economic Overview", published throughout each year by the Florida Legislature, Office of Economic and Demographic Research, the most recent of which is dated May 1, 2012. The overarching statement from the latest reports is that the economy is slowly recovering. Florida's economy began to show signs of recovery in 2011. To support this conclusion, the reports cite an improving unemployment rate, growth in per capita personal income, and growth in Florida's population. The latest report states that the housing market in Florida is "generally improving". It describes home sales as "still sputtering" and notes approximately a two year inventory, at current sales prices, of homes in foreclosure. However, the report mentions the following as factors that will help clear the market: low home prices that begin to attract buyers; long-run sustainable demand caused by continued population growth and household formation; and Florida's unique demographics and the aging of the baby-boom generation (2011 marks the first wave of boomers hitting retirement). The report notes that the national economy, which is still in recovery, and the Eurozone economy remain as risks to Florida's economic recovery.

In addition to the various federally administered initiatives designed to improve the residential real estate market, Florida was awarded just over $1 billion in the U.S. Treasury's Housing Finance Agency Innovation Fund for the Hardest-Hit Housing Markets (Hardest Hit Fund). After a pilot in one county in late 2010, this program launched statewide in April 2011.

Florida Housing's single family loans are fixed rate mortgages for homebuyers within a programmatically defined income bracket and which require homebuyer education before loan closing. While these requirements have helped keep Florida Housing's foreclosure rate below the state average, there has been an increase in foreclosure activity in this portfolio as well. At December 31, 2011, approximately 7% of the outstanding loans in the whole loan portfolio were in foreclosure. Whole loans make up less than 7% of the combined whole loan and mortgage-backed security (MBS) portfolio. Florida Housing is not at financial risk for foreclosures in the MBS portion of the portfolio as these are fully guaranteed as to timely payment of principal and interest by Ginnie Mae, Fannie Mae or Freddie Mac.

While the properties enhanced by Florida Housing's Guarantee Program are not immune to the impact of the recent changes in the financial and real estate markets, there has been a slowdown in foreclosure activity. Florida Housing's Guarantee Program sold the final two foreclosed properties in early 2011. These were HUD Risk Sharing program developments which mitigates the loss to the Guarantee Program. The overall recovery rate on the foreclosures was just over 86%. There are no new claims and no pending claims in the Guarantee Program.

At the end of 2009, the Guarantee Program refinanced all of its outstanding capitalizing bonds, $156.2 million, replacing them with a loan. Although principal payments are not scheduled to begin until 2013, payments of $105.2 million have reduced the outstanding debt to $51.0 million. Florida Housing is actively exploring options for repayment or replacement of the remaining balance. The Guarantee Program maintains a leveraging ratio under the 5:1 maximum established by the Board.

The Board-approved operating budget of $17.9 million, exclusive of direct Hardest Hit Fund expenses, which are fully funded by that program, was adequate to fund operations. Actual operating expenses of $14.5 million were 18.7% less than the total approved budget.

The 2011 legislature eliminated the Department of Community Affairs, transferring many of its duties to other agencies. As of October 1, 2011 Florida Housing is functionally related to the newly created Department of Economic Opportunity with no change in its current structure. The Executive Director of the new department, or a senior-level designee, sits on Florida Housing's Board of Directors as an ex-officio voting member. As part of the legislature's economic initiatives, a new trust fund, the State Economic Enhancement and Development (SEED) Trust Fund was established to provide a flexible source of funding for infrastructure, job creation opportunities, transportation facilities, affordable housing programs, workforce training, tourism promotion and other economic development opportunities. Beginning in state fiscal year 2012-2013, a total of $75 million of documentary stamp tax revenue per year, subject to any transfer required for the Guarantee Fund, will be transferred to the SEED trust fund from the affordable housing trust funds.

The budget approved by the legislature for state fiscal year 2012-2013 did not include any appropriations for Florida Housing's programs, but did require $189.5 million, the total estimated deposits, to be transferred from the housing trust funds to the state's General Revenue Fund.

During 2011, the U.S. Treasury extended its New Issue Bond Program into 2012. Florida Housing used all its remaining Single Family authority, $262.2 million, during 2011. At December 31, 2011, Florida Housing had remaining funds held in escrow by the U.S. Treasury of $46.5 million for multifamily bonds.

The initial tax-exempt bond allocation for 2012 is $428.2 million, an increase of $6.0 million from the 2011 initial allocation. The per capita allocation remained $95 in 2012; Florida's increased population accounted for the larger 2012 allocation.

Please contact Barbara E. Goltz, Chief Financial Officer, at (850) 488-4197 with your comments, questions or requests for additional information.

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FINANCIAL STATEMENTS

FLORIDA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Florida)

BALANCE SHEET
AS OF DECEMBER 31, 2011

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	444,157,924
Investments, net		498,807,114
Interest receivable on investments		9,972,915
Interest receivable on loans		17,540,684
Loans receivable, net		139,472,413
Deferred finance charges, net		2,237,656
Documentary stamp taxes receivable		15,277,645
Property held for sale		462,400
Other assets		2,143,291
Total current assets		1,130,072,042
NONCURRENT ASSETS		
Investments, net		2,394,098,555
Loans receivable, net		2,906,604,807
Deferred finance charges, net		18,724,187
Capital assets, net		33,251
Total noncurrent assets		5,319,460,800
TOTAL ASSETS	$	6,449,532,842
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other liabilities	$	26,537,518
Accrued interest payable		61,833,949
Accrued arbitrage rebate		262,982
Collateralized bank loan		8,810,000
Notes payable, net		141,499
Bonds payable, net		302,443,528
Deferred fee income, net		3,963,433
Total current liabilities		403,992,909
NONCURRENT LIABILITIES		
Notes payable, net		64,421,741
Bonds payable, net		3,764,959,421
Deferred fee income, net		73,038,318
Due to developers		123,213,409
Other liabilities		5,787,548
Total noncurrent liabilities		4,031,420,437
Total liabilities		4,435,413,346
NET ASSETS		
Invested in capital assets		33,251
Restricted		1,904,143,840
Unrestricted		109,942,405
Total net assets		2,014,119,496
TOTAL LIABILITIES AND NET ASSETS	$	6,449,532,842

The accompanying notes to the financial statements are an integral part of these statements.

FLORIDA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Florida)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2011

OPERATING REVENUES	
Interest on loans	$ 98,308,686
Investment income	162,943,007
Federal program administrative fees	10,442,107
Recovery of claims	944,611
Other income	23,843,449
Total operating revenues	296,481,860
OPERATING EXPENSES	
Interest expense	161,297,779
Payments to other governments	27,654,196
Provision for uncollectible loans	40,302,954
General and administrative	47,486,782
Total operating expenses	276,741,711
OPERATING INCOME	19,740,149
NONOPERATING REVENUES (EXPENSES)	
Federal and state program revenue	346,780,197
Federal and state program expense	(282,220,050)
State documentary stamp tax revenue	175,525,092
Transfers to state agencies	(175,435,339)
Net nonoperating revenues	64,649,900
CHANGE IN NET ASSETS	84,390,049
NET ASSETS	
Beginning of year	1,929,729,447
End of year	$ 2,014,119,496

The accompanying notes to the financial statements are an integral part of these statements.

FLORIDA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Florida)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Interest received on conduit debt fund investments	$ 97,247,552
Cash received from interest on loans receivable	100,240,446
Cash received from principal payments on loans receivable	271,721,678
Cash received for federal program administrative fees	10,834,225
Cash received from other revenues	23,485,754
Cash payments for issuance of loans and federal programs	(248,182,640)
Interest paid on conduit debt fund bonds	(160,246,817)
Cash payments for operating expenses	(44,138,601)
Payments to other governments	(57,723,774)
Net cash received from operation of foreclosed properties	1,016,505
Proceeds from disposition of property held for sale	26,135,113
NET CASH PROVIDED BY OPERATING ACTIVITIES	20,389,441
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from issuance of notes	112,955
Proceeds from issuance of bonds	315,485,560
Principal payments on notes	(105,333,678)
Principal payments on bonds	(596,429,686)
Interest paid	(4,172,511)
Payment of bond issuance costs	(3,969,817)
Payments on collateralized bank loan	(17,465,000)
Cash received for federal and state programs	39,736,022
State documentary stamp tax receipts	173,853,259
Transfers to state agencies	(175,435,339)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(373,618,235)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(2,213,117,583)
Proceeds from the sale and maturity of investments	2,188,198,990
Interest received on investments	9,942,338
NET CASH USED BY INVESTING ACTIVITIES	(14,976,255)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(368,205,049)
CASH AND CASH EQUIVALENTS	
Beginning of year	812,362,973
End of year	$ 444,157,924

The accompanying notes to the financial statements are an integral part of these statements.

FLORIDA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Florida)

STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$	19,740,149
Adjustments to reconcile operating income to net cash provided by operating activities		
Fair value of investments		(53,832,356)
Accreted interest on capital appreciation bonds		627,339
Provision for loan losses		41,798,642
Amortization and depreciation		(10,840,052)
Interest received on investments		(9,942,338)
Interest paid		4,172,511
Disposition of property held for sale		26,085,310
Changes in assets and liabilities which provided (used) cash		
Interest receivable on investments		59,029
Interest receivable on loans		2,188,940
Loans receivable		(13,764,936)
Other assets		(1,501,887)
Accounts payable and other liabilities		(28,163,085)
Accrued interest payable		(2,519,436)
Accrued arbitrage rebate		(948,169)
Deferred fee income		10,991,148
Due to developers		36,238,632
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	20,389,441

The accompanying notes to the financial statements are an integral part of these statements.

1. REPORTING ENTITY

The Florida Housing Finance Corporation (Florida Housing) was created by Chapter 420, Part V, Florida Statutes as a public corporation. On January 1, 1998, Florida Housing assumed all the rights, responsibilities, and obligations of its predecessor, the Florida Housing Finance Agency (the Agency).

In 1980, the Agency, a public body corporate and politic with no taxing power, was established as a state agency within the Florida Department of Community Affairs by the Florida Housing Finance Agency Act (the Act). The Agency was created to finance housing for low, moderate, and middle income persons. Under the Act, the Agency was authorized to borrow money through the issuance of bonds, notes, or other obligations to finance multifamily housing developments and single family residential housing. The 2011 Legislature eliminated the Department of Community Affairs; Florida Housing is now administratively associated with the newly created Department of Economic Opportunity.

Florida Housing is a discretely presented component unit of the state of Florida for financial reporting purposes. The accompanying component unit financial statements present the financial position, changes in financial position, and cash flows of the proprietary fund, which includes all programs controlled by Florida Housing.

In July 2008, Florida Housing formed FHFC II, Inc. and in July 2009 added FHFC III, Inc. Both are wholly-owned subsidiaries established for the charitable, non-profit purpose of taking title to, managing and disposing of property acquired by Florida Housing from time to time through any of Florida Housing's programs.

Based on the criteria in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, Florida Housing has determined that, except for the blended activity of FHFC II and FHFC III, there are no other entities that meet the criteria for inclusion in Florida Housing's financial statements.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, Florida Housing has elected not to adopt any Financial Accounting Standards Board (FASB) Statements issued after November 30, 1989, unless so directed by the GASB.

Bonds issued by Florida Housing (other than the Guarantee Program capitalizing bonds) are conduit debt and are payable, both as to principal and interest, solely from the assets and income of the various programs which are pledged under the resolutions authorizing the particular issues. These issues do not constitute an obligation, either general or special, of Florida Housing, the state of Florida, or of any local government therein. Neither the faith, credit and revenues, nor the taxing power of the state of Florida or any local government therein shall be pledged to the payment of the principal or interest on the obligations. Conduit debt outstanding, net of unamortized premium and discount, was $4.1 billion as of December 31, 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Florida Housing's financial statements have been prepared in conformity with accounting principles generally accepted in the United States as applied to governmental units engaged in business-type activities. The significant accounting policies of Florida Housing are described below.

Basis of Presentation – Florida Housing accounts for its activities through the use of an enterprise fund. An enterprise fund is used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Florida Housing's accounting records are organized using subfunds to account separately in the general ledger for the bond programs, Guarantee Program, certain state and federally funded programs, subsidiary corporations and the operations of Florida Housing. The operations of each subfund are accounted for within a separate set of self-balancing accounts recording cash and other financial resources, together with related liabilities, net assets, revenues, expenses, and transfers.

Basis of Accounting – Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The financial statements are prepared on the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when incurred, regardless of the timing of related cash flows.

Financial Statement Presentation – Florida Housing distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with Florida Housing's ongoing operations. The principal operating revenues of Florida Housing are interest income on loans, investment income, federal program administrative fees and recovery of claims. Operating expenses include interest expense, provision for uncollectible loans and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents – Florida Housing considers all uninvested amounts to be cash and all investments with an original maturity of three months or less to be cash equivalents.

Investments – Investments are stated at fair value, which is based on quoted market prices. Fair value of Florida Housing's share of the state investment pool is determined by the fair value per share of the pool's underlying portfolio. Florida Housing's guaranteed investment contracts are considered non-participating and are therefore recorded at cost.

Loans Receivable – Loans receivable are carried at their uncollected principal balances. Servicing of most loans is provided by various servicing organizations on behalf of Florida Housing. Servicing costs on single family bond loans are recorded as a reduction of interest income. Such costs range from 0.24% to 0.32% annually of the unpaid principal balance of the loans.

Allowance for Loan Losses – The determination of the allowance for loan losses is based on an evaluation of the loan portfolio, current economic conditions, and other factors relevant to a determination of the collectability of the loans and reflects an amount which, in management's judgment, is adequate to provide for potential losses. Adjustments to the allowance for loan losses are made by provisions charged to current operations.

Deferred Finance Charges and Bond Discounts and Premiums – In connection with the issuance of Florida Housing's bonds, certain related costs are deferred and amortized over the life of the related issue using the effective interest method. Discounts and premiums on bonds payable are amortized over the life of the related issue using the effective interest method.

Property Held for Sale – Property held for sale arises from foreclosures on multifamily properties pledged as collateral on mortgage loans. The property is recorded at the lower of cost or fair value less estimated selling costs at the date of foreclosure and is adjusted, if necessary, at year end.

Capital Assets – Capital assets are stated at cost less accumulated depreciation. Florida Housing capitalizes assets with an initial cost of $5,000 or more. Depreciation on capital assets is computed using the straight-line method over the estimated useful lives, which range from three to ten years, depending on the asset. When assets are retired or otherwise disposed, the costs and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the results from operations in the period of disposal.

Compensated Absences – Employees earn the right to be compensated during absences for annual and sick leave. Within the limits of Florida Housing's policy, unused annual leave benefits will be paid to all eligible employees upon separation of service. Also, within the limits of Florida Housing's policy, eligible executive staff members are paid for unused sick leave benefits upon separation. The cost of annual and sick leave benefits are accrued in the period they are earned. The compensated absences amounts are based on current salary rates and are included in accounts payable and other liabilities.

Interest Income – Interest on mortgage loans and investments is recorded as income when earned. Interest income is recorded net of fees.

Fee Income – Through 2001, in connection with the financing of single family mortgage loans, Florida Housing charged a nonrefundable fee to participating lenders for the purpose of securing a commitment for permanent mortgage loans for single family units equal to 0.5% to 3.0% of the principal balance of loan participation commitments. Such fees were deferred and are amortized over the life of the loans using the straight-line method, which approximates the effective interest method. Loans are presented net of deferred fees. Certain administrative and monitoring fees collected under the various programs are deferred and amortized over the life of the loan or set-aside period.

Claims Expense and Recoveries – Claims expense is recorded in the Guarantee Program when payment is made on the associated bonds. If the claim is made under the U.S. Department of Housing and Urban Development (HUD) Risk Sharing Program, the expense is only the Guarantee Program's portion as the claim is shared equally with HUD. Recoveries are recorded at the time of foreclosure, when title to the property passes to Florida Housing and are adjusted upon sale of the property and final settlement with HUD.

Activity from the operation of the foreclosed property is included in operating revenues and expenses in the subsidiary holding title to the property.

Related Party Transactions – Board members are prohibited from participation in Florida Housing's programs during and for two years following their board terms.

New Accounting Pronouncements – The GASB has issued the following statements that will be implemented in accordance with required effective dates. Unless otherwise stated below, they are not expected to have a material effect on Florida Housing's financial statements.

Statement of Governmental Accounting Standards No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, issued December 2009. Part of this statement was effective when issued in 2009 and did not have an effect on Florida housing's financial statements. The remainder of this statement is effective for periods beginning after June 15, 2011.

Statement of Governmental Accounting Standards No. 60, *Accounting and Financial Reporting for Service Concession Arrangement*, issued November 2010. This statement is effective for periods beginning after December 15, 2011.

Statement of Governmental Accounting Standards No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, issued November 2010. This statement is effective for periods beginning after June 15, 2012.

Statement of Governmental Accounting Standards No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued December 2010. This statement is effective for periods beginning after December 15, 2011.

Statement of Governmental Accounting Standards No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued June 2011. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources; it will impact the presentation of the balance sheet and the statement of revenues, expenses and changes in net assets. This statement is effective for periods beginning after December 15, 2011.

Statement of Governmental Accounting Standards No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*, issued June 2011. This statement is effective for periods beginning after June 15, 2011.

Statement of Governmental Accounting Standards No. 65, *Items Previously Reported as Assets and Liabilities*, issued March 2012. This statement is effective for periods beginning after December 15, 2012.

Statement of Governmental Accounting Standards No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, issued March 2012. This statement is effective for periods beginning after December 15, 2012.

3. DESCRIPTION OF PROGRAMS

Operating – Florida Housing's Operating Fund, which includes the operating subfund and the bond management subfund, collects program fees from the various bond issues, housing credit fees, and administrative fees associated with federal and state housing programs. Expenses are those incurred in operating Florida Housing and the administration of its various programs.

Subsidiary Corporations – Both FHFC II and FHFC III were created to take title to, manage, and dispose of property acquired by Florida Housing through its various programs. These funds are not restricted; however, the proceeds from the operation and sale of properties within these entities generally flow back to the program through which the property was acquired.

The various bond programs of Florida Housing are as follows:

Single Family Home Ownership Program – The Single Family Home Ownership Program includes private placements made to Fannie Mae, the GNMA Collateralized Home Ownership Mortgage Revenue Program, and the GNMA–Fannie Mae Home Ownership Revenue Program. The bond proceeds were committed by Florida Housing to purchase mortgage backed securities to the extent mortgage loans were originated by participating lenders under this program. The mortgage loans provided single family residences for persons of low to middle income within the state of Florida.

First Time Homebuyer Program – Florida Housing utilizes proceeds from the issuance of revenue bonds to purchase 30-year, fixed rate mortgage loans originated by private lenders under this program. Under the current program, these loans are securitized into mortgage backed securities. Eligible borrowers must meet certain criteria, such as the first time homebuyer requirement, credit worthiness and an income level not to exceed program limits. Bonds are issued from two indentures for this program.

Single Family Homeowner Mortgage Revenue Bond – This bond indenture began in 1995 and continues to add issues as needed to ensure the continued availability of funds for the First Time Homebuyer Program. Certain bond issues have been refunded with subsequent bond issues under the indenture.

Homeowner Mortgage Revenue Bonds (Special Program) **–** These bonds were issued under the federal New Issue Bond Program (NIBP) implemented in 2009 by the U.S. Treasury and HUD as a short term response to the credit and liquidity crises that made tax exempt bonds difficult to use for affordable housing programs. NIBP lowers the debt service costs on tax exempt bonds by providing for the federal purchase of 60 percent of the issue. The remaining 40 percent is sold at market rates. Florida Housing received a total of $547.2 million for single family bonds under this program. The authority to issue new NIBP bonds terminates on December 31, 2012; however, Florida Housing exhausted its allocation in 2011.

Multifamily Mortgage Revenue Bond Programs – Due to the similarity of program operations, the multifamily bond programs are presented as one program.

Multifamily Mortgage Revenue Bond Program – The Multifamily Mortgage Revenue Bond Program issues Multifamily Mortgage Revenue Bonds to finance the construction or acquisition of multifamily housing developments located in the state of Florida and intended for occupancy in part by persons of low, moderate, or middle income. Certain bond issues have been refunded with subsequent bond issues under the program.

Multifamily Floating Rate Monthly Bonds – The Multifamily Floating Rate Monthly bonds were issued to make multifamily loans to finance the acquisition and construction of multifamily rental housing developments located in the state of Florida and intended for occupancy in part by persons of low, moderate, and middle income. Principal and interest on the bonds are payable from mortgage loan payments and other sources of funds including letters of credit.

Multifamily New Issue Bond Program – Florida Housing was awarded $248.5 million in authority for multifamily bonds under the New Issue Bond Program (NIBP). As with the Single Family NIBP described above, the program provides for a lower cost of borrowing through the federal purchase of tax exempt bonds at below market rates. Under the Multifamily NIBP, 100% of the bonds are purchased through this federal program. On November 23, 2011, the U.S. Treasury made a number of changes to the program. Treasury extended the deadline for the release of escrowed NIBP funds to December 31, 2012, increased the number of permitted releases, changed the calculation for the permanent bond rate, and added new program fees.

Florida Housing administers the following programs and initiatives funded at the federal and state level to provide affordable housing to Florida's low and moderate income families:

State Housing Trust Fund Programs – The State Housing Trust Fund was created to provide a stable source of funding for affordable housing in Florida. Through an increased documentary stamp tax implemented in 1992, the trust fund provides funding for homeownership and rental housing through regular Florida Housing programs, for technical assistance and for the Affordable Housing Study Commission. Funds from the State Housing Trust Fund may also be used as match for federal programs and to support the Guarantee Program. In 2010 and 2011 all funds in the State Housing Trust Fund were transferred to the state's general revenue fund as directed by the Legislature.

Florida Homeownership Assistance Program – The Florida Homeownership Assistance Program (HAP) was created, as part of the State Housing Incentive Partnership Act of 1988, for the purpose of assisting low-income persons in purchasing a home by reducing the amount of down payments and closing costs.

The Florida Assist Program provides HAP funds to low-income homebuyers for down payments and closing costs. These non-interest bearing, nonamortizing second mortgage loans are used with the Single Family Homeowner Mortgage Revenue Bond Program.

The Homeownership Pool (HOP) Program was created to match qualified homebuyers with purchase assistance. The HOP Program is an ongoing, noncompetitive program that allows developers to reserve funds for eligible homebuyers to provide non-interest bearing, nonamortizing deferred second mortgage loans on a first come, first served basis.

State Apartment Incentive Loan Program – The State Apartment Incentive Loan (SAIL) Program provides low-interest loans on a competitive basis to developers of affordable rental housing. SAIL funds are available to developers, including individuals, public entities, and nonprofit or for-profit organizations to provide gap financing for the construction or substantial rehabilitation of multifamily units. Special consideration is given to properties that target demographic groups such as the elderly, homeless people, farmworkers, and commercial fishing workers.

A portion of the SAIL Program funding is set aside for the Elderly Housing Community Loan (EHCL) Program. Up to $750,000 per loan is available to make substantial improvements to existing affordable elderly housing.

Predevelopment Loan Program – The Predevelopment Loan Program (PLP) assists nonprofit and community-based organizations, local governments, and public housing authorities with planning, financing, and developing affordable housing. Eligible organizations may apply for a loan of up to $750,000 for predevelopment activities such as rezoning, title searches, legal fees, impact fees, administrative costs, soil tests, engineering fees, appraisals, feasibility analyses, audit fees, earnest money deposits, insurance fees, commitment fees, administrative costs, marketing expenses, and acquisition expenses. Technical assistance is also provided.

State Housing Initiatives Partnership Program – The State Housing Initiatives Partnership (SHIP) Program was created in 1992 as part of the William E. Sadowski Affordable Housing Act. This program provides funds to all 67 counties and 52 entitlement cities on a population-based formula as an incentive to produce and preserve affordable housing for very low, low and moderate income families. The minimum allocation per county is $350,000 and at least 65% of funds must be used for homeownership. Under their Local Government Housing Assistance Plans, counties and eligible cities may fund such strategies as emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, property acquisition, matching dollars for federal programs and homeownership counseling.

Rental Recovery Loan Program – The Rental Recovery Loan Program (RRLP) was created by the 2005 Legislature to facilitate the production of additional affordable rental housing stock in areas impacted by the 2004 hurricanes. Funds were made available to affordable housing developers in 2005 and 2006 as a means of leveraging existing federal rental financing programs, such as Multifamily Mortgage Revenue Bonds and Housing Credits.

Affordable Housing Guarantee Program – The Guarantee Program was created to encourage affordable housing lending activities through the issuance of guarantees on obligations incurred in obtaining financing for affordable housing. The program does not directly provide funds for developments; rather it facilitates such efforts by reducing lender risk through the issuance of guarantees on mortgage loans. The program issued commitments to guarantee obligations for both single family homes and multifamily developments. In March 2009, the Board of Directors suspended issuance of additional guarantees by the Guarantee Program due to adverse market conditions. The suspension remains in effect today. Documentary stamp tax collections deposited to the State Housing Trust Fund support the Guarantee Program's capitalizing debt, which totaled $51.0 million at December 31, 2011. If payment of the obligations from amounts on deposit in the Guarantee Program will result in a downgrade in the Program's claims payment ratings, documentary stamp taxes distributed to the State Housing Trust Fund are to be used if either of the following conditions exist: a) there is a certified projected deficiency in the debt service reserve account or b) the program has statutory authority to utilize up to 50% of the amounts distributed to the State Housing Trust Fund during the ensuing state fiscal year for claims payment obligations.

The Guarantee Program's potential loss is limited to the amount of its outstanding guarantees. In order to mitigate risk inherent in the program's portfolio of guarantees, the Guarantee Program participates in the Department of Housing and Urban Development (HUD) Risk Sharing Program. On November 9, 1994, Florida Housing and HUD entered into a Risk Sharing Agreement providing for HUD's assumption, or endorsement, of 50% of the Guarantee Program's post-construction obligation on specific multifamily developments financed by Florida Housing or local housing finance authority bonds. As of December 31, 2011, total participation under the Risk Sharing Program consisted of 53 guarantees totaling $305.3 million.

As required by the HUD Risk Sharing Program, and in accordance with Section 24 CFR 266.110(b), a percentage of funds on deposit in the Guarantee Program is segregated from the corpus in a dedicated account, the HUD Dedicated Risk Account, as a reserve to offset future potential claims in connection with guarantees issued under the HUD Risk Sharing Program. As of December 31, 2011, the balance of the HUD Dedicated Risk Account was $7.5 million.

As of December 31, 2011, outstanding risk totaled $578.8 million, including $305.3 million under the HUD Risk Sharing Program.

HOME Investment Partnerships Program – The HOME Investment Partnerships Program and the HOME Disaster Relief Program, (collectively referred to as HOME) were established pursuant to HUD Regulations, 24 CFR Part 92 (1992). HOME funds are available to eligible housing providers and individuals in the form of loans, interest subsidies, and other forms of investment approved by Florida Housing.

Other programs administered by Florida Housing:

Housing Credit Program – The Housing Credit Program provides qualified owners and developers of rental property a federal income tax credit for providing low income rental housing. The U.S. Treasury has authorized Florida Housing to allocate the tax credits within the state of Florida with the stipulation that 10% of the total annual allocation be disbursed to nonprofit organizations. The program was permanently extended by Congress in 1993.

For the year 2011, Florida Housing allocated $34.4 million in housing credits, including returned credits.

In 2009, the American Recovery and Reinvestment Act (ARRA) created Cash Assistance to States for Low Income Housing Projects in Lieu of Low Income Housing Tax Credits for 2009, also referred to as the Tax Credit Exchange Program (TCEP), to be administered by the U.S. Treasury. Under this program, housing credit allocating agencies “exchanged” a portion of their 2009 Housing Credit allocation, as well as previously awarded and returned Housing Credits, for cash grants that were used to replace the Housing Credit equity lost to affordable rental developments as a result of adverse market conditions. Florida Housing exchanged $68.2 million credits for $580.1 million in TCEP funds which was used to fund loans to properties in the program. Florida Housing allocated most of these funds through the request for proposals process in 2009 and 2010. During 2011, Florida Housing disbursed $264.1 million in TCEP funds.

Florida Housing also disbursed $11.0 million through another ARRA program, the Tax Credit Assistance Program (TCAP), during 2011. This federal stimulus funding was directed to rental developments that had already received a Housing Credit allocation but required additional funding due to limited equity available in the housing credit market.

Hardest Hit Fund – In February 2010, the federal government announced the Housing Finance Agency Innovation Fund for the Hardest-Hit Housing Markets (Hardest Hit Fund), a new program for the five states hit hardest by foreclosures, housing price declines and unemployment. Florida was one of these states and received $418 million. The program was subsequently expanded twice, with additional states and funding added each time. Florida’s final share of these funds totals slightly more than $1 billion. Two primary strategies have been approved by Treasury. The *Unemployment Mortgage Assistance Program* provides funds to make first mortgage payments to mortgage servicers on behalf of unemployed or underemployed borrowers. The *Mortgage Loan Reinstatement Program* is used to bring a delinquent mortgage current for a homeowner who has returned to work or recovered from unemployment/underemployment. A pilot was launched in Lee County in October 2010, with a statewide rollout in April 2011. The program runs through 2017.

Demonstration Loans – Demonstration loans provide the opportunity for developers of special needs housing to access funding that is not available through other Florida Housing programs. The specific requirements, loan amounts, and terms are generally determined through the development of a Request for Proposal when special needs housing is identified and funds are available.

Subordinate Mortgage Initiative – In 2009, Florida Housing implemented an initiative to provide limited financial assistance to eligible properties that are credit enhanced by the Guarantee Program. These short-term loans are intended to provide temporary assistance in funding first mortgage debt service obligations for up to two years. These subordinate loans are forgivable if the properties are successful in refinancing their mortgages and exit the Guarantee Program within five years.

Legislative Initiatives – From time to time, Florida Housing receives appropriations for pilot programs or programs that target a specific segment of the affordable housing spectrum such as the Community Workforce Housing Innovation Pilot program for workforce housing and the Preservation Pilot Program to provide short term bridge loans to further the preservation of affordable housing.

4. CASH AND CASH EQUIVALENTS

As of December 31, 2011, Florida Housing had the following cash and cash equivalents:

	Credit Rating	Fair Value
Cash	–	$ 24,981,228
Money Markets	AAA – A	419,176,696
		$ 444,157,924

Cash on deposit in the bond and government programs is held in trust by financial institutions in the name of Florida Housing and is entirely insured by federal depository insurance or collateral held by the financial institutions' trust departments or agents in Florida Housing's name pursuant to Section 280.04, Florida Statutes.

5. INVESTMENTS

Florida Housing is authorized to invest in securities permitted under Section 215.47, Florida Statutes, including direct obligations of the United States of America or any agency thereof, interest-bearing or demand deposits with any qualified depository institution, and commercial paper of prime quality. It is also authorized to invest in contracts for the purchase and sale of government obligations as described in the Florida Housing Act. Investments other than Guaranteed Investment Contracts (GICs) are recorded at fair value with changes in fair value recorded as a component of investment income. Unrealized gain on investments in 2011 was $53.8 million. Florida Housing's GICs are considered to be non-participating; therefore, they are recorded at cost in accordance with applicable standards.

Funds in the State Housing Trust Fund and the Local Government Housing Trust Fund are held by the State Treasury in a general pool of investments. Florida Housing also has invested certain funds associated with single family bond issues, a portion of its pooled investments and certain Guarantee Program funds with the State Treasury in Special Purpose Investment Accounts (SPIAs). Pursuant to Section 17.61, Florida Statutes, these SPIAs allow statutorily created organizations to invest in the Treasury investment portfolio. Florida Statutes enumerate the various types of authorized deposits and investments, which include time deposits, federal government obligations, repurchase agreements, and reverse repurchase agreements through securities lending programs. Florida Housing's share of this investment pool is $455.3 million at December 31, 2011, which is the fair value of the pool share. Fair value is based on quoted market prices. No allocation will be made as to Florida Housing's share of the types of investments or their risk categories. Florida Housing's share of the assets and liabilities arising from the reverse repurchase agreements will likewise not be carried on the balance sheet since the State Treasury operates on a pooled basis and to do so may give the misleading impression that Florida Housing itself has entered into such agreements. For further information, refer to the State of Florida Comprehensive Annual Financial Report or publications of the Office of the State Chief Financial Officer.

As of December 31, 2011, Florida Housing had investments with the following credit ratings and maturities (in thousands):

Investment Type	Credit Rating	Investment Maturities (in years) Less Than 1	1 – 5	6 – 10	More Than 10	Total Fair Value
Asset-Backed Securities	AAA – BBB-	$ 768	$ 43,573	$ 10,500	$ 13,354	$ 68,195
CMBS	AAA	–	–	2,149	24,803	26,952
Commercial Paper	A-1+	22,154	–	–	–	22,154
Corporate Bonds	AAA – BBB-	19,520	108,342	–	3,183	131,045
Fannie Mae MBS	AA+	69	631	4,453	443,543	448,696
Freddie Mac MBS	AA+	–	1,584	6,598	42,644	50,826
Investment Agreements	AAA – A-1+, Baa1	–	165,414	1,047	30,769	197,230
MBS	AAA – CC	–	–	204	8,829	9,033
Municipal Bonds	AAA – A-1	–	–	1,300	4,180	5,480
State Treasury	A+f	455,285	–	–	–	455,285
U.S. Agencies	–	–	56,702	–	1,299	58,001
U.S. Government Obligations	–	–	80	2,590	1,400,720	1,403,390
U.S. Treasury Notes	–	1,011	15,608	–	–	16,619
		$ 498,807	$ 391,934	$ 28,841	$ 1,973,324	$ 2,892,906

Credit ratings shown are from Standard & Poor's, except Investment Agreements which includes one Moody's rating.

Interest Rate Risk – Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. Florida Housing's investment policy, which covers the pooled investments in the Operating Fund and the State and Federal Funds, seeks to minimize interest rate risk by structuring the portfolio to meet ongoing program and operational cash requirements without having to sell securities in the open market. Interest rate risk in these funds is also minimized by maintaining a very short duration portfolio. Investments in bond funds are structured to meet the cash requirements of the specific issue. Interest rate risk is also minimized with guaranteed investment contracts.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Florida Housing's investment policy, which covers the pooled investments in the Operating Fund and the State and Federal Funds, limits the purchase of securities to those rated in the four highest categories by a major rating agency. Certain types of investments are further limited up to the one or two highest rating categories. Investments in the bond funds are governed by their respective indentures; Florida Housing does not have a separate investment policy covering them.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, Florida Housing will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. All securities owned by Florida Housing are either in the custody of the related bond indenture trustees or held in Florida Housing's name by a party other than the issuer of the security.

Concentration of Credit Risk – Concentration of credit risk is the increased risk of loss associated with a lack of diversification, or the ownership of securities from one issuer. Florida Housing's investment policy, which covers the pooled investments in the Operating Fund and the State and Federal Funds, limits securities from a single corporate issuer to no more than 5% of the portfolio. Investments in the bond funds are governed by their respective indentures; Florida Housing does not have a separate investment policy covering them.

The following table provides information on issuers in which Florida Housing has investments representing more than 5% of its total investments. This table represents combined investments of all funds (Operating, State and Federal, and bond funds) at December 31, 2011:

Investment	%	Fair Value
Fannie Mae	16.56%	$ 478,944,324
State Treasury	15.74%	455,285,116
Trinity Funding	5.68%	164,273,728

6. RESERVE FUND REQUIREMENTS

Cash and investments held to satisfy various reserve requirements at December 31, 2011 were as follows:

Program	Reserve Requirements	On Deposit	Excess (Deficiency)
Homeowner Mortgage Revenue	$ 593,087	$ 609,974	$ 16,887
Multifamily Mortgage Revenue	21,923,566	21,891,351	(32,215)
Guarantee	6,527,000	6,527,000	–
	$ 29,043,653	$ 29,028,325	$ (15,328)

7. LOANS RECEIVABLE

Loans receivable, net of allowance for loan losses, discounts, and deferred fees were as follows at December 31, 2011:

Single family bond mortgage loans	$ 129,809,426
Multifamily bond mortgage loans	1,780,091,917
State and federal loans	1,386,675,894
Operating loans	35,217,924
	3,331,795,161
Less:	
Allowance for loan losses	(277,351,447)
Loan discounts	(1,022,712)
Deferred fee income	(7,343,782)
Less current portion	139,472,413
	$ 2,906,604,807

The single family and multifamily bond program loans are pledged as collateral for the payment of principal and interest on bond indebtedness. Substantially all of the multifamily bond mortgage loans have an interest rate equal to the interest rate on the bonds plus expenses.

Certain single family bond mortgage loans are secured by first liens on single family residential property. Interest rates on the single family bond mortgage loans range from 3.0% to 7.25%. Under Florida Housing's program guidelines, all conventionally financed single family bond mortgage loans with an initial loan-to-value ratio greater than 80% are insured by private mortgage insurance carriers. The mortgage insurers, together with the approximate percentage of single family bond mortgage loans insured outstanding at December 31, 2011, (exclusive of Fannie Mae and GNMA guaranteed loans) are as follows: Federal Housing Administration (50.4%), Commonwealth Mortgage Assurance Company (Radian Guaranty, Inc.) (11.7%), Department of Veterans' Affairs (9.9%), Rural Housing Authority (6.1%), and General Electric Mortgage Insurance Company (3.4%). Approximately 18.5% of single family bond mortgage loans outstanding at December 31, 2011, are uninsured.

Under the multifamily bond programs, mortgage loans are collateralized by various methods, including first liens on multifamily rental properties, letters of credit, surety bonds, and guarantees provided by the Florida Housing Guarantee Program and third parties. Approximately $317.3 million of the outstanding multifamily bond mortgage loans at December 31, 2011, are secured, in part, by irrevocable direct-pay letters of credit provided by banking and savings and loan institutions. Approximately $1.5 billion of the outstanding multifamily bond mortgage loans at December 31, 2011 are secured, in part, by insurance as follows: Guarantee Program/HUD (24.1%), Fannie Mae (19.5%), Freddie Mac (15.1%), and various other companies (23.6%). Approximately 17.7% of the multifamily bond mortgage loans are uninsured.

Mortgage loans in the Multifamily Mortgage Revenue Bond Programs are recorded at an amount generally equal to the outstanding conduit debt. Any loss resulting from the insufficiency of the available assets and credit enhancement to satisfy the obligations of a specific bond issue will be sustained by the specific bondholder.

State and federally funded loans are primarily second mortgages made on both single family residential property and multifamily housing developments. Interest rates range from 0% to 9%. Most loans made under the SAIL and TCAP programs contain interest payment provisions based upon the developments' cash flows with deferral of interest payment until positive cash flow is generated. Principal is due at maturity.

Many of Florida Housing's loan programs defer payments, both for principal and interest, until maturity. Under some programs, loans may be forgivable if the borrower meets certain criteria or complies with certain criteria during a predetermined period.

8. PROPERTY HELD FOR SALE

At December 31, 2011, property held for sale consisted of three multifamily properties. The three properties totaling $0.5 million were acquired through foreclosures on loans funded by the Predevelopment Loan Program.

9. COLLATERALIZED BANK LOAN

In April 1998, Florida Housing entered into a line of credit agreement with the Federal Home Loan Bank (the Bank) to preserve available single family tax-exempt bond allocations. In 2005, the annual line of credit renewal amended the agreement to remove the $100 million maximum borrowing limitation. All advances under this agreement are fully collateralized with cash, which may be replaced with other types of collateral in a form and amount acceptable to the Bank. The line of credit bears interest at the investment rate on the cash collateral account (0.005% at December 31, 2011) plus seven basis points. The agreement renews each October for an additional 12-month period; therefore, the collateralized bank loan is classified as a current liability.

Collateralized bank loan activity for the year ended December 31, 2011 was as follows:

Beginning Balance	Additions	Reductions	Ending Balance
$ 26,275,000	$ 21,790,000	$ (39,255,000)	$ 8,810,000

The outstanding balance of $8.8 million at December 31, 2011 relates to the Single Family Home Ownership Program and the Single Family Homeowner Mortgage Program. During 2011, Florida Housing utilized the agreement to redeem bonds from the Single Family Home Ownership Program ($10,000) and the Single Family Homeowner Mortgage Program ($21,780,000). In July 2011, Florida Housing directed the Bank to release funds from the cash collateral account and pay down the line of credit.

10. NOTES AND BONDS PAYABLE

At December 31, 2011 notes and bonds payable consist of the following:

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
NOTES PAYABLE				
Guarantee Fund				
[1] Citibank, N.A. Term Loan Note (Taxable)	12/31/2009	2015	Floating	51,000,000
Multifamily Housing Revenue Fund				
2009 Series B Mortgage Revenue Note	12/23/2009	2024	5.70%	13,450,285
2011 Series I Mortgage Revenue Note	10/06/2011	2044	2.59%	112,955
Total Multifamily Housing Revenue notes payable				13,563,240
Total notes payable				$ 64,563,240
BONDS PAYABLE				
Single Family Home Ownership Fund				
1987 Series G1, G2 Term Bonds	12/16/1987	2017 - 2018	8.63%	425,000
1991 Series G1, G2 Term Bonds	09/26/1991	2023	Floating	1,580,000
1992 Series G1, G2 Term Bonds	06/30/1992	2023 - 2025	Floating	4,740,163
Total Single Family Home Ownership bonds payable				$ 6,745,163
Single Family Homeowner Mortgage Fund				
1997 Series 1, 2, 3 Term Bonds	06/01/1997	2014 - 2029	5.625% - 5.90%	10,685,000
2002 Series 1, 2 Serial Bonds	11/13/2002	2012 - 2017	4.50% - 4.85%	2,215,000
2002 Series 2, 3 Term Bonds	11/13/2002	2023 - 2034	5.30% - 5.40%	11,095,000
				13,310,000
2003 Series 1, 2 Serial Bonds	06/19/2003	2012 - 2017	3.50% - 4.00%	4,045,000
2003 Series 2 Term Bonds	06/19/2003	2022 - 2035	4.50% - 4.60%	13,590,000
				17,635,000
2003 Series 5 Serial Bonds	11/18/2003	2012 - 2013	4.20% - 4.35%	1,065,000
2003 Series 5 Term Bonds	11/18/2003	2023 - 2035	4.90% - 5.05%	17,365,000
				18,430,000
2004 Series 1, 2 Serial Bonds	03/24/2004	2012 - 2016	3.30% - 4.20%	3,145,000
2004 Series 2 Term Bonds	03/24/2004	2024 - 2036	4.70% - 5.00%	23,765,000
				26,910,000
2004 Series 3 Serial Bonds	10/07/2004	2012 - 2015	3.50% - 3.95%	3,810,000
2004 Series 4 Term Bonds	10/07/2004	2023 - 2026	4.75% - 5.50%	10,845,000
				14,655,000

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2004 Series 5, 6 Serial Bonds	01/11/2005	2012 - 2016	4.05% - 4.45%	2,365,000
2004 Series 6 Term Bonds	01/11/2005	2020 - 2036	4.50% - 4.95%	15,070,000
2004 Series 6 PAC Term Bonds	01/11/2005	2036	5.10%	3,835,000
				21,270,000
2005 Series 1 Serial Bonds	06/16/2005	2012 - 2015	4.00% - 4.30%	1,870,000
2005 Series 1 Term Bonds	06/16/2005	2025 - 2036	4.60% - 4.70%	18,730,000
2005 Series 1 PAC Term Bonds	06/16/2005	2036	5.00%	4,895,000
				25,495,000
2005 Series 2 Serial Bonds	11/17/2005	2012 - 2017	3.75% - 4.25%	2,865,000
2005 Series 3 Term Bonds	11/17/2005	2025 - 2036	4.75% - 4.90%	11,980,000
2005 Series 3 PAC Term Bonds	11/17/2005	2036	5.00%	10,920,000
				25,765,000
2006 Series 1 Serial Bonds	03/23/2006	2012 - 2016	4.10% - 4.38%	2,710,000
2006 Series 1 Term Bonds	03/23/2006	2020 - 2037	4.55% - 4.85%	20,290,000
2006 Series 1 PAC Term Bonds	03/23/2006	2037	5.00%	14,235,000
				37,235,000
2006 Series 2 Serial Bonds	05/24/2006	2012 - 2016	4.30% - 4.70%	2,990,000
2006 Series 2, 3 Term Bonds	05/24/2006	2021 - 2038	4.50% - 4.95%	33,165,000
2006 Series 2 PAC Term Bonds	05/24/2006	2037	5.50%	12,255,000
				48,410,000
2006 Series 4 Serial Bonds	08/17/2006	2012 - 2016	4.50% - 4.75%	5,960,000
2006 Series 4, 5 Term Bonds	08/17/2006	2021 - 2037	4.70% - 5.15%	55,080,000
2006 Series 4 PAC Term Bonds	08/17/2006	2037	5.75%	21,020,000
				82,060,000
2006 Series 6 Serial Bonds	12/18/2006	2012 - 2016	4.00% - 4.20%	3,250,000
2006 Series 6 Term Bonds	12/18/2006	2021 - 2037	4.45% - 4.70%	25,565,000
2006 Series 6 PAC Term Bonds	12/18/2006	2037	5.75%	26,400,000
				55,215,000
2007 Series 1 Serial Bonds	03/13/2007	2012 - 2017	4.05% - 4.38%	2,455,000
2007 Series 1 Term Bonds	03/13/2007	2022 - 2048	4.55% - 4.85%	18,100,000
2007 Series 1 PAC Term Bond	03/13/2007	2048	5.95%	28,825,000
				49,380,000
2007 Series 2 Serial Bonds	05/03/2007	2012 - 2017	4.05% - 4.40%	2,765,000
2007 Series 2 Term Bonds	05/03/2007	2022 - 2048	4.70% - 4.85%	42,665,000
2007 Series 2 PAC Term Bonds	05/03/2007	2048	6.00%	40,150,000
				85,580,000
2007 Series 3 Term Bonds	07/18/2007	2027 - 2048	5.00% - 5.15%	36,515,000
2007 Series 3 Premium PAC Bonds	07/18/2007	2048	6.25%	30,550,000
2007 Series 4 Serial Bonds Fed Taxable	07/18/2007	2012 - 2017	5.69% - 5.95%	4,645,000
2007 Series 4 Taxable PAC Bonds	07/18/2007	2048	5.99%	7,500,000
				79,210,000

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2007 Series 5 Serial Bonds	10/10/2007	2012 - 2017	4.10% - 4.50%	3,150,000
2007 Series 5 Term Bonds	10/10/2007	2022 - 2048	4.95% - 5.15%	24,470,000
2007 Series 5 PAC Term Bonds	10/10/2007	2048	5.75%	25,110,000
				52,730,000
2007 Series 6 Serial Bonds	01/08/2008	2012 - 2017	3.95% - 4.45%	3,530,000
2007 Series 6 Term Bonds	01/08/2008	2023 - 2049	5.00% - 5.40%	27,250,000
2007 Series PAC Term Bonds	01/08/2008	2048	5.50%	28,535,000
				59,315,000
2008 Series 1 Serial Bonds	04/15/2008	2012 - 2018	4.30% - 5.15%	2,305,000
2008 Series 1 Term Bonds	04/15/2008	2023 - 2039	5.45% - 6.00%	15,695,000
2008 Series 1 PAC Term Bonds	04/15/2008	2039	6.45%	10,385,000
				28,385,000
2008 Series 2 Serial Bonds	07/29/2008	2012 - 2013	4.40% - 4.60%	1,015,000
2008 Series 2 Term Bonds	07/29/2008	2018 - 2039	5.05% - 5.65%	25,615,000
2008 Series 2 PAC Term Bonds	07/29/2008	2039	6.70%	18,505,000
				45,135,000
2008 Series 3 Serial Bonds	09/30/2008	2012 - 2018	3.15% - 4.30%	13,275,000
2008 Series 3 Term Bonds	09/30/2008	2023 - 2039	5.00% - 5.50%	54,895,000
				68,170,000
2008 Series 4 Serial Bonds	11/25/2008	2012 - 2020	4.00% - 5.50%	21,305,000
2008 Series 4 Term Bonds	11/25/2008	2023 - 2038	5.85% - 6.38%	31,425,000
				52,730,000
2009 Series 1 Serial Bonds	07/27/2009	2012 - 2019	1.95% - 4.10%	9,400,000
2009 Series 1 Term Bonds	07/27/2009	2025 - 2039	4.95% - 5.40%	28,410,000
2009 Series 1 PAC Term Bonds	07/27/2009	2039	5.38%	13,205,000
				51,015,000
2009 Series 2 Serial Bonds	10/01/2009	2012 - 2019	1.65% - 3.85%	17,360,000
2009 Series 2 Term Bonds	10/01/2009	2024 - 2039	4.40% - 5.00%	55,770,000
2009 Series 2 PAC Term Bonds	10/01/2009	2041	5.50%	17,505,000
				90,635,000
2011 Series 1, 2 Serial Bonds	03/31/2011	2012 - 2022	1.40% - 4.45%	36,180,000
2011 Series 1 PAC Term Bonds	03/31/2011	2041	5.00%	25,775,000
2011 Series 2, 3 Term Bonds	03/31/2011	2026 - 2027	5.00% - 5.05%	20,310,000
				82,265,000
Total Single Family Homeowner Mortgage bonds payable				1,141,625,000
Unamortized bond premium				26,478,300
Net Single Family Homeowner Mortgage bonds payable				$ 1,168,103,300

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
Homeowner Mortgage Revenue Fund (Special Program)				
2009 Series A1 Serial Bonds	01/12/2010	2012 - 2020	1.35% - 4.00%	18,480,000
2009 Series A1 Term Bonds	01/12/2010	2020 - 2029	4.00% - 4.80%	32,480,000
2009 Series A1 PAC Term Bonds	01/12/2010	2028	5.00%	25,000,000
2009 Series A2 Term Bonds	01/12/2010	2041	4.05%	112,465,000
				188,425,000
2010 Series A Serial Bonds	06/23/2010	2012 - 2022	1.05% - 4.10%	27,690,000
2010 Series A Term Bonds	06/23/2010	2021 - 2029	4.00% - 4.60%	29,545,000
2010 Series A PAC Term Bonds	06/23/2010	2028	5.00%	30,110,000
2009 Series B1 Term Bonds	06/23/2010	2041	4.05%	131,970,000
				219,315,000
2010 Series B Serial Bonds	11/01/2010	2012 - 2020	.75% - 3.25%	5,855,000
2010 Series B Term Bonds	11/01/2010	2025 - 2028	4.00% - 4.13%	7,815,000
2010 Series B PAC Term Bonds	11/01/2010	2029	4.50%	6,325,000
2009 Series B2 Term Bonds	11/01/2010	2041	3.01%	29,990,000
				49,985,000
2011 Series A Serial Bonds	03/09/2011	2013 - 2021	1.20% - 4.30%	22,185,000
2011 Series A Term Bonds	03/09/2011	2026 - 2030	5.00% - 5.20%	20,530,000
2011 Series A PAC Term Bonds	03/09/2011	2029	4.50%	17,285,000
2009 Series B3 Term Bonds	03/09/2011	2041	3.57%	90,000,000
				150,000,000
2011 Series A Serial Bonds	07/07/2011	2013 - 2021	0.90% - 3.70%	21,560,000
2011 Series B Term Bonds	07/07/2011	2026 - 2029	4.45% - 4.63%	19,940,000
2011 Series B PAC Term Bonds	07/07/2011	2029	4.50%	18,500,000
2009 Series B4 Term Bonds	07/07/2011	2041	3.48%	90,000,000
				150,000,000
2011 Series C Serial Bonds	11/03/2011	2013 - 2022	0.80% - 3.65%	19,055,000
2011 Series C Term Bonds	11/03/2011	2026 - 2030	4.10% - 4.45%	21,230,000
2011 Series C PAC Term Bonds	11/03/2011	2030	4.50%	14,535,000
2009 Series B5 Term Bonds	11/03/2011	2041	0.62%	82,230,000
				137,050,000
Total Homeowner Mortgage Revenue (Special Program) bonds payable				894,775,000
Unamortized bond premium				7,012,227
Net Homeowner Mortgage Revenue (Special Program) bonds payable				$ 901,787,227

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
Multifamily Housing Revenue Fund				
Multifamily Loan Revenue Bonds Floating Rate Monthly Demand				
1984 D Term Bonds	06/01/1984	2012	Floating	9,610,000
Multifamily Housing Revenue Bonds				
1985 Series SS Term Bonds	12/17/1985	2017	Floating	20,000,000
1985 Series TT Term Bonds	12/17/1985	2029	Floating	6,200,000
1985 Series XX Term Bonds	12/17/1985	2025	Floating	8,500,000
1985 Series GGG Term Bonds	12/30/1985	2013	Floating	12,700,000
1995 Series C1 Term Bonds	01/15/1995	2014 - 2035	6.75% - 7.00%	7,975,000
1995 Series G1 Term Bonds	10/15/1995	2015 - 2035	6.05% - 6.25%	7,955,000
1995 Series J Term Bonds	11/01/1995	2015 - 2035	5.95% - 6.20%	10,855,000
1995 Series L Term Bonds	12/19/1995	2025	Floating	8,750,000
1995 Series M Term Bonds	12/19/1995	2025	Floating	5,570,000
1996 Series F Term Bonds	07/10/1996	2026	Floating	11,900,000
1996 Series G Term Bonds	07/15/1996	2016 - 2036	6.20% - 6.50%	6,685,000
1996 Series H Term Bonds	08/01/1996	2011 - 2017	6.10%	7,985,000
1996 Series L Term Bonds	09/01/1996	2016 - 2036	6.05% - 6.25%	5,270,000
1996 Series M Term Bonds	09/01/1996	2015 - 2036	6.00% - 6.25%	5,595,000
1996 Series O Term Bonds	09/01/1996	2016 - 2036	6.15% - 6.30%	10,420,000
1996 Series P Term Bonds	09/20/1996	2026	Floating	6,250,000
1996 Series T Term Bonds	12/01/1996	2018 - 2036	5.85% - 6.05%	6,630,000
1996 Series U Term Bonds	12/19/1996	2029	Floating	9,490,000
1997 Series C Term Bonds	05/15/1997	2017 - 2039	5.75% - 6.00%	8,915,000
1997 Series D Term Bonds	06/01/1997	2017 - 2030	5.90% - 5.95%	6,090,000
1997 Series E Term Bonds	06/01/1997	2030	8.00%	1,395,000
1997 Series F Term Bonds	06/15/1997	2017 - 2039	5.80% - 6.00%	13,170,000
1997 Series G Serial Bonds	07/15/1997	2012	5.25%	220,000
1997 Series G Term Bonds	07/15/1997	2020 - 2037	5.50% - 5.70%	12,170,000
				12,390,000

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
1997 Series H Serial Bonds	07/15/1997	2012	5.25%	150,000
1997 Series H Term Bonds	07/15/1997	2020 - 2037	5.50% - 5.70%	7,830,000
				7,980,000
1997 Series J1, J2 Term Bonds	12/01/1997	2012 - 2038	5.05% - 5.45%	12,965,000
1998 Series A Term Bonds	03/01/1998	2030	5.45%	12,235,000
1998 Series B Term Bonds	06/01/1998	2038	6.61%	14,880,000
1998 Series C Term Bonds	06/01/1998	2038	6.61%	7,930,000
1998 Series H Term Bonds	07/01/1998	2038	7.25%	3,187,212
1998 Series I1 Term Bonds	08/01/1998	2033	Floating	15,875,000
[2] 1998 Series J Term Bonds	10/01/1998	2028	Floating	4,925,000
[2] 1998 Series L Term Bonds	10/01/1998	2032	6.50%	8,675,000
[2] 1998 Series M	10/01/1998	2032	6.13%	16,330,000
1998 Series P Serial Bonds	12/01/1998	2012 - 2031	4.75% - 5.20%	9,195,000
1998 Series R1 Serial Bonds	12/01/1998	2012 - 2021	4.65% - 5.10%	3,330,000
1998 Series R1, R2 Term Bonds	12/01/1998	2026 - 2032	5.10% - 5.20%	5,820,000
				9,150,000
1998 Series S Term Bonds	12/28/1998	2031	4.80%	9,250,000
1998 Series U1 Term Bonds	12/16/1998	2039	6.45%	10,935,000
1999 Series A Serial Bonds	04/15/1999	2012 - 2018	4.90% - 5.15%	1,775,000
1999 Series A Term Bonds	04/15/1999	2021 - 2039	5.20% - 5.40%	11,070,000
				12,845,000
1999 Series B1 Term Bonds	04/21/1999	2012 - 2032	4.75% - 5.20%	11,170,000
1999 Series C1 Term Bonds	07/01/1999	2019 - 2039	5.50% - 5.90%	7,835,000
1999 Series C1 Capital Appreciation Term Bonds	07/01/1999	2029	Floating	2,242,300
				10,077,300
1999 Series D1, D2 Term Bonds	07/21/1999	2013 - 2032	5.38% - 7.10%	13,250,000
1999 Series E1, E2 Term Bonds	08/12/1999	2038 - 2039	5.80%	7,365,000
1999 Series E1 Capital Appreciation Term Bonds	08/12/1999	2029	Floating	2,559,267
				9,924,267
1999 Series F1, F2 Term Bonds	08/25/1999	2019 - 2039	5.90% - 6.00%	7,925,000
1999 Series F1 Capital Appreciation Term Bonds	08/25/1999	2029	Floating	1,902,027
				9,827,027

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
1999 Series G1, G2 Term Bonds	08/25/1999	2032	Floating	11,950,000
1999 Series H1 Serial Bonds	09/29/1999	2013 - 2020	5.55% - 5.70%	2,385,000
1999 Series H1, H2 Term Bonds	09/29/1999	2013 - 2032	5.85% - 7.40%	7,995,000
				10,380,000
1999 Series I1, I2 Term Bonds	08/31/1999	2032	Floating	13,465,000
1999 Series J1, J2 Term Bonds	09/14/1999	2012 - 2032	5.40% - 5.95%	6,915,000
1999 Series N1 Term Bonds	09/21/1999	2012 - 2039	5.30% - 5.90%	7,115,000
1999 Series P Term Bonds	09/24/1999	2032	Floating	6,635,000
1999 Series Q1, Q2 Term Bonds	09/27/1999	2014 - 2039	5.75% - 7.85%	12,755,000
1999 Series R Term Bonds	09/28/1999	2012 - 2032	5.30% - 6.00%	7,250,000
2000 Series B Term Bonds	03/28/2000	2030	6.90%	15,720,000
2000 Series C1, C2 Term Bonds	05/01/2000	2015 - 2040	6.20% - 8.50%	15,575,000
2000 Series E1, E2 Term Bonds	06/13/2000	2033	Floating	9,955,000
2000 Series M1, M2 Term Bonds	11/09/2000	2029 - 2040	5.70% - 6.00%	10,835,000
2000 Series N1, N2 Term Bonds	12/12/2000	2013 - 2041	5.75% - 7.70%	11,215,000
2000 Series O1, O2 Term Bonds	11/30/2000	2027 - 2040	5.85% - 7.65%	16,775,000
2000 Series Q1, Q2 Term Bonds	11/21/2000	2012 - 2041	5.75% - 7.80%	12,260,000
2000 Series R1, R2 Term Bonds	12/06/2000	2018 - 2033	5.75% - 7.85%	8,750,000
2000 Series S Term Bonds	12/14/2000	2012 - 2041	5.00% - 5.85%	10,455,000
2000 Series U1 Serial Bonds	12/20/2000	2023 - 2025	5.50% - 5.60%	705,000
2000 Series U1, U2 Term Bonds	12/20/2000	2013 - 2041	5.60% - 7.40%	10,910,000
				11,615,000
2000 Series V1, V2 Term Bonds	12/28/2000	2017 - 2041	5.38% - 7.55%	7,495,000
2000 Series W1, W2 Term Bonds	12/29/2000	2028 - 2041	5.60% - 6.75%	10,455,000
2001 Series A1, A2 Term Bonds	01/01/2001	2011 - 2041	5.25% - 7.45%	13,410,000
2001 Series F1, F2 Term Bonds	11/01/2001	2013 - 2041	5.00% - 6.35%	17,460,000
2001 Series G Term Bonds	11/01/2001	2031	6.25%	9,201,000
2001 Series H1, H2 Term Bonds	11/01/2001	2021 - 2041	5.25% - 6.30%	15,950,000
2001 Series IA, IB Term Bonds	11/19/2001	2031	Floating	14,685,000
2001 Series JA, JB Term Bonds	11/19/2001	2031	Floating	11,270,000

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2001 Series L Term Bonds	12/01/2001	2012 - 2035	4.50% - 5.38%	7,865,000
2002 Series A1, A2 Term Bonds	01/08/2002	2035	Floating	12,510,000
2002 Series B1 Term Bonds	01/24/2002	2012 - 2034	4.38% - 5.30%	7,990,000
2002 Series C1 Term Bonds	01/30/2002	2012 - 2042	5.30% - 7.00%	15,565,000
2002 Series D1-D2 Term Bonds	02/28/2002	2012 - 2042	5.20% - 7.00%	17,655,000
2002 Series E1 Term Bonds	03/06/2002	2012 - 2042	5.13% - 6.85%	14,700,000
2002 Series F1, F2 Term Bonds	07/19/2002	2016 - 2035	5.45% - 7.00%	10,015,000
2002 Series G Term Bonds	07/16/2002	2020 - 2035	4.88% - 5.40%	13,420,000
2002 Series H1, H2 Term Bonds	07/31/2002	2012 - 2042	5.20% - 6.00%	12,040,000
2002 Series I1, I2 Term Bonds	10/16/2002	2035	5.61%	2,579,500
[2] 2002 Series J1, J2 Term Bonds	10/30/2002	2032	Floating	20,600,000
2002 Series K1, K2 Term Bonds	10/30/2002	2035	Floating	16,500,000
2002 Series L1, L2 Term Bonds	12/09/2002	2034	Floating	8,475,000
[2] 2002 Series M1 Term Bonds	11/14/2002	2032	Floating	5,800,000
[2] 2002 Series N1, N2 Term Bonds	11/14/2002	2032	Floating	9,150,000
2002 Series O1 Serial Bonds	11/26/2002	2017 - 2020	4.80% - 5.10%	1,230,000
2002 Series O2 Term Bonds	11/26/2002	2017 - 2042	5.15% - 5.75%	16,035,000
				17,265,000
2002 Series P1 Term Bonds	12/04/2002	2018 - 2042	4.75% - 5.35%	7,975,000
2002 Series P2 Serial Bonds	12/04/2002	2012 - 2015	4.85% to 6.00%	415,000
				8,390,000
2002 Series R1, R2, R3 Term Bonds	12/17/2002	2015 - 2036	5.15% - 5.95%	10,205,000
2003 Series A Term Bonds	01/01/2003	2036	Floating	7,750,000
2003 Series B1, B3 Term Bonds	01/01/2003	2034	Floating	8,960,000
2003 Series C1, C2 Term Bonds	01/01/2003	2012 - 2043	4.88% - 6.00%	15,315,000
2003 Series D1 Term Bonds	02/01/2003	2012 - 2044	4.00% - 5.15%	18,905,000
2003 Series E1 Term Bonds	03/01/2003	2036	Floating	7,815,000
2003 Series F Term Bonds	03/01/2003	2012 - 2044	3.75% - 5.05%	11,545,000
2003 Series G Term Bonds	03/18/2003	2036	Floating	8,100,000
2003 Series H Term Bonds	03/25/2003	2036	Floating	6,960,000

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
[2] 2003 Series I Term Bonds	04/01/2003	2033	6.30%	7,520,000
2003 Series J Term Bonds	04/01/2003	2036	5.61%	5,259,000
2003 Series K Term Bonds	04/01/2003	2036	Floating	6,220,000
2003 Series L Term Bonds	07/01/2003	2012 - 2036	3.35% - 4.45%	10,920,000
2003 Series M Term Bonds	07/01/2003	2012 - 2044	4.00% - 5.35%	9,015,000
2003 Series N Term Bonds	07/22/2003	2035	Floating	13,580,000
2003 Series O Term Bonds	07/29/2003	2035	Floating	16,100,000
2003 Series P Term Bonds	07/29/2003	2035	Floating	14,455,000
2003 Series Q1, Q2 Term Bonds	09/17/2003	2012 - 2043	4.80% - 6.00%	12,480,000
2003 Series R1, R2 Term Bonds	10/01/2003	2037	Floating	14,970,000
2003 Series S1 Serial Bonds	10/01/2003	2012 - 2023	3.65% - 4.75%	1,405,000
2003 Series S1 Term Bonds	10/01/2003	2036	4.80%	2,995,000
				4,400,000
2003 Series T Serial Bonds	10/07/2003	2012 - 2019	4.00% - 4.70%	1,250,000
2003 Series T Term Bonds	10/07/2003	2024 - 2045	4.90% - 5.15%	11,805,000
				13,055,000
2003 Series W Term Bonds	12/16/2003	2036	Floating	5,500,000
2004 Series A Term Bonds	02/01/2004	2012 - 2045	3.60% - 5.00%	9,860,000
2004 Series B Term Bonds	02/12/2004	2032	Floating	2,400,000
2004 Series C1 Serial Bonds	02/18/2004	2012 - 2014	3.50% - 4.00%	345,000
2004 Series C1, C2 Term Bonds	02/18/2004	2027 - 2037	4.80% - 5.31%	6,205,000
				6,550,000
2004 Series D Term Bonds	02/01/2004	2012 - 2045	3.50% - 4.95%	11,950,000
2004 Series E Term Bonds	03/01/2004	2037	Floating	5,700,000
2004 Series F Serial Bonds	03/01/2004	2037	Floating	6,200,000
2004 Series H Term Bonds	06/01/2004	2037	Floating	7,800,000
2004 Series K Term Bonds	12/01/2004	2037	Floating	14,900,000
[2] 2004 Series L Term Bonds	12/22/2004	2034	Floating	16,710,000
[2] 2004 Series M Term Bonds	12/22/2004	2034	Floating	18,575,000
2005 Series A Term Bonds	01/25/2005	2037	Floating	11,980,000
2005 Series B1, B2 Term Bonds	04/01/2005	2035	Floating	40,525,000

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
[1] 2005 Series C Term Bonds	06/29/2005	2035	Floating	21,965,000
[1] 2005 Series D Term Bonds	11/29/2005	2035	Floating	11,990,000
2006 Series A Term Bonds	03/28/2006	2042	6.15%	6,845,689
2006 Series B Term Bonds	03/16/2006	2050	6.00%	6,583,237
2006 Series C Term Bonds	03/16/2006	2050	6.00%	6,464,173
[1] 2006 Series D Term Bonds	07/11/2006	2036	Floating	9,375,000
2006 Series E Term Bonds	04/19/2006	2038	5.50%	3,634,000
[1] 2006 Series F Term Bonds	05/17/2006	2036	Floating	14,170,000
2006 Series G Term Bonds	06/30/2006	2039	Floating	3,860,000
2006 Series H Term Bonds	06/21/2006	2039	Floating	7,995,000
[1] 2006 Series I Term Bonds	06/29/2006	2041	6.50%	30,000,000
2006 Series K Term Bonds	09/21/2006	2038	5.49%	1,330,000
2006 Series L Term Bonds	10/26/2006	2038	5.29%	425,000
2006 Series N Term Bonds	12/13/2006	2044	Floating	13,785,000
2007 Series A Term Bonds	08/23/2007	2040	5.49%	3,396,000
2007 Series B Term Bonds	02/06/2007	2048	6.70%	9,770,729
2007 Series C Term Bonds	06/15/2007	2044	Floating	9,515,000
[1] 2007 Series D Term Bonds	05/23/2007	2047	6.50%	41,375,000
[1] 2007 Series G1, G2 Term Bonds	06/15/2007	2042	Floating	68,865,000
2007 Series H Term Bonds	06/29/2007	2042	Floating	3,295,000
2007 Series I Term Bonds	11/02/2007	2042	Floating	17,475,000
2007 Series K Term Bonds	12/20/2007	2042	6.00%	1,910,000
2008 Series A Term Bonds	01/16/2008	2041	Floating	6,770,000
2008 Series C Serial Bonds	02/11/2008	2012 - 2018	3.15% - 4.05%	730,000
2008 Series C Term Bonds	02/11/2008	2035 - 2049	5.00% - 5.25%	6,955,000
				7,685,000
2008 Series E Term Bonds	03/20/2008	2048	Floating	5,075,000
2008 Series H Term Bonds	05/08/2008	2039	5.88%	4,464,815
2008 Series I Term Bonds	06/06/2008	2048	Floating	11,000,000
2008 Series J Term Bonds	07/09/2008	2040	5.95%	5,525,751

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2008 Series K Term Bonds	07/31/2008	2041	Floating	6,400,000
2008 Series L Term Bonds	08/19/2008	2041	Floating	7,055,000
2008 Series M Term Bonds	11/14/2008	2041	Floating	7,220,000
2008 Series N Term Bonds	12/18/2008	2043	Floating	4,220,000
2008 Series O Term Bonds	12/18/2008	2043	Floating	4,130,000
2009 Series A Term Bonds	01/12/2010	2051	Floating	46,460,000
[3] 2010 Series A1 Term Bonds	09/20/2010	2012	6.75%	950,000
[3] 2010 Series A2 Term Bonds	09/20/2010	2027	7.25%	4,300,000
				5,250,000
2009 Series A1 Term Bonds	09/29/2010	2044	3.07%	6,400,000
2009 Series A2 Term Bonds	09/29/2010	2044	Floating	2,850,000
				9,250,000
2009 Series D1 Term Bonds	11/10/2010	2044	3.01%	2,340,000
2010 Series A Term Bonds	11/10/2010	2027	4.20%	3,010,000
2009 Series C Term Bonds	11/10/2010	2044	3.01%	7,000,000
				10,010,000
2010 Series B1 Term Bonds	12/07/2010	2047	7.60%	1,760,000
2010 Series B2 Term Bonds	12/07/2010	2012	4.25%	7,740,000
				9,500,000
2010 Series C Term Bonds	12/15/2010	2012	1.45%	1,800,000
2009 Series E Term Bonds	12/15/2010	2028	3.01%	3,160,000
				4,960,000
2009 Series F Term Bonds	12/15/2010	2040	3.01%	5,940,000
2009 Series G Term Bonds	12/15/2010	2052	3.01%	11,180,000
2010 Series D1 Term Bonds	12/20/2010	2042	7.60%	2,815,000
2010 Series D2 Term Bonds	12/20/2010	2012	3.25%	9,435,000
				12,250,000
[1] 2011 Series A Term Bonds	02/02/2011	2041	4.55%	11,437,270
[1] 2011 Series B Term Bonds	02/02/2011	2041	4.55%	6,872,179
[1] 2011 Series C1 Term Bonds	02/02/2011	2041	4.55%	10,050,000
2011 Series C2 Term Bonds	02/02/2011	2041	4.55%	3,016
				10,053,016
2011 Series D Term Bonds	05/19/2011	2015	2.63%	195,000
2009 Series H Term Bonds	05/19/2011	2052	3.57%	5,500,000
				5,695,000

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2011 Series E Serial Bonds	05/19/2011	2014 - 2020	1.55% - 3.85%	1,835,000
2011 Series E Term Bonds	05/19/2011	2022 - 2028	4.10% - 4.88%	3,595,000
2009 Series I Term Bonds	05/19/2011	2044	3.57%	20,270,000
				25,700,000
2011 Series F Serial Bonds	05/19/2011	2014 - 2020	1.55% - 3.85%	1,780,000
2011 Series F Term Bonds	05/19/2011	2022 - 2029	4.10% - 4.95%	3,860,000
2009 Series J Term Bonds	05/19/2011	2044	3.57%	19,460,000
				25,100,000
2011 Series G1, G2 Term Bonds	05/26/2011	2014 - 2029	1.65% - 4.85%	7,450,000
2009 Series K Term Bonds	12/13/2011	2052	0.60%	9,350,000
2009 Series L Term Bonds	10/21/2011	2044	2.32%	12,950,000
2009 Series M Term Bonds	10/21/2011	2041	2.32%	6,500,000
2009 Series N Term Bonds	10/21/2011	2041	2.32%	9,250,000
2009 Series O Term Bonds	12/13/2011	2052	0.60%	7,540,000
2009 Series P Term Bonds	12/13/2011	2052	0.60%	4,870,000
2009 Series Q Term Bonds	12/13/2011	2052	0.60%	7,000,000
2009 Series R Term Bonds	12/13/2011	2042	0.60%	9,250,000
2011 Series J Term Bonds	12/13/2011	2015	1.63%	3,400,000
2009 Series S Term Bonds	12/13/2011	2045	0.60%	17,100,000
				20,500,000
2009 Series T Term Bonds	12/13/2011	2044	0.60%	11,700,000
2009 Series U1, U2 Term Bonds	12/13/2011	2045	0.60% - Variable	15,700,000
Total Multifamily Housing Revenue bonds payable				1,990,777,165
Unamortized bond discount				(9,906)
Net Multifamily Housing Revenue bonds payable				1,990,767,259
Total net bonds payable				$ 4,067,402,949

[1] Refunding
[2] Reoffering
[3] This issue had a deficiency in a required reserve account as of December 31, 2011. Sufficient funds existed within the indenture to satisfy the deficiency, however, the funds were not held in the specific reserve account. Appropriate transfers were made and the deficiency was resolved in February 2012.

Interest on outstanding notes and bonds is payable semiannually, except as follows:

(1) Monthly interest payments

- Multifamily and Single Family Floating Rate Bonds
- Multifamily Housing Revenue Bonds:

  1998 Series H, 1998 Series S, 2002 Series I, 2003 Series J, 2003 Series I, 2006 Series A, 2006 Series B, 2006 Series C, 2006 Series I, 2006 Series K, 2006 Series L, 2007 Series A, 2007 Series B, 2007 Series D, 2008 Series H, 2008 Series J, 2009 Series B (Note Payable), 2011 Series A, 2011 Series B, 2011 Series C1-C2, and 2011 Series I (Note Payable).
- Single Family Home Ownership Bonds:

  1987 Series G1 and G2, 1991 Series G1 and G2, and 1992 Series G1 and G2
- Guarantee Program Note Payable

(2) Interest paid at maturity

- Capital Appreciation Bonds

The methods or indices used to determine the actual interest rates for floating rate bonds are outlined in the individual bond documents. Actual interest rates ranged from 0.05% to 1.6% during 2011. Rates in effect at December 31, 2011 ranged from 0.09% to 1.6%.

Scheduled maturities of notes and bonds payable, interest payments, and sinking fund requirements at December 31, 2011, are as follows:

	Principal	Interest	Total
2012	$ 299,615,497	$ 146,798,290	$ 446,413,787
2013	83,577,374	144,268,372	227,845,746
2014	83,424,208	141,484,482	224,908,690
2015	110,613,567	137,666,126	248,279,693
2016	76,936,058	134,805,603	211,741,661
2017 – 2021	473,433,646	619,153,484	1,092,587,130
2022 – 2026	599,331,553	507,196,451	1,106,528,004
2027 – 2031	742,705,920	368,463,715	1,111,169,635
2032 – 2036	814,469,290	208,826,654	1,023,295,944
2037 – 2041	585,510,688	70,044,371	655,555,059
2042 – 2046	196,041,767	11,002,334	207,044,101
2047 – 2051	32,176,000	809,520	32,985,520
2052 – 2056	650,000	–	650,000
	4,098,485,568	2,490,519,402	6,589,004,970
Net unamortized bond premium	33,480,621	–	33,480,621
	$ 4,131,966,189	$ 2,490,519,402	$ 6,622,485,591

Assets of the various funds are pledged for payment of principal and interest on the applicable debt. Each issue, with the exception of certain single family issues, is collateralized by a separate collateral package. The bonds in the Single Family Homeowner Mortgage fund are collateralized under a single bond indenture. In addition, certain assets are further restricted for payment of interest and principal in the event that the related debt service and other available funds are insufficient. Such assets are segregated within the various funds and are held in cash or investments.

In March 2011, Florida Housing issued $85,210,000 in 2011 Series 1-3 bonds in the Single Family Homeowner Fund. The issue was used to refund several outstanding bond issues and included $7.7 million in new bonds. As a result of this current refunding, Florida Housing reduced its total debt service payments over the life of the bonds by approximately $82.2 million, which resulted in an economic gain of approximately $38.0 million. The economic gain is the difference between the present value of the debt service payments of the old debt and that of the new debt. This gain strengthens the trust estate for this bond indenture.

Of the multifamily housing revenue bonds issued in 2011, $11,650,000 was used to refund existing bonds. The refundings were undertaken by the individual developers in order to take advantage of more favorable interest rates and terms. Since the payment of bonds is the responsibility of the individual developers, the refunding did not result in an economic gain or loss for Florida Housing, thus the effect of the refundings is excluded from the changes in notes and bonds payable below.

Changes in Notes and Bonds Payable

Notes and bonds payable activity for the year ended December 31, 2011 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes and bonds payable	$ 4,488,473,638	$ 300,125,294	$ (690,113,364)	$ 4,098,485,568	$ 299,615,497
Unamortized premium (discount)	32,385,092	4,450,559	(3,355,030)	33,480,621	2,969,530
Total notes and bonds payable, net	$ 4,520,858,730	$ 304,575,853	$ (693,468,394)	$ 4,131,966,189	$ 302,585,027

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Guarantee Program

The Guarantee Program guarantees the payment of principal and interest on qualifying loans made to finance or refinance the purchase, construction, or rehabilitation of eligible housing. The suspension of issuing new guarantees, ratified by Florida Housing's Board in 2009, remains in force. Therefore, no additional commitments were issued in 2011.

As of December 31, 2011, the Guarantee Program had total outstanding guarantees of approximately $578.8 million. A reserve for claims against such guarantees has been recorded as of December 31, 2011 and is included in Other Liabilities.

Due to the state of Florida

The state of Florida allocated $24.4 million for Hurricane Andrew housing assistance through the Department of Community Affairs (DCA). Florida Housing provided loans through the SAIL Program in areas damaged by Hurricane Andrew. A liability was recorded upon receipt of these funds; in the event that the appropriation was not used to fulfill the program requirements, the funds would have been returned to DCA. These funds were fully utilized, with the related loans all maturing by early 2012. The Legislature dissolved DCA in its 2011 session. Therefore, this liability has been eliminated and is reflected in Federal and state program revenue. As with other SAIL Program loans, all repayments and interest will be recycled within the SAIL program.

Hardest Hit Fund

Funds for this program are held by the U.S. Treasury and are drawn by Florida Housing as needed to fund loans and administrative expenses. Funds must be drawn in lump sum capital draws, and the program requirements specify minimum and maximum draw amounts as well as parameters for the timing of these capital draws. Since unused funds must ultimately be returned to the Treasury, these draws are recorded in Accounts Payable and Other Liabilities. Revenue is recognized as the funds are disbursed to borrowers or used to pay administrative expenses. In 2011, Florida Housing made one capital draw of $26.45 million. As of December 31, 2011, $14.3 million relating to this capital draw is included in Accounts Payable and Other Liabilities.

12. DUE TO DEVELOPERS

All of Florida Housing's multifamily bond issues are conduit debt. The assets of each issue are pledged solely to support the outstanding debt, and the bondholders' claims on the assets of the indenture are limited to the amount of debt and any outstanding interest. Assets in excess of the related liabilities are owed to the borrower, and are therefore recorded as Due to Developer. These multifamily bond issues represent $122.7 million of the total $123.2 million Due to Developer amounts. The remaining balance represents Good Faith Deposits required from developers to begin the multifamily bond issuance process.

13. RESTRICTED ASSETS

Pursuant to various trust indentures and loan agreements, the assets and equity of the bond programs are restricted. Upon satisfaction of all bondholder indebtedness and payment of all authorized expenses, any remaining funds are disbursed to Florida Housing or the respective developer as described in each trust indenture or loan agreement. The assets and equity of the state-funded programs are restricted by statute. The following is a summary of restricted assets, liabilities, and net assets as of December 31, 2011:

Total restricted cash	$ 437,992,101
Total restricted current assets	$ 1,074,695,380
Total restricted assets	$ 6,256,462,843
Total current liabilities payable from restricted current assets	$ 392,576,406
Total liabilities payable from restricted assets	$ 4,352,319,003
Total restricted net assets	$ 1,904,143,840

14. NET ASSETS

Unrestricted net assets provide additional security for Florida Housing's general obligations, coverage of current and planned administrative costs, and tentative plans for future utilization, subject to the approval of Florida Housing's management or Board of Directors. As of December 31, 2011, the balance of unrestricted net assets, $109.9 million, has been designated by management or the Board of Directors for a variety of uses: loans and loan commitments, including demonstration loans and loans to developments guaranteed by the Guarantee Fund; loans to the Guarantee Program; direct support of the Guarantee Program including coverage of projected debt service reserve deficiency, if any; and coverage of single family bond issuance costs. Additionally, unrestricted net assets are designated for working capital and future operating and capital expenditures, including coverage of compliance monitoring fees for housing credit properties for which partial or no fees were collected at the time of allocation; and the costs associated with holding foreclosed property. Unrestricted net asset designations may also include other risks and contingencies.

15. DEVELOPER AND REGIONAL CONCENTRATION

As of December 31, 2011, three developers account for approximately 23% ($450.6 million) of bonds outstanding in the multifamily bond programs. No other developer accounts for more than 5% of the bonds outstanding. Developments in the following six counties represent 62% of the bonds outstanding: Orange County (23%), Hillsborough County (10%), Duval County (8%), Palm Beach County (8%), Miami-Dade County (7%), and Broward County (6%). No other county represents more than 5% of the bonds outstanding.

As of December 31, 2011, four developers account for approximately 40% ($280.9 million) of loans outstanding in the SAIL Program. No other developer accounts for more than 5% of SAIL loans outstanding. Developments in the following six counties represent 55% of the SAIL loans outstanding: Miami-Dade County (14%), Hillsborough County (13%), Orange County (11%), Duval County (6%), Palm Beach County (6%), and Broward County (5%). No other county represents 5% or more of the SAIL loans outstanding.

As of December 31, 2011, two developers account for approximately 15% ($40.5 million) of loans outstanding in the HOME Program. No other developer accounts for more than 3% of HOME loans outstanding. Developments in the following three counties represent 31% of HOME loans outstanding: Miami-Dade County (19%), Desoto County (6%), and Highlands County (6%). No other county represents more than 5% of the outstanding HOME loans.

As of December 31, 2011, four developers account for approximately 59% ($336.4 million) of the total guarantees issued by the Guarantee Program. Credit enhanced developments are located in 24 counties. The counties with greater than 5% of the total outstanding guarantees are as follows: Miami-Dade County (21%), Palm Beach County (17%), Broward County (9%), Orange County (9%), and Volusia County (6%).

16. COMMITMENTS AND CONTINGENCIES

Loans

Florida Housing originates commitments to extend credit in the normal course of business to meet the financing needs of qualified first time homebuyers and developers providing affordable housing for low, moderate, and middle income families in the state of Florida. Commitments to extend credit are contractual obligations to lend to a developer or individual homebuyer as long as all established contractual conditions are satisfied.

As of December 31, 2011, Florida Housing had outstanding commitments under state and federally funded programs and other initiatives as follows:

Hardest Hit Fund	$	56,037,436
HOME Investment Partnerships Program		34,860,549
State Apartment Incentive Loan Program		16,735,006
Community Workforce Housing Innovation Pilot Program		5,744,802
Predevelopment Loan Program		3,479,918
Subordinate Mortgage Initiative		1,336,276
Demonstration Loans		250,358
Tax Credit Exchange Program		245,812
Tax Credit Assistance Program		31,017
	$	118,721,174

Leases

Florida Housing leases office space under a noncancelable operating lease. The lease term runs through May 2014. Rent expense for the operating lease was $951,759 for the year ended December 31, 2011. As of December 31, 2011, future minimum lease payments are as follows:

2012	$	977,802
2013		1,007,273
2014		424,922
	$	2,409,997

Risk Management

Florida Housing is subject to normal risks associated with its operations, including property damage, personal injury and employee dishonesty. All risks are managed through the purchase of commercial insurance. There have been no claims filed or decreases in coverage over the last three years.

17. EMPLOYEE BENEFITS

Florida Housing is authorized by Section 420.507(32) of the Florida Statutes to establish pension plans for the benefit of its employees. There are two plans in place, a defined contribution pension plan and a deferred compensation plan.

Retirement Plan

Florida Housing sponsors a defined contribution pension plan (the Plan) under Internal Revenue Code (IRC) Section 401(m) to provide retirement and survivor benefits to participating employees. The Plan, which is administered by Florida Housing, covers all employees who have completed 12 months of employment, have attained the age of 21, and have performed at least 1,000 hours of service before the first anniversary of their employment or during any Plan year. In accordance with Plan documents, Florida Housing, or its Board of Directors, as applicable, may order changes to the Plan. Such changes shall be effective upon execution of a written instrument amending the Plan. Under the Plan, Florida Housing's contribution is based on a two-tier system. First, Florida Housing contributes a percentage of the eligible employee's compensation to the Plan. This percentage, designated by Florida Housing's Board of Directors, was 8% for the years ended December 31, 2011, 2010, and 2009. Second, Florida Housing contributes $0.50 to the Plan for every $1.00 of compensation deferred by the eligible employee under Florida Housing's sponsored IRC Section 457 Deferred Compensation Plan, up to a maximum contribution by Florida Housing of 3% of the eligible employee's compensation. These contributions are recognized in the period they are due. Florida Housing contributions vest to the employee after three years of service

Deferred Compensation Plan

Florida Housing offers its employees a deferred compensation plan created in accordance with IRC Section 457 (the 457 Plan). The 457 Plan, available to all employees who have completed 90 continuous days of employment and have attained the age of 21, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. Florida Housing has the right to amend the 457 Plan. Amendments must be made in writing.

All amounts of compensation deferred under the 457 Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (notwithstanding the mandates of 26 U.S.C. s. 457 (b) (6), all of the assets specified in subparagraph 1) held in trust for the exclusive benefit of participants and their beneficiaries as mandated by 26 U.S.C. s. 457 (g) (1). Florida Housing does not contribute to the 457 Plan. Participation under the 457 Plan is solely at the discretion of the employee. Florida Housing has no liability for losses under the 457 Plan, but does have the duty of due care.

18. SUBSEQUENT EVENTS

Bond Programs

During the period January 1, 2012 through April 30, 2012, pursuant to various trust indentures, bonds in the aggregate amount of $195.6 million were called for redemption from principal payments and excess revenues. The bonds were called at a redemption price equal to par value plus accrued interest.

Bonds and notes were called from the following programs:

Issue	Date	Redemption Amount
Single Family Home Ownership		
1987 Series G1, G2	January 3, 2012	$ 5,000
	February 1, 2012	10,000
	April 1, 2012	10,000
1991 Series G1, G2	January 3, 2012	11,000
	February 1, 2012	11,000
	March 1, 2012	11,000
	April 2, 2012	36,000

Issue	Date	Redemption Amount
Single Family Homeownership (continued)		
1992 Series G1, G2	January 3, 2012	56,736
	February 1, 2012	32,517
	March 1, 2012	99,973
	April 2, 2012	64,008
		347,234
Single Family Homeowner Mortgage		
1997 Series 1-4	January 3, 2012	435,000
2002 Series 1-3	January 3, 2012	470,000
2003 Series 1-4	January 3, 2012	385,000
2003 Series 5	January 3, 2012	805,000
2004 Series 1-2	January 3, 2012	2,020,000
2004 Series 3-4	January 3, 2012	1,305,000
2004 Series 5-6	January 3, 2012	2,170,000
2005 Series 1	January 3, 2012	1,385,000
2005 Series 2-3	January 3, 2012	3,205,000
2006 Series 1	January 3, 2012	3,035,000
2006 Series 2-3	January 3, 2012	3,010,000
2006 Series 4-5	January 3, 2012	6,985,000
2006 Series 6	January 3, 2012	5,485,000
2007 Series 1	January 3, 2012	4,820,000
2007 Series 2	January 3, 2012	8,120,000
2007 Series 3-4	January 3, 2012	3,800,000
2007 Series 5	January 3, 2012	4,150,000
2007 Series 6	January 3, 2012	5,860,000
2008 Series 1	January 3, 2012	1,460,000
2008 Series 2	January 3, 2012	2,910,000
2008 Series 3	January 3, 2012	3,230,000
2008 Series 4	January 3, 2012	3,190,000
2009 Series 1	January 3, 2012	3,690,000
2009 Series 2	January 3, 2012	5,840,000
2009 Series A1-A2	January 3, 2012	10,960,000
2010 Series A, 2009 Series B1	January 3, 2012	8,200,000
2010 Series B, 2009 Series B2	January 3, 2012	145,000
2011 Series A, 2009 Series B3	January 3, 2012	1,070,000
2011 Series 1-3	January 3, 2012	5,540,000
1997 Series 1-4	April 2, 2012	360,000
2002 Series 1-3	April 2, 2012	130,000
2003 Series 1-4	April 2, 2012	490,000
2003 Series 5	April 2, 2012	495,000
2004 Series 1-2	April 2, 2012	270,000
2005 Series 1	April 2, 2012	10,000
2006 Series 2-3	April 2, 2012	705,000
2006 Series 4-5	April 2, 2012	390,000
2007 Series 1	April 2, 2012	1,710,000
2007 Series 2	April 2, 2012	610,000

Issue	Date	Redemption Amount
Single Family Homeowner Mortgage (continued)		
2007 Series 3-4	April 2, 2012	4,725,000
2007 Series 5	April 2, 2012	200,000
2008 Series 1	April 2, 2012	500,000
2008 Series 2	April 2, 2012	375,000
2008 Series 3	April 2, 2012	3,530,000
2008 Series 4	April 2, 2012	1,765,000
2009 Series 1	April 2, 2012	120,000
2009 Series 2	April 2, 2012	2,610,000
2009 Series A1-A2	April 2, 2012	5,075,000
2010 Series A, 2009 Series B1	April 2, 2012	4,545,000
2010 Series B, 2009 Series B2	April 2, 2012	360,000
2011 Series A, 2009 Series B3	April 2, 2012	1,665,000
2011 Series B, 2009 Series B4	April 2, 2012	10,000
		134,330,000
Multifamily Housing Revenue		
Various	January 2012	20,849,727
Various	February 2012	26,428,788
Various	March 2012	1,717,560
Various	April 2012	11,949,076
		60,945,151
		$ 195,622,385

During the period January 1, 2012 through April 30, 2012, $15.0 million in bonds were issued in the following programs:

Issue	Date	Issued Amount
Multifamily Housing Revenue		
2011 Series H1 – H2	January 19, 2012	8,000,000
2012 Series A	February 8, 2012	7,000,000
		$ 15,000,000

In April 2012, Moody’s downgraded Trinity Funding Company, LLC, the Guarantee Fund’s Guaranteed Investment Contract counterparty. The downgrade triggered provisions in the contract which allowed the Guarantee Fund to terminate the investment agreement and withdraw all funds, $163.9 million, on April 18, 2012. The Guarantee Fund immediately reinvested the funds with the State Treasury.

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SUPPLEMENTARY SCHEDULES

FLORIDA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Florida)

SUPPLEMENTARY SCHEDULE OF PROGRAM BALANCE SHEETS
AS OF DECEMBER 31, 2011

	Restricted Programs								
	Single Family Home Ownership	Single Family Homeowner Mortgage	Homeowner Mortgage Revenue (Special Program)	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2011
ASSETS									
CURRENT ASSETS									
Cash and cash equivalents	$ 886,486	$ 134,808,220	$ 39,870,077	$ 631,247	$ 242,324,643	$ 19,405,891	$ 2,498	$ 6,228,862	$ 444,157,924
Investments, net	-	32,723,306	262,868,305	45,729,652	22,153,710	91,149,609	18,828	44,163,704	498,807,114
Interest receivable on investments	38,865	5,131,031	2,870,706	78,303	556,190	83,016	-	1,214,804	9,972,915
Interest receivable on loans	-	626,697	-	-	16,913,987	-	-	-	17,540,684
Loans receivable, net	-	6,782,061	-	-	98,471,899	34,155,560	-	62,893	139,472,413
Deferred finance charges, net	-	1,633,967	501,284	102,405	-	-	-	-	2,237,656
Documentary stamp taxes receivable	-	-	-	-	-	15,277,645	-	-	15,277,645
Property held for sale	-	-	-	-	-	-	462,400	-	462,400
Other assets	-	400	-	-	-	500,230	244	1,642,417	2,143,291
(Payable to) receivable from other programs	(4)	(5,468,345)	(392,896)	(32,661)	(1,023,164)	5,333,140	(534,400)	2,118,330	-
Total current assets	925,347	176,237,337	305,717,476	46,508,946	379,397,265	165,905,091	(50,430)	55,431,010	1,130,072,042
NONCURRENT ASSETS									
Investments, net	7,370,133	1,215,899,052	685,682,001	163,924,160	83,928,569	112,170,095	54,817	125,069,728	2,394,098,555
Loans receivable, net	-	120,440,320	-	-	1,681,620,018	1,086,693,007	-	17,851,462	2,906,604,807
Deferred finance charges, net	-	12,975,828	5,553,863	194,496	-	-	-	-	18,724,187
Capital assets, net	-	-	-	-	-	-	-	33,251	33,251
Total noncurrent assets	7,370,133	1,349,315,200	691,235,864	164,118,656	1,765,548,587	1,198,863,102	54,817	142,954,441	5,319,460,800
TOTAL ASSETS	$ 8,295,480	$ 1,525,552,537	$ 996,953,340	$ 210,627,602	$ 2,144,945,852	$ 1,364,768,193	$ 4,387	$ 198,385,451	$ 6,449,532,842
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Accounts payable and other liabilities	$ -	$ -	$ -	$ -	$ -	$ 17,475,409	$ 16,039	$ 9,046,070	$ 26,537,518
Accrued interest payable	39,087	29,158,896	14,588,417	143,617	17,903,932	-	-	-	61,833,949
Accrued arbitrage rebate	-	259,507	-	-	3,475	-	-	-	262,982
Collateralized bank loan	-	8,810,000	-	-	-	-	-	-	8,810,000
Notes payable, net	-	-	-	-	141,499	-	-	-	141,499
Bonds payable, net	383,598	120,124,417	36,473,910	-	145,461,603	-	-	-	302,443,528
Deferred fee income, net	-	-	-	1,580,956	-	-	-	2,382,477	3,963,433
Total current liabilities	422,685	158,352,820	51,062,327	1,724,573	163,510,509	17,475,409	16,039	11,428,547	403,992,909
NONCURRENT LIABILITIES									
Notes payable, net	-	-	-	51,000,000	13,421,741	-	-	-	64,421,741
Bonds payable, net	6,361,565	1,047,978,883	865,313,317	-	1,845,305,656	-	-	-	3,764,959,421
Deferred fee income, net	-	-	-	1,865,942	-	-	-	71,172,376	73,038,318
Due to developers	-	-	-	-	122,707,946	-	-	505,463	123,213,409
Other liabilities	-	-	-	5,787,548	-	-	-	-	5,787,548
Total noncurrent liabilities	6,361,565	1,047,978,883	865,313,317	58,653,490	1,981,435,343	-	-	71,677,839	4,031,420,437
Total liabilities	6,784,250	1,206,331,703	916,375,644	60,378,063	2,144,945,852	17,475,409	16,039	83,106,386	4,435,413,346
NET ASSETS									
Invested in capital assets	-	-	-	-	-	-	-	33,251	33,251
Restricted	1,511,230	319,220,834	80,577,696	150,249,539	-	1,347,292,784	-	5,291,757	1,904,143,840
Unrestricted	-	-	-	-	-	-	(11,652)	109,954,057	109,942,405
Total net assets	1,511,230	319,220,834	80,577,696	150,249,539	-	1,347,292,784	(11,652)	115,279,065	2,014,119,496
TOTAL LIABILITIES AND NET ASSETS	$ 8,295,480	$ 1,525,552,537	$ 996,953,340	$ 210,627,602	$ 2,144,945,852	$ 1,364,768,193	$ 4,387	$ 198,385,451	$ 6,449,532,842

FLORIDA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Florida)

SUPPLEMENTARY SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND CHANGES IN PROGRAM NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Restricted Programs								
	Single Family Home Ownership	Single Family Homeowner Mortgage	Homeowner Mortgage Revenue (Special Program)	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2011
OPERATING REVENUES									
Interest on loans	$ -	$ 7,725,765	$ -	$ -	$ 74,756,622	$ 15,751,619	$ -	$ 74,680	$ 98,308,686
Investment income	432,596	75,870,511	71,074,436	2,165,160	5,336,691	5,288,678	20,643	2,754,292	162,943,007
Federal program administrative fees	-	-	-	-	-	-	-	10,442,107	10,442,107
Recovery of claims	-	-	-	944,611	-	-	-	-	944,611
Other income	-	1,402,610	-	6,359,083	898,385	105,640	1,025,853	14,051,878	23,843,449
Total operating revenues	432,596	84,998,886	71,074,436	9,468,854	80,991,698	21,145,937	1,046,496	27,322,957	296,481,860
OPERATING EXPENSES									
Interest expense	499,413	61,135,314	25,740,887	3,429,663	70,492,502	-	-	-	161,297,779
Payments to other governments	-	-	-	-	-	27,654,196	-	-	27,654,196
Provision for uncollectible loans	-	337,949	-	(1,495,688)	-	39,654,098	-	1,806,595	40,302,954
General and administrative	1,222	2,488,640	1,010,121	577,886	14,949,496	1,673,923	1,592,225	25,193,269	47,486,782
Total operating expenses	500,635	63,961,903	26,751,008	2,511,861	85,441,998	68,982,217	1,592,225	26,999,864	276,741,711
OPERATING INCOME (LOSS)	(68,039)	21,036,983	44,323,428	6,956,993	(4,450,300)	(47,836,280)	(545,729)	323,093	19,740,149
NONOPERATING REVENUES (EXPENSES)									
Federal and state program revenue	-	-	-	-	-	346,169,878	-	610,319	346,780,197
Federal and state program expenses	-	121,285	-	-	-	(280,416,292)	-	(1,925,043)	(282,220,050)
State documentary stamp tax revenue	-	-	-	-	-	175,525,092	-	-	175,525,092
Transfers to state agencies	-	-	-	-	-	(175,435,339)	-	-	(175,435,339)
Net nonoperating revenues	-	121,285	-	-	-	65,843,339	-	(1,314,724)	64,649,900
Income (Loss) before transfers	(68,039)	21,158,268	44,323,428	6,956,993	(4,450,300)	18,007,059	(545,729)	(991,631)	84,390,049
TRANSFERS FROM (TO) OTHER PROGRAMS	(2,222)	3,762,403	4,121,253	15,000,000	-	(17,533,934)	-	(5,347,500)	-
CHANGE IN NET ASSETS	(70,261)	24,920,671	48,444,681	21,956,993	(4,450,300)	473,125	(545,729)	(6,339,131)	84,390,049
NET ASSETS									
Beginning of year	1,581,491	294,300,163	32,133,015	128,292,546	4,450,300	1,346,819,659	534,077	121,618,196	1,929,729,447
End of year	$ 1,511,230	$ 319,220,834	$ 80,577,696	$ 150,249,539	$ -	$ 1,347,292,784	$ (11,652)	$ 115,279,065	$ 2,014,119,496

FLORIDA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Florida)

SUPPLEMENTARY SCHEDULE OF PROGRAM CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Restricted Programs								
	Single Family Home Ownership	Single Family Homeowner Mortgage	Homeowner Mortgage Revenue (Special Program)	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2011
CASH FLOWS FROM OPERATING ACTIVITIES									
Interest received on conduit debt fund investments	$ 500,674	$ 64,938,385	$ 26,606,824	$ -	$ 5,201,669	$ -	$ -	$ -	$ 97,247,552
Cash received from interest on loans receivable	-	7,479,319	-	-	76,903,730	15,751,619	-	105,778	100,240,446
Cash received from principal payments on loans receivable	-	11,876,393	-	-	237,474,686	21,166,438	-	1,204,161	271,721,678
Cash received for federal program administrative fees	-	-	-	-	-	-	-	10,834,225	10,834,225
Cash received from other revenues	-	1,402,610	-	5,832,026	898,385	-	-	15,352,733	23,485,754
Cash payments for issuance of loans and federal programs	-	(2,083,858)	-	-	(109,035,109)	(128,602,882)	-	(8,460,791)	(248,182,640)
Interest paid on conduit debt fund bonds	(504,268)	(67,408,271)	(19,765,113)	-	(72,569,165)	-	-	-	(160,246,817)
Cash received (payments) for operating expenses	(1,222)	(4,639,861)	(1,010,121)	(585,575)	(14,949,496)	2,201,935	(633,078)	(24,521,183)	(44,138,601)
Payments to other governments	-	-	-	(30,069,578)	-	(27,654,196)	-	-	(57,723,774)
Net cash received from operation of foreclosed properties	-	-	-	-	-	-	1,016,505	-	1,016,505
Proceeds from disposition of property held for sale	-	-	-	-	-	-	26,135,113	-	26,135,113
Cash receipts from (payments to) other funds	(1)	(9,836,085)	176,466	28,294,302	(136,043)	(560,015)	(28,313,221)	10,374,597	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(4,817)	1,728,632	6,008,056	3,471,175	123,788,657	(117,697,101)	(1,794,681)	4,889,520	20,389,441
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Proceeds from issuance of notes	-	-	-	-	112,955	-	-	-	112,955
Proceeds from issuance of bonds	-	86,197,686	178,282,874	-	51,005,000	-	-	-	315,485,560
Principal payments on notes	-	-	-	(105,200,000)	(133,678)	-	-	-	(105,333,678)
Principal payments on bonds	(995,569)	(307,955,298)	(17,275,000)	-	(270,203,819)	-	-	-	(596,429,686)
Interest paid	-	-	-	(4,172,511)	-	-	-	-	(4,172,511)
Payment of bond issuance costs	-	(1,110,869)	(2,858,948)	-	-	-	-	-	(3,969,817)
Payments on collateralized bank loan	(640,000)	(16,825,000)	-	-	-	-	-	-	(17,465,000)
Transfers from (to) other programs	(2,222)	3,762,403	4,121,253	15,000,000	-	(17,533,934)	-	(5,347,500)	-
Cash received (used) for federal and state programs	-	121,285	-	-	-	40,929,461	-	(1,314,724)	39,736,022
State documentary stamp tax receipts	-	-	-	-	-	173,853,259	-	-	173,853,259
Transfers to state agencies	-	-	-	-	-	(175,435,339)	-	-	(175,435,339)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	(1,637,791)	(235,809,793)	162,270,179	(94,372,511)	(219,219,542)	21,813,447	-	(6,662,224)	(373,618,235)
CASH FLOWS FROM INVESTING ACTIVITIES									
Purchases of investments	(12,988)	(400,242,007)	(878,451,295)	(77,121,547)	(108,857,930)	(398,552,518)	-	(349,879,298)	(2,213,117,583)
Proceeds from the sale and maturity of investments	988,995	600,887,653	477,696,711	166,354,716	105,950,891	489,397,288	1,230,321	345,692,415	2,188,198,990
Interest received on investments	-	-	-	1,473,226	-	4,996,249	15,092	3,457,771	9,942,338
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	976,007	200,645,646	(400,754,584)	90,706,395	(2,907,039)	95,841,019	1,245,413	(729,112)	(14,976,255)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(666,601)	(33,435,515)	(232,476,349)	(194,941)	(98,337,924)	(42,635)	(549,268)	(2,501,816)	(368,205,049)
CASH AND CASH EQUIVALENTS									
Beginning of year	1,553,087	168,243,735	272,346,426	826,188	340,662,567	19,448,526	551,766	8,730,678	812,362,973
End of year	$ 886,486	$ 134,808,220	$ 39,870,077	$ 631,247	$ 242,324,643	$ 19,405,891	$ 2,498	$ 6,228,862	$ 444,157,924

FLORIDA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Florida)

SUPPLEMENTARY SCHEDULE OF PROGRAM CASH FLOWS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

	Restricted Programs								
	Single Family Home Ownership	Single Family Homeowner Mortgage	Homeowner Mortgage Revenue (Special Program)	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2011
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:									
Operating income (loss)	$ (68,039)	$ 21,036,983	$ 44,323,428	$ 6,956,993	$ (4,450,300)	$ (47,836,280)	$ (545,729)	$ 323,093	$ 19,740,149
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities									
Fair value of investments	62,125	(9,974,247)	(43,010,944)	(633,702)	(121,853)	(351,819)	(5,589)	203,673	(53,832,356)
Accreted interest on capital appreciation bonds	-	227,600	-	-	399,739	-	-	-	627,339
Provision for loan losses	-	337,949	-	-	-	39,654,098	-	1,806,595	41,798,642
Amortization and depreciation	1,366	(2,194,679)	(151,008)	(5,929,713)	111,057	77,237	38	(2,754,350)	(10,840,052)
Interest received on investments	-	-	-	(1,473,226)	-	(4,996,249)	(15,092)	(3,457,771)	(9,942,338)
Interest paid	-	-	-	4,172,511	-	-	-	-	4,172,511
Disposition of property held for sale	-	-	-	-	-	-	26,085,310	-	26,085,310
Changes in assets and liabilities which provided (used) cash									
Interest receivable on investments	5,953	873,151	(1,351,549)	(58,233)	193,797	(17,847)	-	413,757	59,029
Interest receivable on loans	-	10,734	-	-	2,147,108	-	-	31,098	2,188,940
Loans receivable	-	712,252	-	-	91,135,604	(107,436,444)	-	1,823,652	(13,764,936)
Other assets	-	47,195	-	-	-	(474,718)	66,995	(1,141,359)	(1,501,887)
Accounts payable and other liabilities	-	(2,198,416)	-	(32,309,021)	-	4,350,576	(179,054)	2,172,830	(28,163,085)
Accrued interest payable	(6,221)	(5,760,443)	6,021,663	(294,535)	(2,479,900)	-	-	-	(2,519,436)
Accrued arbitrage rebate	-	(633,645)	-	-	(314,524)	-	-	-	(948,169)
Deferred fee income	-	-	-	5,761,169	-	-	(9,348)	5,239,327	10,991,148
Due to developers	-	-	-	-	37,303,972	-	-	(1,065,340)	36,238,632
Interfund receivable (payable)	(1)	(755,802)	176,466	27,278,932	(136,043)	(665,655)	(27,192,212)	1,294,315	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ (4,817)	$ 1,728,632	$ 6,008,056	$ 3,471,175	$ 123,788,657	$ (117,697,101)	$ (1,794,681)	$ 4,889,520	$ 20,389,441

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COMPLIANCE SECTION

FLORIDA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Florida)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	CFDA Number	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Housing Finance Agencies Risk Sharing Program		14.188	$ 305,250,650
ARRA – Tax Credit Assistance Program		14.258	101,103,935
HOME Investment Partnerships Program		14.239	31,857,158
Total U.S. Department of Housing and Urban Development			438,211,743
U.S. DEPARTMENT OF TREASURY			
Passed through NeighborWorks America National Foreclosure Mitigation Counseling Program	PL110-289: 95X1350	21.000	1,973,978
Total U.S. Department of Treasury			1,973,978
TOTAL			$ 440,185,721

See Notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Florida Housing Finance Corporation (Florida Housing) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

2. HOUSING FINANCE AGENCIES RISK SHARING PROGRAM – CFDA # 14.188

On November 9, 1994, Florida Housing and the U.S. Department of Housing and Urban Development (HUD) entered into a Risk Sharing Agreement providing for HUD's assumption, or endorsement, of 50% of the post-construction obligation on specific multifamily developments financed by Florida Housing or local housing finance authority bonds. Pursuant to OMB Circular A-133, the value of federal awards expended under loan and loan guarantee programs is calculated as the value of new loans made during the fiscal year plus the balance of loans from previous years for which the federal government imposes continuing compliance requirements. There were no new guarantees made during 2011. The HUD-guaranteed portions of all outstanding loans are included in the accompanying Schedule of Expenditures of Federal Awards.

3. TAX CREDIT ASSISTANCE PROGRAM – CFDA # 14.258

In 2009, the American Recovery and Reinvestment Act (ARRA) created the Tax Credit Assistance Program (TCAP). This federal stimulus funding was directed to rental developments that had already received a Housing Credit allocation but required additional funding due to limited equity available in the housing credit market. During 2011, Florida Housing disbursed $11.0 million in TCAP funds, and there were $101.1 million in TCAP loans outstanding at December 31, 2011.

4. PAYMENTS TO SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Florida Housing provided federal awards to subrecipients as follows:

Program Title	CFDA Number	Expenditures
National Foreclosure Mitigation Counseling Program	21.000	$ 1,925,043

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Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors of Florida Housing Finance Corporation
Stephen Auger, Executive Director
Barbara Goltz, Chief Financial Officer

We have audited the financial statements of Florida Housing Finance Corporation ("Florida Housing") as of and for the year ended December 31, 2011, and have issued our report thereon dated May 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal control over financial reporting

Management of Florida Housing is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Florida Housing's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Florida Housing's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Florida Housing's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and other matters

As part of obtaining reasonable assurance about whether Florida Housing's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of Florida Housing's Board of Directors, management, the state of Florida, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

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May 29, 2012

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Report of Independent Certified Public Accountants on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

The Board of Directors of Florida Housing Finance Corporation
Stephen Auger, Executive Director
Barbara Goltz, Chief Financial Officer

Compliance

We have audited Florida Housing Finance Corporation's ("Florida Housing's") compliance with the types of compliance requirements described in the US Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Florida Housing's major federal programs for the year ended December 31, 2011. Florida Housing's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Florida Housing's management. Our responsibility is to express an opinion on Florida Housing's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Florida Housing's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Florida Housing's compliance with those requirements.

In our opinion, Florida Housing complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal control over compliance

The management of Florida Housing is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Florida Housing's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Florida Housing's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of Florida Housing's Board of Directors, management, the state of Florida, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

May 29, 2012

FLORIDA HOUSING FINANCE CORPORATION
(A Component Unit of the State of Florida)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Part I – Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
• Material weakness(es) identified?	___ yes	X no
• Significant deficiency(ies) identified?	___ yes	X none reported
• Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards Section

Internal control over major programs:		
• Material weakness(es) identified?	___ yes	X no
• Significant deficiency(ies) identified?	___ yes	X none reported
Type of auditor's report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	___ yes	X no

Identification of major programs:

CFDA Number	Name of Federal Program
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
14.188	Housing Finance Agencies Risk Sharing Program
14.258	ARRA – Tax Credit Assistance Program

Dollar threshold used to distinguish between type A and type B programs:	$3,000,000	
Auditee qualified as low-risk auditee?	X yes	___ no

Part II – Financial Statement Findings Section

The audit disclosed no findings required to be reported by *Government Auditing Standards*.

Part III – Federal Award Findings and Questioned Costs Section

The audit disclosed no findings required to be reported by OMB Circular A-133.

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