we make housing affordable™

Florida Housing
Finance Corporation

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

December 31, 2009

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

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Ernst & Young LLP
Suite 1200
401 East Jackson Street
Tampa, FL 33602

Tel: +1 813 225 4800
Fax: +1 813 225 4711
www.ey.com

Report of Independent Certified Public Accountants

The Board of Directors of Florida Housing Finance Corporation

We have audited the accompanying balance sheet of Florida Housing Finance Corporation ("Florida Housing") (a component unit of the state of Florida) as of December 31, 2009, and the related statement of revenues, expenses, and changes in net assets, and the statement of cash flows for the year then ended. 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, 2009, 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 25, 2010 on our consideration of 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.

The management's discussion and analysis on pages 4 through 9 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on Florida Housing's basic financial statements. The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Ernst & Young LLP

May 25, 2010

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, 2009. This overview and analysis is required by accounting principles generally accepted in the United States of America in 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 2009, net assets decreased $250.4 million to $1.71 billion as of December 31, 2009. This change consists of increases in bond programs ($121.3 million) and the Operating Fund ($13.2 million), with offsetting decreases in the State and Federal programs ($384.8 million) and the subsidiary corporations ($0.1 million).
- Bonds outstanding, net decreased by $464.9 million to $3.9 billion in 2009. The overall decrease is comprised of decreases in single family bonds ($28.8 million), multifamily bonds ($185.6 million), and Guarantee Program bonds outstanding ($250.5 million).
- Loans receivable, net increased by $6.7 million to $3.1 billion in 2009. The change consists of a net increase in State and Federal programs ($96.5 million) and the Operating Fund ($4.3 million), with offsetting decreases in the Multifamily Housing Revenue bond programs ($82.0 million) and the single family bond programs ($12.1 million).
- The change in net assets for all programs and funds decreased $221.5 million. The primary components of the change include a decrease in the State and Federal programs of $314.1 with offsetting increases in single family bond programs of $64.5 million and the Guarantee program of $20.7 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. All of the revenues and expenses of Florida Housing are accounted for in the Statement of Revenues, Expenses, and Changes in Net Assets. The balance sheet includes $4.4 billion in assets and $3.9 billion in net bonds payable relating to conduit debt.

FINANCIAL ANALYSIS OF FLORIDA HOUSING

Balance Sheet

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

	2009	2008
Non-capital assets		
Current assets	$ 808.9	$ 1,401.8
Noncurrent assets		
Investments	2,413.1	2,248.8
Loans receivable, net	2,978.7	2,993.1
Deferred finance charges, net	17.3	18.2
Total non-capital assets	6,218.0	6,661.9
Capital assets, net	0.1	0.2
Total assets	$ 6,218.1	$ 6,662.1
Current liabilities	$ 493.2	$ 249.1
Noncurrent liabilities		
Notes payable, net	169.9	–
Bonds payable, net	3,631.3	4,216.1
Deferred fee income, net	64.5	57.1
Other liabilities	8.9	11.0
Due to developers	116.5	139.6
Due to State of Florida	19.8	24.8
Total liabilities	4,504.1	4,697.7
Net assets		
Invested in capital assets	0.1	0.2
Restricted	1,599.7	1,863.0
Unrestricted	114.2	101.2
Total net assets	1,714.0	1,964.4
Total liabilities and net assets	$ 6,218.1	$ 6,662.1

Florida Housing's net assets decreased by $250.4 million, or 13%, from the December 31, 2008 balance. This is primarily due to the return of $190.0 million in documentary stamp tax collections back to the state, as well as other required transfers of documentary stamp tax collections to the state.

Total loans receivable, net (current and noncurrent) increased $6.7 million in 2009. The largest components of this change were an increase in mortgage loans outstanding in Operating and the State and Federal Programs, offset by a decrease in the Single Family Homeowner and Multifamily Mortgage Revenue bonds programs. Loans receivable in the State and Federal Programs increased by $96.5 million, to $922.8 million, primarily in the State Apartment Incentive Loan (SAIL) Program. Loans receivable in the Single Family Homeowner Mortgage program decreased by $12.1 million, to $138.1 million due to the repayment of loans in the program's whole loan portfolio. New loans originated in the program are securitized, and therefore, do not offset these repayments but are increases to the investment balance.

Bonds payable, net (current and noncurrent) decreased $464.9 million, to $3.9 billion, in 2009. Single family bonds outstanding showed a net decrease of $28.8 million comprised of increases due to issuance and related premiums on the 2009 single family bonds ($160.0 million) and accreted interest on capital appreciation bonds ($1.0 million) offset by principal payments on bonds ($189.8 million). The $250.5 million decrease in Guarantee Program bonds outstanding was due to the payoff of one issue and the refunding of the remaining outstanding bonds with a note payable in late 2009. More detailed information about the Guarantee Program debt activity is presented in Note 11 to the financial statements. The $185.6 million net decrease in multifamily bonds outstanding is comprised of increases due to bond issuances ($10.9 million) and accreted interest on capital appreciation bonds ($0.4 million), offset by principal payments on bonds ($196.9 million). Included in the multifamily bond $196.9 million in principal repayments are early retirements of $174.8 million.

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

Florida Housing's Board of Directors authorized the designation of unrestricted net assets in the Operating Fund for demonstration loans and associated costs, support of the single family bond program, and future operating and capital expenditures, including the funding of compliance monitoring for housing credit developments from which partial or no monitoring fees were collected. As of December 31, 2009, the total amount designated is $114.3 million.

Statements of Revenues, Expenses, and Changes in Net Assets

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

	2009	2008
Operating revenues		
Interest on loans	$ 103.0	$ 131.0
Investment income	180.7	176.2
Other income	26.4	25.7
HUD administrative fees	3.1	3.3
Recovery of claims	17.3	–
Total operating revenues	330.5	336.2
Operating expenses		
Interest expense	183.9	204.6
Payments to other governments	141.9	126.5
Provision for uncollectible loans	24.2	35.7
Claims expense	21.9	19.2
General and administrative expenses	48.5	47.0
Housing assistance payments	0.8	3.5
Total operating expenses	421.2	436.5
Nonoperating revenues (expenses)		
HUD program receipts	14.4	30.7
State documentary stamp tax receipts	153.8	171.4
Transfers to state agencies	(327.9)	(130.7)
Net nonoperating revenues (expenses)	(159.7)	71.4
Change in net assets	$ (250.4)	$ (28.9)

Investment income increased $4.5 million in 2009. The overall increase was comprised of an increase in investment income for the Operating Fund ($5.2 million) and the State and Federal programs ($10.1 million), with an offsetting net decrease in investment income for the single family and multifamily bond programs ($1.3 million) and the Guarantee Program ($9.5 million). Unrealized gain on investments in 2009 was $49.2 million, compared to a $23.3 million unrealized gain recorded in 2008. Actual income earned from investments decreased $22.7 million from 2008, a result of the turbulent financial market depressing interest rates on investments.

Total operating expenses decreased $15.3 million, to $421.2 million in 2009. Components of the decrease include decreases in interest expense ($20.7 million), provision for uncollectible loans ($11.5 million), and housing assistance payments for the HOME Tenant-Based Rental Assistance program ($2.8 million). These are offset by increases in payment of State Housing Initiatives Partnership (SHIP) funds to local governments ($15.4 million), claims expense in the Guarantee Program ($2.8 million) and general and administrative expense ($1.5 million). The decrease in bond interest expense is due to the decrease in outstanding bond balances as described above. The claims expense is due to payment of four claims in the Guarantee Program.

Net nonoperating revenues (expenses) decreased $231.1 million from net nonoperating revenues of $71.4 million in 2008 to net nonoperating expenses of $159.7 million in 2009. This decrease is primarily due to the required return of $190.0 million in documentary stamp tax receipts to the state, as well as other required transfers to the state.

For the bond programs, loan related interest earnings ($93.2 million) and investment income ($138.7 million) are the primary components of total revenues. Bond interest expense ($183.9 million) is the largest expense item.

Florida Housing's revenues in the Operating Fund were primarily generated from investment income ($8.9 million), issuer fees ($7.2 million), and administrative fees for federal programs ($3.1 million). General and administrative expenses ($19.0 million), which include operating expenses and program administration (credit underwriting, servicing, and monitoring) comprise the bulk of expenses in the Operating Fund.

Documentary stamp tax receipts of $153.8 million make up the majority of the revenues and transfers in the State and Federal programs. Payments to local governments through SHIP ($141.9 million) and transfers to state agencies ($327.9 million) are the largest component of expenses. The increase in transfers to state agencies ($197.3 million), the increase in transfers to other programs ($84.9 million), and the decreases in documentary stamp tax receipts ($17.5 million) and federal program receipts ($16.1 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 $3.9 billion, net of discounts. This represents a net decrease of $464.9 million during 2009, resulting from the issuance of bonds and premiums ($170.9 million) and accreted interest on capital appreciation bonds ($1.4 million), offset by principal payments and refunding on bonds ($637.2 million). More detailed information about Florida Housing's debt is presented in Note 11 to the financial statements.

In May 2009, $89.9 million in Guarantee Program capitalizing bonds were retired using indenture assets. In December 2009, the remaining $156.2 million of these capitalizing bonds were refunded with a five-year note payable.

OTHER FINANCIAL INFORMATION

Florida's economy and its housing market continue to struggle. Florida had the third highest state foreclosure rate during the first quarter of 2010. Over 153,500 Florida properties, one in every 57 properties, received a foreclosure filing during this time. It appears that foreclosure activity is still on the rise. The first quarter of 2010 saw a 7% rise in foreclosure activity over the fourth quarter of 2009. This was a 29% increase over the same period in 2009. Unemployment is still rising, although the rate of increase has slowed. State of Florida revenue estimates indicate these conditions will continue to impact the collection of documentary stamp taxes; deposits to the housing trust funds are not projected to reach the statutory cap of $243 million until fiscal year 2013-2014. Federal initiatives to improve the residential real estate market including the First Time Homeowner Tax Credit Program to stimulate home sales, the New Issue Bond Program, and the Making Home Affordable Plan to help families restructure or refinance mortgages to avoid foreclosure all were implemented to stimulate the residential housing market. Florida was also awarded $418 million in the US Treasury's Housing Finance Agency Innovation Fund for the Hardest-Hit Housing Markets program announced in early 2010.

The state's financial economic conditions are reflected in various ways in Florida Housing's 2009 financial results. The current year decline in Florida Housing's net assets is primarily due to the transfer of documentary stamp tax collections back to the state's general revenue fund. In January 2009, the legislature held a special session to address the state budget revenue shortfall. The result of the special session reduced Florida Housing's 2008/2009 appropriations and redirected a portion of 2008/2009 and prior appropriations to the SHIP program. In addition, Florida Housing was required to pay to the state $190 million in previously committed but unspent funds.

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, 2009, approximately 5% of the outstanding loans in the whole loan portfolio were in foreclosure. Whole loans make up less than 9% of the combined whole loan and 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.

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. In March 2009, the Board of Directors suspended issuance of additional guarantees by the Guarantee Program due to current adverse market conditions. Factors which are important for the stable functioning of the Guarantee Program considering current market conditions include the cessation of issuing new guarantees, the HUD Risk Sharing Program, the seasoning of the properties in the portfolio, the implementation of the Subordinated Mortgage Initiative, the size of the net assets of the program, and the statutory availability of documentary stamp taxes when certain conditions exist. The combination of these factors and deal-specific conditions tend to mitigate the risks to the Guarantee Program.

Despite the stabilizing factors identified above, the Guarantee Program had four claims filed in 2009 and one more in 2010, bringing the total number of claims to date to eight.

The impact of these claims on the fund was mitigated by the HUD Risk Sharing program. The Guarantee Program maintains a leveraging ratio under the 5:1 maximum established by the Board.

The Board-approved 2009 operating budget of $18.4 million was adequate to fund operations. Actual total operating expenses of $16.0 million were 13% less than the total approved budget.

The budget approved by the legislature for state fiscal year 2010-2011 contains $37.5 million in appropriations for down payment and closing cost assistance in conjunction with the First Time Homebuyer Program and transfers to the state's General Revenue Fund of $177.0 million.

In February 2009, the American Recovery and Reinvestment Act (ARRA) was signed into law. ARRA contains two provisions related to the Low Income Housing Tax Credit Program: (1) the ability for agencies to exchange Housing Credits for cash from the US Treasury; and (2) $2.25 billion in funds that must comply with certain HOME rules. Florida Housing's allocation is approximately $680 million.

In October 2009, the Treasury, the Federal Housing Finance Administration, Fannie Mae and Freddie Mac announced the HFA Initiative/New Issue Bond Program (NIBP) under the Housing and Economic Recovery Act of 2008. Under the NIBP, Florida Housing received $248.5 million in authority for multifamily bonds and $547.2 million for single family bonds. When these bonds are issued to finance single family loans, the NIBP bonds may not exceed 60% of the bond issue. The proceeds of the sale of these bonds are held in escrow until converted to long term bonds in 2010. In January 2010, Florida Housing closed on all the escrow bonds. At the same time, Florida Housing closed $200 million in single family bonds sold in December 2009 which included $120 million NIBP and $80 million private market bonds, leaving $427.2 million in single family and $248.5 million in multifamily escrowed bonds for conversion during 2010. If the bonds have not been converted by December 31, 2010, they are subject to mandatory redemption on February 1, 2011.

The initial tax-exempt bond allocation for 2010 is $392.7 million, an increase of $4.7 million from the 2009 initial allocation. The per capita allocation remains $90 for 2010; therefore, the increase is due to an increase in Florida's population.

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, 2009

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	268,423,723
Investments, net		389,675,172
Interest receivable on investments		11,333,601
Interest receivable on loans		22,352,665
Loans receivable, net		73,668,005
Deferred finance charges, net		2,113,864
Documentary stamp taxes receivable		15,052,322
Property held for sale		23,144,775
Other assets		3,121,619
Total current assets		808,885,746
NONCURRENT ASSETS		
Investments, net		2,413,126,419
Loans receivable, net		2,978,675,469
Deferred finance charges, net		17,306,156
Capital assets, net		105,316
Total noncurrent assets		5,409,213,360
TOTAL ASSETS	$	6,218,099,106
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other liabilities	$	154,516,417
Accrued interest payable		66,146,537
Accrued arbitrage rebate		1,213,036
Collateralized bank loan		2,830,000
Bonds payable, net		263,977,472
Deferred fee income, net		4,485,184
Total current liabilities		493,168,646
NONCURRENT LIABILITIES		
Notes payable, net		169,900,000
Bonds payable, net		3,631,331,963
Deferred fee income, net		64,533,194
Other liabilities		8,891,397
Due to developers		116,475,297
Due to state of Florida		19,865,980
Total noncurrent liabilities		4,010,997,831
Total liabilities		4,504,166,477
NET ASSETS		
Invested in capital assets		105,316
Restricted		1,599,655,272
Unrestricted		114,172,041
Total net assets		1,713,932,629
TOTAL LIABILITIES AND NET ASSETS	$	6,218,099,106

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, 2009

OPERATING REVENUES	
Interest on loans	$ 103,002,474
Investment income	180,690,324
Other income	26,433,594
HUD administrative fees	3,052,955
Recovery of claims	17,316,909
Total operating revenues	330,496,256
OPERATING EXPENSES	
Interest expense	183,914,132
Payments to other governments	141,921,376
Provision for uncollectible loans	24,183,997
Claims expense	21,937,559
General and administrative expenses	48,541,687
Housing assistance payments	750,072
Total operating expenses	421,248,823
OPERATING LOSS	(90,752,567)
NONOPERATING REVENUES (EXPENSES)	
HUD program receipts	14,416,241
State documentary stamp tax receipts	153,848,977
Transfers to state agencies	(327,942,376)
Net nonoperating expenses	(159,677,158)
CHANGE IN NET ASSETS	(250,429,725)
NET ASSETS	
Beginning of year	1,964,362,354
End of year	$ 1,713,932,629

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, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Interest received on conduit debt fund investments	$ 98,205,320
Cash received from interest on loans receivable	109,607,992
Cash received from principal payments on loans receivable	149,870,500
Cash received from HUD for administrative fees	4,152,687
Cash received from other revenues	31,429,705
Cash payments for issuance of loans	(216,055,413)
Interest paid on conduit debt fund bonds	(172,956,510)
Cash payments for operating expenses	37,456,990
Housing assistance payments	(750,072)
Payments to other governments	(141,921,376)
Net cash received from operation of foreclosed properties	1,670,734
Acquisition of property held for sale	1,793,868
Proceeds from disposition of property held for sale	9,546,983
Net cash used in operating activities	(87,948,592)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from issuance of notes	169,900,000
Proceeds from issuance of bonds	173,106,164
Principal payments on bonds	(636,774,441)
Interest paid	(9,435,351)
Payment of bond issuance costs	(2,823,469)
Repayments on collateralized bank loan, net	(179,752)
Cash received from HUD for programs	14,416,241
State documentary stamp tax receipts	150,677,450
Transfers to other state agencies	(327,942,376)
Net cash used in noncapital financing activities	(469,055,534)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of property and equipment	(12,341)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(2,757,890,807)
Proceeds from the sale and maturity of investments	3,128,126,856
Interest received on investments	35,979,765
Net cash provided by investing activities	406,215,814
NET DECREASE IN CASH AND CASH EQUIVALENTS	(150,800,653)
CASH AND CASH EQUIVALENTS - Beginning of year	419,224,376
CASH AND CASH EQUIVALENTS - End of year	$ 268,423,723

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, 2009

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$	(90,752,567)
Adjustments to reconcile operating loss to net cash used in operating activities		
Fair value of investments		(49,243,590)
Accreted interest on capital appreciation bonds		1,393,277
Provision for uncollectible loans		26,239,735
Amortization and depreciation		(9,610,263)
Loans forgiven		1,492,352
Interest received on investments		(35,979,765)
Interest paid		9,435,351
Recovery of claims		(23,144,775)
Changes in assets and liabilities which provided (used) cash		
Interest receivable on investments		3,681,025
Interest receivable on loans		2,816,425
Loans receivable		(38,970,336)
Other assets		(1,776,652)
Accounts payable and other liabilities		125,744,191
Accrued interest payable		(3,285,972)
Accrued arbitrage rebate		(60,658)
Deferred fee income		17,238,728
Due to developers		(23,165,098)
NET CASH USED IN OPERATING ACTIVITIES	$	(87,948,592)

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.

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 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 bond issues) 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 $3.9 billion as of December 31, 2009.

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 of America 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 to 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 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, program fees, administrative fees and recovery of claims. Operating expenses include interest expense, provision for uncollectible loans, administrative expenses, and payments made to third parties under the various programs administered by Florida Housing. 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 held by the trustees 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.

Loans Receivable – Loans receivable are carried at their uncollected principal balances. Servicing of 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 collectibility 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, due to mortgage claims filed by the Guarantee Program, 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. Assets are capitalized in one of the following four categories: furniture (seven-year life), equipment (five-year life), computer equipment (three-year life) or leasehold improvements (ten-year life). Depreciation on capital assets is computed using the straight-line method over the estimated useful lives. 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, except on state and federally funded loans and loans in the Operating Fund where interest is recorded as income on an as-collected basis. 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 fee. 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 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. Management is currently assessing the impact of these statements; however, they are not expected to have a material effect on Florida Housing's financial statements.

Statement of Government Accounting Standards No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007.

Statement of Government Accounting Standards No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008.

Statement of Governmental Accounting Standards No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, issued December 2009.

Statement of Governmental Accounting Standards No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, issued December 2009.

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.

Single Family Homeowner Mortgage Revenue Bond Program – The Homeowner Program issues revenue bonds to finance the origination of home mortgages for persons of low, moderate or middle income within the state of Florida. Certain bond issues have been refunded with subsequent bond issues under the program.

Multifamily Mortgage Revenue Bond Programs – Due to the similarity of program operations, the Multifamily Mortgage Revenue Bond and Floating Rate issues 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.

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 a match for a federal program and for debt service on Guarantee Program debt.

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 53 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.

The Legislature directed that the entire 2009-2010 SHIP appropriation be used for the Florida Homebuyer Opportunity Program to maximize the benefit to first time homebuyers of the federal first time homebuyer tax credit.

Hurricane Housing Recovery Program – The Hurricane Housing Recovery Program (HHRP) was created by the 2005 Legislature as a locally administered program designed to accommodate the specific housing needs of hurricane affected communities. The program provides special incentives and requirements to focus on home ownership, community collaborations, and recovery plans and to assist those with extremely low incomes. A funding formula that weights both the extent and the intensity of housing damage in a county was used to allocate funds to 28 eligible counties.

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 encourages 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 current adverse market conditions. Documentary stamp tax collections deposited to the State Housing Trust Fund support the Guarantee Program's capitalizing debt, which totaled $156.2 million at December 31, 2009. In addition, 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 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.

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, 2009, total participation under the Risk Sharing Program consisted of 60 guarantees totaling $365.0 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, 2009, the balance of the HUD Dedicated Risk Account was $115.8 million.

As of December 31, 2009, outstanding risk totaled $754.5 million, including $365.0 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 United States Treasury Department (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 2009, Florida Housing allocated $25.5 million in housing credits, including National Pool allocation and returned credits.

In 2009, the American Recovery and Reinvestment Act (ARRA) created the Tax Credit Exchange Program (TCEP) to be administered by the 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 can be used to replace the Housing Credit equity lost to affordable rental developments as a result of current market conditions. Florida Housing exchanged

$68.2 million credits for $580.1 million in TCEP funds which will fund loans to properties in the program. Florida Housing allocated most of these funds through the request for proposals process in 2009; the remaining funds will be allocated in 2010.

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 a need for special needs housing is determined and funds are available.

Affordable Housing Demonstration Loan Program – The Affordable Housing Demonstration Loan Program was implemented in June 1986 as part of the Affordable Housing Act. The purpose of the program was to encourage the production of suitable housing for persons of very low and moderately low income. Funds were available to both developers and individuals only as a second mortgage to finance up to one-third of a development or home's cost at interest rates from 0% to 3%. Although loans are no longer made under the program, Florida Housing is responsible for the administration of the program.

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 multifamily housing.

4. CASH AND CASH EQUIVALENTS

As of December 31, 2009, Florida Housing had the following cash and cash equivalents:

	Credit Rating	Fair Value
Cash	–	$ 129,410,282
Money Markets	AAA – AA	138,860,853
Money Markets	Unrated	152,588
		$ 268,423,723

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. All investments of Florida Housing are recorded at fair value with changes in fair value recorded as a component of investment income. Unrealized gain on investments in 2009 was $49.2 million.

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. 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 $306.2 million at December 31, 2009, 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, 2009, Florida Housing had investments with the following credit ratings and maturities (in thousands):

		Investment Maturities (in years)				
Investment Type	**Credit Rating**	**Less Than 1**	**1 – 5**	**6 – 10**	**More Than 10**	**Total Fair Value**
U.S. Government Obligations	–	$ –	$ –	$ 1,241	$ 838,042	$ 839,283
Fannie Mae MBS	AAA	–	299	4,231	734,515	739,045
Freddie Mac MBS	AAA	1,285	–	1,116	57,553	59,954
Investment Agreements	AAA – A-	9,745	294,984	1,314	55,138	361,181
Corporate Bonds	AAA – BB+	35,967	271,605	–	770	308,342
State Treasury	AA-	306,186	–	–	–	306,186
Agencies	–	3,862	70,001	–	–	73,863
U.S. Treasury	–	32,285	18,058	–	–	50,343
Asset-Backed Securities	AAA	–	11,355	1,028	8,330	20,713
Municipal Bonds	AAA	–	1,876	720	11,960	14,556
CMBS	AAA	345	–	–	21,205	21,550
MBS	AAA	–	–	–	7,785	7,785
		$ 389,675	$ 668,178	$ 9,650	$ 1,735,298	$ 2,802,801

Interest Rate Risk – Interest rate risk is the risk that the market value of securities in the portfolio will fall due to decreases 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 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 at December 31, 2009:

Investment	%	Fair Value
Fannie Mae	28.23%	$ 791,096,205
State Treasury	10.92%	306,186,480
Trinity Funding	10.15%	284,429,728

6. RESERVE FUND REQUIREMENTS

Cash and investments held to satisfy various reserve requirements at December 31, 2009 were as follows:

Program	Reserve Requirements	On Deposit	Surety Bonds	Excess (Deficiency)
Homeowner	$ 5,934,203	$ 3,434,864	$ 2,580,772	$ 81,433
Multifamily	26,839,580	26,794,822	–	(44,758)
Guarantee	18,744,000	18,744,000	–	–
	$ 51,517,783	$ 48,973,686	$ 2,580,772	$ 36,675

7. LOANS RECEIVABLE

Loans receivable, net of allowance for loan losses, discounts, and deferred fees were as follows at December 31, 2009:

Single family bond mortgage loans	$ 140,178,579
Multifamily bond mortgage loans	1,978,145,627
State and federal loans	1,138,853,723
Operating loans	26,414,006
	3,283,591,935
Less:	
Allowance for loan losses	(222,801,260)
Loan discounts	(1,384,260)
Deferred fee income	(7,062,941)
	3,052,343,474
Less current portion	(73,668,005)
	$ 2,978,675,469

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 10.95%. Under Florida Housing's program guidelines, all conventionally financed single family bond mortgage loans with an initial loan-to-value ratio of 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, 2009, (exclusive of Fannie Mae and GNMA guaranteed loans) are as follows: FHA (47.7%), Commonwealth Mortgage Assurance Company (Radian Guaranty, Inc.) (14.5%), VA (10.9%), Rural Housing Authority (6.0%), and General Electric Mortgage Insurance Company (3.6%). Approximately 17.3% of single family bond mortgage loans outstanding at December 31, 2009, 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 $11.6 million of the outstanding multifamily bond mortgage loans at December 31, 2009, are secured, in part, by irrevocable direct-pay letters of credit provided by banking and savings and loan institutions. Approximately $1.6 billion of the outstanding multifamily bond mortgage loans at December 31, 2009 are secured, in part, by insurance as follows: Guarantee Program/HUD (26.6%), Fannie Mae (19.0%), Freddie Mac (12.8%), and various other companies (21.6%). Approximately 20.0% of the multifamily bond mortgage loans are uninsured.

Certain multifamily mortgage loans receivable are in default due to noncompliance with terms of their bond documents (see Note 11). As described in Note 1, these bonds are not general or special obligations of Florida Housing or of the state of Florida and Florida Housing has no liability for such debt except to the extent of any outstanding guarantees by the Guarantee Program for these loans, therefore, no provision other than provisions for losses in the Guarantee Program have been made for the effects, if any, of the resolution of these default conditions. 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 Program 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.

8. PROPERTY HELD FOR SALE

At December 31, 2009, property held for sale consisted of four multifamily properties. Three properties were acquired through foreclosures associated with Guarantee Program claims. One property was acquired through foreclosure on a loan funded in the Operating Fund.

9. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets				
Furniture	$ 169,884	$ –	$ –	$ 169,884
Equipment	204,195	6,463	(15,138)	195,520
Computer equipment	2,764,273	5,878	(67,532)	2,702,619
Leasehold improvements	155,917	–	–	155,917
Total capital assets	3,294,269	12,341	(82,670)	3,223,940
Accumulated depreciation				
Furniture	(158,663)	(3,440)	–	(162,103)
Equipment	(168,920)	(10,649)	15,138	(164,431)
Computer equipment	(2,660,992)	(68,253)	67,532	(2,661,713)
Leasehold improvements	(119,871)	(10,506)	–	(130,377)
Total accumulated depreciation	(3,108,446)	(92,848)	82,670	(3,118,624)
	$ 185,823	$ (80,507)	$ –	$ 105,316

Depreciation expense for the year ended December 31, 2009 was $92,848.

10. COLLATERALIZED BANK LOAN

In April 1998, Florida Housing entered into a line of credit agreement with the Federal Home Loan Bank (the Bank) to capture 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 (0.10% at December 31, 2009) plus seven basis points. The agreement renews each October for an additional 12-month period. As a result, the collateralized bank loan is classified as a current liability.

Collateralized bank loan activity for the year ended December 31, 2009 was as follows:

Beginning Balance	Additions	Reductions	Ending Balance
$ 3,009,752	$ 2,380,000	$ (2,559,752)	$ 2,830,000

The outstanding balance of $2,830,000 at December 31, 2009 relates to the Single Family Home Ownership Program and the Single Family Homeowner Mortgage Program.

During 2009, Florida Housing utilized the agreement to redeem bonds from:

Single Family Home Ownership Program:	
1987 Series G1	$ 75,000
Single Family Homeowner Mortgage Program:	
1996 Series 1	25,000
1999 Series 1	45,000
1999 Series 6	5,000
2000 Series 3	75,000
2008 Series 3	1,740,000
2008 Series 4	415,000
	$ 2,380,000

11. NOTES AND BONDS PAYABLE

At December 31, 2009 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	156,200,000
Multifamily Housing Revenue Fund				
2009 Series B Mortgage Revenue Note	12/23/2009	2024	5.70%	13,700,000
Total notes payable				$ 169,900,000
BONDS PAYABLE				
Single Family Home Ownership Fund				
1987 Series G1, G2 Term Bonds	12/16/1987	2017 - 2018	8.63%	715,000
1991 Series G1, G2 Term Bonds	09/26/1991	2023	Floating	2,271,000
1992 Series G1, G2 Term Bonds	06/30/1992	2023 - 2025	Floating	6,235,661
Total Single Family Home Ownership bonds payable				9,221,661
Single Family Homeowner Mortgage Fund				
1996 Series 1, 2 Term Bonds	07/01/1996	2016 - 2028	6.05% - 6.35%	2,475,000
1996 Series 2 Serial Bonds	07/01/1996	2010 - 2011	6.00% - 6.05%	135,000
				2,610,000
1996 Series 3 Serial Bonds	09/01/1996	2010 - 2014	5.80% - 6.05%	830,000
1996 Series 3 Term Bonds	09/01/1996	2016 - 2028	6.20% - 6.35%	2,935,000
				3,765,000
1997 Series 1, 2, 3 Term Bonds	06/01/1997	2014 - 2029	5.625% - 5.90%	14,505,000
1998 Series 1 Serial Bonds	05/15/1998	2010 - 2014	4.85% - 5.15%	6,025,000
1998 Series 1, 2 Capital Appreciation Bonds	05/15/1998	2017 - 2029	Floating	5,901,047
1998 Series 2 Term Bonds	05/15/1998	2021	5.35%	3,325,000
1998 Series 3 Term Bonds	05/15/1998	2016	Floating	2,680,000
				17,931,047
1999 Series 1, 2 Serial Bonds	02/15/1999	2010 - 2012	4.40% - 4.65%	2,690,000
1999 Series 1, 2 Term Bonds	02/15/1999	2013 - 2021	4.60% - 5.15%	12,835,000
1999 Series 2 Capital Appreciation Bonds	02/15/1999	2030	Floating	5,859,828
1999 Series 3 Term Bonds	02/15/1999	2013	Floating	1,305,000
				22,689,828
1999 Series 6, 7, 9 Term Bonds	09/01/1999	2012 - 2021	5.75% - 7.03%	7,755,000
1999 Series 7 Serial Bonds	09/01/1999	2010 - 2012	5.30% - 5.50%	895,000
1999 Series 7 Capital Appreciation Bonds	09/01/1999	2030	Floating	2,270,587
1999 Series 8 Term Bonds	09/01/1999	2013	Floating	500,000
2000 Series 1, 2 Term Bonds	07/01/2000	2017 - 2021	5.75% - 5.85%	465,000
				11,885,587

11. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2000 Series 3, 4, 7 Term Bonds	02/01/2000	2017 - 2022	5.90% - 6.25%	7,935,000
2000 Series 4 Serial Bonds	02/01/2000	2010 - 2012	5.75% - 5.85%	175,000
2000 Series 4 Capital Appreciation Bonds	02/01/2000	2030 - 2032	Floating	3,091,425
2000 Series 5 Term Bonds	02/01/2000	2012	Floating	805,000
				12,006,425
2000 Series 10, 11 Serial Bonds	10/15/2000	2010 - 2013	5.05% - 5.20%	2,525,000
2000 Series 10, 11, 12 Term Bonds	10/15/2000	2017 - 2032	5.50% - 7.14%	22,935,000
				25,460,000
2002 Series 1, 2 Serial Bonds	11/13/2002	2010 - 2017	4.30% - 4.85%	4,005,000
2002 Series 2, 3 Term Bonds	11/13/2002	2023 - 2034	5.00% - 5.40%	14,010,000
				18,015,000
2003 Series 1, 2 Serial Bonds	06/19/2003	2010 - 2017	3.10% - 4.00%	6,115,000
2003 Series 2 Term Bonds	06/19/2003	2022 - 2035	4.50% - 5.00%	17,870,000
				23,985,000
2003 Series 5 Serial Bonds	11/18/2003	2010 - 2013	3.80% - 4.35%	2,200,000
2003 Series 5 Term Bonds	11/18/2003	2023 - 2035	4.90% - 5.05%	22,115,000
				24,315,000
2004 Series 1, 2 Serial Bonds	03/24/2004	2010 - 2016	2.70% - 4.20%	5,040,000
2004 Series 2 Term Bonds	03/24/2004	2024 - 2036	4.70% - 5.00%	33,050,000
				38,090,000
2004 Series 3 Serial Bonds	10/07/2004	2010 - 2015	3.05% - 3.95%	5,660,000
2004 Series 4 Term Bonds	10/07/2004	2023 - 2026	4.75% - 5.50%	14,980,000
				20,640,000
2004 Series 5, 6 Serial Bonds	01/11/2005	2010 - 2016	3.50% - 4.45%	3,790,000
2004 Series 6 Term Bonds	01/11/2005	2020 - 2036	4.50% - 4.95%	19,100,000
2004 Series 6 PAC Term Bonds	01/11/2005	2036	5.10%	8,735,000
				31,625,000
2005 Series 1 Serial Bonds	06/16/2005	2010 - 2015	3.70% - 4.30%	3,300,000
2005 Series 1 Term Bonds	06/16/2005	2025 - 2036	4.60% - 4.70%	22,925,000
2005 Series 1 PAC Term Bonds	06/16/2005	2036	5.00%	10,170,000
				36,395,000
2005 Series 2, 3 Serial Bonds	11/17/2005	2010 - 2017	3.45% - 4.25%	5,600,000
2005 Series 3 Term Bonds	11/17/2005	2025 - 2036	4.75% - 4.90%	18,265,000
2005 Series 3 PAC Term Bonds	11/17/2005	2036	5.00%	18,630,000
				42,495,000
2006 Series 1 Serial Bonds	03/23/2006	2010 - 2016	3.85% - 4.38%	5,350,000
2006 Series 1 Term Bonds	03/23/2006	2020 - 2037	4.55% - 4.85%	30,780,000
2006 Series 1 PAC Term Bonds	03/23/2006	2037	5.00%	22,510,000
				58,640,000
2006 Series 2 Serial Bonds	05/24/2006	2010 - 2016	4.10% - 4.70%	6,385,000
2006 Series 2, 3 Term Bonds	05/24/2006	2021 - 2038	4.50% - 4.95%	53,520,000
2006 Series 2 PAC Term Bonds	05/24/2006	2037	5.50%	21,735,000
				81,640,000

11. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2006 Series 4 Serial Bonds	08/17/2006	2010 - 2016	4.25% - 4.75%	12,635,000
2006 Series 4, 5 Term Bonds	08/17/2006	2021 - 2037	4.70% - 5.15%	88,185,000
2006 Series 4 PAC Term Bonds	08/17/2006	2037	5.75%	36,240,000
				137,060,000
2006 Series 6 Serial Bonds	12/18/2006	2010 - 2016	3.85% - 4.20%	8,215,000
2006 Series 6 Term Bonds	12/18/2006	2021 - 2037	4.45% - 4.70%	47,975,000
2006 Series 6 PAC Term Bonds	12/18/2006	2037	5.75%	43,200,000
				99,390,000
2007 Series 1 Serial Bonds	03/13/2007	2010 - 2017	3.90% - 4.38%	6,735,000
2007 Series 1 Term Bonds	03/13/2007	2022 - 2048	4.55% - 4.85%	39,180,000
2007 Series 1 PAC Term Bond	03/13/2007	2048	5.95%	45,010,000
				90,925,000
2007 Series 2 Serial Bonds	05/03/2007	2010 - 2017	3.95% - 4.40%	6,345,000
2007 Series 2 Term Bonds	05/03/2007	2022 - 2048	4.70% - 4.85%	77,320,000
2007 Series 2 PAC Term Bonds	05/03/2007	2048	6.00%	64,035,000
				147,700,000
2007 Series 3 Term Bonds	07/18/2007	2027 - 2048	5.00% - 5.15%	66,320,000
2007 Series 3 Premium PAC Bonds	07/18/2007	2048	6.25%	55,145,000
2007 Series 4 Serial Bonds Fed Taxable	07/18/2007	2010 - 2017	5.54% - 5.95%	13,510,000
2007 Series 4 Taxable PAC Bonds	07/18/2007	2048	5.99%	14,900,000
				149,875,000
2007 Series 5 Serial Bonds	10/10/2007	2010 - 2017	3.90% - 4.50%	7,380,000
2007 Series 5 Term Bonds	10/10/2007	2022 - 2048	4.95% - 5.75%	44,960,000
2007 Series 5 PAC Term Bonds	10/10/2007	2048	5.75%	38,970,000
				91,310,000
2007 Series 6 Serial Bonds	01/08/2008	2010 - 2017	3.75% - 4.45%	7,550,000
2007 Series 6 Term Bonds	01/08/2008	2023 - 2049	5.00% - 5.40%	45,820,000
2007 Series PAC Term Bonds	01/08/2008	2048	5.50%	40,245,000
				93,615,000
2008 Series 1 Serial Bonds	04/15/2008	2010 - 2018	3.80% - 5.15%	4,800,000
2008 Series 1 Term Bonds	04/15/2008	2023 - 2039	5.45% - 6.45%	41,100,000
				45,900,000
2008 Series 2 Serial Bonds	07/29/2008	2010 - 2013	3.80% - 4.60%	2,580,000
2008 Series 2 Term Bonds	07/29/2008	2018 - 2039	5.05% - 6.70%	60,265,000
				62,845,000
2008 Series 3 Serial Bonds	09/30/2008	2010 - 2018	2.40% - 4.30%	19,405,000
2008 Series 3 Term Bonds	09/30/2008	2023 - 2039	5.00% - 5.50%	78,855,000
				98,260,000
2008 Series 4 Serial Bonds	11/25/2008	2010 - 2020	3.45% - 5.50%	31,150,000
2008 Series 4 Term Bonds	11/25/2008	2023 - 2038	5.85% - 6.38%	44,570,000
				75,720,000

11. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2009 Series 1 Serial Bonds	07/27/2009	2011 - 2019	1.45% - 4.10%	11,860,000
2009 Series 1 Term Bonds	07/27/2009	2025 - 2039	4.95% - 5.40%	33,140,000
2009 Series 1 PAC Term Bonds	07/27/2009	2039	5.38%	15,000,000
				60,000,000
2009 Series 2 Serial Bonds	10/01/2009	2011 - 2019	1.20% - 3.85%	19,425,000
2009 Series 2 Term Bonds	10/01/2009	2024 - 2039	4.40% - 5.00%	61,850,000
2009 Series 2 PAC Term Bonds	10/01/2009	2041	5.50%	18,725,000
				100,000,000
Total Single Family Homeowner Mortgage bonds payable				1,739,292,887
Unamortized bond premium				32,123,967
Net Single Family Homeowner Mortgage bonds payable				1,771,416,854
Guarantee Fund				
1993 Series A Term Bond	06/29/1993	2034	Floating	300,000
1999 Series A Term Bonds	09/01/1999	2044	Floating	400,000
Total Guarantee Fund bonds payable				700,000
Unamortized bond discount				(5,291)
Net Guarantee Fund bonds payable				694,709
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 B Term Bonds [2]	05/01/1988	2011	Floating	6,980,000
1985 Series FF Term Bonds	10/01/1985	2026	Floating	9,350,000
1985 Series PP Term Bonds	12/19/1985	2012	Floating	16,500,000
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
1989 Series J Term Bonds	12/19/1989	2011	Floating	24,150,000
1995 Series C1 Term Bonds	01/15/1995	2014 - 2035	6.75% - 7.00%	12,130,000
1995 Series F Term Bonds	11/01/1995	2015 - 2035	6.05% - 6.25%	6,435,000
1995 Series G1 Serial Bonds	10/15/1995	2010	5.80% - 5.90%	180,000
1995 Series G1 Term Bonds	10/15/1995	2015 - 2035	6.05% - 6.25%	11,750,000
				11,930,000

11. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
1995 Series J Term Bonds	11/01/1995	2015 - 2035	5.95% - 6.20%	11,200,000
1995 Series L Term Bonds	12/19/1995	2025	Floating	9,250,000
1995 Series M Term Bonds	12/19/1995	2025	Floating	5,770,000
1996 Series F Term Bonds	07/10/1996	2026	Floating	12,400,000
1996 Series G Term Bonds	07/15/1996	2016 - 2036	6.20% - 6.50%	6,855,000
1996 Series H Term Bonds	08/01/1996	2011 - 2017	6.00% - 6.10%	8,395,000
1996 Series L Term Bonds	09/01/1996	2016 - 2036	6.05% - 6.25%	7,280,000
1996 Series M Term Bonds	09/01/1996	2015 - 2036	6.00% - 6.25%	5,785,000
[3] 1996 Series N Term Bonds	09/01/1996	2010 - 2036	5.85% - 6.30%	9,590,000
1996 Series O Term Bonds	09/01/1996	2010 - 2036	5.90% - 6.30%	10,735,000
1996 Series P Term Bonds	09/20/1996	2026	Floating	6,550,000
1996 Series T Term Bonds	12/01/1996	2018 - 2036	5.85% - 6.05%	6,850,000
1996 Series U Term Bonds	12/19/1996	2029	Floating	9,890,000
1997 Series C Serial Bonds	05/15/1997	2010	5.45%	185,000
1997 Series C Term Bonds	05/15/1997	2017 - 2039	5.75% - 6.00%	13,950,000
				14,135,000
1997 Series D Term Bonds	06/01/1997	2017 - 2030	5.90% - 5.95%	6,440,000
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%	13,450,000
1997 Series G Serial Bonds	07/15/1997	2010 - 2012	5.15% - 5.25%	630,000
1997 Series G Term Bonds	07/15/1997	2020 - 2037	5.50% - 5.70%	12,170,000
				12,800,000
1997 Series H Serial Bonds	07/15/1997	2010 - 2012	5.15% - 5.25%	420,000
1997 Series H Term Bonds	07/15/1997	2020 - 2037	5.50% - 5.70%	7,830,000
				8,250,000
1997 Series I1, I2 Term Bonds	12/01/1997	2010 - 2037	4.90% - 5.45%	11,290,000
1997 Series J1, J2 Term Bonds	12/01/1997	2010 - 2038	4.90% - 5.45%	18,610,000
1998 Series A Term Bonds	03/01/1998	2030	5.45%	12,725,000
1998 Series B Term Bonds	06/01/1998	2038	6.61%	15,260,000
1998 Series C Term Bonds	06/01/1998	2038	6.61%	8,135,000
1998 Series D Serial Bonds	06/01/1998	2010 - 2015	4.90% - 5.25%	1,920,000
1998 Series D Term Bonds	06/01/1998	2018 - 2031	5.30% - 5.375%	10,000,000
				11,920,000

11. NOTES AND BONDS PAYABLE (continued)

Description		Issue Date	Due Dates	Interest Rates	Balance Outstanding
1998 Series G Term Bonds		07/01/1998	2038	6.60%	15,730,000
1998 Series H Term Bonds		07/01/1998	2038	7.25%	3,260,769
1998 Series I1 Term Bonds		08/01/1998	2010 - 2033	Floating	15,875,000
1998 Series J Term Bonds	[2]	10/01/1998	2028	Floating	4,925,000
1998 Series K Term Bonds	[2]	10/30/1998	2032	6.375%	16,205,000
1998 Series L Term Bonds	[2]	10/01/1998	2032	6.50%	8,675,000
1998 Series M Term Bonds	[2]	10/01/1998	2032	6.125%	16,615,000
1998 Series O Serial Bonds		11/01/1998	2010	4.90%	345,000
1998 Series O Term Bonds		11/01/1998	2018 - 2028	5.25% - 5.30%	10,895,000
					11,240,000
1998 Series P Serial Bonds		12/01/1998	2010 - 2031	4.55% - 5.20%	9,675,000
1998 Series Q1 Term Bonds		12/01/1998	2018 - 2038	5.10% - 5.25%	12,530,000
1998 Series R1 Serial Bonds		12/01/1998	2010 - 2021	4.40% - 5.10%	3,820,000
1998 Series R1, R2 Term Bonds		12/01/1998	2026 - 2032	5.10% - 5.20%	5,820,000
					9,640,000
1998 Series S Term Bonds		12/28/1998	2031	4.80%	9,569,000
1998 Series T1-A Term Bonds		12/10/1998	2039	6.00%	7,020,000
1998 Series T1-B Term Bonds		12/10/1998	2039	0.00%	7,020,000
					14,040,000
1998 Series U1 Term Bonds		12/16/1998	2039	6.45%	11,210,000
1999 Series A Serial Bonds		04/15/1999	2010 - 2018	4.75% - 5.15%	2,180,000
1999 Series A Term Bonds		04/15/1999	2021 - 2039	5.20% - 5.40%	11,070,000
					13,250,000
1999 Series B1, B2 Term Bonds		04/21/1999	2010 - 2032	4.55% - 6.20%	11,730,000
1999 Series C1, C2 Term Bonds		07/01/1999	2014 - 2039	5.50% - 7.50%	9,110,000
1999 Series C1 Capital Appreciation Term Bonds		07/01/1999	2029	Floating	2,010,999
					11,120,999
1999 Series D1, D2 Term Bonds		07/21/1999	2010 - 2032	5.38% - 7.10%	13,890,000
1999 Series E1, E2 Term Bonds		08/12/1999	2011 - 2039	5.65% - 7.63%	12,560,000
1999 Series E1 Capital Appreciation Term Bonds		08/12/1999	2029	Floating	2,479,154
					15,039,154
1999 Series F1, F2 Term Bonds		08/25/1999	2014 - 2039	5.90% - 7.35%	10,040,000
1999 Series F1 Capital Appreciation Term Bonds		08/25/1999	2029	Floating	1,852,250
					11,892,250
1999 Series G1, G2 Term Bonds		08/25/1999	2032	Floating	12,450,000

11. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
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%	8,410,000
				10,795,000
1999 Series I1, I2 Term Bonds	08/31/1999	2032	Floating	13,965,000
1999 Series J1, J2 Term Bonds	09/14/1999	2010 - 2032	5.30% - 5.95%	7,210,000
1999 Series M1 Serial Bonds	09/29/1999	2010 - 2021	5.20% - 5.70%	2,980,000
1999 Series M1, M2 Term Bonds	09/29/1999	2027 - 2039	5.80% - 6.00%	10,790,000
				13,770,000
1999 Series N1 Term Bonds	09/21/1999	2010 - 2039	5.20% - 5.90%	7,280,000
1999 Series O1, O2 Term Bonds	09/27/1999	2010 - 2041	6.00% - 7.80%	10,385,000
1999 Series P Term Bonds	09/24/1999	2032	Floating	6,835,000
1999 Series Q1, Q2 Term Bonds	09/27/1999	2014 - 2039	5.75% - 7.85%	13,035,000
1999 Series R Term Bonds	09/28/1999	2010 - 2032	5.20% - 6.00%	7,575,000
2000 Series B Term Bonds	03/28/2000	2030	6.20%	16,060,000
2000 Series C1, C2 Term Bonds	05/01/2000	2015 - 2040	6.20% - 8.50%	15,795,000
2000 Series D1 Serial Bonds	10/01/2000	2010 - 2014	5.00% - 5.40%	3,790,000
2000 Series D1, D2 Term Bonds	10/01/2000	2020 - 2030	5.50% - 8.25%	26,865,000
				30,655,000
2000 Series E1, E2 Term Bonds	06/13/2000	2033	Floating	10,355,000
2000 Series F1, F2 Term Bonds	06/01/2000	2017 - 2041	6.00% - 8.25%	10,560,000
2000 Series G Term Bonds [2]	06/20/2000	2031	Floating	7,845,000
2000 Series H1 Serial Bonds	10/04/2000	2015 - 2020	5.50% - 5.70%	2,135,000
2000 Series H1, H2 Term Bonds	10/04/2000	2015 - 2033	5.70% - 7.88%	11,310,000
				13,445,000
2000 Series I Term Bonds	09/01/2000	2032	Floating	12,940,000
2000 Series M1, M2 Term Bonds	11/09/2000	2013 - 2040	5.70% - 7.75%	15,890,000
2000 Series N1, N2 Term Bonds	12/12/2000	2013 - 2041	5.75% - 7.70%	15,675,000
2000 Series O1, O2 Term Bonds	11/30/2000	2027 - 2040	5.85% - 7.65%	18,580,000
2000 Series Q1, Q2 Term Bonds	11/21/2000	2012 - 2041	5.75% - 7.80%	12,470,000
2000 Series R1, R2 Term Bonds	12/06/2000	2010 - 2033	5.75% - 7.85%	8,985,000
2000 Series S Term Bonds	12/14/2000	2010 - 2041	4.85% - 5.85%	10,670,000
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%	11,100,000
				11,805,000

11. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2000 Series V1, V2 Term Bonds	12/28/2000	2017 - 2041	5.38% - 7.55%	7,665,000
2000 Series W1, W2 Term Bonds	12/29/2000	2028 - 2041	5.60% - 6.75%	12,575,000
2001 Series A1, A2 Term Bonds	01/01/2001	2011 - 2041	5.25% - 7.45%	13,640,000
[3, 4] 2001 Series E1, E2 Term Bonds	07/01/2001	2014 - 2041	5.20% - 7.25%	19,045,000
2001 Series F1, F2 Term Bonds	11/01/2001	2010 - 2041	5.00% - 6.35%	17,795,000
2001 Series G Term Bonds	11/01/2001	2031	6.90%	10,030,000
2001 Series H1, H2 Term Bonds	11/01/2001	2021 - 2041	5.25% - 6.30%	16,245,000
2001 Series IA, IB Serial Bonds	11/19/2001	2031	Floating	14,685,000
2001 Series JA, JB Serial Bonds	11/19/2001	2031	Floating	11,270,000
2001 Series KA, KB Serial Bonds	11/19/2001	2031	Floating	20,235,000
2001 Series L Term Bonds	12/01/2001	2010 - 2035	4.25% - 5.38%	8,000,000
2001 Series O1, O2 Term Bonds	12/01/2001	2010 - 2043	5.25% - 7.15%	6,620,000
2002 Series A1, A2 Term Bonds	01/08/2002	2035	Floating	13,020,000
2002 Series B1 Term Bonds	01/24/2002	2010 - 2034	4.13% - 5.30%	8,290,000
2002 Series C1 Term Bonds	01/30/2002	2010 - 2042	5.30% - 7.00%	15,995,000
2002 Series D1-D2 Serial Bonds	02/28/2002	2010 - 2042	5.20% - 7.00%	17,975,000
2002 Series E1 Term Bonds	03/06/2002	2010 - 2042	5.13% - 6.85%	14,960,000
2002 Series F1, F2 Term Bonds	07/19/2002	2016 - 2035	5.45% - 7.00%	10,345,000
2002 Series G Term Bonds	07/16/2002	2020 - 2035	4.88% - 5.40%	13,450,000
2002 Series H1, H2 Term Bonds	07/31/2002	2012 - 2042	5.20% - 6.00%	12,260,000
2002 Series I1, I2 Term Bonds	10/16/2002	2035	5.61%	2,681,000
2002 Series J1, J2 Term Bonds [2]	10/30/2002	2032	Floating	21,500,000
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	8,950,000
2002 Series M1 Term Bonds [2]	11/14/2002	2032	Floating	6,100,000
2002 Series N1, N2 Term Bonds [2]	11/14/2002	2032	Floating	9,550,000
2002 Series O1 Serial Bonds	11/26/2002	2017 - 2042	4.80% - 5.35%	15,900,000
2002 Series O2 Term Bonds	11/26/2002	2010 - 2017	4.90% - 5.75%	1,785,000
				17,685,000
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	2010 - 2015	4.40% to 6.00%	595,000
				8,570,000

11. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2002 Series R1, R2, R3 Term Bonds	12/17/2002	2010 - 2036	5.15% - 5.95%	10,545,000
2003 Series A Term Bonds	01/01/2003	2036	Floating	7,950,000
2003 Series B1, B3 Term Bonds	01/01/2003	2034	Floating	9,375,000
2003 Series C1, C2 Term Bonds	01/01/2003	2010 - 2043	4.65% - 6.00%	15,630,000
2003 Series D1 Term Bonds	02/01/2003	2010 - 2044	3.63% - 5.15%	19,270,000
2003 Series E1 Term Bonds	03/01/2003	2036	Floating	8,115,000
2003 Series F Term Bonds	03/01/2003	2010 - 2044	3.40% - 5.05%	11,775,000
2003 Series G Term Bonds	03/18/2003	2036	Floating	8,400,000
2003 Series H Term Bonds	03/25/2003	2036	Floating	7,160,000
2003 Series I Term Bonds [2]	04/01/2003	2033	6.30%	7,645,000
2003 Series J Term Bonds	04/01/2003	2036	5.61%	5,451,000
2003 Series K Term Bonds	04/01/2003	2036	Floating	6,420,000
2003 Series L Term Bonds	07/01/2003	2010 - 2036	3.00% - 4.45%	11,370,000
2003 Series M Term Bonds	07/01/2003	2010 - 2044	3.50% - 5.35%	9,195,000
2003 Series N Term Bonds	07/22/2003	2035	Floating	14,035,000
2003 Series O Term Bonds	07/29/2003	2035	Floating	16,345,000
2003 Series P Term Bonds	07/29/2003	2035	Floating	14,885,000
2003 Series Q1, Q2 Term Bonds	09/17/2003	2010 - 2043	4.60% - 6.00%	12,780,000
2003 Series R1, R2 Term Bonds	10/01/2003	2037	Floating	15,370,000
2003 Series S1 Serial Bonds	10/01/2003	2010 - 2023	3.05% - 4.75%	1,565,000
2003 Series S1 Term Bonds	10/01/2003	2036	4.80%	2,995,000
				4,560,000
2003 Series T Serial Bonds	10/07/2003	2010 - 2019	3.40% - 4.70%	1,510,000
2003 Series T Term Bonds	10/07/2003	2024 - 2045	4.90% - 5.15%	11,805,000
				13,315,000
2003 Series W Term Bonds	12/16/2003	2036	Floating	5,700,000
2004 Series A Term Bonds	02/01/2004	2010 - 2045	3.10% - 5.00%	10,040,000
2004 Series B Term Bonds	02/12/2004	2032	Floating	2,400,000
2004 Series C1 Serial Bonds	02/18/2004	2010 - 2014	3.00% - 4.00%	555,000
2004 Series C1, C2 Term Bonds	02/18/2004	2027 - 2037	4.80% - 5.31%	6,255,000
				6,810,000
2004 Series D Term Bonds	02/01/2004	2010 - 2045	3.00% - 4.95%	12,180,000

11. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2004 Series E Term Bonds	03/01/2004	2037	Floating	5,900,000
2004 Series F Serial Bonds	03/01/2004	2037	Floating	6,200,000
2004 Series G1, G2 Term Bonds	05/01/2004	2038	Floating	11,575,000
2004 Series H Term Bonds	06/01/2004	2037	Floating	7,900,000
2004 Series K Term Bonds	12/01/2004	2037	Floating	15,300,000
[1] 2004 Series L Term Bonds	[2] 12/22/2004	2034	Floating	17,410,000
[1] 2004 Series M Term Bonds	[2] 12/22/2004	2034	Floating	19,275,000
2005 Series A Term Bonds	01/25/2005	2037	Floating	12,320,000
2005 Series B1, B2 Term Bonds	04/01/2005	2035	Floating	40,525,000
[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%	6,986,112
[3] 2006 Series B Term Bonds	03/16/2006	2050	6.00%	6,635,000
[3] 2006 Series C Term Bonds	03/16/2006	2050	6.00%	6,515,000
[1] 2006 Series D Term Bonds	07/11/2006	2036	Floating	9,675,000
2006 Series E Term Bonds	04/19/2006	2038	5.50%	3,716,000
[1] 2006 Series F Term Bonds	05/17/2006	2036	Floating	14,170,000
2006 Series G Term Bonds	06/30/2006	2039	Floating	3,965,000
2006 Series H Term Bonds	06/21/2006	2039	Floating	8,520,000
[1] 2006 Series I Term Bonds	06/29/2006	2046	6.50%	30,000,000
[3] 2006 Series J Term Bonds	07/20/2006	2043	6.15%	14,520,000
2006 Series K Term Bonds	09/21/2006	2038	5.49%	1,375,000
2006 Series L Term Bonds	10/26/2006	2038	5.04%	470,000
2006 Series N Term Bonds	12/13/2006	2044	Floating	14,000,000
2007 Series A Term Bonds	08/23/2007	2040	5.49%	4,250,000
2007 Series B Term Bonds	02/06/2007	2048	6.70%	9,886,175
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%	41,475,000
2007 Series E Term Bonds	10/30/2007	2010	4.00%	4,520,000
2007 Series F Term Bonds	10/30/2007	2010	4.00%	5,930,000

11. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
[1] 2007 Series G1, G2 Term Bonds	06/15/2007	2042	Floating	70,000,000
2007 Series H Term Bonds	06/29/2007	2042	Floating	3,295,000
2007 Series I Term Bonds	11/02/2007	2042	Floating	17,690,000
2007 Series J Term Bonds	09/26/2007	2010	Floating	3,430,478
2007 Series K Term Bonds	12/20/2007	2042	6.00%	1,945,000
2008 Series A Term Bonds	01/16/2008	2041	Floating	6,855,000
2008 Series C Serial Bonds	02/11/2008	2010 - 2018	2.80% - 4.05%	885,000
2008 Series C Term Bonds	02/11/2008	2035 - 2049	5.00% - 5.25%	6,965,000
				7,850,000
2008 Series E Term Bonds	03/20/2008	2048	Floating	5,075,000
2008 Series H Term Bonds	05/08/2008	2039	Floating	4,548,774
2008 Series I Term Bonds	06/06/2008	2048	Floating	11,000,000
2008 Series J Term Bonds	07/09/2008	2040	4.90%	10,500,000
2008 Series K Term Bonds	07/31/2008	2041	Floating	6,400,000
2008 Series L Term Bonds	08/19/2008	2041	Floating	11,250,000
2008 Series M Term Bonds	11/14/2008	2041	Floating	10,750,000
2008 Series N Term Bonds	12/18/2008	2043	Floating	8,000,000
2008 Series O Term Bonds	12/18/2008	2043	Floating	6,400,000
Total Multifamily Housing Revenue bonds payable				2,114,416,711
Unamortized bond discount				(440,500)
Net Multifamily Housing Revenue bonds payable				2,113,976,211
Total net bonds payable				$ 3,895,309,435

[1] Refunding
[2] Reoffering
[3] Issue is in default due to borrower's failure to make timely payments of principal and interest or fees and escrows. No payments to bondholders have been affected.
[4] Issue filed a claim under the Guarantee Program in 2010

11. NOTES AND BONDS PAYABLE (continued)

Interest on outstanding notes and bonds is payable semiannually with the exception of the following:

(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, 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 and 2009 B (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 1993 Series A, 1999 Series A
- Guarantee Program Note Payable

(2) Quarterly interest payments

- Multifamily Housing Revenue Bonds 1985 Series B (February, May, August and November)

(3) 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 0.17% to 7.44% during 2009. Rates in effect at December 31, 2009 ranged from 0.23% to 7.44%.

In 2009, Florida Housing refunded the outstanding bonds for the Guarantee Program, replacing them with a short term note payable. There was no economic gain or loss resulting from the refunding.

Scheduled maturities of notes and bonds payable, interest payments, and sinking fund requirements at December 31, 2009, are as follows:

	Principal	Interest	Total
2010	$ 261,691,420	$ 161,840,446	$ 423,531,866
2011	54,662,314	159,447,908	214,110,222
2012	78,036,440	156,818,566	234,855,006
2013	86,337,257	153,438,311	239,775,568
2014	79,268,049	149,814,293	229,082,342
2015 – 2019	475,602,518	680,002,943	1,155,605,461
2020 – 2024	415,973,052	582,349,266	998,322,318
2025 – 2029	580,286,124	457,909,260	1,038,195,384
2030 – 2034	820,991,790	280,905,338	1,101,897,128
2035 – 2039	832,071,272	110,329,070	942,400,342
2040 – 2044	270,024,066	30,675,053	300,699,119
2045 – 2049	77,951,774	4,828,645	82,780,419
2050 – 2054	635,183	–	635,183
	4,033,531,259	2,928,359,099	6,961,890,358
Net unamortized bond premium	31,678,176	–	31,678,176
	$ 4,065,209,435	$ 2,928,359,099	$ 6,993,568,534

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.

Changes in Notes and Bonds Payable

Notes and bonds payable activity for the year ended December 31, 2009 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes and bonds payable	$ 4,328,075,665	$ 342,230,036	$ (636,774,442)	$ 4,033,531,259	$ 261,691,420
Unamortized premium (discount)	32,134,095	2,169,405	(2,625,324)	31,678,176	2,286,052
Total notes and bonds payable, net	$ 4,360,209,760	$ 344,399,441	$ (639,399,766)	$ 4,065,209,435	$ 263,977,472

12. DUE TO THE STATE OF FLORIDA

The state of Florida funded approximately $24.8 million for Hurricane Andrew housing assistance. Florida Housing provided the loans through the SAIL Program in areas damaged by Hurricane Andrew. The money is to be returned to the state of Florida after repayment of the loans. The loans generally bear interest at 9%. As of December 31, 2009, net loans outstanding were $19.9 million.

13. GUARANTEE PROGRAM – ACCOUNTS PAYABLE AND OTHER LIABILITIES

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.

During 2009, four claims, all covered by the HUD Risk Sharing Program, were filed under the Guarantee Program. HUD advanced the full amount needed for payment of the bonds under the terms of the HUD Risk Sharing Program. Accounts Payable and Other Liabilities includes $59,995,666 which represents the Guarantee Program's share of outstanding claims, associated accrued interest, and HUD's share of any recoveries. These amounts must be paid to HUD upon final claim settlement, typically immediately after the sale of each property but not later than five years after the claim. At December 31, 2009, there are three claims outstanding for which the foreclosure process has not been completed. The estimated amount of recovery related to those properties will be recorded upon receipt of title, with final recovery amounts determined by the ultimate sales of those properties.

As of December 31, 2009, the Guarantee Program had total outstanding guarantees of approximately $754.5 million. A reserve for claims against such guarantees, including a reserve for the net estimated loss on a claim filed in 2010 has been recorded as of December 31, 2009 and is recorded as Other Liabilities.

14. 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, 2009:

Total restricted cash	$ 214,180,763
Total restricted current assets	$ 731,880,220
Total restricted assets	$ 5,997,085,896
Total current liabilities payable from restricted current assets	$ 448,841,262
Total liabilities payable from restricted assets	$ 4,397,430,624
Total restricted net assets	$ 1,599,655,272

15. NET ASSETS

Within the Operating Fund, net assets of the operating subfund and the bond management subfund are not restricted under the terms of various bond resolutions or loan agreements and can be used by Florida Housing for any purpose authorized by law. The Board of Directors has designated unrestricted net assets in the Operating Fund for demonstration developments, support of the single family bond program, and future operating and capital expenditures, including funding compliance monitoring fees for housing credit properties from which partial or no fees were collected at the time of allocation.

Below is a summary of the Operating Fund designated net assets as of December 31, 2009:

Designated net assets:	
Demonstration and other initiatives	$ 55,986,854
Dedicated reserve for operations	37,490,000
Single family	20,800,000
Total designated net assets	$ 114,276,854

These designations are reviewed annually by the Board of Directors and management as to amount and purpose.

16. DEVELOPERS AND REGIONAL CONCENTRATION

As of December 31, 2009, three developers account for approximately 26% ($545.6 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 four counties represent 54% of the bonds outstanding: Orange County (24%), Duval County (11%), Hillsborough County (11%), and Palm Beach County (8%). No other county represents more than 5% of the bonds outstanding.

As of December 31, 2009, four developers account for approximately 39% ($246.3 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 57% of the SAIL loans outstanding: Miami-Dade County (16%), Hillsborough County (13%), Orange County (10%), Broward County (6%), Duval County (6%), and Palm Beach County (6%). No other county represents more than 5% of the SAIL loans outstanding.

As of December 31, 2009, three developers account for approximately 17% ($39.4 million) of loans outstanding in the HOME Program. No other developer accounts for more than 3% of HOME loans outstanding. Developments in the following seven counties represent 50% of HOME loans outstanding: Miami-Dade County (18%), Indian River County (6%), St. Johns County (6%), Citrus County (5%), Collier County (5%), Lee County (5%), and Monroe County (5%). No other county represents 5% or more of the outstanding HOME loans.

As of December 31, 2009, four developers account for approximately 66% ($488.5 million) of the total guarantees issued by the Guarantee Program. Credit enhanced developments are located in 24 counties. The counties with 5% or greater of the total outstanding guarantees are as follows: Miami-Dade County (21%), Broward County (16%), Palm Beach County (13%), Orange County (8%), and Seminole County (5%).

17. COMMITMENTS

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, 2009, Florida Housing had outstanding loan commitments under state and federally funded programs and other initiatives as follows:

State Apartment Incentive Loan Program	$ 23,234,476
Rental Recovery Loan Program	10,809,009
Subordinate Mortgage Initiative	10,426,097
Community Workforce Housing Innovation Pilot Program	6,958,247
HOME Investment Partnerships Program	4,039,971
Florida Homeownership Assistance Program	3,970,566
Predevelopment Loan Program	3,833,649
Demonstration Loans	1,325,886
Special Housing Assistance and Development Program	508,885
	$ 65,106,786

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 $897,082 for the year ended December 31, 2009. As of December 31, 2009, future minimum lease payments are as follows:

2010	$	921,745
2011		949,418
2012		977,802
2013		1,007,273
2014		424,922
	$	4,281,160

18. 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, 2009, 2008, and 2007. 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. Florida Housing contributed $716,560, $688,253 and $634,463 to the Plan for the years ended December 31, 2009, 2008, and 2007, respectively.

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. Employees contributed $497,034, $536,608, and $487,573 to the 457 Plan for the years ended December 31, 2009, 2008, and 2007, respectively.

19. SUBSEQUENT EVENTS

Bond Programs

During the period January 1, 2010 through April 30, 2010, pursuant to various trust indentures, bonds in the aggregate amount of $176,688,178 were called for redemption from principal payments, excess revenues, and refundings. The bonds were called at a redemption price equal to par value plus accrued interest.

Bonds called were from the following programs:

Issue	Date	Redemption Amount
Single Family Home Ownership		
1987 Series G1, G2	January 4, 2010	$ 10,000
	February 2, 2010	35,000
	March 2, 2010	10,000
	April 1, 2010	5,000
1991 Series G1, G2	January 4, 2010	134,000
	February 1, 2010	13,000
	March 2, 2010	56,000
	April 1, 2010	13,000
1992 Series G1, G2	January 4, 2010	322,998
	February 1, 2010	56,310
	March 1, 2010	25,354
	April 1, 2010	64,035
		744,697
Single Family Homeowner Mortgage		
1996 Series 1-2	January 4, 2010	40,000
1996 Series 3	January 4, 2010	100,000
1997 Series 1-4	January 4, 2010	395,000
1998 Series 1-6	January 4, 2010	852,144
1999 Series 1-5	January 4, 2010	504,992
1999 Series 6-9 / 2000 Series 1-2	January 4, 2010	200,000
2000 Series 3-9	January 4, 2010	315,278
2000 Series 10-12	January 4, 2010	505,000
2002 Series 1-3	January 4, 2010	1,500,000
2003 Series 1-4	January 4, 2010	1,965,000
2003 Series 5	January 4, 2010	1,990,000

Issue	Date	Redemption Amount
Single Family Homeowner Mortgage (continued)		
2004 Series 1-2	January 4, 2010	2,505,000
2004 Series 3-4	January 4, 2010	1,240,000
2004 Series 5-6	January 4, 2010	2,825,000
2005 Series 1	January 4, 2010	2,500,000
2005 Series 2-3	January 4, 2010	4,070,000
2006 Series 1	January 4, 2010	4,290,000
2006 Series 2-3	January 4, 2010	5,775,000
2006 Series 4-5	January 4, 2010	9,490,000
2006 Series 6	January 4, 2010	8,225,000
2007 Series 1	January 4, 2010	6,480,000
2007 Series 2	January 4, 2010	7,630,000
2007 Series 3-4	January 4, 2010	10,495,000
2007 Series 5	January 4, 2010	5,430,000
2007 Series 6	January 4, 2010	4,530,000
2008 Series 1	January 4, 2010	2,765,000
2008 Series 2	January 4, 2010	4,230,000
2008 Series 3	January 4, 2010	3,955,000
2008 Series 4	January 4, 2010	2,255,000
2009 Series 1	January 4, 2010	15,000
1996 Series 1-2	April 1, 2010	260,000
1996 Series 3	April 1, 2010	295,000
1997 Series 1-4	April 1, 2010	370,000
1998 Series 1-6	April 1, 2010	438,073
1999 Series 1-5	April 1, 2010	385,800
1999 Series 6-9 / 2000 Series 1-2	April 1, 2010	440,906
2000 Series 3-9	April 1, 2010	522,820
2000 Series 10-12	April 1, 2010	350,000
2002 Series 1-3	April 1, 2010	950,000
2004 Series 1-2	April 1, 2010	355,000
2005 Series 2-3	April 1, 2010	45,000
2006 Series 1	April 1, 2010	35,000
2006 Series 2-3	April 1, 2010	1,085,000
2006 Series 4-5	April 1, 2010	740,000
2007 Series 1	April 1, 2010	1,590,000
2007 Series 2	April 1, 2010	1,400,000
2007 Series5	April 1, 2010	1,140,000
2007 Series 6	April 1, 2010	350,000
2008 Series 1	April 1, 2010	1,970,000
2008 Series 2	April 1, 2010	2,800,000
2008 Series 3	April 1, 2010	4,665,000
2008 Series 4	April 1, 2010	2,855,000
		120,115,013
Guarantee Program		
1993 Series A	February 1, 2010	300,000
1999 Series A	February 1, 2010	400,000
		700,000

Issue	Date	Redemption Amount
Multifamily Housing Revenue		
Various	January 2010	21,687,052
Various	February 2010	2,167,634
Various	March 2010	28,821,700
Various	April 2010	2,452,082
		55,128,468
		$ 176,688,178

Guarantee Program

A claim for multifamily bond issue 2001 E1 & E2 was filed in early 2010 under the HUD Risk Sharing Program in the Guarantee Program. The amount of the estimated loss for this claim was recorded at December 31, 2009 as Other Liabilities.

Subsidiary Corporations

Of the four properties held for sale as of December 31, 2009, three sold in early 2010. Two of the properties sold were related to Guarantee Program claims. The sale of Riley Chase closed in January 2010 and the sale of Walker Avenue Club closed in March 2010. Brandywine Apartments, acquired through a foreclosure on a loan funded by the Operating Fund, closed in April 2010.

Federal Programs

In October 2009, the Treasury, the Federal Housing Finance Administration, Fannie Mae and Freddie Mac announced the HFA Initiative/New Issue Bond Program (NIBP) under the Housing and Economic Recovery Act of 2008. Under the NIBP, Florida Housing received $248.5 million in authority for multifamily bonds and $547.2 million for single family bonds. If issued to finance single family loans, the NIBP bonds may not exceed 60% of the bond issue. The proceeds of these bonds will be held in escrow until converted to long term bonds in 2010. In January 2010, Florida Housing closed on all the escrow bonds. At the same time, Florida Housing closed $200 million in single family bonds sold in December 2009 which included $120 million NIBP and $80 million private market bonds, leaving $427.2 million in single family and $248.5 million in multifamily escrowed bonds for conversion during 2010. If the bonds have not been converted by December 31, 2010, they are subject to mandatory redemption on February 1, 2011.

The “Housing Finance Agency Innovation Funds for Hardest-Hit Housing Markets” was announced by the Treasury in February 2010 as a means to provide financial support for families in the nation’s hardest-hit housing markets. Florida is slated to receive $418 million as one of the five states that will share $1.5 billion in funding through this program. Florida Housing submitted its proposal outlining strategies for use of these funds in April 2010. These strategies will be finalized and implemented after Treasury’s review of the proposal.

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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, 2009

	Restricted Programs							
	Single Family Home Ownership	Single Family Homeowner Mortgage	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2009
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	$ 1,847,969	$ 21,019,496	$ 2,683,115	$ 111,829,288	$ 75,867,162	$ 1,522,119	$ 53,654,574	$ 268,423,723
Investments, net	-	260,127,694	28,244,866	42,029,768	44,903,914	32,022	14,336,908	389,675,172
Interest receivable on investments	51,551	7,792,637	27,097	954,739	33,552	-	2,474,025	11,333,601
Interest receivable on loans	-	688,451	-	21,641,292	-	-	22,922	22,352,665
Loans receivable, net	-	7,011,500	-	29,275,996	37,290,662	-	89,847	73,668,005
Deferred finance charges, net	4,546	1,943,490	165,828	-	-	-	-	2,113,864
Documentary stamp taxes receivable	-	-	-	-	15,052,322	-	-	15,052,322
Property held for sale	-	-	-	-	-	23,144,775	-	23,144,775
Other assets	-	-	-	-	1,349,962	141,297	1,630,360	3,121,619
(Payable to) receivable from other programs	(6)	(7,296,033)	18,530,142	(1,243,900)	6,156,567	(24,713,630)	8,566,860	-
Total current assets	1,904,060	291,287,235	49,651,048	204,487,183	180,654,141	126,583	80,775,496	808,885,746
NONCURRENT ASSETS								
Investments, net	9,457,266	1,648,082,065	290,083,624	118,618,806	216,266,440	299,578	130,318,640	2,413,126,419
Loans receivable, net	-	131,056,931	-	1,948,869,631	885,464,757	-	13,284,150	2,978,675,469
Deferred finance charges, net	4,542	16,721,752	579,862	-	-	-	-	17,306,156
Capital assets, net	-	-	-	-	-	-	105,316	105,316
Total noncurrent assets	9,461,808	1,795,860,748	290,663,486	2,067,488,437	1,101,731,197	299,578	143,708,106	5,409,213,360
TOTAL ASSETS	$ 11,365,868	$2,087,147,983	$ 340,314,534	$2,271,975,620	$1,282,385,338	$ 426,161	$ 224,483,602	$6,218,099,106
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts payable and other liabilities	$ -	$ 301,751	$ 59,995,666	$ -	$ 51,605,330	$ 497,932	$ 42,115,738	$ 154,516,417
Accrued interest payable	54,350	43,128,473	16,393	22,947,321	-	-	-	66,146,537
Accrued arbitrage rebate	-	1,002,501	-	210,535	-	-	-	1,213,036
Collateralized bank loan	525,000	2,305,000	-	-	-	-	-	2,830,000
Bonds payable, net	-	138,866,759	694,709	124,416,004	-	-	-	263,977,472
Deferred fee income, net	-	-	2,136,436	-	-	33,042	2,315,706	4,485,184
Total current liabilities	579,350	185,604,484	62,843,204	147,573,860	51,605,330	530,974	44,431,444	493,168,646
NONCURRENT LIABILITIES								
Notes payable, net	-	-	156,200,000	13,700,000	-	-	-	169,900,000
Bonds payable, net	9,221,661	1,632,550,095	-	1,989,560,207	-	-	-	3,631,331,963
Deferred fee income, net	-	-	2,375,569	-	-	-	62,157,625	64,533,194
Other liabilities	-	-	8,891,397	-	-	-	-	8,891,397
Due to developers	-	-	-	116,224,433	-	-	250,864	116,475,297
Due to state of Florida	-	-	-	-	19,865,980	-	-	19,865,980
Total noncurrent liabilities	9,221,661	1,632,550,095	167,466,966	2,119,484,640	19,865,980	-	62,408,489	4,010,997,831
Total liabilities	9,801,011	1,818,154,579	230,310,170	2,267,058,500	71,471,310	530,974	106,839,933	4,504,166,477
NET ASSETS								
Invested in capital assets	-	-	-	-	-	-	105,316	105,316
Restricted	1,564,857	268,993,404	110,004,364	4,917,120	1,210,914,028	-	3,261,499	1,599,655,272
Unrestricted	-	-	-	-	-	(104,813)	114,276,854	114,172,041
Total net assets	1,564,857	268,993,404	110,004,364	4,917,120	1,210,914,028	(104,813)	117,643,669	1,713,932,629
TOTAL LIABILITIES AND NET ASSETS	$ 11,365,868	$2,087,147,983	$ 340,314,534	$2,271,975,620	$1,282,385,338	$ 426,161	$ 224,483,602	$6,218,099,106

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, 2009

	Restricted Programs							
	Single Family Home Ownership	Single Family Homeowner Mortgage	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2009
OPERATING REVENUES								
Interest on loans	$ -	$ 8,624,605	$ -	$ 84,590,627	$ 9,506,029	$ -	$ 281,213	$ 103,002,474
Investment income	1,131,635	126,991,369	1,356,781	9,185,767	33,149,768	2,564	8,872,440	180,690,324
Other income	-	1,388,181	6,983,125	3,800,214	1,837	2,089,298	12,170,939	26,433,594
HUD administrative fees	-	-	-	-	-	-	3,052,955	3,052,955
Recovery of claims	-	-	17,316,909	-	-	-	-	17,316,909
Total operating revenues	1,131,635	137,004,155	25,656,815	97,576,608	42,657,634	2,091,862	24,377,547	330,496,256
OPERATING EXPENSES								
Interest expense	709,890	87,357,445	12,845,643	83,001,154	-	-	-	183,914,132
Payments to other governments	-	-	-	-	141,921,376	-	-	141,921,376
Provision for uncollectible loans	-	-	(2,079,437)	-	24,949,192	-	1,314,242	24,183,997
Claims expense	-	-	21,937,559	-	-	-	-	21,937,559
General and administrative expenses	1,802	3,088,077	1,600,042	14,687,778	7,933,461	2,196,677	19,033,850	48,541,687
Housing assistance payments	-	-	-	-	750,072	-	-	750,072
Total operating expenses	711,692	90,445,522	34,303,807	97,688,932	175,554,101	2,196,677	20,348,092	421,248,823
OPERATING INCOME (LOSS)	419,943	46,558,633	(8,646,992)	(112,324)	(132,896,467)	(104,815)	4,029,455	(90,752,567)
NONOPERATING REVENUES (EXPENSES)								
HUD program receipts	-	-	-	-	14,306,494	-	109,747	14,416,241
State documentary stamp tax receipts	-	-	-	-	153,848,977	-	-	153,848,977
Transfers to state agencies	-	-	-	-	(327,942,376)	-	-	(327,942,376)
Net nonoperating revenues (expenses)	-	-	-	-	(159,786,905)	-	109,747	(159,677,158)
Income (Loss) before transfers	419,943	46,558,633	(8,646,992)	(112,324)	(292,683,372)	(104,815)	4,139,202	(250,429,725)
TRANSFERS FROM (TO) OTHER PROGRAMS	2,035	65,449,991	17,607,195	-	(92,075,304)	-	9,016,083	-
CHANGE IN NET ASSETS	421,978	112,008,624	8,960,203	(112,324)	(384,758,676)	(104,815)	13,155,285	(250,429,725)
NET ASSETS								
Beginning of year	1,142,879	156,984,780	101,044,161	5,029,444	1,595,672,704	2	104,488,384	1,964,362,354
End of year	$ 1,564,857	$ 268,993,404	$ 110,004,364	$ 4,917,120	$1,210,914,028	$ (104,813)	$ 117,643,669	$1,713,932,629

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

SUPPLEMENTARY SCHEDULE OF PROGRAM CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Restricted Programs							
	Single Family Home Ownership	Single Family Homeowner Mortgage	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2009
CASH FLOWS FROM OPERATING ACTIVITIES								
Interest received on conduit debt fund investments	$ 704,514	$ 87,108,110	$ -	$ 10,392,696	$ -	$ -	$ -	$ 98,205,320
Cash received from interest on loans receivable	-	12,475,831	-	86,935,724	9,920,613	-	275,824	109,607,992
Cash received from principal payments on loans receivable	-	8,343,731	-	135,220,520	5,628,696	-	677,553	149,870,500
Cash received from HUD for administrative fees	-	-	-	-	-	-	4,152,687	4,152,687
Cash received from other revenues	-	1,364,482	6,703,211	3,800,214	1,837	33,042	19,526,919	31,429,705
Cash payments for issuance of loans	-	-	-	(76,182,832)	(133,500,350)	-	(6,372,231)	(216,055,413)
Interest paid on conduit debt fund bonds	(709,060)	(86,220,152)	-	(86,027,298)	-	-	-	(172,956,510)
Cash payments for operating expenses	(1,802)	(2,786,326)	(1,617,339)	(15,783,755)	43,766,663	(1,576,774)	15,456,323	37,456,990
Housing assistance payments	-	-	-	-	(750,072)	-	-	(750,072)
Payments to other governments	-	-	-	-	(141,921,376)	-	-	(141,921,376)
Net cash received from operation of foreclosed properties	-	-	-	-	-	1,670,734	-	1,670,734
Acquisition of property held for sale	-	-	-	-	-	1,793,868	-	1,793,868
Proceeds from disposition of property held for sale	-	-	-	-	-	9,546,983	-	9,546,983
Cash receipts from (payments to) other funds	6	(602,826)	15,649,657	(285,022)	101,049	(9,639,200)	(5,223,664)	-
Net cash provided by (used in) operating activities	(6,342)	19,682,850	20,735,529	58,070,247	(216,752,940)	1,828,653	28,493,411	(87,948,592)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Proceeds from issuance of notes	-	-	156,200,000	13,700,000	-	-	-	169,900,000
Proceeds from issuance of bonds	-	162,169,405	-	10,936,759	-	-	-	173,106,164
Principal payments on bonds	(1,326,139)	(187,584,433)	(250,900,000)	(196,963,869)	-	-	-	(636,774,441)
Interest paid	-	-	(9,435,351)	-	-	-	-	(9,435,351)
Payment of bond issuance costs	-	(2,080,019)	(743,450)	-	-	-	-	(2,823,469)
Repayments on collateralized bank loan, net	44,562	(224,314)	-	-	-	-	-	(179,752)
Transfers from (to) other programs	2,035	65,449,991	17,607,195	-	(92,075,304)	-	9,016,083	-
Cash received from HUD for programs	-	-	-	-	14,306,494	-	109,747	14,416,241
State documentary stamp tax receipts	-	-	-	-	150,677,450	-	-	150,677,450
Transfers to other state agencies	-	-	-	-	(327,942,376)	-	-	(327,942,376)
Net cash provided by (used in) noncapital financing activities	(1,279,542)	37,730,630	(87,271,606)	(172,327,110)	(255,033,736)	-	9,125,830	(469,055,534)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Purchase of property and equipment	-	-	-	-	-	-	(12,341)	(12,341)
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchases of investments	-	(1,108,647,312)	(235,041,928)	(80,934,021)	(721,127,811)	(1,714,836)	(610,424,899)	(2,757,890,807)
Proceeds from the sale and maturity of investments	1,782,481	850,631,392	282,430,532	141,956,386	1,237,253,853	1,381,355	612,690,857	3,128,126,856
Interest received on investments	-	-	1,238,379	-	23,304,873	4,445	11,432,068	35,979,765
Net cash provided by (used in) investing activities	1,782,481	(258,015,920)	48,626,983	61,022,365	539,430,915	(329,036)	13,698,026	406,215,814
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	496,597	(200,602,440)	(17,909,094)	(53,234,498)	67,644,239	1,499,617	51,304,926	(150,800,653)
CASH AND CASH EQUIVALENTS - Beginning of year	1,351,372	221,621,936	20,592,209	165,063,786	8,222,923	22,502	2,349,648	419,224,376
CASH AND CASH EQUIVALENTS - End of year	$ 1,847,969	$ 21,019,496	$ 2,683,115	$ 111,829,288	$ 75,867,162	$ 1,522,119	$ 53,654,574	$ 268,423,723

SUPPLEMENTARY SCHEDULE OF PROGRAM CASH FLOWS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2009

	Restricted Programs							
	Single Family Home Ownership	Single Family Homeowner Mortgage	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2009
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Operating income (loss)	$ 419,943	$ 46,558,633	$ (8,646,992)	$ (112,324)	$ (132,896,467)	$ (104,815)	$ 4,029,455	$ (90,752,567)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Fair value of investments	(436,007)	(37,986,064)	(104,121)	299,223	(10,080,662)	1,940	(937,899)	(49,243,590)
Accreted interest on capital appreciation bonds	-	1,020,090	-	373,187	-	-	-	1,393,277
Provision for uncollectible loans	-	(23,699)	-	-	24,949,192	-	1,314,242	26,239,735
Amortization and depreciation	8,960	(1,988,912)	(4,710,065)	49,427	(42,773)	(59)	(2,926,841)	(9,610,263)
Loans forgiven	-	-	-	-	1,492,352	-	-	1,492,352
Interest received on investments	-	-	(1,238,379)	-	(23,304,873)	(4,445)	(11,432,068)	(35,979,765)
Interest paid	-	-	9,435,351	-	-	-	-	9,435,351
Recovery of claims	-	-	-	-	-	(23,144,775)	-	(23,144,775)
Changes in assets and liabilities which (used) provided cash								
Interest receivable on investments	8,886	(853,508)	(14,281)	738,139	278,540	-	3,523,249	3,681,025
Interest receivable on loans	-	62,133	-	2,345,097	414,584	-	(5,389)	2,816,425
Loans receivable	-	12,475,831	-	82,001,365	(127,871,654)	-	(5,575,878)	(38,970,336)
Other assets	-	-	-	-	(1,323,779)	(141,297)	(311,576)	(1,776,652)
Accounts payable and other liabilities	-	301,751	38,722,801	(1,095,977)	51,531,551	475,432	35,808,633	125,744,191
Accrued interest payable	(8,130)	949,646	(778,728)	(3,448,760)	-	-	-	(3,285,972)
Accrued arbitrage rebate	-	(230,225)	-	169,567	-	-	-	(60,658)
Deferred fee income	-	-	6,654,316	-	-	33,042	10,551,370	17,238,728
Due to developers	-	-	-	(22,963,675)	-	-	(201,423)	(23,165,098)
Interfund receivable (payable)	6	(602,826)	(18,584,373)	(285,022)	101,049	24,713,630	(5,342,464)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ (6,342)	$ 19,682,850	$ 20,735,529	$ 58,070,247	$ (216,752,940)	$ 1,828,653	$ 28,493,411	$ (87,948,592)

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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, 2009

Federal Grantor/Pass-Through Grantor/Program Title	**CFDA Number**	**Expenditures**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Housing Finance Agencies Risk Sharing Program	14.188	$ 386,916,525
HOME Investment Partnerships Program	14.239	17,951,154
U.S. DEPARTMENT OF TREASURY		
Passed through NeighborWorks America		
National Foreclosure Mitigation Counseling Program	21.000	2,981,967
U.S. DEPARTMENT OF EDUCATION		
Twenty-First Century Community Learning Centers Program	84.287	11,520
TOTAL		$ 407,861,166

See Notes to Schedule of Expenditures of Federal Awards.

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

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 2009. The HUD-guaranteed portions of all outstanding loans are included in the accompanying Schedule of Expenditures of Federal Awards.

3. 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	$ 2,972,362

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Ernst & Young LLP
Suite 1200
401 East Jackson Street
Tampa, FL 33602

Tel: +1 813 225 4800
Fax: +1 813 225 4711
www.ey.com

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

We have audited the financial statements of Florida Housing Finance Corporation ("Florida Housing") as of and for the year ended December 31, 2009, and have issued our report thereon dated May 25, 2010. 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

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.

Ernst + Young LLP

May 25, 2010

Ernst & Young LLP
Suite 1200
401 East Jackson Street
Tampa, FL 33602

Tel: +1 813 225 4800
Fax: +1 813 225 4711
www.ey.com

Report of Independent Certified Public Accountants on Compliance with Requirements Applicable to 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

Compliance

We have audited the compliance of Florida Housing Finance Corporation ("Florida Housing") with the types of compliance requirements described in the US Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. 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 requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

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

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material effect on a major federal program in order to determine our 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 25, 2010

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Part I – Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	Unqualified			
Internal control over financial reporting:				
• Material weakness(es) identified?	____	yes	X	no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____	yes	X	no
Noncompliance material to financial statements noted?	____	yes	X	no

Federal Awards

Internal control over major programs:				
• Material weakness(es) identified?	____	yes	X	no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____	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 Numbers	Name of Federal Program or Cluster:
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
14.188	Housing Finance Agencies Risk Sharing Program
14.289	HOME Investment Partnerships Program
U.S. DEPARTMENT OF TREASURY	
21.000	National Foreclosure Mitigation Counseling Program

Dollar threshold used to distinguish between type A and type B programs:	$628,339			
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 Cost Section

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

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