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**ALABAMA HOUSING  
FINANCE AUTHORITY  
2003 Financial Statements and Information**

**ALABAMA HOUSING FINANCE AUTHORITY**

**COMPARATIVE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2003 AND 2002**

**ALABAMA HOUSING FINANCE AUTHORITY**  
SEPTEMBER 30, 2003 AND 2002

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# ALABAMA HOUSING FINANCE AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### ***Introduction***

This section of the Alabama Housing Finance Authority's ("Authority") annual financial report presents management's discussion and analysis of the financial position and results of operations at and for the fiscal year ended September 30, 2003. This information is being presented to provide additional information regarding the activities of the Authority and to meet the disclosure requirements of Government Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government*. This analysis should be read in conjunction with the Report of Independent Auditors, the audited financial statements and accompanying notes. Operations of the Authority include issuance of bonds to fund loans to qualified borrowers for single family houses and multifamily developments. The Authority is entirely self-funded and does not draw upon the general taxing authority of the State of Alabama.

The financial transactions of the Authority are recorded in the funds, which consist of a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues and expenses as appropriate.

### ***Required Basic Financial Statements***

The basic financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer information about the Authority's activities.

The Statement of Net Assets includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). The assets and liabilities are presented in order of liquidity.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Assets. This statement measures the activities of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through its services provided.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments and net changes in cash resulting from operating, investing, non-capital financing and financing activities and provides information regarding the sources and uses of cash and the change in the cash balance during the reporting period.

**ALABAMA HOUSING FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Condensed Financial Information**

**Condensed Statements of Net Assets**

The following table presents condensed information about the net assets of the Authority as of September 30, 2003 and 2002, and changes in the balances of selected items during the fiscal year ended September 30, 2003 (in thousands):

**CONDENSED STATEMENTS OF NET ASSETS**

	<u>2003</u>	<u>2002</u>	<u>Change</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and restricted cash	\$ 2,142	\$ 245	\$ 1,897
Accrued interest receivable and restricted accrued interest	8,446	9,044	(598)
Mortgages and restricted mortgages	13,271	18,127	(4,856)
Investments and restricted investments	230,136	229,880	256
Other assets and restricted other assets	1,811	927	884
Total current assets	<u>255,806</u>	<u>258,223</u>	<u>(2,417)</u>
<b>NONCURRENT ASSETS</b>			
Mortgages, restricted mortgages and restricted mortgage-backed securities	950,875	1,126,656	(175,781)
Restricted HOME program mortgages	120,034	109,503	10,531
Investments and restricted investments	93,238	36,943	56,295
Restricted deferred debt financing costs	7,785	9,775	(1,990)
Total noncurrent assets	<u>1,171,932</u>	<u>1,282,877</u>	<u>(110,945)</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,427,738</u>	<u>\$ 1,541,100</u>	<u>\$ (113,362)</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Bonds and notes payable	\$ 168,923	\$ 98,846	\$ 70,077
Accrued interest payable	21,917	25,303	(3,386)
Other liabilities	1,484	2,133	(649)
Total current liabilities	<u>192,324</u>	<u>126,282</u>	<u>66,042</u>
<b>NONCURRENT LIABILITIES</b>			
Bonds and notes payable	877,565	1,075,306	(197,741)
Refundable HOME program grants	120,903	109,503	11,400
Other liabilities	34,207	39,298	(5,091)
Total noncurrent liabilities	<u>1,032,675</u>	<u>1,224,107</u>	<u>(191,432)</u>
<b>TOTAL LIABILITIES</b>	<u>1,224,999</u>	<u>1,350,389</u>	<u>(125,390)</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	376	114	262
Restricted	162,809	173,280	(10,471)
Unrestricted	39,554	17,317	22,237
Total net assets	<u>202,739</u>	<u>190,711</u>	<u>12,028</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,427,738</u>	<u>\$ 1,541,100</u>	<u>\$ (113,362)</u>

**ALABAMA HOUSING FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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***Condensed Statements of Net Assets (Continued)***

Current assets decreased \$2,417,000, from September 30, 2002 to September 30, 2003, primarily due to a decrease in mortgage loans held for sale in the Authority's general fund.

Restricted and unrestricted mortgage loans and restricted mortgage-backed securities decreased by \$175,781,000, due to rapid mortgage loan repayments and prepayments during 2003. While the Authority purchased new loans of approximately \$132,600,000, this was exceeded by loan repayments and prepayments of approximately \$308,300,000, in 2003.

Restricted HOME program loans increased \$10,531,000, due to an increase in lending under this program.

Restricted and unrestricted investments increased \$56,295,000, primarily due to repayments received in the past six months of mortgage-backed securities prepayments and repayments that will be available for bond redemptions scheduled for October 1, 2003. See Note 11, "Early Retirement of Bonds" for additional information.

Bonds and notes payable, current and noncurrent, decreased \$127,665,000, due to the early redemption of bonds and scheduled debt service payments exceeding the amount of new bonds and notes issued. Refundable HOME program grants increased \$11,400,000, due to increased lending activity in that program. The following chart summarizes the Authority's debt activity from September 30, 2002 to September 30, 2003 (in thousands):

	<b>Debt Balance 9/30/2002</b>	<b>Debt Issued</b>	<b>Debt Paid</b>	<b>Debt Balance 9/30/2003</b>
Bonds payable	\$ 1,161,302	\$ 75,268	\$ 193,982	\$ 1,042,588
Notes payable	12,850	15,550	24,500	3,900
Refundable HOME grants	<u>109,503</u>	<u>11,410</u>	<u>10</u>	<u>120,903</u>
	<u>\$ 1,283,655</u>	<u>\$ 102,228</u>	<u>\$ 218,492</u>	<u>\$ 1,167,391</u>

Other liabilities, current and noncurrent, decreased \$5,740,000, because of a decrease in accrued arbitrage rebate payable related to the net decrease in fair value of mortgage-backed securities. See Note 3, "Mortgage-Backed Securities," for further information. The Authority's general fund also had a decrease in other liabilities due to increased recognition of deferred commitment fees related to the rapid repayments and prepayments of the related mortgage-backed securities.

**ALABAMA HOUSING FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

*Revenues, Expenses, and Changes in Net Assets*

The following table presents condensed statements of revenues, expenses and changes in net assets for the Authority as of September 30, 2003 and 2002, and the change from the prior year (in thousands):

**CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

	<u>2003</u>	<u>2002</u>	<u>Change</u>
<b>OPERATING REVENUES</b>			
Interest on mortgage loans and mortgage-backed securities	\$ 57,044	\$ 64,118	\$ (7,074)
Investment income	6,433	17,822	(11,389)
Loan fees and other income	<u>7,925</u>	<u>2,138</u>	<u>5,787</u>
Total operating revenues	<u>71,402</u>	<u>84,078</u>	<u>(12,676)</u>
<b>OPERATING EXPENSES</b>			
Interest on bonds and notes	53,571	57,580	(4,009)
Amortization of deferred debt financing costs	2,226	1,397	829
Program, general and administrative	<u>3,046</u>	<u>4,934</u>	<u>(1,888)</u>
Total operating expenses	<u>58,843</u>	<u>63,911</u>	<u>(5,068)</u>
<b>OPERATING INCOME</b>	<u>12,559</u>	<u>20,167</u>	<u>(7,608)</u>
<b>CAPITAL CONTRIBUTIONS AND EXTRAORDINARY LOSS</b>			
Owner contributions (reductions)	(19)	396	(415)
Extraordinary loss on early retirement of bonds	<u>(512)</u>	<u>-</u>	<u>(512)</u>
Total capital contributions and extraordinary loss	<u>(531)</u>	<u>396</u>	<u>(927)</u>
<b>CHANGE IN NET ASSETS</b>	12,028	20,563	(8,535)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>190,711</u>	<u>170,148</u>	<u>20,563</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 202,739</u>	<u>\$ 190,711</u>	<u>\$ 12,028</u>

Interest on mortgage loans and mortgage-backed securities decreased \$7,074,000, due to the decrease in mortgage loan and mortgage-backed securities balances during 2003, reflecting the increase in repayments and prepayments discussed in the balance sheet section. Mortgage loans and mortgage-backed securities earning higher rates from older bond issues are prepaying faster than normal and new mortgage-backed securities originated during the fiscal year have lower interest rates, plus loan originations declined in 2003.

**ALABAMA HOUSING FINANCE AUTHORITY**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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*Revenues, Expenses, and Changes in Net Assets (Continued)*

Investment income decreased \$11,389,000, due to a decrease in the fair value of mortgage-backed securities and investments. Investment income from money market funds has also decreased reflecting lower interest rates.

Loan fees and other income increased \$5,787,000, primarily due to recoveries in loan loss reserves in the housing assistance fund and an increase of commitment fee income recognized in the general fund reflecting rapid repayments and prepayments of mortgage-backed securities.

Interest expense declined \$4,009,000, reflecting redemptions of older, higher rate bond issues and reflects the low interest rate environment and management of the Authority's interest costs through increased issuance of variable interest rate bonds, lower fixed interest rates during the fiscal year in the step up program, and aggressive bond redemptions from mortgage-backed securities repayments and prepayments received during fiscal year 2003.

Amortization expense increased \$829,000, reflecting increased amortization of deferred debt financing costs as the respective bond issues experience higher than normal mortgage prepayments. Extraordinary losses on early bond redemptions represent premiums paid on older bond issues as they are retired prior to stated maturity in accordance with various trust indentures.

Program, general and administrative expenses decreased \$1,888,000, primarily due to one-time expenses paid by the Authority's general fund in the prior year in comparison to the recent fiscal period.



## **Independent Auditors' Report**

Board of Directors  
Alabama Housing Finance Authority  
Montgomery, Alabama

We have audited the accompanying basic financial statements of the Alabama Housing Finance Authority, a component unit of the State of Alabama, as of and for the year ended September 30, 2003. These basic financial statements are the responsibility of the Alabama Housing Finance Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The financial statements of the Authority as of September 30, 2002, were audited by other auditors whose report dated December 6, 2002, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Alabama Housing Finance Authority at September 30, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 1 through 5 is 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 supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying additional segment data is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the 2003 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 2003 basic financial statements taken as a whole.

*Nelson, Price, Baranca, Blankenship & Billingsley, P.C.*

December 3, 2003

**ALABAMA HOUSING FINANCE AUTHORITY**  
**STATEMENTS OF NET ASSETS**  
**SEPTEMBER 30, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
	(In thousands)	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash on deposit	\$ 1,271	\$ 50
Accrued interest receivable	338	10
Mortgage loans receivable, net	475	450
Investments	1,096	-
Other assets	1,459	-
Restricted:		
Cash on deposit	871	195
Accrued interest receivable	8,108	9,034
Mortgage loans receivable, net	2,771	2,794
Mortgage loans held for sale	10,025	14,883
Investments	229,040	229,880
Other assets	<u>352</u>	<u>927</u>
Total current assets	<u>255,806</u>	<u>258,223</u>
<b>NONCURRENT ASSETS</b>		
Mortgage loans receivable, net	14,181	9,485
Investments	20,734	14,605
Restricted:		
Mortgage-backed securities	702,975	888,880
Mortgage loans receivable, net	233,719	228,291
Investments	72,504	22,338
HOME program loans receivable, net	120,034	109,503
Deferred debt financing costs	<u>7,785</u>	<u>9,775</u>
Total noncurrent assets	<u>1,171,932</u>	<u>1,282,877</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,427,738</u>	<u>\$ 1,541,100</u>

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	<u>2003</u>	<u>2002</u>
	(In thousands)	
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Bonds payable, net of unamortized discounts	\$ 165,023	\$ 85,996
Notes payable	3,900	12,850
Accrued interest payable	21,917	25,303
Accrued arbitrage rebate	484	273
Other liabilities	<u>1,000</u>	<u>1,860</u>
Total current liabilities	<u>192,324</u>	<u>126,282</u>
<b>NONCURRENT LIABILITIES</b>		
Bonds payable, net of unamortized discounts	877,565	1,075,306
Refundable HOME program grants	120,903	109,503
Accrued arbitrage rebate	25,020	27,643
Deferred commitment fees	<u>9,187</u>	<u>11,655</u>
Total noncurrent liabilities	<u>1,032,675</u>	<u>1,224,107</u>
<b>TOTAL LIABILITIES</b>	<u>1,224,999</u>	<u>1,350,389</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	376	114
Restricted	162,809	173,280
Unrestricted	<u>39,554</u>	<u>17,317</u>
Total net assets	<u>202,739</u>	<u>190,711</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,427,738</u>	<u>\$ 1,541,100</u>

See independent auditors' report and notes to financial statements.

**ALABAMA HOUSING FINANCE AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
	(In thousands)	
<b>OPERATING REVENUES</b>		
Interest on mortgage loans	\$ 9,436	\$ 11,376
Interest on mortgage-backed securities	47,608	52,742
Investment income	9,944	9,434
Net increase (decrease) in fair value of investments	(3,511)	8,388
Loan fees and other income	<u>7,925</u>	<u>2,138</u>
Total operating revenues	<u>71,402</u>	<u>84,078</u>
<b>OPERATING EXPENSES</b>		
Interest on bonds and notes	53,571	57,580
Amortization of deferred debt financing costs	2,226	1,397
Program, general and administrative	<u>3,046</u>	<u>4,934</u>
Total operating expenses	<u>58,843</u>	<u>63,911</u>
<b>OPERATING INCOME</b>	<u>12,559</u>	<u>20,167</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
HOME program grants	11,378	15,841
HOME program expenditures	<u>(11,378)</u>	<u>(15,841)</u>
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND EXTRAORDINARY LOSS</b>	12,559	20,167
<b>CAPITAL CONTRIBUTIONS AND EXTRAORDINARY LOSS</b>		
Owner contributions (reductions)	(19)	396
Extraordinary loss on early retirement of bonds	<u>(512)</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	12,028	20,563
<b>NET ASSETS</b>		
Beginning of the year	<u>190,711</u>	<u>170,148</u>
End of year	<u>\$ 202,739</u>	<u>\$ 190,711</u>

See independent auditors' report and notes to financial statements.

**ALABAMA HOUSING FINANCE AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
	(In thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Purchase of mortgage-backed securities	\$ (49,386)	\$ (79,555)
Proceeds from sales/maturities of mortgage-backed securities	230,065	99,329
Purchase of mortgage loans	(38,010)	(36,120)
Principal payments received on mortgage loans	30,516	12,850
Purchase of mortgage loans held for sale	(45,152)	(88,987)
Proceeds from mortgage loans held for sale	49,949	80,628
Interest received from mortgage loans	9,298	11,456
Interest received from mortgage-backed securities	49,472	53,551
Payments for arbitrage	(127)	(192)
Cash paid to suppliers for goods and services	(1,523)	(1,555)
Cash payments to employees for services	(1,533)	(1,543)
Loan fees, commitment fees and other income received	<u>1,561</u>	<u>3,972</u>
Net cash provided by operating activities	<u>235,130</u>	<u>53,834</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from bonds issued	75,268	147,040
Net borrowings under line of credit	15,550	36,060
Principal payments on bonds	(193,982)	(97,210)
Payments of debt financing costs	(236)	(837)
Principal payments on note	(24,500)	(25,410)
Proceeds from HOME grants, net	11,400	15,011
Contributions/distributions to owners, net	(19)	396
Interest paid on bonds and note	<u>(58,039)</u>	<u>(60,987)</u>
Net cash provided (used) in non capital financing activities	<u>(174,558)</u>	<u>14,063</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of furniture and equipment	<u>(405)</u>	<u>(51)</u>

See independent auditors' report and notes to financial statements.

**ALABAMA HOUSING FINANCE AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
	(In thousands)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	\$ (978,937)	\$ (790,187)
Proceeds from sales of investments	922,830	724,892
Interest received from investments	8,368	10,513
HOME program mortgage loans funded	<u>(10,531)</u>	<u>(15,011)</u>
Net cash used by investing activities	<u>(58,270)</u>	<u>(69,793)</u>
<b>NET INCREASE (DECREASE) IN CASH ON DEPOSIT</b>	1,897	(1,947)
<b>CASH ON DEPOSIT AT BEGINNING OF YEAR</b>	<u>245</u>	<u>2,192</u>
<b>CASH ON DEPOSIT AT END OF YEAR</b>	<u>\$ 2,142</u>	<u>\$ 245</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 12,559	\$ 20,167
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	143	48
Accretion of premiums and discounts on investments, net	6	308
Amortization of deferred debt financing costs	2,226	733
Amortization of deferred commitment fees	(3,405)	(1,392)
Gross unrealized (gain) loss on investments	4,776	(20,212)
Provision (recovery) for loan losses, net	(2,608)	(227)
Extraordinary gain (loss) on early retirement of bonds	(512)	664
Commitment fees received	937	1,330
Interest received from investments	(8,368)	(10,513)
Interest paid on bonds and notes	58,039	59,752
Changes in operating assets and liabilities:		
Accrued interest receivable	597	163
Mortgage loans receivable	(7,518)	(23,359)
Mortgage loans held for sale	4,858	(8,275)
Mortgage-backed securities	180,679	19,774
Other assets	(621)	405
Accrued interest payable	(3,386)	(1,646)
Accrued arbitrage rebate	(2,412)	14,502
Other liabilities	<u>(860)</u>	<u>1,612</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 235,130</u>	<u>\$ 53,834</u>

See independent auditors' report and notes to financial statements.

# ALABAMA HOUSING FINANCE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2003 AND 2002

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### 1. AUTHORITY LEGISLATION

The Alabama Housing Finance Authority (Authority) is a public corporation created, organized and existing under Act No. 80-585 (Act) enacted by the Legislature of the State of Alabama at its 1980 regular session. Pursuant to the Act, the Authority is authorized to issue bonds to finance residential housing for persons and families of low and moderate income in the State of Alabama. The Authority is a component unit of the State of Alabama.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Basis of Accounting*

The Authority's accounts are organized as funds, which include accounts of the assets, liabilities, net assets, revenues and expenses of the Authority's single family and multifamily mortgage revenue bond programs (Program Funds), the HOME Program, the Housing Assistance Program and a General Fund. Each Program Fund accounts for the proceeds from the bonds issued, the debt service requirements of the bonds and the related program investments, as required by the various bond resolutions established under the various trust indentures of each program.

The Authority uses the accrual method of accounting. The Authority's Program Funds, HOME Fund, Housing Assistance Fund and General Fund have been presented on a combined basis, as the Authority is considered a single enterprise fund for financial reporting purposes. Current assets include cash and amounts convertible to cash during the next normal operating cycle or one year. Current liabilities include those obligations to be liquidated with current assets. All inter-fund balances and transactions have been eliminated in the accompanying financial statements.

Revenues and expenses from the Program Funds, Housing Assistance Fund and General Fund are reported as operating revenues and expenses. Revenues derived from Program Funds serve as security for the single family and multifamily mortgage revenue bond programs.

As permitted by Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Authority has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, unless the GASB specifically adopts such FASB statements or interpretations.

All federal financial assistance received in connection with the Authority's administration of the HOME Program is reported as nonoperating revenues in the accompanying financial statements. Expenditures of HOME Program funds, whether for repayable or conditionally forgivable loans, are reported as nonoperating expenses in accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Financial Assistance*.



**ALABAMA HOUSING FINANCE AUTHORITY**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003 AND 2002

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Use of Estimates in the Preparation of Financial Statements*

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and Cash Equivalents*

Cash and cash equivalents represents funds on deposit with various financial institutions and uninvested funds held by the Trustees of the Authority's various mortgage revenue bond programs. At September 30, 2003, all cash on deposit was held by the Authority's trustees in the name of the Authority. All cash on deposit at September 30, 2003 was covered by federal depository insurance, collateralized by the various financial institutions or the Security for Alabama Funds Enhancement Act.

*Investments*

The Act authorizes the Authority to invest in bonds or other obligations issued or guaranteed by the U.S. Government, any agency thereof, or the State of Alabama. In addition, the Authority may invest in interest-bearing bank and savings and loan association deposits, any obligations in which a State chartered savings and loan association may invest its funds, any agreement to repurchase any of the foregoing, or any combination thereof. Each of the trust indentures established under the Authority's mortgage revenue bond programs contains further restrictions on the investment of non-expended bond proceeds; however, each trust indenture must be consistent with the Authority's authorizing legislation with respect to the definition of eligible investments.

Investments consist of unexpended bond proceeds, temporary and debt service reserve funds established under the provisions of various trust indentures and investments of the Authority's general fund. In connection with the Authority's mortgage revenue bond programs, unexpended bond proceeds are maintained in trust, invested in various types of investment contracts until such time as the proceeds can be used to purchase Program Certificates originated under the Authority's program guidelines. The Authority's guidelines generally require the investment contract issuer to collateralize the principal amount invested in the contract, unless the issuer has sufficiently high credit ratings, as established by independent rating agencies, to maintain the desired ratings of the Authority's bond issues. The uncollateralized investment agreements generally require the issuer to collateralize the principal amount on deposit from time to time in the event the issuer's credit rating drops below acceptable standards. The Authority continually monitors the credit ratings of all parties to guaranteed investment contracts.

The provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, permit the recording of guaranteed investment contracts at cost if the contracts are non-participating. Non-participating contracts are those that are non-negotiable and non-transferable and redeemable at contract or stated value, rather than fair value based on current market rates. All of the Authority's investment contracts are non-participating and are therefore reported at cost. Investments other than non-participating investment contracts are reported at fair value.

# ALABAMA HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2003 AND 2002

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### *Mortgage-Backed Securities*

Mortgage-backed securities consist of Government National Mortgage Association (GNMA) or Federal National Mortgage Association (FNMA) pass-through certificates, all of which are pledged as security for the mortgage revenue bonds. The fair value of program investments was based on quoted market prices obtained from an independent financial news and information service where available. If quoted market prices were not available, fair values were based on quoted market prices of comparable investments.

In accordance with GASB Statement No. 31, investment securities other than non-participating guaranteed investment contracts (see above) are recorded at fair value and unrealized gains or losses are reported in the statements of revenues, expenses and changes in net assets. The Authority records a portion of net unrealized gains on investment securities as a liability to the extent that such gains would be rebateable to the United States government under Section 103A of the Internal Revenue Code, as amended (the Code), for tax-exempt bond issues sold after 1981. Such rebateable earnings, which totaled \$3,057,000 in 2003 and \$14,064,000 in 2002, are classified as a reduction of unrealized gains on investment securities in the statements of revenues, expenses and changes in net assets. The Code requires that such excess investment earnings be rebated to certain single family borrowers upon payoff of their respective mortgages or remitted to the Internal Revenue Service. Gains on sales of securities in these bond issues would create excess rebateable earnings. This liability is recorded on the statements of net assets as accrued arbitrage rebate.

### *Commitment Fees*

Commitment fees are deferred and recognized as income over the life of the applicable loans as an adjustment of their yields.

### *Mortgage Loans Receivable*

Mortgage loans are carried at their unpaid principal balances less an allowance for loan losses. Allowances for loan losses are provided through charges against operations based upon management's evaluation of the loan portfolio and the underlying security.

### *Mortgage Loans Held for Sale*

Mortgage loans held for sale are recorded at the lower of cost or fair value.

# ALABAMA HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2003 AND 2002

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### *HOME Program Loans Receivable*

HOME Program loans include loans originated under the HOME Program. This program is designed to assist very low income borrowers, and, as such, some mortgages originated under the program are structured in such a way that repayment will only occur in limited circumstances. The Authority originated three loans that are forgivable for both principal and interest. These loans are not recorded as assets or liabilities of the Authority and totaled \$2,950,000 at September 30, 2003 and 2002.

### *Deferred Debt Financing Costs*

Issuance costs on bonds are deferred and amortized, on a yield method, over the terms of the related bond issues.

## 3. MORTGAGE-BACKED SECURITIES

Mortgage-backed securities held by the Authority include securitized mortgage obligations, backed by pools of single family and multifamily mortgage loans originated under the Authority's program guidelines. These securities are "fully modified pass through" mortgage-backed securities which require monthly payments by an FHA-approved lender, as the issuer of the guaranteed security, and are either insured or registered in the Authority's name. GNMA and FNMA guarantee timely payment of principal and interest on guaranteed securities. At September 30, 2003, mortgage-backed securities consisted of program certificates with interest rates ranging from 4.42% to 8.625%. The cost of program investments at September 30, 2003 and 2002 was \$671,178,000 and \$851,856,000, respectively. As a result of changes in the fair value of mortgage-backed securities, the Authority recorded unrealized (losses) gains of (\$2,169,000) and \$7,469,000 for the years ended September 30, 2003 and 2002, respectively. It is the intention of the Authority to hold these securities until the underlying loan is paid in full.

## 4. INVESTMENTS

Investments include unexpended bond proceeds, temporary and debt service reserve funds established under the provisions of various trust indentures and investments of the Authority's general fund.

Guaranteed investment contracts generally carry fixed rates of return for varying periods of time specified in the Trust Indentures. Approximately 1.04% and .29% of the carrying amount of these investments at September 30, 2003 and 2002, respectively, are collateralized by the depository institutions with U.S. Government and agency securities, as required by the respective contracts, in amounts ranging from 103% to 120% of the par value of the investments, depending upon the maturities and types of collateral held. Substantially all of the remaining uncollateralized investment contracts contain provisions which require the issuers to collateralize the deposit in the event their credit ratings fall below certain minimum levels, or in certain other circumstances. The cost basis of the guaranteed investment contracts approximates their fair value.

# ALABAMA HOUSING FINANCE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2003 AND 2002

### 4. INVESTMENTS (Continued)

The Authority's investments in U.S. Government and agency securities are held by the Authority's trustees in book-entry form through the trustees' custodial agents, in the name of the trustees or custodial agents. The cost basis of the U.S. Government and agency securities at September 30, 2003 and 2002 was \$82,476,557 and \$20,156,000, respectively.

The Authority recorded realized gains (losses) of (\$1,790,000) and \$2,240,000 for the years ended September 30, 2003 and 2002, respectively. Unrealized gains (losses) totaled (\$1,721,000) and \$6,148,000 for the years ended September 30, 2003 and 2002, respectively.

Investments in money market funds and repurchase agreements are carried at fair value, which is equal to the amortized cost basis.

Investments consist of the following at September 30 (in thousands):

	<u>2003</u>	<u>2002</u>
Non-participating guaranteed investment contracts (at cost):		
Collateralized investment contracts:		
Morgan Guaranty Trust Company, 6.10% (single family series 1997-D)	\$ 843	\$ 193
Uncollateralized investment contracts (at cost):		
AIG Matched Funding Corp., 5.235% to 6.53% (single family series 1994-A, 1996-B, 1996-D, 1997-A, 1997-C, 1998-A, 1999-B, 1999-C, 2001-A)	7,409	3,548
Bayerische Landesbank, 4.75% to 6.15%, variable (single family series 1995-B, 1998-B, 2001-B, 2002-B, multifamily series 1989-C, 1992-B)	22,089	21,498
Compass Bank, variable (multifamily series 2003-A)	3,676	-
Financial Guaranty Insurance Corp., 4.00% to 6.50% (single family series 1994-B, 1995-A, multifamily series 2000-K, 2001-A)	1,749	1,132
Trinity, 6.51%, variable (single family series 1996-C, 2002-A, 2002-C)	39,647	38,748
Westdeutsche Landesbank, 4.00% to 6.52% (single family series 1997-B, 2000-A, 2000-B, multifamily series 1996-D&E)	<u>5,449</u>	<u>1,706</u>
Total non-participating guaranteed investment contracts	80,862	66,825
U.S. Government securities (at fair value)	83,671	20,901
Money market funds and repurchase agreements (at fair value)	<u>158,841</u>	<u>179,097</u>
	<u>\$ 323,374</u>	<u>\$ 266,823</u>

# ALABAMA HOUSING FINANCE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2003 AND 2002

### 4. INVESTMENTS (Continued)

Investments are classified in the accompanying statements of net assets as follows (in thousands):

	<u>2003</u>	<u>2002</u>
Current assets – Investments	\$ 1,096	\$ -
Current assets – Restricted Investments	229,040	229,880
Noncurrent assets – Investments	20,734	14,605
Noncurrent assets – Restricted Investments	<u>72,504</u>	<u>22,338</u>
	<u>\$ 323,374</u>	<u>\$ 266,823</u>

### 5. MORTGAGE LOANS RECEIVABLE

The Authority's single family bond programs are designed to provide mortgage loans to qualified home-buyers within the State of Alabama. The Authority's guidelines generally require the mortgage loans to be either FHA insured, guaranteed by the Department of Veterans Affairs or conventionally financed with traditional primary mortgage insurance and, in the case of pre-1987 single family programs, insured with mortgage pool policies. Mortgage loans receivable, net consist of the following at September 30 (in thousands):

	<u>2003</u>	<u>2002</u>
Single family mortgage loans (7.92% to 13.85%):		
Conventional	\$ 16,894	\$ 22,572
FHA insured	3,037	4,173
VA insured	3,298	4,085
Step up down payment assistance loans (5.02% to 8.40%)	3,245	1,719
Down payment assistance/habitat loans	<u>11,942</u>	<u>12,642</u>
	38,416	45,191
Less allowance for loan losses	<u>(756)</u>	<u>(4,690)</u>
Total single family mortgages loans	37,660	40,501
Multifamily mortgage loans (1.03% to 8.07%)	<u>213,486</u>	<u>200,519</u>
	<u>\$ 251,146</u>	<u>\$ 241,020</u>

Under the Authority's program guidelines, all conventionally financed single family mortgage loans with an initial loan-to-value ratio of greater than 80% are insured by private mortgage insurance carriers. In addition, each single family mortgage loan is insured under supplemental mortgage pool insurance contracts with two insurers. The two mortgage pool insurers, together with the approximate percentage of single family mortgage loans outstanding at September 30, 2003, are as follows: General Electric Mortgage Insurance Company (35.5%), Mortgage Guaranty Insurance Company (59%), and Republic Mortgage Insurance Company (5.5%).

**ALABAMA HOUSING FINANCE AUTHORITY**  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2003 AND 2002

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**5. MORTGAGE LOANS RECEIVABLE (Continued)**

The Authority’s multifamily bond programs are designed to finance multifamily housing units in the State of Alabama. The Authority does not actively monitor the operating performance or financial condition of the multifamily properties financed by the bonds, as the Authority principally functions as a conduit to provide tax-exempt financing. Multifamily mortgage loans are collateralized by varying methods, including first-liens on multifamily residential rental properties located within the State of Alabama, letters of credit, surety bonds and guarantees provided by third parties.

Mortgage loans receivable are classified in the accompanying statements of net assets as follows (in thousands):

	<u>2003</u>	<u>2002</u>
Current assets – Mortgage loans receivable, net	\$ 475	\$ 450
Current assets – Restricted Mortgage loans receivable, net	2,771	2,794
Noncurrent assets – Mortgage loans receivable, net	14,181	9,485
Noncurrent assets – Restricted Mortgage loans receivable, net	<u>233,719</u>	<u>228,291</u>
	<u>\$ 251,146</u>	<u>\$ 241,020</u>

**6. BONDS PAYABLE**

Bonds payable are limited obligations of the Authority, and are not a debt or liability of the State of Alabama or any subdivisions thereof. Each bond issue is secured, as described in the applicable trust indenture, by all revenues, moneys, investments, mortgage loans, and other assets in the funds and accounts of the program. Substantially all of the Authority’s assets are pledged as security for the bonds. The provisions of the applicable trust indentures require or allow for redemption of bonds through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans and program certificates. All outstanding bonds are subject to redemption at the option of the Authority, in whole or in part at any time after certain dates, as specified in the respective series indentures.

All single family and multifamily variable rate bonds bear interest at a weekly rate until maturity or earlier redemption. The remarketing agent for each bond issue establishes the weekly rate according to each indenture's remarketing agreement. The weekly rates are communicated to the various bond trustees for preparation of debt service payments. The weekly rate, as set by the remarketing agent, allows the bonds to trade in the secondary market at a price equal to 100% of the principal amount of the bonds outstanding, with each rate not exceeding maximum rates permitted by law.

The Authority’s publicly offered multifamily bonds are considered conduit debt obligations and are secured by several forms of credit enhancement, including FHA insured mortgage loans, GNMA guaranteed certificates, and letters of credit from financial institutions including collateralized, insured, and uncollateralized and uninsured arrangements. The Authority has no obligation for the bonds beyond the resources provided above.

**ALABAMA HOUSING FINANCE AUTHORITY**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003 AND 2002

**6. BONDS PAYABLE (Continued)**

Bonds payable consists of the following at September 30 (in thousands):

	<u>Aggregate Principal Outstanding</u>		<u>Original Maturity Value</u>
	<u>2003</u>	<u>2002</u>	
Single family bond programs:			
1992 Series A converted, 1994 Series A-B, 1995 Series A-B, 1996 Series B-D, 1997 Series A-D, 1998 Series A-B (3.70% to 6.90%) due 1994 to 2029	\$ 346,620	\$ 463,260	\$ 789,250
1999 Series B-C, 2000 Series A-B, 2001 Series A-B, 2002 Series A-C (2.50% to 6.25%, variable), due 2001 to 2032	337,745	370,270	459,105
2000/2003 Step-Up Program (4.42% to 7.80%), due 2034	64,615	35,765	73,539
2001 Series C (4.02%), due 2001 to 2006	17,110	23,110	29,110
2002 Series D (3.00%), due 2002 to 2007	20,920	26,200	26,200
Multifamily bond programs:			
1989 Series A-F (6.00% to 7.50%, variable), due 1989 to 2024	\$ 2,545	\$ 7,010	\$ 17,640
1991 Series A-D (5.00% to 7.00%, variable), due 1992 to 2009	2,865	4,570	8,525
1992 Series A-I (5.90% to 7.63%, variable), due 1993 to 2023	5,083	5,123	36,890
1994 Series A-F (7.10% to 7.65%), due 1994 to 2024	33,484	46,560	51,320
1995 Series A-M (5.65% to 8.65%, variable), due 1996 to 2030	27,433	30,883	32,090
1996 Series A-F (6.20% to 8.10%, variable), due 2000 to 2038	47,670	47,685	53,755
1997 Series A-B (4.00% to 5.55%, variable), due 1999 to 2016	4,275	4,485	10,350
1999 Series A-B (4.80% to 5.70%, variable), due 2000 to 2029	6,775	6,885	7,200
2000 Series A-K (4.25% to 5.95%, variable), due 2003 to 2033	41,685	41,945	45,325
2001 Series A-D (4.875% to 6.83%), due 2013 to 2034	16,024	16,026	16,026
2002 Series A-J (4.65% to 5.55%, variable), due 2012 to 2035	31,245	31,525	31,525
2003 Series A-H (4.255% to 6.95%, variable), due 2014 to 2036	36,494	-	36,500
	<u>\$ 1,042,588</u>	<u>\$ 1,161,302</u>	

# ALABAMA HOUSING FINANCE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2003 AND 2002

### 6. BONDS PAYABLE (Continued)

Principal and interest payments on bonds after 2003 are scheduled as follows (in thousands):

Fiscal year ending September 30	Single Family Bonds		Multifamily Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 163,729	\$ 25,843	\$ 1,294	\$ 7,870	\$ 165,023	\$ 33,713
2005	21,255	39,950	1,458	8,369	22,713	48,319
2006	20,730	38,983	1,592	8,308	22,322	47,291
2007	16,015	38,125	1,732	8,243	17,747	46,368
2008	11,590	37,366	8,017	8,173	19,607	45,539
2009-2013	72,400	174,882	20,254	36,196	92,654	211,078
2014-2018	92,095	149,629	13,461	32,209	105,556	181,838
2019-2023	124,530	114,386	16,440	29,701	140,970	144,087
2024-2028	141,580	67,848	91,535	16,179	233,115	84,027
2029-2033	59,285	29,604	55,270	8,725	114,555	38,329
2034-2038	63,801	4,399	44,525	1,877	108,326	6,276
	<u>\$ 787,010</u>	<u>\$ 721,015</u>	<u>\$ 255,578</u>	<u>\$ 165,850</u>	<u>\$ 1,042,588</u>	<u>\$ 886,865</u>

### 7. NOTES PAYABLE

The Authority has established a \$50,000,000 line of credit to make funds available for the purchase of loans during the origination period of its single family mortgage revenue bond programs. Outstanding borrowings under the line of credit were \$3,900,000 and \$12,850,000 as of September 30, 2003 and 2002, respectively. Borrowings under the credit facility are secured by a pledge of approximately \$33,031,000 in mortgage loans receivable and mortgage loans held for sale at September 30, 2003.

### 8. NET ASSETS

Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components; invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Invested in capital assets, net of related debt, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted consists of all other net assets not included in the above categories.



# ALABAMA HOUSING FINANCE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2003 AND 2002

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### 8. NET ASSETS (Continued)

The various trust indentures generally permit transfers to the Authority's general fund for administrative fees and reimbursements of costs associated with the administration of the mortgage revenue bond programs. Otherwise, the cash and investments of the various program funds are retained in the trust indentures to satisfy debt service obligations with respect to the applicable bonds, and are restricted to this purpose. Such amounts are reflected as restricted components of net assets.

Under the terms of the Authority's multifamily mortgage revenue bond programs, certain funds on hand in excess of stipulated minimum balances are periodically remitted to the owners of the multifamily developments financed by the bond issue, and are classified as owners' reserve in the accompanying financial statements. Funds remaining on hand at the conclusion of these programs are to be remitted to such owners. Therefore, such amounts are reflected as restricted components of net assets.

The Authority's Board of Directors has designated its unrestricted net assets as of September 30, 2003 and 2002 totaling \$39,554,000 and \$17,317,000, respectively, for funding of future single family mortgage revenue bond programs, to support its single family mortgage loan origination and warehousing operations, and to cover its operating expense budget for the following fiscal year.

### 9. RETIREMENT PLANS

Substantially all full-time employees of the Authority participate in a defined contribution retirement plan, the Alabama Housing Finance Authority Money Purchase Thrift Plan (the Plan), which provides retirement benefits to Plan participants. The Plan is administered by an independent third-party administrator. To be eligible, an employee must be over age 21 and contribute 5% of his or her compensation to the Plan annually. The Authority contributes an amount equal to 7% of each participant's compensation annually. The Authority's and employees' contributions to the Plan were \$111,362 and \$79,542, respectively, in fiscal 2003 and \$102,000 and \$73,000, respectively, in fiscal 2002.

The Authority established the Alabama Housing Finance Authority Employees' Pension Plan ("Plan"), a single-employer defined benefit pension plan, on September 26, 2002. All plan investments are reported at fair value. The Plan provides retirement, death, disability and termination benefits to plan participants and beneficiaries.

Benefit provisions are established under a formal, written plan document and assets are held under a separate tax-qualified plan trust. The plan and trust information can be obtained from the Alabama Housing Finance Authority, 2000 Interstate Park, Suite 408, Montgomery, AL 36123-0909. A separate stand-alone financial report for the pension plan is not available.

The Plan is funded in full by the Alabama Housing Finance Authority. Plan participants do not contribute to the plan. The contribution rates to fund the plan are determined annually by an independent actuarial valuation of plan liabilities and assets. This report contains applicable actuarial assumptions and methods and plan liability and asset calculations including the annual required contribution (ARC).

# ALABAMA HOUSING FINANCE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2003 AND 2002

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### 9. RETIREMENT PLANS (Continued)

The required contributions to fund the annual pension cost of the Plan for the years ended September 30, 2003 and 2002 was \$303,786 and \$403,277, respectively, or about 19.9% and 27.2% of covered participant compensation, respectively. Actual employer contributions to the plan totaled \$1,611,635 and \$-0- for the years ended September 30, 2003 and 2002, respectively. The net pension (asset) obligation at September 30, 2003 and 2002 was (\$320,914) and \$1,611,635.

The annual required contribution for the current year was determined as part of the September 30, 2003 actuarial valuation using the individual spread gain actuarial cost method. This method does not separately identify or separately amortize unfunded liabilities. The significant actuarial assumptions utilized were as follows: 4.5% annual projected salary increases, 7% pre-retirement investment returns and 6% post-retirement investment returns.

At the plan's most recent actuarial date, September 30, 2003, the plan had the following participants:

Active participants	33
Vested terminated participants	3
Retired participants and beneficiaries	<u>0</u>
Total	<u><u>36</u></u>

### 10. OPERATING LEASE

The Authority leases office space under an operating lease expiring in 2008. Rent expense for the years ended September 30, 2003 and 2002, totaled \$194,967 and \$184,761, respectively. These amounts are included in program, general and administrative expenses in the accompanying financial statements. Future minimum rental payments required under this lease for the year ending September 30 (in thousands):

2004	\$	183
2005		183
2006		188
2007		193
2008		198
Thereafter		50

### 11. EARLY RETIREMENT OF BONDS

The Authority's mortgage revenue bonds are subject to certain extraordinary redemption provisions. During the years ended September 30, 2003 and 2002, the Authority called approximately \$167,583,000 and \$77,567,000 (net of unamortized discounts), respectively, of bonds in advance of their scheduled maturities. The loss on early retirement of these bonds recognized in the financial statements is comprised of the premium paid to retire the bonds.

**ALABAMA HOUSING FINANCE AUTHORITY**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003 AND 2002

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**12. RECLASSIFICATIONS**

Certain elements in the 2002 financial statement presentation have been reclassified to conform to the 2003 presentation.

**13. SUBSEQUENT EVENTS**

From October 1, 2003 through December 3, 2003, the Authority called approximately \$88,065,000 of bonds prior to their scheduled maturities in the single family bond program, issued \$11,616,000 of bonds in the multifamily bond program, and redeemed \$3,450,000 of multifamily bonds prior to their scheduled maturities.

## **OTHER FINANCIAL INFORMATION**

**ALABAMA HOUSING FINANCE AUTHORITY**  
**STATEMENTS OF NET ASSETS**  
**SINGLE FAMILY BOND SERIES**  
**ADDITIONAL SEGMENT DATA (IN THOUSANDS)**  
**SEPTEMBER 30, 2003**

	1991 D, 1992 A, 1994 A-B, 1995 A-C 1996 A-D 1997 A-D 1998 A-B	1999 A-C 2000 A-C 2001 A-B 2002 A-C	2003 First Step	2000/2003 Step Up	2001 C	2002 D	Combined Single Family
<b>CURRENT ASSETS</b>							
Cash on deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued interest receivable	-	-	-	-	-	-	-
Mortgage loans receivable, net	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Restricted:							
Cash on deposit	-	-	-	-	-	-	-
Accrued interest receivable	2,280	1,822	-	322	300	273	4,997
Mortgage loans receivable, net	-	-	-	-	-	-	-
Mortgage loans held for sale	-	-	-	-	-	-	-
Investments	81,121	129,156	36	1,199	49	10	211,571
Other assets	-	-	-	-	-	-	-
Total current assets	<u>83,401</u>	<u>130,978</u>	<u>36</u>	<u>1,521</u>	<u>349</u>	<u>283</u>	<u>216,568</u>
<b>NONCURRENT ASSETS</b>							
Mortgage loans receivable, net	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Restricted:							
Mortgage-backed securities	308,340	233,827	-	65,973	36,401	41,370	685,911
Mortgage loans receivable, net	-	-	-	-	-	-	-
Investments	-	2,105	-	-	28,704	15,075	45,884
HOME program loans receivable, net	-	-	-	-	-	-	-
Deferred debt financing costs	3,302	3,869	112	198	110	194	7,785
Total noncurrent assets	<u>311,642</u>	<u>239,801</u>	<u>112</u>	<u>66,171</u>	<u>65,215</u>	<u>56,639</u>	<u>739,580</u>
<b>TOTAL ASSETS</b>	<u>\$ 395,043</u>	<u>\$ 370,779</u>	<u>\$ 148</u>	<u>\$ 67,692</u>	<u>\$ 65,564</u>	<u>\$ 56,922</u>	<u>\$ 956,148</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Bonds payable, net	\$ 59,790	\$ 91,845	\$ -	\$ 814	\$ 6,000	\$ 5,280	\$ 163,729
Notes payable	-	-	-	-	-	-	-
Accrued interest payable	9,998	7,917	-	327	10	9	18,261
Accrued arbitrage rebate	76	408	-	-	-	-	484
Due to (from) other funds	147	112	-	-	(1,612)	-	(1,353)
Other liabilities	39	29	-	-	-	-	68
Total current liabilities	<u>70,050</u>	<u>100,311</u>	<u>-</u>	<u>1,141</u>	<u>4,398</u>	<u>5,289</u>	<u>181,189</u>
<b>NONCURRENT LIABILITIES</b>							
Bonds payable, net	286,830	245,900	-	63,801	11,110	15,640	623,281
Refundable HOME program grants	-	-	-	-	-	-	-
Accrued arbitrage rebate	13,652	11,368	-	-	-	-	25,020
Deferred commitment fees	-	-	-	-	-	-	-
Total noncurrent liabilities	<u>300,482</u>	<u>257,268</u>	<u>-</u>	<u>63,801</u>	<u>11,110</u>	<u>15,640</u>	<u>648,301</u>
<b>TOTAL LIABILITIES</b>	<u>370,532</u>	<u>357,579</u>	<u>-</u>	<u>64,942</u>	<u>15,508</u>	<u>20,929</u>	<u>829,490</u>
<b>NET ASSETS</b>							
Restricted	24,511	13,200	148	2,750	50,056	35,993	126,658
Unrestricted	-	-	-	-	-	-	-
Total net assets	<u>24,511</u>	<u>13,200</u>	<u>148</u>	<u>2,750</u>	<u>50,056</u>	<u>35,993</u>	<u>126,658</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 395,043</u>	<u>\$ 370,779</u>	<u>\$ 148</u>	<u>\$ 67,692</u>	<u>\$ 65,564</u>	<u>\$ 56,922</u>	<u>\$ 956,148</u>

**ALABAMA HOUSING FINANCE AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**SINGLE FAMILY BOND SERIES**  
**ADDITIONAL SEGMENT DATA (IN THOUSANDS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	1991 D, 1992 A, 1994 A-B, 1995 A-C	1999 A-C 2000 A-C	2003 First Step	2000/2003 Step Up	2001 C	2002 D	Combined Single Family
	1996 A-D 1997 A-D 1998 A-B	2001 A-B 2002 A-C					
<b>OPERATING REVENUES</b>							
Interest on mortgage loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on mortgage-backed securities	21,325	15,278	-	3,327	3,187	3,233	46,350
Investment income	2,926	3,480	-	5	999	284	7,694
Net increase (decrease) in fair value of investments	(22)	(571)	-	558	(1,548)	(830)	(2,413)
Loan fees and other income	-	-	-	52	-	-	52
Total operating revenues	<u>24,229</u>	<u>18,187</u>	<u>-</u>	<u>3,942</u>	<u>2,638</u>	<u>2,687</u>	<u>51,683</u>
<b>OPERATING EXPENSES</b>							
Interest on bonds and notes	22,154	17,272	-	3,377	828	720	44,351
Amortization of deferred debt financing costs	1,212	738	-	30	116	130	2,226
Program, general and administrative	87	74	-	4	74	6	245
Total operating expenses	<u>23,453</u>	<u>18,084</u>	<u>-</u>	<u>3,411</u>	<u>1,018</u>	<u>856</u>	<u>46,822</u>
<b>OPERATING INCOME</b>	<u>776</u>	<u>103</u>	<u>-</u>	<u>531</u>	<u>1,620</u>	<u>1,831</u>	<u>4,861</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
HOME program grants	-	-	-	-	-	-	-
HOME program expenditures	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS, TRANSFERS AND EXTRAORDINARY LOSS</b>	<u>776</u>	<u>103</u>	<u>-</u>	<u>531</u>	<u>1,620</u>	<u>1,831</u>	<u>4,861</u>
<b>CAPITAL CONTRIBUTIONS, TRANSFERS AND EXTRAORDINARY LOSS</b>							
Owner contributions (reductions)	-	-	-	-	-	-	-
Transfers in (out)	(458)	(245)	148	114	(30)	-	(471)
Extraordinary loss on early retirement of bonds	<u>(512)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(512)</u>
<b>CHANGES IN NET ASSETS</b>	<u>(194)</u>	<u>(142)</u>	<u>148</u>	<u>645</u>	<u>1,590</u>	<u>1,831</u>	<u>3,878</u>
<b>NET ASSETS</b>							
Beginning of year	<u>24,705</u>	<u>13,342</u>	<u>-</u>	<u>2,105</u>	<u>48,466</u>	<u>34,162</u>	<u>122,780</u>
End of year	<u>\$ 24,511</u>	<u>\$ 13,200</u>	<u>\$ 148</u>	<u>\$ 2,750</u>	<u>\$ 50,056</u>	<u>\$ 35,993</u>	<u>\$ 126,658</u>

**ALABAMA HOUSING FINANCE AUTHORITY**  
**STATEMENTS OF NET ASSETS**  
**MULTIFAMILY BOND SERIES AND OTHER FUNDS**  
**ADDITIONAL SEGMENT DATA (IN THOUSANDS)**  
**SEPTEMBER 30, 2003**

	<b>1989</b>	<b>1991</b>	<b>1992</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1999</b>
	<b>A-F</b>	<b>A-D</b>	<b>A-I</b>	<b>A-F</b>	<b>A-M</b>	<b>A-F</b>	<b>A-B</b>	<b>A-B</b>
<b>CURRENT ASSETS</b>								
Cash on deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued interest receivable	-	-	-	-	-	-	-	-
Mortgage loans receivable, net	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Restricted:								
Cash on deposit	2	-	-	-	-	-	-	-
Accrued interest receivable	-	2	9	-	64	33	-	30
Mortgage loans receivable, net	125	155	45	-	165	-	-	-
Mortgage loans held for sale	-	-	-	-	-	-	-	-
Investments	53	144	201	647	210	353	-	105
Other assets	-	-	-	-	-	-	33	-
Total current assets	<u>180</u>	<u>301</u>	<u>255</u>	<u>647</u>	<u>439</u>	<u>386</u>	<u>33</u>	<u>135</u>
<b>NONCURRENT ASSETS</b>								
Mortgage loans receivable, net	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Restricted:								
Mortgage-backed securities	-	-	-	-	7,330	2,861	-	6,873
Mortgage loans receivable, net	2,387	2,588	5,300	33,484	14,167	45,075	-	-
Investments	-	-	-	-	6,508	-	4,723	-
HOME program loans receivable, net	-	-	-	-	-	-	-	-
Deferred debt financing costs	-	-	-	-	-	-	-	-
Total noncurrent assets	<u>2,387</u>	<u>2,588</u>	<u>5,300</u>	<u>33,484</u>	<u>28,005</u>	<u>47,936</u>	<u>4,723</u>	<u>6,873</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,567</u>	<u>\$ 2,889</u>	<u>\$ 5,555</u>	<u>\$ 34,131</u>	<u>\$ 28,444</u>	<u>\$ 48,322</u>	<u>\$ 4,756</u>	<u>\$ 7,008</u>
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES</b>								
Bonds payable, net	\$ 125	\$ 155	\$ 45	\$ -	\$ 290	\$ 15	\$ 215	\$ 115
Notes payable	-	-	-	-	-	-	-	-
Accrued interest payable	2	2	19	165	196	80	37	29
Program funds held for others	-	-	-	-	-	-	-	-
Due to (from) other funds	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	1	-	-	-
Total current liabilities	<u>127</u>	<u>157</u>	<u>64</u>	<u>165</u>	<u>487</u>	<u>95</u>	<u>252</u>	<u>144</u>
<b>NONCURRENT LIABILITIES</b>								
Bonds payable, net	2,420	2,710	5,038	33,484	27,143	47,655	4,060	6,660
Refundable HOME program grants	-	-	-	-	-	-	-	-
Program funds held for others	-	-	-	-	-	-	-	-
Deferred commitment fees	-	-	-	-	-	-	-	-
Total noncurrent liabilities	<u>2,420</u>	<u>2,710</u>	<u>5,038</u>	<u>33,484</u>	<u>27,143</u>	<u>47,655</u>	<u>4,060</u>	<u>6,660</u>
<b>TOTAL LIABILITIES</b>	<u>2,547</u>	<u>2,867</u>	<u>5,102</u>	<u>33,649</u>	<u>27,630</u>	<u>47,750</u>	<u>4,312</u>	<u>6,804</u>
<b>NET ASSETS</b>								
Restricted	20	22	453	482	814	572	444	204
Unrestricted	-	-	-	-	-	-	-	-
Total net assets	<u>20</u>	<u>22</u>	<u>453</u>	<u>482</u>	<u>814</u>	<u>572</u>	<u>444</u>	<u>204</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,567</u>	<u>\$ 2,889</u>	<u>\$ 5,555</u>	<u>\$ 34,131</u>	<u>\$ 28,444</u>	<u>\$ 48,322</u>	<u>\$ 4,756</u>	<u>\$ 7,008</u>

<b>2000 A-K</b>	<b>2001 A-D</b>	<b>2002 A-J</b>	<b>2003 A-H</b>	<b>Combined Multi Family</b>	<b>Combined Single Family</b>	<b>HOME Fund</b>	<b>Housing Assistance Fund</b>	<b>General Fund</b>	<b>Combined Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 398	\$ 873	\$ 1,271
-	-	-	-	-	-	-	-	338	338
-	-	-	-	-	-	-	475	-	475
-	-	-	-	-	-	-	-	1,096	1,096
-	-	-	-	-	-	-	230	1,229	1,459
-	-	-	-	2	-	869	-	-	871
35	16	17	227	433	4,997	2,639	39	-	8,108
141	46	55	39	771	-	-	-	2,000	2,771
-	-	-	-	-	-	-	-	10,025	10,025
471	162	307	14,816	17,469	211,571	-	-	-	229,040
-	-	-	-	33	-	319	-	-	352
<u>647</u>	<u>224</u>	<u>379</u>	<u>15,082</u>	<u>18,708</u>	<u>216,568</u>	<u>3,827</u>	<u>1,142</u>	<u>15,561</u>	<u>255,806</u>
-	-	-	-	-	-	-	14,181	-	14,181
-	-	-	-	-	-	-	14,852	5,882	20,734
-	-	-	-	17,064	685,911	-	-	-	702,975
41,265	15,968	31,162	21,317	212,713	-	-	-	21,006	233,719
-	-	-	-	11,231	45,884	-	-	15,389	72,504
-	-	-	-	-	-	120,034	-	-	120,034
-	-	-	-	-	7,785	-	-	-	7,785
<u>41,265</u>	<u>15,968</u>	<u>31,162</u>	<u>21,317</u>	<u>241,008</u>	<u>739,580</u>	<u>120,034</u>	<u>29,033</u>	<u>42,277</u>	<u>1,171,932</u>
<u>\$ 41,912</u>	<u>\$ 16,192</u>	<u>\$ 31,541</u>	<u>\$ 36,399</u>	<u>\$ 259,716</u>	<u>\$ 956,148</u>	<u>\$ 123,861</u>	<u>\$ 30,175</u>	<u>\$ 57,838</u>	<u>\$ 1,427,738</u>
\$ 60	\$ 46	\$ 125	\$ 103	\$ 1,294	\$ 163,729	\$ -	\$ -	\$ -	\$ 165,023
-	-	-	-	-	-	-	-	3,900	3,900
85	109	140	153	1,017	18,261	2,639	-	-	21,917
-	-	-	-	-	484	-	-	-	484
-	-	-	-	-	(1,353)	319	-	1,034	-
-	-	-	-	1	68	-	39	892	1,000
<u>145</u>	<u>155</u>	<u>265</u>	<u>256</u>	<u>2,312</u>	<u>181,189</u>	<u>2,958</u>	<u>39</u>	<u>5,826</u>	<u>192,324</u>
41,625	15,978	31,120	36,391	254,284	623,281	-	-	-	877,565
-	-	-	-	-	-	120,903	-	-	120,903
-	-	-	-	-	25,020	-	-	-	25,020
-	-	-	-	-	-	-	-	9,187	9,187
<u>41,625</u>	<u>15,978</u>	<u>31,120</u>	<u>36,391</u>	<u>254,284</u>	<u>648,301</u>	<u>120,903</u>	<u>-</u>	<u>9,187</u>	<u>1,032,675</u>
<u>41,770</u>	<u>16,133</u>	<u>31,385</u>	<u>36,647</u>	<u>256,596</u>	<u>829,490</u>	<u>123,861</u>	<u>39</u>	<u>15,013</u>	<u>1,224,999</u>
142	59	156	(248)	3,120	126,658	-	-	33,407	163,185
-	-	-	-	-	-	-	30,136	9,418	39,554
<u>142</u>	<u>59</u>	<u>156</u>	<u>(248)</u>	<u>3,120</u>	<u>126,658</u>	<u>-</u>	<u>30,136</u>	<u>42,825</u>	<u>202,739</u>
<u>\$ 41,912</u>	<u>\$ 16,192</u>	<u>\$ 31,541</u>	<u>\$ 36,399</u>	<u>\$ 259,716</u>	<u>\$ 956,148</u>	<u>\$ 123,861</u>	<u>\$ 30,175</u>	<u>\$ 57,838</u>	<u>\$ 1,427,738</u>



**ALABAMA HOUSING FINANCE AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**MULTIFAMILY BOND SERIES AND OTHER FUNDS**  
**ADDITIONAL SEGMENT DATA (IN THOUSANDS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	<b>1989</b>	<b>1991</b>	<b>1992</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1999</b>
	<b>A-F</b>	<b>A-D</b>	<b>A-I</b>	<b>A-F</b>	<b>A-M</b>	<b>A-F</b>	<b>A-B</b>	<b>A-B</b>
<b>OPERATING REVENUES</b>								
Interest on mortgage loans	\$ 32	\$ 47	\$ 289	\$ 2,009	\$ 699	\$ 570	\$ -	\$ -
Interest on mortgage-backed securities	54	-	-	2	481	171	183	367
Investment income	9	1	12	-	283	4	1	-
Net increase (decrease) in fair value of investments	(283)	-	-	-	(197)	(21)	(128)	(23)
Loan fees and other income	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>(186)</u>	<u>48</u>	<u>301</u>	<u>2,011</u>	<u>1,266</u>	<u>724</u>	<u>56</u>	<u>344</u>
<b>OPERATING EXPENSES</b>								
Interest on bonds and notes	114	47	259	2,009	1,514	716	231	350
Amortization of deferred debt financing costs	-	-	-	-	-	-	-	-
Program, general and administrative	<u>20</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>18</u>	<u>20</u>	<u>11</u>	<u>2</u>
Total operating expenses	<u>134</u>	<u>47</u>	<u>262</u>	<u>2,009</u>	<u>1,532</u>	<u>736</u>	<u>242</u>	<u>352</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(320)</u>	<u>1</u>	<u>39</u>	<u>2</u>	<u>(266)</u>	<u>(12)</u>	<u>(186)</u>	<u>(8)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>								
HOME program grants	-	-	-	-	-	-	-	-
HOME program expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS, TRANSFERS AND EXTRAORDINARY LOSS</b>	(320)	1	39	2	(266)	(12)	(186)	(8)
<b>CAPITAL CONTRIBUTIONS, TRANSFERS AND EXTRAORDINARY LOSS</b>								
Owner contributions (reductions)	(120)	(26)	-	120	-	-	342	(33)
Transfers in (out)	-	-	-	-	-	-	-	-
Extraordinary loss on early retirement of bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN NET ASSETS</b>	(440)	(25)	39	122	(266)	(12)	156	(41)
<b>NET ASSETS</b>								
Beginning of year	<u>460</u>	<u>47</u>	<u>414</u>	<u>360</u>	<u>1,080</u>	<u>584</u>	<u>288</u>	<u>245</u>
End of year	<u>\$ 20</u>	<u>\$ 22</u>	<u>\$ 453</u>	<u>\$ 482</u>	<u>\$ 814</u>	<u>\$ 572</u>	<u>\$ 444</u>	<u>\$ 204</u>

<b>2000 A-K</b>	<b>2001 A-D</b>	<b>2002 A-J</b>	<b>2003 A-H</b>	<b>Combined Multi Family</b>	<b>Combined Single Family</b>	<b>HOME Fund</b>	<b>Housing Assistance Fund</b>	<b>General Fund</b>	<b>Combined Totals</b>
\$ 946	\$ 592	\$ 670	\$ 315	\$ 6,169	\$ -	\$ -	\$ 140	\$ 3,127	\$ 9,436
-	-	-	-	1,258	46,350	-	-	-	47,608
8	4	47	74	443	7,694	-	690	1,117	9,944
-	-	-	-	(652)	(2,413)	-	(229)	(217)	(3,511)
-	-	-	-	2	52	-	3,762	4,109	7,925
<u>954</u>	<u>596</u>	<u>717</u>	<u>389</u>	<u>7,220</u>	<u>51,683</u>	<u>-</u>	<u>4,363</u>	<u>8,136</u>	<u>71,402</u>
927	575	751	536	8,029	44,351	-	1,151	40	53,571
-	-	-	-	-	2,226	-	-	-	2,226
11	-	19	-	104	245	-	35	2,662	3,046
<u>938</u>	<u>575</u>	<u>770</u>	<u>536</u>	<u>8,133</u>	<u>46,822</u>	<u>-</u>	<u>1,186</u>	<u>2,702</u>	<u>58,843</u>
<u>16</u>	<u>21</u>	<u>(53)</u>	<u>(147)</u>	<u>(913)</u>	<u>4,861</u>	<u>-</u>	<u>3,177</u>	<u>5,434</u>	<u>12,559</u>
-	-	-	-	-	-	11,378	-	-	11,378
-	-	-	-	-	-	(11,378)	-	-	(11,378)
-	-	-	-	-	-	-	-	-	-
16	21	(53)	(147)	(913)	4,861	-	3,177	5,434	12,559
(23)	9	(187)	(101)	(19)	-	-	-	-	(19)
-	-	-	-	-	(471)	-	2,359	(1,888)	-
-	-	-	-	-	(512)	-	-	-	(512)
(7)	30	(240)	(248)	(932)	3,878	-	5,536	3,546	12,028
<u>149</u>	<u>29</u>	<u>396</u>	<u>-</u>	<u>4,052</u>	<u>122,780</u>	<u>-</u>	<u>24,600</u>	<u>39,279</u>	<u>190,711</u>
<u>\$ 142</u>	<u>\$ 59</u>	<u>\$ 156</u>	<u>\$ (248)</u>	<u>\$ 3,120</u>	<u>\$ 126,658</u>	<u>\$ -</u>	<u>\$ 30,136</u>	<u>\$ 42,825</u>	<u>\$ 202,739</u>





# **ALABAMA HOUSING FINANCE AUTHORITY**

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