we make housing affordable™

Florida Housing

Finance Corporation

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

December 31, 2010

GOVERNOR

Rick Scott

BOARD OF DIRECTORS

Len Tylka, Chairman
Cliff Hardy, Vice Chairman

EXECUTIVE DIRECTOR

Stephen P. Auger

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

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Report of Independent Certified Public Accountants

The Board of Directors of Florida Housing Finance Corporation

We have audited the accompanying balance sheet of Florida Housing Finance Corporation ("Florida Housing") (a component unit of the state of Florida) as of December 31, 2010, and the related statements of revenues, expenses, and changes in net assets, and 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, 2010, 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 31, 2011 on our consideration of the Florida Housing's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 4 through 9 is not a required part of the basic financial statements but 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 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 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 also 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 31, 2011

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, 2010. 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 2010, net assets increased \$215.7 million to \$1.93 billion as of December 31, 2010. This change consists of increases in bond programs (\$75.2 million), the Operating Fund (\$4.0 million), State and Federal programs (\$135.9 million) and the subsidiary corporations (\$0.6 million).
- Bonds outstanding, net increased by \$455.8 million to \$4.4 billion in 2010. The overall increase is comprised of increases in single family bonds (\$360.9 million) and multifamily bonds (\$95.6 million), with an offsetting decrease in Guarantee Program bonds (\$0.7 million).
- Loans receivable, net increased by \$16.5 million to \$3.1 billion in 2010. The change consists of a net increase in State and Federal programs (\$124.9 million) and the Operating Fund (\$8.6 million), with offsetting decreases in the Multifamily Housing Revenue bond programs (\$106.9 million) and the single family bond programs (\$10.1 million).
- The change in net assets for all programs and funds increased \$466.2 million. The primary components of the change include an increase in the State and Federal programs of \$520.7 million and the Guarantee program of \$9.3 million, with offsetting decreases in the single family bond programs of \$55.0 million and the Operating Fund of \$9.2 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. Conduit debt on the balance sheet includes \$4.9 billion in assets and \$4.4 billion in net bonds payable.

FINANCIAL ANALYSIS OF FLORIDA HOUSING

Balance Sheet

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

	2010	2009
Non-capital assets		
Current assets	$ 1,330.5	$ 808.9
Noncurrent assets		
Investments	2,454.3	2,413.1
Loans receivable, net	2,983.2	2,978.7
Deferred finance charges, net	16.9	17.3
Total non-capital assets	6,784.9	6,218.0
Capital assets, net	0.1	0.1
Total assets	$ 6,785.0	$ 6,218.1
Current liabilities	$ 878.2	$ 493.2
Noncurrent liabilities		
Notes payable, net	79.4	169.9
Bonds payable, net	3,712.7	3,631.3
Deferred fee income, net	71.3	64.5
Due to developers	87.0	116.5
Other liabilities	26.7	28.7
Total liabilities	4,855.3	4,504.1
Net assets		
Invested in capital assets	0.1	0.1
Restricted	1,810.9	1,599.7
Unrestricted	118.7	114.2
Total net assets	1,929.7	1,714.0
Total liabilities and net assets	$ 6,785.0	$ 6,218.1

Florida Housing's net assets increased by $215.7 million, or 13%, from the December 31, 2009 balance. This is primarily due to an increase in loans receivable in the State and Federal Programs and a decrease in required transfers from the housing trust funds to general revenue.

Total loans receivable, net (current and noncurrent) increased $16.5 million in 2010. The largest components of this change were an increase in mortgage loans outstanding in the State and Federal Programs, offset by a decrease in the Multifamily Mortgage Revenue bonds program. Loans receivable in the State and Federal Programs increased by $124.9 million, to $1.0 billion, primarily in the federal Tax Credit Assistance Program (TCAP). Loans receivable in the Multifamily Mortgage Revenue bond program decreased by $106.9 million, to $1.9 billion, primarily due to properties refinancing out of the Florida Housing portfolio.

Bonds payable, net (current and noncurrent) increased $455.8 million, to $4.4 billion, in 2010. Single family bonds outstanding, including those issued under the federal New Issue Bond Program (NIBP), showed a net increase of $360.9 million comprised of increases due to issuance and related premiums on the 2010 single family bonds ($741.4 million) and accreted interest on capital appreciation bonds ($1.0 million) offset by principal payments on bonds ($381.5 million). The $0.7 million decrease in Guarantee Program bonds outstanding was due to the completion of the refinancing transaction begun in 2009. The $95.6 million net increase in multifamily bonds outstanding is comprised of increases due to bond issuances ($280.4 million) and accreted interest on capital appreciation bonds ($0.4 million), offset by principal payments on bonds ($185.2 million). Included in the $185.2 million in multifamily bond principal repayments are early retirements of $122.9 million.

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

Florida Housing has designated unrestricted net assets in the Operating Fund for demonstration loans and associated costs, support of the single family bond program, support of the Guarantee Program participants, 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, 2010, the total amount designated is $118.2 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):

	2010	2009
Operating revenues		
Interest on loans	$ 99.6	$ 103.0
Investment income	165.3	180.7
Federal program administrative fees	2.1	3.1
Recovery of claims	25.8	17.3
Other income	31.1	26.4
Total operating revenues	323.9	330.5
Operating expenses		
Interest expense	173.8	183.9
Payments to other governments	1.4	141.9
Provision for uncollectible loans	40.6	24.2
Claims expense	9.0	21.9
Federal and state program expenses	330.3	0.8
General and administrative expenses	41.5	48.5
Total operating expenses	596.6	421.2
Nonoperating revenues (expenses)		
Federal program revenue	422.4	14.4
State documentary stamp tax revenue	161.8	153.8
Transfers to state agencies	(95.8)	(327.9)
Net nonoperating revenues (expenses)	488.4	(159.7)
Change in net assets	$ 215.7	$ (250.4)

Investment income decreased $15.4 million in 2010. The overall decrease was comprised of a decrease in investment income for the Operating Fund ($3.4 million), the State and Federal programs ($23.2 million), and the multifamily bond program ($0.6 million), with an offsetting net increase in investment income for the single family bond programs ($11.7 million) and the

Guarantee Program ($0.1 million). Unrealized gain on investments in 2010 was $48.4 million, compared to a $49.2 million unrealized gain recorded in 2009. Actual income earned from investments decreased $14.4 million from 2009, a result of the turbulent financial market depressing interest rates on investments.

Total operating expenses increased $175.4 million, to $596.6 million in 2010. Components of the increase include increases in federal and state program expenses ($329.6 million) and provision for uncollectible loans ($16.4 million). These are offset by decreases in payment of State Housing Initiatives Partnership (SHIP) funds to local governments ($140.5 million), claims expense in the Guarantee Program ($12.9 million), interest expense ($10.1 million), and general and administrative expenses ($7.1 million). The decrease in bond interest expense is due to the refunding of Guarantee Fund bonds in 2009, the timing of bond issuances throughout 2010, and the structure of the NIBP escrowed bonds. The decrease in claims expense is due to payment of one claim in the Guarantee Program in 2010, compared to four in the previous year.

Net nonoperating revenues (expenses) increased $648.1 million from net nonoperating expenses of $159.7 million in 2009 to net nonoperating revenues of $488.4 million in 2010. This increase is primarily due to revenues related to federal programs, specifically the Cash Assistance to States for Low Income Housing Projects in Lieu of Low Income Housing Tax Credits for 2009, also referred to as the Tax Credit Exchange Program (TCEP), and TCAP, as well as a decrease in required transfers to the state.

For the bond programs, loan related interest earnings ($86.6 million) and investment income ($149.9 million) are the primary components of total revenues. Bond interest expense ($173.8 million) is the largest expense item.

Florida Housing's revenues in the Operating Fund were primarily generated from issuer fees ($7.1 million), investment income ($5.5 million), and administrative fees for federal programs ($2.1 million). General and administrative expenses ($13.2 million), which include operating expenses and program administration (credit underwriting, servicing, and monitoring), comprise the bulk of expenses in the Operating Fund.

Revenue from federal programs of $421.9 million makes up the majority of the revenues in the State and Federal programs. Federal and state program expenses ($327.9 million) and transfers to state agencies ($95.8 million) are the largest components of expenses. The increase in federal program revenue ($408.0 million), the increase in federal and state program expenses ($327.1 million), the decrease in transfers to state agencies ($232.1 million), and the decrease in payments to other governments ($140.5 million) are primarily responsible for the increase in the change in net assets in the State and Federal programs.

DEBT ADMINISTRATION

At year-end, Florida Housing had total bonded debt outstanding of $4.4 billion, net of discounts. This represents a net increase of $455.8 million during 2010, resulting from the issuance of bonds and premiums ($1.0 billion) and accreted interest on capital appreciation bonds ($1.3 million), offset by principal payments and refunding on bonds ($567.4 million). All bonds issued in the First Time Homebuyer Program are backed by Federal National Mortgage Association (Fannie Mae), Government National Mortgage Association (Ginnie Mae) or Federal Home Loan Mortgage Corporation (Freddie Mac) securities and have maintained their AAA – AA ratings. More detailed information about Florida Housing's debt is presented in Note 10 to the financial statements.

OTHER FINANCIAL INFORMATION

Florida's economy and its housing market continue to face adverse conditions. The following information comes from reports issued by the Florida Legislature, Office of Economic and Demographic Research. Florida's unemployment rate in December 2010 was 12%, which is the highest rate for 2010. The March 2011 unemployment rate improved slightly to 11.1%, still well above the national average of 8.8%. March 2011 marked the sixth consecutive month Florida showed positive job growth. In 2010, for the second year in a row, Florida ranked second in the number of foreclosure filings, with over 485,000 properties, and had the third highest foreclosure rate, with 5.5% of housing units receiving at least one filing. In the first quarter of 2011, Florida again ranked second in the United States for number of foreclosure filings and ranked eighth for its foreclosure rate.

State of Florida revenue estimates indicate these conditions will continue to impact the collection of documentary stamp taxes; estimates of deposits to the housing trust funds for fiscal year 2011-2012 have decreased at each of the last four estimating conferences. Collections are expected to begin an upward trend after 2012, however. In addition to the various federally administered initiatives designed to improve the residential real estate market, Florida was awarded just over $1 billion in the US Treasury's Housing Finance Agency Innovation Fund for the Hardest-Hit Housing Markets. After a pilot in one county in late 2010, this program launched statewide in 2011.

Florida Housing's single family loans are fixed rate mortgages for homebuyers within a programmatically defined income bracket and which require homebuyer education before loan closing. While these requirements have helped keep Florida Housing's foreclosure rate below the state average, there has been an increase in foreclosure activity in this portfolio as well. At December 31, 2010, approximately 7% of the outstanding loans in the whole loan portfolio were in foreclosure. Whole loans make up less than 8% of the combined whole loan and mortgage-backed security (MBS) portfolio. Florida Housing is not at financial risk for foreclosures in the MBS portion of the portfolio as these are fully guaranteed as to timely payment of principal and interest by Ginnie Mae, Fannie Mae or Freddie Mac.

While the properties enhanced by Florida Housing's Guarantee Program are not immune to the impact of the recent changes in the financial and real estate markets, there has been a slowdown in foreclosure activity. Six of the eight developments that went through foreclosure by the Guarantee Program were sold in 2009 and 2010; the last two foreclosed properties were sold in early 2011. The impact of these claims on the fund was mitigated by the HUD Risk Sharing program. Overall, the Guarantee Program's recovery rate was just over 86%. There are currently no claims pending.

At the end of 2009, the Guarantee Program refinanced all of its outstanding capitalizing bonds, $156.2 million, replacing them with a loan. Although principal payments are not scheduled to begin until 2013, the Guarantee Program made a lump sum payment of $90.2 million in early 2011, and Florida Housing is actively exploring options for repayment or replacement of the remaining balance. The Guarantee Program maintains a leveraging ratio under the 5:1 maximum established by the Board.

The Board-approved 2010 operating budget of $17.4 million was adequate to fund operations. Actual total operating expenses of $16.4 million were 6% less than the total approved budget.

The 2011 legislature eliminated the Department of Community Affairs, transferring many of its duties to other agencies. Florida Housing will be moved to the newly created Department of

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

The budget approved by the legislature for state fiscal year 2011-2012 did not include any appropriations for Florida Housing's programs, but did require $189.5 million, the total estimated deposits, to be transferred from the housing trust funds to the state's General Revenue Fund.

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. In September 2010, Treasury announced changes to NIBP including (a) an extension for the use of allocation through 2011, (b) an increase in the number of draws on the allocation from 3 to 6, (c) a provision to relock the rate on the bonds in escrow, and (d) a "participation fee" for all single family bonds outstanding of 0.01% commencing September 1, 2010 payable in arrears in January of each year. Proceeds from the sale of these bonds are held in escrow until converted to long term bonds to finance loans; each subsequent conversion is a draw on the allocation. At that time, for single family issues, the NIBP bonds may not exceed 60% of the overall issue, with the remaining 40% sold in the market. Multifamily issues may be 100% NIBP bonds. Under the NIBP, Florida Housing received $248.5 million in authority for multifamily bonds and $547.2 million for single family bonds. In January 2010, Florida Housing closed on all the escrow bonds. During 2010, $45.6 million in multifamily bonds in escrow and $285.0 million of single family bonds in escrow were converted. The balances of bonds in escrow at December 31, 2010 were $202.9 million for multifamily and $262.2 million for single family. As with Florida Housing's other multifamily and single family bond programs, bonds issued under NIBP are conduit debt.

The initial tax-exempt bond allocation for 2011 is $422.2 million, an increase of $29.5 million from the 2010 initial allocation. The per capita allocation increased to $95 for 2011 from $90 in 2010 accounting for the majority of the increase.

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, 2010

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	812,362,973
Investments, net		358,851,539
Interest receivable on investments		10,031,945
Interest receivable on loans		19,729,624
Loans receivable, net		85,667,385
Deferred finance charges, net		3,054,164
Documentary stamp taxes receivable		13,605,812
Property held for sale		26,547,710
Other assets		641,404
Total current assets		1,330,492,556
NONCURRENT ASSETS		
Investments, net		2,454,271,560
Loans receivable, net		2,983,182,709
Deferred finance charges, net		16,941,124
Capital assets, net		65,984
Total noncurrent assets		5,454,461,377
TOTAL ASSETS	$	6,784,953,933
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other liabilities	$	53,204,916
Accrued interest payable		64,353,384
Accrued arbitrage rebate		1,211,151
Collateralized bank loan		26,275,000
Notes payable, net		90,333,677
Bonds payable, net		638,405,980
Deferred fee income, net		4,390,292
Total current liabilities		878,174,400
NONCURRENT LIABILITIES		
Notes payable, net		79,450,286
Bonds payable, net		3,712,668,787
Deferred fee income, net		71,276,221
Due to developers		86,974,777
Other liabilities		26,680,015
Total noncurrent liabilites		3,977,050,086
Total liabilities		4,855,224,486
NET ASSETS:		
Invested in capital assets		65,984
Restricted		1,810,944,274
Unrestricted		118,719,189
Total net assets		1,929,729,447
TOTAL LIABILITIES AND NET ASSETS	$	6,784,953,933

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, 2010

OPERATING REVENUES	
Interest on loans	$ 99,636,940
Investment income	165,285,051
Federal program administrative fees	2,116,416
Recovery of claims	25,814,806
Other income	31,097,097
Total operating revenues	323,950,310
OPERATING EXPENSES	
Interest expense	173,796,623
Payments to other governments	1,395,070
Provision for uncollectible loans	40,610,958
Claims expense	9,028,120
Federal and state program expenses	330,344,981
General and administrative	41,446,719
Total operating expenses	596,622,471
OPERATING LOSS	(272,672,161)
NONOPERATING REVENUES (EXPENSES)	
Federal program revenue	422,402,796
State documentary stamp tax revenue	161,889,272
Transfers to state agencies	(95,823,089)
Net nonoperating revenues	488,468,979
CHANGE IN NET ASSETS	215,796,818
NET ASSETS	
Beginning of year	1,713,932,629
End of year	$ 1,929,729,447

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, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Interest received on conduit debt fund investments	$ 100,525,554
Cash received from interest on loans receivable	101,960,921
Cash received from principal payments on loans receivable	189,447,065
Cash received for federal program administrative fees	2,508,534
Cash received from other revenues	33,939,029
Cash payments for issuance of loans and federal programs	(607,200,464)
Interest paid on conduit debt fund bonds	(167,818,743)
Cash payments for operating expenses	(113,791,642)
Payments to other governments	(62,666,646)
Net cash received from operation of foreclosed properties	5,165,316
Acquisition of property held for sale	1,948,083
Proceeds from disposition of property held for sale	44,614,694
NET CASH USED IN OPERATING ACTIVITIES	(471,368,299)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from issuance of bonds	1,021,787,229
Principal payments on notes	(116,037)
Principal payments on bonds	(563,936,406)
Interest paid	(7,609,550)
Payment of bond issuance costs	(3,909,414)
Proceeds from collateralized bank loan	23,445,000
Cash received for federal programs	422,402,796
State documentary stamp tax receipts	163,335,782
Transfers to other state agencies	(95,823,089)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	959,576,311
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of property and equipment	(6,521)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(2,598,946,450)
Proceeds from the sale and maturity of investments	2,636,944,512
Interest received on investments	17,739,697
NET CASH PROVIDED BY INVESTING ACTIVITIES	55,737,759
NET INCREASE IN CASH AND CASH EQUIVALENTS	543,939,250
CASH AND CASH EQUIVALENTS	
Beginning of year	268,423,723
End of year	$ 812,362,973

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, 2010

RECONCILATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$	(272,672,161)
Adjustments to reconcile operating loss to net cash used in operating activities		
Fair value of investments		(48,363,621)
Accreted interest on capital appreciation bonds		1,345,822
Provision for loan losses		41,745,504
Amortization and depreciation		(9,933,876)
Federal program expense		3,976,913
Interest received on investments		(17,739,697)
Interest paid		7,609,550
Acquisition of property held for sale		(3,402,935)
Changes in assets and liabilities which provided (used) cash		
Interest receivable on investments		1,301,656
Interest receivable on loans		2,623,041
Loans receivable		(62,451,017)
Other assets		2,480,214
Accounts payable and other liabilities		(102,919,660)
Accrued interest payable		(1,793,155)
Accrued arbitrage rebate		(1,885)
Deferred fee income		16,327,527
Due to developers		(29,500,519)
NET CASH USED IN OPERATING ACTIVITIES	$	(471,368,299)

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 established for the charitable, non-profit purpose of taking title to, managing and disposing of property acquired by Florida Housing from time to time through any of Florida Housing's programs.

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

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

Bonds issued by Florida Housing (other than the Guarantee Program capitalizing bonds) are conduit debt and are payable, both as to principal and interest, solely from the assets and income of the various programs which are pledged under the resolutions authorizing the particular issues. These issues do not constitute an obligation, either general or special, of Florida Housing, the state of Florida, or of any local government therein. Neither the faith, credit and revenues, nor the taxing power of the state of Florida or any local government therein shall be pledged to the payment of the principal or interest on the obligations. Conduit debt outstanding, net of unamortized premium and discount, was $4.4 billion as of December 31, 2010.

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, federal program 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 to be cash and all investments with an original maturity of three months or less to be cash equivalents.

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

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

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

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

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

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

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

Interest Income – Interest on mortgage loans and investments is recorded as income when earned, 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 fees. Certain administrative and monitoring fees collected under the various programs are deferred and amortized over the life of the loan or set-aside period.

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

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

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

New Accounting Pronouncements – The GASB has issued the following statements that will be implemented in accordance with required effective dates. 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 Governmental Accounting Standards No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, issued December 2009.

Statement of Governmental Accounting Standards No. 59, *Financial Instruments Omnibus*, issued June 2010.

Statement of Governmental Accounting Standards No. 60, *Accounting and Financial Reporting for Service Concession Arrangement*, issued November 2010.

Statement of Governmental Accounting Standards No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, issued November 2010.

Statement of Governmental Accounting Standards No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued December 2010.

3. DESCRIPTION OF PROGRAMS

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

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

The various bond programs of Florida Housing are as follows:

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

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

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

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

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

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

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

Multifamily New Issue Bond Program – Florida Housing was awarded $248.5 million in authority for multifamily bonds under the New Issue Bond Program (NIBP). As with the Single Family NIBP described above, the program provides for a lower cost of borrowing through the federal purchase of tax exempt bonds at below market rates. Under the Multifamily NIBP, 100% of the bonds are purchased through this federal program. The NIBP authority terminates on December 31, 2011.

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.

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, 2010. Documentary stamp taxes distributed to the State Housing trust Fund are to be used if either of the following conditions exist: a) there is a certified projected deficiency in the debt service reserve account or b) the program has statutory authority to utilize up to 50% of the amounts distributed to the State Housing Trust Fund during the ensuing state fiscal year for claims payment obligations 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, 2010, total participation under the Risk Sharing Program consisted of 58 guarantees totaling $346.9 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, 2010, the balance of the HUD Dedicated Risk Account was $49.3 million.

As of December 31, 2010, outstanding risk totaled $728.3 million, including $346.9 million under the HUD Risk Sharing Program.

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

Other programs administered by Florida Housing:

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

For the year 2010, Florida Housing allocated $39 million in housing credits, including National Pool allocation and returned credits.

In 2009, the American Recovery and Reinvestment Act (ARRA) created Cash Assistance to Sates for Low Income Housing Projects in Lieu of Low Income Housing Tax Credits for 2009, also referred to as the Tax Credit Exchange Program (TCEP), to be administered by the U.S. Treasury. Under this program, housing credit allocating agencies “exchanged” a portion of their 2009 Housing Credit allocation, as well as previously awarded and returned Housing Credits, for cash grants that 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 and 2010. Approximately $1.8 million in unused allocation was returned to Treasury on December 31, 2010.

Florida Housing also allocated over $101 million through another ARRA program, the Tax Credit Assistance Program (TCAP). This federal stimulus funding was directed to rental developments that had already received a Housing Credit allocation but required additional funding due to limited equity available in the housing credit market.

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

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.

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, 2010, Florida Housing had the following cash and cash equivalents:

	Credit Rating	Fair Value
Cash	–	$ 57,026,654
Money Markets	AAA – A	755,336,319
		$ 812,362,973

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

5. INVESTMENTS

Florida Housing is authorized to invest in securities permitted under Section 215.47, Florida Statutes, including direct obligations of the United States of America or any agency thereof, interest-bearing or demand deposits with any qualified depository institution, and commercial paper of prime quality. It is also authorized to invest in contracts for the purchase and sale of government obligations as described in the Florida Housing Act. Investments other than Guaranteed Investment Contracts (GICs) are recorded at fair value with changes in fair value recorded as a component of investment income. Unrealized gain on investments in 2010 was $48.4 million. Florida Housing's GICs are considered to be non-participating; therefore, they are recorded at cost in accordance with applicable standards.

Funds in the State Housing Trust Fund and the Local Government Housing Trust Fund are held by the State Treasury in a general pool of investments. Florida Housing also has invested certain funds associated with single family bond issues, a portion of its pooled investments and certain Guarantee Program funds with the State Treasury in Special Purpose Investment Accounts (SPIAs). Pursuant to Section 17.61, Florida Statutes, these SPIAs allow statutorily created organizations to invest in the Treasury investment portfolio. 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 $302.9 million at December 31, 2010, 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, 2010, Florida Housing had investments with the following credit ratings and maturities (in thousands):

Investment Type	Credit Rating	Investment Maturities (in years) Less Than 1	1 – 5	6 – 10	More Than 10	Total Fair Value
Asset-Backed Securities	AAA – BBB-	$ 757	$ 38,569	$ 4,864	$ 17,221	$ 61,411
CMBS	AAA	–	–	2,243	29,572	31,815
Commercial Paper	A-1+	849	–	–	–	849
Corporate Bonds	AAA – BBB-	40,088	158,732	–	4,566	203,386
Fannie Mae MBS	AAA	–	381	1,887	530,094	532,362
Freddie Mac MBS	AAA	–	2,273	1,777	48,777	52,827
Investment Agreements	AAA – A-	–	285,370	1,342	37,650	324,362
MBS	AAA – CC	–	–	–	9,326	9,326
Municipal Bonds	AAA – A-1	627	1,276	–	10,795	12,698
State Treasury	Af	302,905	–	–	–	302,905
U.S. Agencies	–	13,625	44,268	–	1,799	59,692
U.S. Government Obligations	–	–	–	2,360	1,176,158	1,178,518
U.S. Treasury Notes	–	–	42,972	–	–	42,972
		$ 358,851	$ 573,841	$ 14,473	$ 1,865,958	$ 2,813,123

Interest Rate Risk – Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. Florida Housing's investment policy, which covers the pooled investments in the Operating Fund and the State and Federal Funds, seeks to minimize interest rate risk by structuring the portfolio to meet ongoing program and operational cash requirements without having to sell securities in the open market. Interest rate risk 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, 2010:

Investment	%	Fair Value
Fannie Mae	19.73%	$ 554,958,324
State Treasury	10.77%	302,905,176
Trinity Funding	10.15%	285,448,044

6. RESERVE FUND REQUIREMENTS

Cash and investments held to satisfy various reserve requirements at December 31, 2010 were as follows:

Program	Reserve Requirements	On Deposit	Surety Bonds	Excess (Deficiency)
Homeowner	$ 4,985,408	$ 2,785,942	$ 2,302,912	$ 103,446
Multifamily	26,240,165	26,169,185	–	(70,980)
Guarantee	18,744,000	18,744,000	–	–
	$ 49,969,573	$ 47,699,127	$ 2,302,912	$ 32,466

7. LOANS RECEIVABLE

Loans receivable, net of allowance for loan losses, discounts, and deferred fees were as follows at December 31, 2010:

Single family bond mortgage loans	$ 129,568,082
Multifamily bond mortgage loans	1,871,227,521
State and federal loans	1,296,331,700
Operating loans	37,821,067
	3,334,948,370
Less:	
Allowance for loan losses	(258,152,288)
Loan discounts	(1,015,219)
Deferred fee income	(6,930,769)
	3,068,850,094
Less current portion	85,667,385
	$ 2,983,182,709

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 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, 2010, (exclusive of Fannie Mae and GNMA guaranteed loans) are as follows: FHA (48.2%), Commonwealth Mortgage Assurance Company (Radian Guaranty, Inc.) (13.5%), VA (10.5%), Rural Housing Authority (6.1%), and General Electric Mortgage Insurance Company (3.5%). Approximately 18.2% of single family bond mortgage loans outstanding at December 31, 2010, 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 $149.1 million of the outstanding multifamily bond mortgage loans at December 31, 2010, are secured, in part, by irrevocable direct-pay letters of credit provided by banking and savings and loan institutions. Approximately $1.5 billion of the outstanding multifamily bond mortgage loans at December 31, 2010 are secured, in part, by insurance as follows: Guarantee Program/HUD (26.3%), Fannie Mae (19.8%), Freddie Mac (12.0%), and various other companies (21.9%). Approximately 20.0% of the multifamily bond mortgage loans are uninsured.

Mortgage loans in the Multifamily Mortgage Revenue Bond Programs are recorded at an amount generally equal to the outstanding conduit debt. No provision for loan losses is recorded for these loans. Certain multifamily mortgage loans receivable are in default due to noncompliance with terms of their bond documents (see Note 10). 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 has 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 and TCAP programs contain interest payment provisions based upon the developments' cash flows with deferral of interest payment until positive cash flow is generated. Principal is due at maturity.

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

8. PROPERTY HELD FOR SALE

At December 31, 2010, property held for sale consisted of four multifamily properties. Two properties totaling $26.2 million were acquired through foreclosures associated with Guarantee Program claims, and two properties totaling $0.4 million were acquired through foreclosures on loans funded by the Predevelopment Loan Program.

9. COLLATERALIZED BANK LOAN

In April 1998, Florida Housing entered into a line of credit agreement with the Federal Home Loan Bank (the Bank) to 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 (0.19% at December 31, 2010) 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, 2010 was as follows:

Beginning Balance	Additions	Reductions	Ending Balance
$ 2,830,000	$ 23,445,000	$ –	$ 26,275,000

The outstanding balance of $26.3 million at December 31, 2010 relates to the Single Family Home Ownership Program and the Single Family Homeowner Mortgage Program.

During 2010, Florida Housing utilized the agreement to redeem bonds from:

Single Family Home Ownership Program:	
1987 Series G1	$ 115,000
Single Family Homeowner Mortgage Program:	
2008 Series 3	11,375,000
2008 Series 4	9,700,000
2009 Series 1	1,120,000
2009 Series 2	1,135,000
	$ 23,445,000

10. NOTES AND BONDS PAYABLE

At December 31, 2010 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%	13,583,963
Total notes payable				$ 169,783,963
BONDS PAYABLE				
Single Family Home Ownership Program				
1987 Series G1, G2 Term Bonds	12/16/1987	2017 - 2018	8.63%	520,000
1991 Series G1, G2 Term Bonds	09/26/1991	2023	Floating	1,878,000
1992 Series G1, G2 Term Bonds	06/30/1992	2023 - 2025	Floating	5,342,732
Total Single Family Home Ownership bonds payable				$ 7,740,732
Single Family Homeowner Mortgage Revenue Bond				
1996 Series 1, 2 Term Bonds	07/01/1996	2016 - 2028	6.05% - 6.35%	2,020,000
1996 Series 2 Serial Bonds	07/01/1996	2011	6.05%	65,000
				2,085,000
1996 Series 3 Serial Bonds	09/01/1996	2011 - 2014	5.90% - 6.05%	555,000
1996 Series 3 Term Bonds	09/01/1996	2016 - 2028	6.20% - 6.35%	2,385,000
				2,940,000
1997 Series 1, 2, 3 Term Bonds	06/01/1997	2014 - 2029	5.625% - 5.90%	12,845,000
1998 Series 1 Serial Bonds	05/15/1998	2011 - 2014	4.95% - 5.15%	4,910,000
1998 Series 1, 2 Capital Appreciation Bonds	05/15/1998	2017 - 2029	Floating	5,417,187
1998 Series 2 Term Bonds	05/15/1998	2021	5.35%	2,970,000
1998 Series 3 Term Bonds	05/15/1998	2016	Floating	2,410,000
				15,707,187
1999 Series 1, 2 Serial Bonds	02/15/1999	2011 - 2012	4.55% - 4.65%	1,770,000
1999 Series 1, 2 Term Bonds	02/15/1999	2017 - 2021	4.60% - 5.15%	12,325,000
1999 Series 2 Capital Appreciation Bonds	02/15/1999	2030	Floating	5,746,001
1999 Series 3 Term Bonds	02/15/1999	2013	Floating	915,000
				20,756,001
1999 Series 6, 7, 9 Term Bonds	09/01/1999	2017 - 2021	5.75% - 5.90%	7,355,000
1999 Series 7 Serial Bonds	09/01/1999	2011 - 2012	5.20% - 5.50%	585,000
1999 Series 7 Capital Appreciation Bonds	09/01/1999	2030	Floating	2,191,315
1999 Series 8 Term Bonds	09/01/1999	2013	Floating	375,000
2000 Series 1, 2 Term Bonds	07/01/2000	2017 - 2021	5.75% - 5.85%	240,000
				10,746,315

10. 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%	7,290,000
2000 Series 4 Serial Bonds	02/01/2000	2011 - 2012	5.80% - 5.85%	115,000
2000 Series 4 Capital Appreciation Bonds	02/01/2000	2030 - 2032	Floating	2,863,195
2000 Series 5 Term Bonds	02/01/2000	2012	Floating	515,000
				10,783,195
2000 Series 10, 11 Serial Bonds	10/15/2000	2011 - 2013	4.95% - 5.20%	1,885,000
2000 Series 10, 11, 12 Term Bonds	10/15/2000	2017 - 2032	5.50% - 5.95%	22,145,000
				24,030,000
2002 Series 1, 2 Serial Bonds	11/13/2002	2011 - 2017	4.35% - 4.85%	2,880,000
2002 Series 2, 3 Term Bonds	11/13/2002	2023 - 2034	5.30% - 5.40%	11,840,000
				14,720,000
2003 Series 1, 2 Serial Bonds	06/19/2003	2011 - 2017	3.40% - 4.00%	5,150,000
2003 Series 2 Term Bonds	06/19/2003	2022 - 2035	4.50% - 4.60%	15,265,000
				20,415,000
2003 Series 5 Serial Bonds	11/18/2003	2011 - 2013	4.10% - 4.35%	1,610,000
2003 Series 5 Term Bonds	11/18/2003	2023 - 2035	4.90% - 5.05%	19,560,000
				21,170,000
2004 Series 1, 2 Serial Bonds	03/24/2004	2011 - 2016	3.00% - 4.20%	4,080,000
2004 Series 2 Term Bonds	03/24/2004	2024 - 2036	4.70% - 5.00%	28,430,000
				32,510,000
2004 Series 3 Serial Bonds	10/07/2004	2011 - 2015	3.30% - 3.95%	4,785,000
2004 Series 4 Term Bonds	10/07/2004	2023 - 2026	4.75% - 5.50%	13,280,000
				18,065,000
2004 Series 5, 6 Serial Bonds	01/11/2005	2011 - 2016	3.80% - 4.45%	3,030,000
2004 Series 6 Term Bonds	01/11/2005	2020 - 2036	4.50% - 4.95%	16,595,000
2004 Series 6 PAC Term Bonds	01/11/2005	2036	5.10%	6,170,000
				25,795,000
2005 Series 1 Serial Bonds	06/16/2005	2011 - 2015	3.85% - 4.30%	2,520,000
2005 Series 1 Term Bonds	06/16/2005	2025 - 2036	4.60% - 4.70%	20,500,000
2005 Series 1 PAC Term Bonds	06/16/2005	2036	5.00%	7,410,000
				30,430,000
2005 Series 2 Serial Bonds	11/17/2005	2011 - 2017	3.60% - 4.25%	3,700,000
2005 Series 3 Term Bonds	11/17/2005	2025 - 2036	4.75% - 4.90%	13,530,000
2005 Series 3 PAC Term Bonds	11/17/2005	2036	5.00%	14,590,000
				31,820,000
2006 Series 1 Serial Bonds	03/23/2006	2011 - 2016	3.95% - 4.38%	3,865,000
2006 Series 1 Term Bonds	03/23/2006	2020 - 2037	4.55% - 4.85%	25,265,000
2006 Series 1 PAC Term Bonds	03/23/2006	2037	5.00%	18,200,000
				47,330,000

10. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2006 Series 2 Serial Bonds	05/24/2006	2011 - 2016	4.20% - 4.70%	4,135,000
2006 Series 2, 3 Term Bonds	05/24/2006	2021 - 2038	4.50% - 4.95%	37,110,000
2006 Series 2 PAC Term Bonds	05/24/2006	2037	5.50%	16,780,000
				58,025,000
2006 Series 4 Serial Bonds	08/17/2006	2011 - 2016	4.40% - 4.75%	8,115,000
2006 Series 4, 5 Term Bonds	08/17/2006	2021 - 2037	4.70% - 5.15%	62,230,000
2006 Series 4 PAC Term Bonds	08/17/2006	2037	5.75%	28,380,000
				98,725,000
2006 Series 6 Serial Bonds	12/18/2006	2011 - 2016	3.90% - 4.20%	4,690,000
2006 Series 6 Term Bonds	12/18/2006	2021 - 2037	4.45% - 4.70%	30,525,000
2006 Series 6 PAC Term Bonds	12/18/2006	2037	5.75%	34,860,000
				70,075,000
2007 Series 1 Serial Bonds	03/13/2007	2011 - 2017	4.00% - 4.38%	3,165,000
2007 Series 1 Term Bonds	03/13/2007	2022 - 2048	4.55% - 4.85%	20,460,000
2007 Series 1 PAC Term Bond	03/13/2007	2048	5.95%	37,805,000
				61,430,000
2007 Series 2 Serial Bonds	05/03/2007	2011 - 2017	4.00% - 4.40%	3,735,000
2007 Series 2 Term Bonds	05/03/2007	2022 - 2048	4.70% - 4.85%	50,560,000
2007 Series 2 PAC Term Bonds	05/03/2007	2048	6.00%	50,950,000
				105,245,000
2007 Series 3 Term Bonds	07/18/2007	2027 - 2048	5.00% - 5.15%	44,905,000
2007 Series 3 Prem PAC Bonds	07/18/2007	2048	6.25%	37,860,000
2007 Series 4 Serial Bonds Fed Taxable	07/18/2007	2011 - 2017	5.64% - 5.95%	7,030,000
2007 Series 4 Taxable PAC Bonds	07/18/2007	2048	5.99%	9,995,000
				99,790,000
2007 Series 5 Serial Bonds	10/10/2007	2011 - 2017	4.00% - 4.50%	4,105,000
2007 Series 5 Term Bonds	10/10/2007	2022 - 2048	4.95% - 5.15%	27,945,000
2007 Series 5 PAC Term Bonds	10/10/2007	2048	5.75%	30,980,000
				63,030,000
2007 Series 6 Serial Bonds	01/08/2008	2011 - 2017	3.85% - 4.45%	4,720,000
2007 Series 6 Term Bonds	01/08/2008	2023 - 2049	5.00% - 5.40%	32,005,000
2007 Series PAC Term Bonds	01/08/2008	2048	5.50%	34,360,000
				71,085,000
2008 Series 1 Serial Bonds	04/15/2008	2011 - 2018	4.00% - 5.15%	3,575,000
2008 Series 1 Term Bonds	04/15/2008	2023 - 2039	5.45% - 6.00%	21,445,000
2008 Series 1 PAC Term Bonds	04/15/2008	2039	6.45%	12,715,000
				37,735,000
2008 Series 2 Serial Bonds	07/29/2008	2011 - 2013	4.15% - 4.60%	1,675,000
2008 Series 2 Term Bonds	07/29/2008	2018 - 2039	5.05% - 5.65%	29,250,000
2008 Series 2 PAC Term Bonds	07/29/2008	2039	6.70%	21,505,000
				52,430,000

10. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2008 Series 3 Serial Bonds	09/30/2008	2011 - 2018	2.95% - 4.30%	16,115,000
2008 Series 3 Term Bonds	09/30/2008	2023 - 2039	5.00% - 5.50%	66,815,000
				82,930,000
2008 Series 4 Serial Bonds	11/25/2008	2011 - 2020	3.70% - 5.50%	25,945,000
2008 Series 4 Term Bonds	11/25/2008	2023 - 2038	5.85% - 6.38%	37,820,000
				63,765,000
2009 Series 1 Serial Bonds	07/27/2009	2011 - 2019	1.45% - 4.10%	11,665,000
2009 Series 1 Term Bonds	07/27/2009	2025 - 2039	4.95% - 5.40%	32,455,000
2009 Series 1 PAC Term Bonds	07/27/2009	2039	5.38%	14,745,000
				58,865,000
2009 Series 2 Serial Bonds	10/01/2009	2011 - 2019	1.20% - 3.85%	19,165,000
2009 Series 2 Term Bonds	10/01/2009	2024 - 2039	4.40% - 5.00%	61,010,000
2009 Series 2 PAC Term Bonds	10/01/2009	2041	5.50%	18,690,000
				98,865,000
Total Single Family Homeowner Mortgage bonds payable				1,364,142,698
Unamortized bond premium				28,437,774
Net Single Family Homeowner Mortgage bonds payable				$ 1,392,580,472
Homeowner Mortgage Revenue Bonds (Special Program)				
2009 Series A1 Serial Bonds	01/12/2010	2012 - 2020	1.35% - 4.00%	19,535,000
2009 Series A1 Term Bonds	01/12/2010	2020 - 2029	4.00% - 4.80%	34,465,000
2009 Series A1 PAC Term Bonds	01/12/2010	2028	5.00%	26,000,000
2009 Series A2 Term Bonds	01/12/2010	2041	4.05%	120,000,000
				200,000,000
2009 Series B Term Bonds	01/12/2010	2041	Floating	262,230,000
2010 Series A Serial Bonds	06/23/2010	2012 - 2022	1.05% - 4.10%	28,095,000
2010 Series A Term Bonds	06/23/2010	2021 - 2029	4.00% - 4.60%	31,405,000
2010 Series A PAC Term Bonds	06/23/2010	2028	5.00%	30,500,000
2009 Series B1 Term Bonds	06/23/2010	2041	4.05%	135,000,000
				225,000,000
2010 Series B Serial Bonds	11/01/2010	2012 - 2020	0.75% - 3.25%	5,855,000
2010 Series B Term Bonds	11/01/2010	2025 - 2028	4.00% - 4.13%	7,815,000
2010 Series B PAC Term Bonds	11/01/2010	2029	4.50%	6,330,000
2009 Series B2 Term Bonds	11/01/2010	2041	3.01%	30,000,000
				50,000,000
Total Homeowner Mortgage Revenue Bonds (Special Program) bonds payable				737,230,000
Unamortized bond premium				3,960,724
Net Homeowner Mortgage Revenue Bonds (Special Program) bonds payable				$ 741,190,724

10. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
Multifamily Housing Revenue				
Multifamily Loan Revenue Bonds Floating Rate Monthly Demand				
1984 D Term Bonds	06/01/1984	2012	Floating	9,610,000
Multifamily Housing Revenue Bonds				
[2] 1985 Series B Term Bonds	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
1995 Series C1 Term Bonds	01/15/1995	2014 - 2035	6.75% - 7.00%	11,955,000
1995 Series F Term Bonds	11/01/1995	2015 - 2035	6.05% - 6.25%	6,335,000
1995 Series G1 Term Bonds	10/15/1995	2015 - 2035	6.05% - 6.25%	11,750,000
1995 Series J Term Bonds	11/01/1995	2015 - 2035	5.95% - 6.20%	11,035,000
1995 Series L Term Bonds	12/19/1995	2025	Floating	8,950,000
1995 Series M Term Bonds	12/19/1995	2025	Floating	5,670,000
1996 Series F Term Bonds	07/10/1996	2026	Floating	12,100,000
1996 Series G Term Bonds	07/15/1996	2016 - 2036	6.20% - 6.50%	6,770,000
1996 Series H Term Bonds	08/01/1996	2011 - 2017	6.00% - 6.10%	8,200,000
1996 Series L Term Bonds	09/01/1996	2016 - 2036	6.05% - 6.25%	7,180,000
1996 Series M Term Bonds	09/01/1996	2015 - 2036	6.00% - 6.25%	5,690,000
1996 Series N Term Bonds	09/01/1996	2016 - 2036	6.10% - 6.30%	9,450,000
1996 Series O Term Bonds	09/01/1996	2016 - 2036	6.15% - 6.30%	10,580,000
1996 Series P Term Bonds	09/20/1996	2026	Floating	6,450,000
1996 Series T Term Bonds	12/01/1996	2018 - 2036	5.85% - 6.05%	6,750,000
1996 Series U Term Bonds	12/19/1996	2029	Floating	9,690,000
1997 Series C Term Bonds	05/15/1997	2017 - 2039	5.75% - 6.00%	13,950,000
1997 Series D Term Bonds	06/01/1997	2017 - 2030	5.90% - 5.95%	6,270,000

10. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
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%	13,315,000
1997 Series G Serial Bonds	07/15/1997	2011 - 2012	5.20% - 5.25%	430,000
1997 Series G Term Bonds	07/15/1997	2020 - 2037	5.50% - 5.70%	12,170,000
				12,600,000
1997 Series H Serial Bonds	07/15/1997	2011 - 2012	5.20% - 5.25%	290,000
1997 Series H Term Bonds	07/15/1997	2020 - 2037	5.50% - 5.70%	7,830,000
				8,120,000
1997 Series J1, J2 Term Bonds	12/01/1997	2011 - 2038	5.00% - 5.45%	18,320,000
1998 Series A Term Bonds	03/01/1998	2030	5.45%	12,485,000
1998 Series B Term Bonds	06/01/1998	2038	6.61%	15,075,000
1998 Series C Term Bonds	06/01/1998	2038	6.61%	8,035,000
1998 Series D Serial Bonds	06/01/1998	2011 - 2015	5.00% - 5.25%	1,645,000
1998 Series D Term Bonds	06/01/1998	2018 - 2031	5.30% - 5.375%	9,965,000
				11,610,000
1998 Series H Term Bonds	07/01/1998	2038	7.25%	3,225,319
1998 Series I1 Term Bonds	08/01/1998	2033	Floating	15,875,000
[2] 1998 Series J Term Bonds	10/01/1998	2028	Floating	4,925,000
[2] 1998 Series K Term Bonds	10/30/1998	2032	6.38%	15,870,000
[2] 1998 Series L Term Bonds	10/01/1998	2032	6.50%	8,675,000
[2] 1998 Series M	10/01/1998	2032	6.13%	16,615,000
1998 Series O Term Bonds	11/01/1998	2018 - 2028	5.25% - 5.30%	10,895,000
1998 Series P Serial Bonds	12/01/1998	2011 - 2031	4.65% - 5.20%	9,440,000
1998 Series Q1 Term Bonds	12/01/1998	2018 - 2038	5.10% - 5.25%	12,345,000
1998 Series R1 Serial Bonds	12/01/1998	2011 - 2021	4.50% - 5.10%	3,580,000
1998 Series R1, R2 Term Bonds	12/01/1998	2026 - 2032	5.10% - 5.20%	5,820,000
				9,400,000
1998 Series S Term Bonds	12/28/1998	2031	4.80%	9,413,000
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%	11,075,000

10. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
1999 Series A Serial Bonds	04/15/1999	2011 - 2018	4.85% - 5.15%	1,980,000
1999 Series A Term Bonds	04/15/1999	2021 - 2039	5.20% - 5.40%	11,070,000
				13,050,000
1999 Series B1 Term Bonds	04/21/1999	2011 - 2032	4.65% - 5.20%	11,455,000
1999 Series C1, C2 Term Bonds	07/01/1999	2014 - 2039	5.50% - 7.50%	8,955,000
1999 Series C1 Capital Appreciation Term Bonds	07/01/1999	2029	Floating	2,120,075
				11,075,075
1999 Series D1, D2 Term Bonds	07/21/1999	2013 - 2032	5.38% - 7.10%	13,555,000
1999 Series E1, E2 Term Bonds	08/12/1999	2011 - 2039	5.65% - 7.63%	12,165,000
1999 Series E1 Capital Appreciation Term Bonds	08/12/1999	2029	Floating	2,620,065
				14,785,065
1999 Series F1, F2 Term Bonds	08/25/1999	2014 - 2039	5.90% - 7.35%	9,765,000
1999 Series F1 Capital Appreciation Term Bonds	08/25/1999	2029	Floating	1,962,120
				11,727,120
1999 Series G1, G2 Term Bonds	08/25/1999	2032	Floating	12,250,000
1999 Series H1 Serial Bonds	09/29/1999	2013 - 2020	5.55% - 5.70%	2,385,000
1999 Series H1, H2 Term Bonds	09/29/1999	2013 - 2032	5.85% - 7.40%	8,210,000
				10,595,000
1999 Series I1, I2 Term Bonds	08/31/1999	2032	Floating	13,665,000
1999 Series J1, J2 Term Bonds	09/14/1999	2011 - 2032	5.35% - 5.95%	7,070,000
1999 Series M1 Serial Bonds	09/29/1999	2011 - 2021	5.30% - 5.70%	2,805,000
1999 Series M1, M2 Term Bonds	09/29/1999	2027 - 2039	5.80% - 6.00%	10,790,000
				13,595,000
1999 Series N1 Term Bonds	09/21/1999	2011 - 2039	5.25% - 5.90%	7,200,000
1999 Series P Term Bonds	09/24/1999	2032	Floating	6,735,000
1999 Series Q1, Q2 Term Bonds	09/27/1999	2014 - 2039	5.75% - 7.85%	12,900,000
1999 Series R Term Bonds	09/28/1999	2011 - 2032	5.25% - 6.00%	7,405,000
2000 Series B Term Bonds	03/28/2000	2030	6.90%	15,895,000
2000 Series C1, C2 Term Bonds	05/01/2000	2015 - 2040	6.20% - 8.50%	15,690,000
2000 Series E1, E2 Term Bonds	06/13/2000	2033	Floating	10,155,000
2000 Series F1, F2 Term Bonds	06/01/2000	2017 - 2041	6.00% - 8.25%	10,450,000
[2] 2000 Series G Term Bonds	06/20/2000	2031	Floating	7,695,000

10. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
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%	11,100,000
				13,235,000
2000 Series I Term Bonds	09/01/2000	2032	Floating	12,705,000
2000 Series M1, M2 Term Bonds	11/09/2000	2013 - 2040	5.70% - 7.75%	15,735,000
2000 Series N1, N2 Term Bonds	12/12/2000	2013 - 2041	5.75% - 7.70%	15,550,000
2000 Series O1, O2 Term Bonds	11/30/2000	2027 - 2040	5.85% - 7.65%	18,435,000
2000 Series Q1, Q2 Term Bonds	11/21/2000	2012 - 2041	5.75% - 7.80%	12,370,000
2000 Series R1, R2 Term Bonds	12/06/2000	2018 - 2033	5.75% - 7.85%	8,870,000
2000 Series S Term Bonds	12/14/2000	2011 - 2041	4.90% - 5.85%	10,565,000
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%	11,010,000
				11,715,000
2000 Series V1, V2 Term Bonds	12/28/2000	2017 - 2041	5.38% - 7.55%	7,585,000
2000 Series W1, W2 Term Bonds	12/29/2000	2028 - 2041	5.60% - 6.75%	12,495,000
2001 Series A1, A2 Term Bonds	01/01/2001	2011 - 2041	5.25% - 7.45%	13,530,000
2001 Series F1, F2 Term Bonds	11/01/2001	2013 - 2041	5.00% - 6.35%	17,635,000
2001 Series G Term Bonds	11/01/2001	2031	6.25%	9,297,000
2001 Series H1, H2 Term Bonds	11/01/2001	2021 - 2041	5.25% - 6.30%	16,100,000
2001 Series IA, IB Term Bonds	11/19/2001	2031	Floating	14,685,000
2001 Series JA, JB Term Bonds	11/19/2001	2031	Floating	11,270,000
2001 Series L Term Bonds	12/01/2001	2011 - 2035	4.38% - 5.38%	7,935,000
2001 Series O1, O2 Term Bonds	12/01/2001	2013 - 2043	5.25% - 7.15%	6,570,000
2002 Series A1, A2 Term Bonds	01/08/2002	2035	Floating	12,720,000
2002 Series B1 Term Bonds	01/24/2002	2011 - 2034	4.25% - 5.30%	8,145,000
2002 Series C1 Term Bonds	01/30/2002	2011 - 2042	5.30% - 7.00%	15,775,000
[3] 2002 Series D1-D2 Term Bonds	02/28/2002	2011 - 2042	5.20% - 7.00%	17,820,000
2002 Series E1 Term Bonds	03/06/2002	2011 - 2042	5.13% - 6.85%	14,835,000
2002 Series F1, F2 Term Bonds	07/19/2002	2016 - 2035	5.45% - 7.00%	10,185,000
2002 Series G Term Bonds	07/16/2002	2020 - 2035	4.88% - 5.40%	13,435,000
2002 Series H1, H2 Term Bonds	07/31/2002	2012 - 2042	5.20% - 6.00%	12,155,000

10. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2002 Series I1, I2 Term Bonds	10/16/2002	2035	5.61%	2,631,700
[2] 2002 Series J1, J2 Term Bonds	10/30/2002	2032	Floating	21,100,000
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	8,790,000
[2] 2002 Series M1 Term Bonds	11/14/2002	2032	Floating	5,900,000
[2] 2002 Series N1, N2 Term Bonds	11/14/2002	2032	Floating	9,350,000
2002 Series O1 Serial Bonds	11/26/2002	2017 - 2020	4.80% - 5.10%	1,230,000
2002 Series O2 Term Bonds	11/26/2002	2011 - 2042	5.05% - 5.75%	16,250,000
				17,480,000
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	2011 - 2015	4.75% - 6.00%	505,000
				8,480,000
2002 Series R1, R2, R3 Term Bonds	12/17/2002	2015 - 2036	5.15% - 5.95%	10,380,000
2003 Series A Term Bonds	01/01/2003	2036	Floating	7,850,000
2003 Series B1, B3 Term Bonds	01/01/2003	2034	Floating	9,210,000
2003 Series C1, C2 Term Bonds	01/01/2003	2011 - 2043	4.85% - 6.00%	15,475,000
2003 Series D1 Term Bonds	02/01/2003	2011 - 2044	3.90% - 5.15%	19,090,000
2003 Series E1 Term Bonds	03/01/2003	2036	Floating	8,015,000
2003 Series F Term Bonds	03/01/2003	2011 - 2044	3.60% - 5.05%	11,660,000
2003 Series G Term Bonds	03/18/2003	2036	Floating	8,300,000
2003 Series H Term Bonds	03/25/2003	2036	Floating	7,060,000
[2] 2003 Series I Term Bonds	04/01/2003	2033	6.30%	7,592,000
2003 Series J Term Bonds	04/01/2003	2036	5.61%	5,355,000
2003 Series K Term Bonds	04/01/2003	2036	Floating	6,320,000
2003 Series L Term Bonds	07/01/2003	2011 - 2036	3.15% - 4.45%	11,150,000
2003 Series M Term Bonds	07/01/2003	2011 - 2044	3.75% - 5.35%	9,100,000
2003 Series N Term Bonds	07/22/2003	2035	Floating	13,810,000
2003 Series O Term Bonds	07/29/2003	2035	Floating	16,245,000
2003 Series P Term Bonds	07/29/2003	2035	Floating	14,685,000
2003 Series Q1, Q2 Term Bonds	09/17/2003	2011 - 2043	4.80% - 6.00%	12,670,000
2003 Series R1, R2 Term Bonds	10/01/2003	2037	Floating	15,170,000

10. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2003 Series S1 Serial Bonds	10/01/2003	2011 - 2023	3.40% - 4.75%	1,485,000
2003 Series S1 Term Bonds	10/01/2003	2036	4.80%	2,995,000
				4,480,000
2003 Series T Serial Bonds	10/07/2003	2011 - 2019	3.75% - 4.70%	1,380,000
2003 Series T Term Bonds	10/07/2003	2024 - 2045	4.90% - 5.15%	11,805,000
				13,185,000
2003 Series W Term Bonds	12/16/2003	2036	Floating	5,600,000
2004 Series A Term Bonds	02/01/2004	2011 - 2045	3.40% - 5.00%	9,950,000
2004 Series B Term Bonds	02/12/2004	2032	Floating	2,400,000
2004 Series C1 Serial Bonds	02/18/2004	2011 - 2014	3.25% - 4.00%	455,000
2004 Series C1, C2 Term Bonds	02/18/2004	2027 - 2037	4.80% - 5.31%	6,235,000
				6,690,000
2004 Series D Term Bonds	02/01/2004	2011 - 2045	3.25% - 4.95%	12,070,000
2004 Series E Term Bonds	03/01/2004	2037	Floating	5,800,000
2004 Series F Serial Bonds	03/01/2004	2037	Floating	6,200,000
[4] 2004 Series G1, G2 Term Bonds	05/01/2004	2038	Floating	11,575,000
2004 Series H Term Bonds	06/01/2004	2037	Floating	7,800,000
2004 Series K Term Bonds	12/01/2004	2037	Floating	15,100,000
[2] 2004 Series L Term Bonds	12/22/2004	2034	Floating	17,110,000
[2] 2004 Series M Term Bonds	12/22/2004	2034	Floating	18,975,000
2005 Series A Term Bonds	01/25/2005	2037	Floating	12,105,000
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%	6,918,053
2006 Series B Term Bonds	03/16/2006	2050	6.00%	6,624,955
2006 Series C Term Bonds	03/16/2006	2050	6.00%	6,505,137
[1] 2006 Series D Term Bonds	07/11/2006	2036	Floating	9,575,000
2006 Series E Term Bonds	04/19/2006	2038	5.50%	3,689,000
[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	7,995,000

10. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
[1] 2006 Series I Term Bonds	06/29/2006	2046	6.50%	30,000,000
[4] 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%	1,355,000
2006 Series L Term Bonds	10/26/2006	2038	5.29%	445,000
2006 Series N Term Bonds	12/13/2006	2044	Floating	13,895,000
2007 Series A Term Bonds	08/23/2007	2040	5.49%	4,203,000
2007 Series B Term Bonds	02/06/2007	2048	6.70%	9,830,379
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%	41,425,000
[1] 2007 Series G1, G2 Term Bonds	06/15/2007	2042	Floating	69,465,000
2007 Series H Term Bonds	06/29/2007	2042	Floating	3,295,000
2007 Series I Term Bonds	11/02/2007	2042	Floating	17,585,000
2007 Series K Term Bonds	12/20/2007	2042	6.00%	1,930,000
2008 Series A Term Bonds	01/16/2008	2041	Floating	6,770,000
2008 Series C Serial Bonds	02/11/2008	2011 - 2018	2.95% - 4.05%	810,000
2008 Series C Term Bonds	02/11/2008	2035 - 2049	5.00% - 5.25%	6,965,000
				7,775,000
2008 Series E Term Bonds	03/20/2008	2048	Floating	5,075,000
2008 Series H Term Bonds	05/08/2008	2039	5.88%	4,508,461
2008 Series I Term Bonds	06/06/2008	2048	Floating	11,000,000
2008 Series J Term Bonds	07/09/2008	2040	5.95%	5,575,981
2008 Series K Term Bonds	07/31/2008	2041	Floating	6,400,000
2008 Series L Term Bonds	08/19/2008	2041	Floating	7,055,000
2008 Series M Term Bonds	11/14/2008	2041	Floating	7,220,000
2008 Series N Term Bonds	12/18/2008	2043	Floating	4,250,000
2008 Series O Term Bonds	12/18/2008	2043	Floating	4,160,000
2009 Series A Term Bonds	01/12/2010	2051	Floating	202,900,000
2010 Series A1 Term Bonds	09/20/2010	2012	6.75%	950,000
2010 Series A2 Term Bonds	09/20/2010	2027	7.25%	4,300,000
				5,250,000

10. NOTES AND BONDS PAYABLE (continued)

Description	Issue Date	Due Dates	Interest Rates	Balance Outstanding
2009 Series A1 Term Bonds	09/29/2010	2044	3.07%	6,400,000
2009 Series A2 Term Bonds	09/29/2010	2044	Floating	2,850,000
				9,250,000
2009 Series D1 Term Bonds	11/10/2010	2044	0.71%	3,270,000
2009 Series D2 Term Bonds	11/10/2010	2044	Floating	5,730,000
				9,000,000
2010 Series A Term Bonds	11/10/2010	2027	4.20%	3,010,000
2009 Series A2 Term Bonds	11/10/2010	2044	0.73%	7,000,000
				10,010,000
2010 Series B1 Term Bonds	12/07/2010	2047	7.60%	1,760,000
2010 Series B2 Term Bonds	12/07/2010	2012	4.25%	7,740,000
				9,500,000
2010 Series C Term Bonds	12/15/2010	2012	1.45%	1,800,000
2009 Series E Term Bonds	12/15/2010	2027	0.69%	3,190,000
				4,990,000
2009 Series F Term Bonds	12/15/2010	2040	0.69%	6,000,000
2009 Series G Term Bonds	12/15/2010	2052	0.69%	11,180,000
2010 Series D1 Term Bonds	12/20/2010	2042	7.60%	2,815,000
2010 Series D2 Term Bonds	12/20/2010	2012	3.25%	9,435,000
				12,250,000
Total Multifamily Housing Revenue bonds payable				2,209,576,245
Unamortized bond discount				(13,406)
Net Multifamily Housing Revenue bonds payable				$ 2,209,562,839
Total net bonds payable				$ 4,351,074,767

[1] Refunding

[2] Reoffering

[3] Issue is in default as of December 31, 2010 due to borrower's failure to make timely payments of principal and interest or fees and escrows. Although payments to bondholders were delayed, the issue was brought current in 2011.

[4] Issue is in default as of December 31, 2010 due to borrower's failure to make timely payments of principal and interest or fees and escrows. Foreclosure proceedings have been initiated by the bondholder. 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; therefore, no provision has 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.

10. 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 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 0.13% to 1.64% during 2010. Rates in effect at December 31, 2010 ranged from 0.31% to 1.58%.

Scheduled maturities of notes and bonds payable, interest payments, and sinking fund requirements at December 31, 2010, are as follows:

	Principal	Interest	Total
2011	$ 726,059,823	$ 152,150,951	$ 878,210,774
2012	102,760,844	149,198,870	251,959,714
2013	91,799,383	146,243,307	238,042,690
2014	85,512,571	142,999,960	228,512,531
2015	95,102,008	139,381,030	234,483,038
2016 – 2020	421,719,339	646,957,937	1,068,677,276
2021 – 2025	547,287,330	545,177,802	1,092,465,132
2026 – 2030	681,628,132	413,119,504	1,094,747,636
2031 – 2035	852,163,328	244,507,667	1,096,670,995
2036 – 2040	617,449,636	86,303,382	703,753,018
2041 – 2045	229,335,277	14,241,691	243,576,968
2046 – 2050	37,115,967	1,349,498	38,465,465
2051 – 2055	540,000	–	540,000
	4,488,473,638	2,681,631,599	7,170,105,237
Net unamortized bond premium	32,385,092	–	32,385,092
	$ 4,520,858,730	$ 2,681,631,599	$ 7,202,490,329

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, 2010 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes and bonds payable	$ 4,033,531,259	$1,018,994,822	$ (564,052,443)	$ 4,488,473,638	$ 726,059,823
Unamortized premium (discount)	31,678,176	4,138,229	(3,431,313)	32,385,092	2,679,834
Total notes and bonds payable, net	$ 4,065,209,435	$1,023,133,051	$ (567,483,756)	$ 4,520,858,730	$ 728,739,657

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Guarantee Program

The Guarantee Program guarantees the payment of principal and interest on qualifying loans made to finance or refinance the purchase, construction, or rehabilitation of eligible housing. The suspension of issuing new guarantees, ratified by Florida Housing's Board in 2009, remains in force. As such, no additional commitments were issued in 2010.

During 2010, one new claim, covered by the HUD Risk Sharing Program, was 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 $30.8 million which represents the Guarantee Program's share of the outstanding claim, associated accrued interest, and HUD's share of any recovery to 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, 2010, there were two claims outstanding for which the settlement process was not 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, 2010, the Guarantee Program had total outstanding guarantees of approximately $728.3 million. A reserve for claims against such guarantees has been recorded as of December 31, 2010 and is included in Other Liabilities.

Due to the state of Florida

The state of Florida funded approximately $24.8 million for Hurricane Andrew housing assistance through the Department of Community Affairs. Florida Housing provided the loans through the SAIL Program in areas damaged by Hurricane Andrew. The money is to be returned to the Department of Community Affairs after repayment of the loans. The loans generally bear interest at 9%. As of December 31, 2010, loans outstanding net of allowance for loss were $19.4 million. The related liability is recorded in Other Liabilities.

Hardest Hit Fund

Funds for this program are held by the U.S. Treasury and are drawn by Florida Housing as needed to fund loans and administrative expenses. Funds must be drawn in lump sum capital draws, and the program requirements specify minimum and maximum draw amounts as well as parameters for the timing of these capital draws. Since unused funds must ultimately be returned to the Treasury, these draws are recorded in Accounts Payable and Other Liabilities. Revenue is recognized as the funds are disbursed to borrowers or used to pay administrative expenses. In 2010, Florida Housing made one capital draw of $10.45 million, the minimum amount allowed at that time. As of December 31, 2010, $10.1 million relating to this capital draw is included in Accounts Payable and Other Liabilities.

12. 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, 2010:

Total restricted cash	$ 803,238,997
Total restricted current assets	$ 1,283,283,518
Total restricted assets	$ 6,585,941,540
Total current liabilities payable from restricted current assets	$ 868,699,087
Total liabilities payable from restricted assets	$ 4,774,997,266
Total restricted net assets	$ 1,810,944,274

13. NET ASSETS

Unrestricted net assets provide additional security for Florida Housing's general obligations, coverage of current and planned administrative costs, and tentative plans for future utilization, subject to the approval of Florida Housing's management or Board of Directors, As of December 31, 2010, the balance of unrestricted net assets, $118.2 million, has been designated by management or the Board of Directors for a variety of uses: loans and loan commitments, including demonstration loans and loans to developments guaranteed by the Guarantee Fund; loans to the Guarantee Program; direct support of the Guarantee Program including coverage of projected debt service reserve deficiency, if any; and coverage of single family bond issuance costs. Additionally, unrestricted net assets are designated for working capital and future operating and capital expenditures, including coverage of compliance monitoring fees for housing credit properties for which partial or no fees were collected at the time of allocation; and the costs associated with holding foreclosed property. Unrestricted net asset designations may also include other risks and contingencies.

14. DEVELOPERS AND REGIONAL CONCENTRATION

As of December 31, 2010, three developers account for approximately 25% ($511.6 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 (10%), and Palm Beach County (7%). No other county represents more than 5% of the bonds outstanding.

As of December 31, 2010, four developers account for approximately 41% ($270.0 million) of loans outstanding in the SAIL Program. No other developer accounts for more than 5% of SAIL loans outstanding. Developments in the following seven counties represent 62% of the SAIL loans outstanding: Miami-Dade County (16%), Hillsborough County (14%), Orange County (10%), Broward County (6%), Palm Beach County (6%), Duval County (5%), and Lake County (5%). No other county represents 5% or more of the SAIL loans outstanding.

As of December 31, 2010, two developers account for approximately 14% ($35 million) of loans outstanding in the HOME Program. No other developer accounts for more than 3% of HOME loans outstanding. Developments in the following four counties represent 35% of HOME loans outstanding: Miami-Dade County (18%), Indian River County (5%), St. Johns County (5%), and Citrus County (5%). No other county represents 5% or more of the outstanding HOME loans.

As of December 31, 2010, four developers account for approximately 66% ($473.9 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 (22%), Broward County (17%), Palm Beach County (14%), Orange County (8%), and Seminole County (5%).

15. 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, 2010, Florida Housing had outstanding commitments under state and federally funded programs and other initiatives as follows:

Tax Credit Exchange Program	$ 264,071,473
HOME Investment Partnerships Program	33,122,337
Community Workforce Housing Innovation Pilot Program	11,469,418
Tax Credit Assistance Program	11,051,484
State Apartment Incentive Loan Program	9,756,577
Subordinate Mortgage Initiative	5,615,895
Predevelopment Loan Program	4,613,688
Hardest Hit Fund	1,340,273
Demonstration Loans	858,684
Rental Recovery Loan Program	447,515
Special Housing Assistance and Development Program	222,129
	$ 342,569,473

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 $0.9 million for the year ended December 31, 2010. As of December 31, 2010, future minimum lease payments are as follows:

2011		949,418
2012		977,802
2013		1,007,273
2014		424,922
	$	3,359,415

16. 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, 2010, 2009, and 2008. 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 $0.7 million to the Plan during each of the years ended December 31, 2010, 2009, and 2008.

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 $0.5 million to the 457 Plan during each of the years ended December 31, 2010, 2009, and 2008.

17. SUBSEQUENT EVENTS

Bond Programs

During the period January 1, 2011 through April 30, 2011, pursuant to various trust indentures, bonds in the aggregate amount of $315.8 million 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 and notes were called from the following programs:

Issue	Date	Redemption Amount
Single Family Home Ownership		
1987 Series G1, G2	January 3, 2011	$ 10,000
	February 1, 2011	10,000
	April 1, 2011	10,000
1991 Series G1, G2	January 3, 2011	48,000
	February 1, 2011	12,000
	March 1, 2011	31,000
	April 1, 2011	45,000
1992 Series G1, G2	January 3, 2011	37,776
	February 1, 2011	74,720
	March 1, 2011	61,242
	April 1, 2011	35,825
		375,563
Single Family Homeowner Mortgage		
1996 Series 1-2	January 3, 2011	150,000
1996 Series 3	January 3, 2011	195,000
1997 Series 1-4	January 3, 2011	580,000
1998 Series 1-6	January 3, 2011	1,228,513
1999 Series 1-5	January 3, 2011	1,373,549
1999 Series 6-9 / 2000 Series 1-2	January 3, 2011	386,801
2000 Series 3-9	January 3, 2011	468,880
2000 Series 10-12	January 3, 2011	755,000
2002 Series 1-3	January 3, 2011	430,000
2003 Series 1-4	January 3, 2011	675,000
2003 Series 5	January 3, 2011	1,445,000
2004 Series 1-2	January 3, 2011	2,570,000
2004 Series 3-4	January 3, 2011	1,715,000
2004 Series 5-6	January 3, 2011	2,220,000

Issue	Date	Redemption Amount
Single Family Homeowner Mortgage (continued)		
2005 Series 1	January 3, 2011	2,670,000
2005 Series 2-3	January 3, 2011	3,285,000
2006 Series 1	January 3, 2011	4,940,000
2006 Series 2-3	January 3, 2011	4,970,000
2006 Series 4-5	January 3, 2011	7,980,000
2006 Series 6	January 3, 2011	8,365,000
2007 Series 1	January 3, 2011	6,110,000
2007 Series 2	January 3, 2011	6,960,000
2007 Series 3-4	January 3, 2011	6,140,000
2007 Series 5	January 3, 2011	3,900,000
2007 Series 6	January 3, 2011	5,250,000
2008 Series 1	January 3, 2011	3,195,000
2008 Series 2	January 3, 2011	2,640,000
2008 Series 3	January 3, 2011	3,775,000
2008 Series 4	January 3, 2011	4,065,000
2009 Series 1	January 3, 2011	3,275,000
2009 Series 2	January 3, 2011	2,190,000
2009 Series A1-A2	January 3, 2011	835,000
2010 Series A, 2009 Series B1	January 3, 2011	35,000
2006 Series 1	January 26, 2011	860,000
2007 Series 2	January 26, 2011	105,000
1996 Series 1-2	March 1, 2011	260,000
1996 Series 3	March 1, 2011	5,000
1997 Series 1-4	March 1, 2011	135,000
1998 Series 1-6	March 1, 2011	231,094
1999 Series 1-5	March 1, 2011	181,762
1999 Series 6-9 / 2000 Series 1-2	March 1, 2011	370,761
2000 Series 3-9	March 1, 2011	488,770
2000 Series 10-12	March 1, 2011	205,000
2002 Series 1-3	March 1, 2011	395,000
2003 Series 1-4	March 1, 2011	390,000
2003 Series 5	March 1, 2011	40,000
2004 Series 1-2	March 1, 2011	300,000
2007 Series 2	March 1, 2011	440,000
2007 Series 3-4	March 1, 2011	3,690,000
2007 Series 5	March 1, 2011	90,000
2007 Series 6	March 1, 2011	65,000
2008 Series 1	March 1, 2011	1,730,000
2008 Series 2	March 1, 2011	10,000
2008 Series 3	March 1, 2011	3,275,000
2008 Series 4	March 1, 2011	2,050,000
2009 Series 1	March 1, 2011	470,000
2009 Series 2	March 1, 2011	620,000
2009 Series A1-A2	March 1, 2011	1,190,000
1996 Series 1-2	April 1, 2011	1,675,000
1996 Series 3	April 1, 2011	2,740,000

Issue	Date	Redemption Amount
Single Family Homeowner Mortgage (continued)		
1998 Series 1-6	April 1, 2011	14,319,689
1999 Series 1-5	April 1, 2011	19,275,403
1999 Series 6-9 / 2000 Series 1-2	April 1, 2011	10,021,588
2000 Series 3-9	April 1, 2011	9,873,488
2000 Series 10-12	April 1, 2011	23,070,000
		193,345,298
Guarantee Program		
2009 Series A (Note)	April 20, 2011	90,200,000
		90,200,000
Multifamily Housing Revenue		
Various	January 2011	1,848,121
Various	February 2011	14,731,861
Various	March 2011	13,365,476
Various	April 2011	1,940,875
		31,886,333
		$ 315,807,194

During the period January 1, 2011 through April 30, 2011, $264.1 million in bonds were issued in the following programs:

Issue	Date	Issued Amount
Single Family Homeowner Mortgage		
2011 Series 1-3	March 31, 2011	$ 85,210,000
Homeowner Mortgage Revenue Bonds (Special Program)		
2011 Series A / 2009 Series B3	March 9, 2011	$ 150,000,000
Multifamily Housing Revenue		
2011 Series A	February 2, 2011	11,650,000
2011 Series B	February 2, 2011	7,000,000
2011 Series C	February 2, 2011	10,240,000
		28,890,000
		$ 264,100,000

Subsidiary Corporations

Of the four properties held for sale as of December 31, 2010, two sold in early 2011. The two properties sold, both related to Guarantee Program claims, closed in February 2011.

Federal Programs

Florida Housing's Hardest Hit Fund launched statewide in April 2011. This program, which includes the Unemployment Mortgage Assistance Program and the Mortgage Reinstatement Loan Program, will run until funds are exhausted or until 2017, in accordance with US Treasury guidelines.

State Legislative Activity

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

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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, 2010

	Restricted Programs								
	Single Family Home Ownership	Single Family Homeowner Mortgage	Homeowner Mortgage Revenue (Special Program)	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2010
ASSETS									
CURRENT ASSETS									
Cash and cash equivalents	$ 1,553,087	$ 168,243,735	$ 272,346,426	$ 826,188	$ 340,662,567	$ 19,448,526	$ 551,766	$ 8,730,678	$ 812,362,973
Investments, net	-	44,115,374	145,120,872	13,145,366	-	119,667,211	281,663	36,521,053	358,851,539
Interest receivable on investments	44,818	6,004,182	1,519,157	20,070	749,988	65,169	-	1,628,561	10,031,945
Interest receivable on loans	-	637,431	-	-	19,061,095	-	-	31,098	19,729,624
Loans receivable, net	-	6,843,062	-	-	45,230,015	33,531,415	-	62,893	85,667,385
Deferred finance charges, net	925	2,177,479	481,665	394,095	-	-	-	-	3,054,164
Documentary stamp taxes receivable	-	-	-	-	-	13,605,812	-	-	13,605,812
Property held for sale	-	-	-	-	-	-	26,547,710	-	26,547,710
Other assets	-	47,595	-	-	-	25,512	67,239	501,058	641,404
(Payable to) receivable from other programs	(5)	(6,224,147)	(216,430)	27,246,272	(1,159,208)	4,667,485	(27,726,612)	3,412,645	-
Total current assets	1,598,825	221,844,711	419,251,690	41,631,991	404,544,457	191,011,130	(278,234)	50,887,986	1,330,492,556
NONCURRENT ASSETS									
Investments, net	8,408,265	1,393,980,998	359,558,787	285,107,914	103,160,945	174,222,681	1,016,752	128,815,218	2,454,271,560
Loans receivable, net	-	121,172,339	-	-	1,825,997,506	1,014,107,461	-	21,905,403	2,983,182,709
Deferred finance charges, net	441	13,528,493	3,080,015	332,175	-	-	-	-	16,941,124
Capital assets, net	-	-	-	-	-	-	-	65,984	65,984
Total noncurrent assets	8,408,706	1,528,681,830	362,638,802	285,440,089	1,929,158,451	1,188,330,142	1,016,752	150,786,605	5,454,461,377
TOTAL ASSETS	$ 10,007,531	$ 1,750,526,541	$ 781,890,492	$ 327,072,080	$ 2,333,702,908	$ 1,379,341,272	$ 738,518	$ 201,674,591	$ 6,784,953,933
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Accounts payable and other liabilities	$ -	$ 2,198,416	$ -	$ 30,813,334	$ -	$ 13,124,833	$ 195,093	$ 6,873,240	$ 53,204,916
Accrued interest payable	45,308	34,919,338	8,566,754	438,152	20,383,832	-	-	-	64,353,384
Accrued arbitrage rebate	-	893,152	-	-	317,999	-	-	-	1,211,151
Collateralized bank loan	640,000	25,635,000	-	-	-	-	-	-	26,275,000
Notes payable, net	-	-	-	90,200,000	133,677	-	-	-	90,333,677
Bonds payable, net	375,563	202,975,751	174,550,283	-	260,504,383	-	-	-	638,405,980
Deferred fee income, net	-	-	-	1,949,698	-	-	9,348	2,431,246	4,390,292
Total current liabilities	1,060,871	266,621,657	183,117,037	123,401,184	281,339,891	13,124,833	204,441	9,304,486	878,174,400
NONCURRENT LIABILITIES									
Notes payable, net	-	-	-	66,000,000	13,450,286	-	-	-	79,450,286
Bonds payable, net	7,365,169	1,189,604,721	566,640,440	-	1,949,058,457	-	-	-	3,712,668,787
Deferred fee income, net	-	-	-	2,095,115	-	-	-	69,181,106	71,276,221
Due to developers	-	-	-	-	85,403,974	-	-	1,570,803	86,974,777
Other liabilities	-	-	-	7,283,235	-	19,396,780	-	-	26,680,015
Total noncurrent liabilites	7,365,169	1,189,604,721	566,640,440	75,378,350	2,047,912,717	19,396,780	-	70,751,909	3,977,050,086
Total liabilities	8,426,040	1,456,226,378	749,757,477	198,779,534	2,329,252,608	32,521,613	204,441	80,056,395	4,855,224,486
NET ASSETS:									
Invested in capital assets	-	-	-	-	-	-	-	65,984	65,984
Restricted	1,581,491	294,300,163	32,133,015	128,292,546	4,450,300	1,346,819,659	-	3,367,100	1,810,944,274
Unrestricted	-	-	-	-	-	-	534,077	118,185,112	118,719,189
Total net assets	1,581,491	294,300,163	32,133,015	128,292,546	4,450,300	1,346,819,659	534,077	121,618,196	1,929,729,447
TOTAL LIABILITIES AND NET ASSETS	$ 10,007,531	$ 1,750,526,541	$ 781,890,492	$ 327,072,080	$ 2,333,702,908	$ 1,379,341,272	$ 738,518	$ 201,674,591	$ 6,784,953,933

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, 2010

	Restricted Programs								
	Single Family Home Ownership	Single Family Homeowner Mortgage	Homeowner Mortgage Revenue (Special Program)	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2010
OPERATING REVENUES									
Interest on loans	$ -	$ 7,791,421	$ -	$ -	$ 78,806,225	$ 12,635,092	$ -	$ 404,202	$ 99,636,940
Investment income	619,646	106,112,963	33,063,674	1,485,634	8,615,318	9,870,489	26,805	5,490,522	165,285,051
Federal program administrative fees	-	-	-	-	-	-	-	2,116,416	2,116,416
Recovery of claims	-	-	-	25,814,806	-	-	-	-	25,814,806
Other income	-	378,185	25,000	6,769,676	2,487,597	-	5,173,564	16,263,075	31,097,097
Total operating revenues	619,646	114,282,569	33,088,674	34,070,116	89,909,140	22,505,581	5,200,369	24,274,215	323,950,310
OPERATING EXPENSES									
Interest expense	591,351	77,641,572	12,691,559	7,148,608	75,723,533	-	-	-	173,796,623
Payments to other governments	-	-	-	-	-	1,395,070	-	-	1,395,070
Provision for uncollectible loans	-	-	-	(1,608,161)	-	39,327,786	-	2,891,333	40,610,958
Claims expense	-	-	-	9,028,120	-	-	-	-	9,028,120
Federal and state program expenses	-	(44,728)	-	-	-	327,892,055	-	2,497,654	330,344,981
General and administrative	1,195	2,866,297	532,323	1,213,367	14,652,427	4,372,233	4,572,714	13,236,163	41,446,719
Total operating expenses	592,546	80,463,141	13,223,882	15,781,934	90,375,960	372,987,144	4,572,714	18,625,150	596,622,471
OPERATING INCOME (LOSS)	27,100	33,819,428	19,864,792	18,288,182	(466,820)	(350,481,563)	627,655	5,649,065	(272,672,161)
NONOPERATING REVENUES (EXPENSES)									
Federal program revenue	-	-	-	-	-	421,927,714	-	475,082	422,402,796
State documentary stamp tax revenue	-	-	-	-	-	161,889,272	-	-	161,889,272
Transfers to state agencies	-	-	-	-	-	(95,823,089)	-	-	(95,823,089)
Net nonoperating revenues	-	-	-	-	-	487,993,897	-	475,082	488,468,979
Income (Loss) before transfers	27,100	33,819,428	19,864,792	18,288,182	(466,820)	137,512,334	627,655	6,124,147	215,796,818
TRANSFERS FROM (TO) OTHER PROGRAMS	(10,466)	(8,512,669)	12,268,223	-	-	(1,606,703)	11,235	(2,149,620)	-
CHANGE IN NET ASSETS	16,634	25,306,759	32,133,015	18,288,182	(466,820)	135,905,631	638,890	3,974,527	215,796,818
NET ASSETS									
Beginning 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
End of year	$ 1,581,491	$ 294,300,163	$ 32,133,015	$ 128,292,546	$ 4,450,300	$ 1,346,819,659	$ 534,077	$ 121,618,196	$ 1,929,729,447

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

SUPPLEMENTARY SCHEDULE OF PROGRAM CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Restricted Programs								
	Single Family Home Ownership	Single Family Homeowner Mortgage	Homeowner Mortgage Revenue (Special Program)	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2010
CASH FLOWS FROM OPERATING ACTIVITES									
Interest received on conduit debt fund investments	$ 585,500	$ 81,334,320	$ 10,460,513	$ -	$ 8,145,221	$ -	$ -	$ -	$ 100,525,554
Cash received from interest on loans receivable	-	7,543,381	-	-	81,386,422	12,635,092	-	396,026	101,960,921
Cash received from principal payments on loans receivable	-	10,356,504	-	-	169,424,600	8,723,641	-	942,320	189,447,065
Cash received for federal program administrative fees	-	-	-	-	-	-	-	2,508,534	2,508,534
Cash received from other revenues	-	373,770	25,000	6,302,483	2,487,597	-	(23,694)	24,773,873	33,939,029
Cash payments for issuance of loans and federal programs	-	-	-	-	(93,326,952)	(501,393,721)	-	(12,479,791)	(607,200,464)
Interest paid on conduit debt fund bonds	(592,671)	(85,612,820)	(4,144,542)	-	(77,468,710)	-	-	-	(167,818,743)
Cash payments for operating expenses	(1,195)	(972,499)	(532,322)	(1,213,367)	(14,652,427)	(41,430,698)	(4,795,857)	(50,193,277)	(113,791,642)
Payments to other governments	-	-	-	(61,271,576)	-	(1,395,070)	-	-	(62,666,646)
Net cash received from operation of foreclosed properties	-	-	-	-	-	-	5,165,316	-	5,165,316
Acquisition of property held for sale	-	-	-	-	-	-	1,948,083	-	1,948,083
Proceeds from disposition of property held for sale	-	-	-	-	-	-	44,614,694	-	44,614,694
Cash receipts from (payments to) other funds	(1)	(1,071,886)	216,430	41,246,972	(84,692)	1,489,082	(46,950,120)	5,154,215	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(8,367)	11,950,770	6,025,079	(14,935,488)	75,911,059	(521,371,674)	(41,578)	(28,898,100)	(471,368,299)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Proceeds from issuance of bonds	-	-	741,368,229	-	280,419,000	-	-	-	1,021,787,229
Principal payments on notes	-	-	-	-	(116,037)	-	-	-	(116,037)
Principal payments on bonds	(1,480,929)	(376,104,793)	-	(700,000)	(185,650,684)	-	-	-	(563,936,406)
Interest paid	-	-	-	(7,609,550)	-	-	-	-	(7,609,550)
Payment of bond issuance costs	-	(10,205)	(3,719,449)	(179,760)	-	-	-	-	(3,909,414)
Proceeds from collateralized bank loan	115,000	23,330,000	-	-	-	-	-	-	23,445,000
Transfers from (to) other programs	(10,466)	(8,512,669)	12,268,223	-	-	(1,606,703)	11,235	(2,149,620)	-
Cash received for federal programs	-	-	-	-	-	421,927,714	-	475,082	422,402,796
State documentary stamp tax receipts	-	-	-	-	-	163,335,782	-	-	163,335,782
Transfers to other state agencies	-	-	-	-	-	(95,823,089)	-	-	(95,823,089)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	(1,376,395)	(361,297,667)	749,917,003	(8,489,310)	94,652,279	487,833,704	11,235	(1,674,538)	959,576,311
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Purchase of property and equipment	-	-	-	-	-	-	-	(6,521)	(6,521)
CASH FLOWS FROM INVESTING ACTIVITIES									
Purchases of investments	(18,510)	(632,141,747)	(850,141,145)	(196,979,306)	(72,526,826)	(524,351,470)	(3,332,237)	(319,455,209)	(2,598,946,450)
Proceeds from the sale and maturity of investments	1,108,390	1,128,712,883	366,545,489	217,076,680	130,796,767	491,965,601	2,357,601	298,381,101	2,636,944,512
Interest received on investments	-	-	-	1,470,497	-	9,505,203	34,626	6,729,371	17,739,697
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,089,880	496,571,136	(483,595,656)	21,567,871	58,269,941	(22,880,666)	(940,010)	(14,344,737)	55,737,759
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(294,882)	147,224,239	272,346,426	(1,856,927)	228,833,279	(56,418,636)	(970,353)	(44,923,896)	543,939,250
CASH AND CASH EQUIVALENTS									
Beginning 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
End of year	$ 1,553,087	$ 168,243,735	$ 272,346,426	$ 826,188	$ 340,662,567	$ 19,448,526	$ 551,766	$ 8,730,678	$ 812,362,973

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

SUPPLEMENTARY SCHEDULE OF PROGRAM CASH FLOWS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Restricted Programs								
	Single Family Home Ownership	Single Family Homeowner Mortgage	Homeowner Mortgage Revenue (Special Program)	Guarantee	Multifamily Housing Revenue	State and Federal	Subsidiary Corporations	Operating	2010
RECONCILATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES									
Operating income (loss)	$ 27,100	$ 33,819,428	$ 19,864,792	$ 18,288,182	$ (466,820)	$ (350,481,563)	$ 627,655	$ 5,649,065	$ (272,672,161)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities									
Fair value of investments	(40,879)	(25,399,183)	(21,057,008)	(22,164)	(791,506)	(976,030)	4,072	(80,923)	(48,363,621)
Accreted interest on capital appreciation bonds	-	954,604	-	-	391,218	-	-	-	1,345,822
Provision for loan losses	-	(4,415)	-	-	-	38,858,586	-	2,891,333	41,745,504
Amortization and depreciation	7,722	(2,074,344)	(46,731)	(6,564,598)	436,289	642,361	3,749	(2,338,324)	(9,933,876)
Federal program expense	-	-	-	-	-	3,976,913	-	-	3,976,913
Interest received on investments	-	-	-	(1,470,497)	-	(9,505,203)	(34,626)	(6,729,371)	(17,739,697)
Interest paid	-	-	-	7,609,550	-				7,609,550
Acquisition of property held for sale	-	-	-	-	-	-	(3,402,935)	-	(3,402,935)
Changes in assets and liabilities which provided (used) cash									
Interest receivable on investments	6,733	1,788,455	(1,519,157)	7,027	204,751	(31,617)	-	845,464	1,301,656
Interest receivable on loans	-	51,020	-	-	2,580,197	-	-	(8,176)	2,623,041
Loans receivable	-	10,356,504	-	-	106,918,106	(168,188,156)	-	(11,537,471)	(62,451,017)
Other assets	-	(47,595)	-	-	-	1,324,450	74,058	1,129,301	2,480,214
Accounts payable and other liabilities	-	1,896,665	-	(30,790,493)	-	(38,480,497)	(302,839)	(35,242,496)	(102,919,660)
Accrued interest payable	(9,042)	(8,209,134)	8,566,753	421,758	(2,563,490)	-	-	-	(1,793,155)
Accrued arbitrage rebate	-	(109,349)	-	-	107,464	-	-	-	(1,885)
Deferred fee income	-	-	-	6,301,877	-	-	(23,694)	10,049,344	16,327,527
Due to developers	-	-	-	-	(30,820,458)	-	-	1,319,939	(29,500,519)
Interfund receivable (payable)	(1)	(1,071,886)	216,430	(8,716,130)	(84,692)	1,489,082	3,012,982	5,154,215	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ (8,367)	$ 11,950,770	$ 6,025,079	$ (14,935,488)	$ 75,911,059	$ (521,371,674)	$ (41,578)	$ (28,898,100)	$ (471,368,299)

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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, 2010

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	$ 355,920,808
ARRA – Tax Credit Assistance Program	14.258	90,083,498
HOME Investment Partnerships Program	14.239	22,632,189
U.S. DEPARTMENT OF TREASURY		
ARRA – Cash Assistance to States for Low-Income Housing Projects in Lieu of Low-Income Housing Tax Credits for 2009	21.000	314,539,609
Passed through NeighborWorks America National Foreclosure Mitigation Counseling Program	21.000	2,528,837
U.S. DEPARTMENT OF EDUCATION		
Twenty-First Century Community Learning Centers Program	84.287	8,104
TOTAL		$ 785,713,045

See Notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 2010. The HUD-guaranteed portions of all outstanding loans are included in the accompanying Schedule of Expenditures of Federal Awards.

3. AMERICAN RECOVERY AND REINVESTMENT ACT

In 2009, the American Recovery and Reinvestment Act (ARRA) created Cash Assistance to States for Low-Income Housing Projects in Lieu of Low-Income Housing Tax Credits for 2009, also referred to as the Tax Credit Exchange Program (TCEP), to be administered by the U.S. Treasury. Under this program, housing credit allocating agencies "exchanged" a portion of their 2009 Housing Credit allocation, as well as previously awarded and returned Housing Credits, for cash grants that 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 and 2010. Approximately $1.8 million in unused allocation was returned to Treasury on December 31, 2010.

Florida Housing also allocated over $101 million through another ARRA program, the Tax Credit Assistance Program (TCAP). This federal stimulus funding was directed to rental developments that had already received a Housing Credit allocation but required additional funding due to limited equity available in the housing credit market. There were $90.1 million in TCAP loans outstanding at December 31, 2010.

4. PAYMENTS TO SUBRECIPIENTS

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

Program Title	CFDA Number	Expenditures
National Foreclosure Mitigation Counseling Program	21.000	$ 2,497,654

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

The Board of Directors of Florida Housing Finance Corporation

We have audited the financial statements of Florida Housing Finance Corporation ("Florida Housing") as of and for the year ended December 31, 2010, and have issued our report thereon dated May 31, 2011. 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 31, 2011

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

The Board of Directors of Florida Housing Finance Corporation

Compliance

We have audited Florida Housing Finance Corporation's ("Florida Housing's") compliance with the types of compliance requirements described in the US Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Florida Housing's major federal programs for the year ended December 31, 2010. Florida Housing's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Florida Housing's management. Our responsibility is to express an opinion on Florida Housing's compliance based on our audit.

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

In our opinion, Florida Housing complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal control over compliance

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

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

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

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

Ernst + Young LLP

May 31, 2011

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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	
14.258	ARRA – Tax Credit Assistance Program
U.S. DEPARTMENT OF TREASURY	
21.000	ARRA – Cash Assistance to States for Low-Income Housing Projects in Lieu of Low-Income Housing Tax Credits for 2009

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

Part II – Financial Statement Findings Section

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

Part III – Federal Award Findings and Questioned Cost Section

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

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