OHIO HOUSING FINANCE AGENCY

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2006

Mary Taylor, CPA
Auditor of State

Mary Taylor, CPA
Auditor of State

April 3, 2007

Portions of the attached audit report were completed prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying those portions for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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OHIO HOUSING FINANCE AGENCY

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Auditor of State
Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Ohio Housing Finance Agency
57 East Main Street
Columbus, OH 43215

We have audited the accompanying financial statements of the Single Family Mortgage Revenue Fund, Multi-Family Mortgage Revenue Program Fund, General Fund, and Federal Program Fund of the Ohio Housing Finance Agency (the Agency), as of and for the year ended June 30, 2006, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency'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 of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Single Family Mortgage Revenue Program Fund, Multi-Family Mortgage Revenue Program Fund, General Fund, and Federal Program Fund of the Ohio Housing Finance Agency as of June 30, 2006, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2006, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing in internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards.* You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information the accounting principles generally accepted in the United States of America require. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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We are re-issuing our report on the Agency's financial statements. When originally issued, our report was included in an Agency-prepared document, which did not include a copy of the schedule of expenditures of federal awards. As noted below, the schedule of expenditures of federal awards is included within this report document as supplementary information.

We conducted our audit to opine on the financial statements that collectively comprise the Agency's basic financial statements. The combining financial statements, included supplementary information, are not a required part of the basic financial statements. The schedule of expenditures of federal awards is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the combining financial statements and schedule of expenditures of federal awards to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Betty Montgomery

Betty Montgomery
Auditor of State

October 30, 2006, except for the last two paragraphs, as to which the date is March 23, 2007.

OHIO HOUSING FINANCE AGENCY
Management's Discussion and Analysis
June 30, 2006
Unaudited

This section of the annual financial report for the Ohio Housing Finance Agency (OHFA) presents our discussion and analysis of financial performance during the fiscal year ended on June 30, 2006, in relation to restated June 30, 2005. The selected financial data presented were derived from the financial statements of OHFA that were audited by the Auditor of State. This information is being presented to provide additional information regarding the activities of OHFA and to meet certain disclosure requirements of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management Discussion Analysis – for State and Local Governments*. During the year, OHFA reviewed GASB Statements No 46, *Net Assets Restricted by Enabling Legislation*, and No. 47, *Accounting for Termination Benefits*, and determined they have no impact on the financial statements. OHFA is a self-supporting entity and follows enterprise fund reporting and accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short-term and long-term financial information about OHFA's activities. The Report of the Independent Accountants, financial statements, accompanying notes and supplementary information should be read in conjunction with the following discussion.

Financial Highlights

The following is a comparative analysis between the years ended June 30, 2006, and restated June 30, 2005. The items presented are key financial aspects of OHFA's operations.

	As of June 30, 2006	Restated As of June 30, 2005	Dollar Change	Percentage Change
Total assets	$ 2,498,855,379	$ 2,228,066,176	$ 270,789,203	12.2%
Total liabilities	2,343,335,304	1,995,364,513	347,970,791	17.4%
Non-current liabilities (see Note 8)	2,215,420,545	1,823,055,251	392,365,294	21.5%
Current liabilities	127,914,759	172,309,262	(44,394,503)	-25.8%
Net assets	155,520,075	232,701,663	(77,181,588)	-33.2%
Net assets, restricted	39,243,864	124,704,078	(85,460,214)	-68.5%
Net assets, unrestricted	114,898,142	106,763,307	8,134,835	7.6%
Cash	19,397,973	36,196,663	(16,798,690)	-46.4%
Investments, at fair value	486,157,701	555,378,680	(69,220,979)	-12.5%
Mortgage-backed securities, at fair	1,508,220,238	1,165,887,327	342,332,911	29.4%
Capital assets	1,378,069	1,234,278	143,791	11.6%
Bonds payable	2,051,498,824	1,620,158,155	431,340,669	26.6%
Operating Revenue	98,296,037	185,046,590	(86,750,553)	-46.9%
Change in fair value of investments (GASB 31)	(92,066,852)	6,747,054	(98,813,906)	-1464.5%
Operating Expenses	175,477,624	172,357,261	3,120,363	1.8%
Net income	(77,181,587)	12,689,329	(89,870,916)	-708.2%
Prior period adjustment	$ 598,239	$ -	$ 598,239	-

Comments:

- Total assets increased by approximately $270.8 million (12.2%) that included a decrease in cash of $16.8 million, a decrease in investments of $69.2 million, an increase in mortgage-backed securities of $342.3 million and other net increases of $14.5 million. The change in the fair value of investments of $92.1 million is primarily the mortgage-backed securities decrease due to current market interest conditions as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. See Note 5 for a description of the fair value adjustment. The mortgage-backed securities increase reflects the volume increase in loans pooled and purchased under new bond issues, in excess of scheduled principal reduction and prepayments.

- Total liabilities increased by approximately $348.0 million (17.4%), primarily due to an increase in bonds payable of $431.3 million and an increase in other liabilities of net $7.3 million, offset by decreases in accounts payable of $54.8 million and a decrease in deposits held of $35.8 million. Bonds payables increased due to the increase in the volume of bonds issued, offset by redemptions (see Note 11). Accounts payables decreased $54.8 loans by $29.0 million; OHFA, as a related organization for 2006, is no longer required to record an obligation under lent securities (amount of $22.9 million for FY 2005); and other net decreases of $2.9 million. Deposits held decreased $35.8 million due to OHFA being a related organization effective July 1, 2005, and no Housing Trust Fund money being held by OHFA (amount held for FY 2005 was $35.8 million) (see Notes 1 and 2).
- Cash decreased $16.8 million primarily due to a $35.8 million decrease for FY 2006 due to no Housing Trust Fund money held by OHFA at year-end offset by an increase of $12.0 million in the General Fund Admin and Program and Escrow Funds; $6.1 million increase in the Federal Funds and other net increases of $0.9 million (see Notes 2 and 3).
- Investments decreased by approximately $69.2 million (12.5%) due to the Single Family Program using $28.9 million in investments to redeem bonds; the General Fund financing $7.3 million in new development loans; the Agency not being required to record collateral on lent securities (amount of $22.9 million for FY 2005); the General Fund and the Federal Fund depositing respectively $12.0 million and $6.1 million of funds that were formerly in STAROhio accounts into bank money market (cash) accounts; and other net increases of $8.0 million (see Notes 2 and 3).
- Mortgage-backed securities increased $342.3 million (29.4%) as a result of purchasing $657.2 million in loans with the proceeds of new bond issues, offset by payments of $222.8 million and a calculated decrease of $92.1 million in fair value. The relative market rate of interest increased during 2006, which caused an unfavorable fair value change for FY 2006 when compared to FY 2005. The rate of prepayments slowed in FY 2006 (see Note 5).
- Capital assets increased by the routine purchase of property and leasehold improvements partially offset by the respective increases in depreciation and amortization (see Note 7).
- Bonds payable increased $431.3 million (26.6%) due to bonds issued of $730.9 million exceeding bond redemptions from prepayments and scheduled bond calls of $298.7 million and amortization of $0.9 million (see Notes 8, 9, 10 and 11).
- Operating revenue decreased $86.8 million (46.9%) primarily from the decrease of $98.8 million in the fair value of investments (primarily mortgage-backed securities) due to the increase in market interest rates. Some offsetting increases were loan interest income increasing $1.8 million; mortgage-backed securities interest income increasing $3.2 million due to the increase in the amount of the mortgage-backed securities outstanding; investment interest income increased $4.0 million as market rates increased; and other net increases of $3.0 million. The other net 2006 increase was the servicer release fee increase of $3.2 million that is recorded in the General Fund (see Note 2).
- Operating expenses increased $3.1 million (1.8%) as interest expense increased $1.2 million due to Single Family Program bonds outstanding increasing as new bonds were issued in excess of redemptions from prepayments and scheduled bond calls; general and administrative expense increased $0.9 million due to OHFA becoming a related organization; and other net expenses increased $1.0 million.
- Net income in 2006 decreased $89.9 million (708.2%) from 2005 as the increase in mortgage-backed securities interest income of $3.2 million, the investment income increase of $4.0 million, and the increase in the servicer release fee of $3.2 million were exceeded by the decrease in the fair value of investments of $98.8 million and the increase in the interest expense of $1.2 million and other net decreases of $0.3 million.
- OHFA became a related organization effective July 1, 2005, and the compensated absences that were previously reported in the State of Ohio's Comprehensive Annual Financial Report became a liability of the Agency. The prior period amount that was recorded as a liability by OHFA in fiscal year 2006 was $598,239 (see Notes 2, 8 and 16).

Operating Activities

Mortgage-backed securities, loan and investment interest income represents the significant sources of operating revenue for OHFA.

OHFA's Revenues and Expenses were:

	FY 2006	Restated FY 2005	Dollar Change	Percentage Change
Operating Revenues:				
Loan interest income	$ 15,051,368	$ 13,221,180	$ 1,830,188	13.8%
Mortgage-backed securities interest income	69,448,736	66,185,567	3,263,169	4.9%
Investment income	19,344,301	15,357,236	3,987,065	26.0%
Other mortgage income - net	(1,263,738)	1,271,487	(2,535,225)	-199.4%
Federal financial assistance programs	55,379,639	56,404,293	(1,024,654)	-1.8%
Other income	32,402,583	25,859,773	6,542,810	25.3%
Change in fair value of investments (GASB 31)	(92,066,852)	6,747,054	(98,813,906)	-1464.5%
Total Operating Revenues	$ 98,296,037	$ 185,046,590	$ (86,750,553)	-46.9%
Operating Expenses:				
Interest expense	$ 84,413,983	$ 83,177,213	$ 1,236,770	1.5%
Trustee, agency, servicer and other fees	3,845,985	3,912,386	(66,401)	-1.7%
OHFA contribution to bond issues	6,197,238	4,565,345	1,631,893	35.7%
General and administrative	10,969,400	10,078,100	891,300	8.8%
Federal financial assistance programs	55,379,639	56,404,293	(1,024,654)	-1.8%
Other expense	14,671,379	14,219,924	451,455	3.2%
Total Operating Expenses	175,477,624	172,357,261	3,120,363	1.8%
Net Income	$ (77,181,587)	$ 12,689,329	$ (89,870,916)	-708.2%

Discussion of Net Income Change (in millions):

FY 2006 and FY 2005	**Single Family Program Fund**	**Multi-Family Program Fund**	**General Fund**	**Federal Program Fund**	**Total**
Net income (loss) FY 2006	$ (83.9)	$ (1.6)	$ 8.3	$ -	$ (77.2)
Add - GASB 31 FY 2006 fair value adjustment	90.3	1.6	0.1	-	$ 92.0
Net income (loss) FY 2006 without the GASB 31 adjustment	$ 6.4	$ -	$ 8.4	$ -	$ 14.8
Net income (loss) FY 2005	$ 6.0	$ (0.1)	$ 6.8	$ -	$ 12.7
Less - GASB 31 FY 2005 fair value adjustment	(6.9)	0.1		-	(6.8)
Net income (loss) FY 2005 without the GASB 31 adjustment	$ (0.9)	$ -	$ 6.8	$ -	$ 5.9
FY 2006 improvement over FY 2005	$ 7.3	$ -	$ 1.6	$ -	$ 8.9
Improvement explained by:					
Increase in interest income	$ 5.3	$ 1.1	$ 2.5	$ -	$ 8.9
Increase in servicer release fee income	-	-	3.2	-	3.2
Increase in interest expense	(2.8)	(1.1)	-	-	(3.9)
Decrease in bond amortizations expense	2.7	-	-	-	2.7
Contributions to bond series - net expense	4.4	-	(4.0)	-	0.4
Other - net change	(2.3)	-	(0.1)	-	(2.4)
Improvement explained	$ 7.3	$ -	$ 1.6	$ -	$ 8.9

The General Fund increase in interest income of $2.5 million is from the increase in market interest rates. The Single Family Mortgage Revenue Program (Single Family Program) decrease in bond amortizations of $2.7 million is due to a reduction in FY 2006 loan prepayments when compared to FY 2005. Prepayments accelerate the write-offs of deferred costs. The Single Family Program increase in loans purchased also provided an increase in the servicer release fee of $3.2 million due to the master servicer purchasing the rights to service the mortgages through maturity. Changes in various other income and expense items, such as agency fees, payroll, purchased services, insurance and other generally offset when comparing FY 2006 with FY 2005.

Debt Administration

OHFA recorded an increase in bonds payable of approximately $431.3 million (26.6%) over the prior year, representing the excess in bonds issued over redemptions. Certain Single Family Program bond series also have swap agreements (see Notes 8, 9, 10 and 11).

New Business

OHFA issued $672.6 million in Single Family Program bonds and $58.3 million in Multi-Family Program bonds. Subsequently, OHFA issued in July 2006 Single Family Program Series 2006HIJK in the amount of $400.0 million, expects to issue Series 2006LMNO in the amount of $350.0 million and plans to borrow $13.3 million under a collateralized loan to redeem bonds. The Multi-Family Program expects to issue eight bond series in the total amount of $53.4 million. Certain subsequent Single Family Program bond issues have swap agreements (see Notes 8, 10 and 11).

Single Family

OHFA’s Single Family Program is the main source of revenues.

Budget

As an independent Agency, OHFA is a self-supporting, related, organization. The State of Ohio appropriates OHFA’s General Fund spending authority for payroll and benefits. Effective July 1, 2005, OHFA became a state agency separate from the Ohio Department of Development. The Board approves OHFA’s annual operating budget (see Note 1).

Conclusion

The above discussion and analysis is presented to provide additional information regarding the activities of OHFA and also to meet the disclosure requirements of GASB Statement No. 34. We believe that all requirements of GASB 34 have been met as it applies to OHFA. If you have questions about the report or need additional financial information, please contact the Chief Financial Officer, Ohio Housing Finance Agency, 57 E. Main Street, Columbus, Ohio 43215, or telephone 614-644-7039.

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OHIO HOUSING FINANCE AGENCY

Statement of Net Assets

June 30, 2006

	Single Family Mortgage Revenue Program Fund	Multi-Family Mortgage Revenue Program Fund
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	26,717	467
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	373,417,288	5,921,016
Current portion of mortgage-backed securities, at fair value	57,799,813	1,046,040
Accounts receivable	106,333	-
Interest receivable on investments and mortgage-backed securities	12,508,858	213,769
Current portion of loans receivable	482,386	2,042,396
Interest receivable on loans	46,766	814,076
Current portion of unamortized bond issue costs	858,301	45,296
Prepaid insurance and other	37,429	-
Total current assets	445,283,891	10,083,060
Non-current assets		
Non-current portion of investments, at fair value	-	-
Non-current portion of restricted investments, at fair value	1,052,632	-
Non-current portion of mortgage-backed securities, at fair value	1,421,564,913	27,809,472
Non-current portion of loans receivable	3,703,506	206,603,231
Non-current portion of unamortized bond issue costs	13,987,698	481,536
Office equipment, and leasehold improvement, net of accumulated depreciation and amortization	-	-
Total non-current assets	1,440,308,749	234,894,239
Total assets	$ 1,885,592,640	$ 244,977,299

See accompanying notes to the financial statements.

General Fund	Federal Program Fund	Total FY 2006
$ 12,284,292	$ -	$ 12,284,292
-	7,086,497	7,113,681
80,178,964	-	80,178,964
-	5,128,645	384,466,949
-	-	58,845,853
6,104,666	1,148,435	7,359,434
449,384	-	13,172,011
53,108,772	-	55,633,554
1,595,526	-	2,456,368
-	-	903,597
185,272	-	222,701
153,906,876	13,363,577	622,637,404
20,459,156	-	20,459,156
-	-	1,052,632
-	-	1,449,374,385
179,177,762	-	389,484,499
-	-	14,469,234
1,378,069	-	1,378,069
201,014,987	-	1,876,217,975
$ 354,921,863	$ 13,363,577	$ 2,498,855,379

OHIO HOUSING FINANCE AGENCY

Statement of Net Assets

June 30, 2006

		Single Family Mortgage Revenue Program Fund		Multi-Family Mortgage Revenue Program Fund
LIABILITIES AND NET ASSETS				
Current liabilities				
Current portion of accounts payable and other	$	4,568,524	$	184,669
Interest payable		26,206,294		2,284,537
Current portion of bonds payable		26,588,769		1,991,925
Deposits held		-		558,988
Current portion of deferred revenue		6,024,239		-
Total current liabilities		63,387,826		5,020,119
Non-current liabilities				
Non-current portion of accounts payable and other		-		-
Non-current portion of bonds payable		1,783,087,100		239,831,030
Total non-current liabilities		1,783,087,100		239,831,030
Total liabilities		1,846,474,926		244,851,149
Net assets				
Invested in capital assets, net of related debt		-		-
Restricted - bond funds		39,117,714		126,150
Unrestricted		-		-
Total net assets		39,117,714		126,150
Total liabilities and net assets	$	1,885,592,640	$	244,977,299

See accompanying notes to the financial statements.

General Fund	Federal Program Fund	Total FY 2006
$ 38,001,268	$ 13,363,577	$ 56,118,038
-	-	28,490,831
-	-	28,580,694
1,258,192	-	1,817,180
6,883,777	-	12,908,016
46,143,237	13,363,577	127,914,759
192,502,415	-	192,502,415
-	-	2,022,918,130
192,502,415	-	2,215,420,545
238,645,652	13,363,577	2,343,335,304
1,378,069	-	1,378,069
-	-	39,243,864
114,898,142	-	114,898,142
116,276,211	-	155,520,075
$ 354,921,863	$ 13,363,577	$ 2,498,855,379

OHIO HOUSING FINANCE AGENCY

Statement of Revenues, Expenses

and Changes in Net Assets

Year Ended June 30, 2006

	Single Family Mortgage Revenue Program Fund	Multi-Family Mortgage Revenue Program Fund
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ 1,482,900	$ 8,534,326
Mortgage-backed securities	68,193,149	1,255,587
Investments	14,500,615	83,552
Other mortgage income - net	(1,263,738)	-
Net increase (decrease) in the fair value of investments and mortgage-backed securities	(90,316,828)	(1,605,259)
Total interest and investment income	(7,403,902)	8,268,206
OTHER INCOME:		
Administrative fees	-	-
Federal financial assistance programs	-	-
Service fees and other	2,133,860	-
HTF grant and loan revenue	-	-
Total other income	2,133,860	-
Total operating revenues	(5,270,042)	8,268,206
OPERATING EXPENSES:		
Interest expense	74,659,752	9,754,231
Payroll and benefits	-	-
Contracts	-	-
Maintenance	-	-
Rent or lease	-	-
Purchased services	-	-
Federal financial assistance programs	-	-
Trustee expense and agency fees	3,665,052	56,777
Mortgage servicing and administration fees	23,441	14,374
OHFA contribution to bond issues	259,302	-
Insurance and other	22,948	2,500
HTF grant and loan expense	-	-
Total operating expenses	78,630,495	9,827,882
Net income (loss)	(83,900,537)	(1,559,676)
Net assets, beginning of year	123,018,251	1,685,826
Prior period adjustment	-	-
Restated net assets, beginning of year	123,018,251	1,685,826
Net assets, end of year	$ 39,117,714	$ 126,150

See accompanying notes to the financial statements.

General Fund	Federal Program Fund	Total FY 2006
$ 5,034,142	$ -	$ 15,051,368
-	-	69,448,736
4,760,134	-	19,344,301
-	-	(1,263,738)
(144,765)	-	(92,066,852)
9,649,511	-	10,513,815
6,882,745	-	6,882,745
-	55,379,639	55,379,639
9,362,045	-	11,495,905
14,023,933	-	14,023,933
30,268,723	55,379,639	87,782,222
39,918,234	55,379,639	98,296,037
-	-	84,413,983
7,654,482	-	7,654,482
1,176,406	-	1,176,406
160,125	-	160,125
836,120	-	836,120
1,142,267	-	1,142,267
-	55,379,639	55,379,639
86,341	-	3,808,170
-	-	37,815
5,937,936	-	6,197,238
621,998	-	647,446
14,023,933	-	14,023,933
31,639,608	55,379,639	175,477,624
8,278,626	-	(77,181,587)
108,595,824	-	233,299,901
(598,239)	-	(598,239)
107,997,585	-	232,701,662
$ 116,276,211	$ -	$ 155,520,075

OHIO HOUSING FINANCE AGENCY

Statement of Cash Flows

Year Ended June 30, 2006

	Single Family Mortgage Revenue Program Fund	Multi-Family Mortgage Revenue Program Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ 221,804,748	$ 287,995
Cash collected from program loans principal	1,398,656	12,578,977
Cash received from investment interest and mortgage-backed securities interest	79,707,010	1,228,911
Cash received from program loans interest	500,107	8,134,068
Cash received from closing fees	8,373,371	-
Cash received from administrative fees	-	-
Cash received from bond premiums, downpayment assistance grants and other	5,716,717	-
Cash received from service fees and other	2,876,920	275,790
Cash received from HTF grants and loans	-	-
Cash received from federal financial assistance programs	-	-
Cash received from transfers in	58,235,740	-
Payments to purchase mortgage-backed securities	(640,507,742)	(16,746,254)
Payments for bond premiums, downpayment assistance grants and other	(15,370,187)	-
Payments for bond interest payable	(66,331,742)	(9,134,566)
Payments to purchase program loans	-	(39,588,024)
Payments for trustee expense and agency fees	(3,178,519)	(49,609)
Payments for mortgage servicing and administration fees	(22,712)	(15,727)
Payments for payroll and benefits	-	-
Payments for contracts	-	-
Payments for maintenance	-	-
Payments for rent or lease	-	-
Payments for purchased services	-	-
Payments for new OHFA bond issues	(259,302)	-
Payments for insurance and other	(3,999,669)	(300,309)
Payments for HTF grants and loans	-	-
Payments for federal financial assistance programs	-	-
Payments for transfer out	(58,235,740)	-
Net cash provided (used) by operating activities	(409,292,344)	(43,328,748)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	672,558,581	58,327,900
Payments to redeem bonds	(285,775,000)	(12,890,000)
Payments for bond issue costs, unamortized	(6,351,080)	-
Net cash provided (used) by noncapital financing activities	380,432,501	45,437,900
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments to acquire capital assets and leasehold improvements	-	-
Net cash provided (used) by capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	-	-
Proceeds from sale and maturities of investments	-	-
Net cash provided (used) by investing activities	-	-
Net increase (decrease) in cash and cash equivalents	(28,859,843)	2,109,152
Cash and cash equivalents, beginning of year	402,303,848	3,812,331
Cash and cash equivalents, end of year	$ 373,444,005	$ 5,921,483

See accompanying notes to the financial statements.

General Fund	Federal Program Fund	Total FY 2006
$ -	$ -	$ 222,092,743
62,706,331	-	76,683,964
4,547,849	323,936	85,807,706
3,540,807	-	12,174,982
-	-	8,373,371
6,518,503	-	6,518,503
-	-	5,716,717
16,157,933	821,616	20,132,259
13,892,849	-	13,892,849
-	53,537,634	53,537,634
33,384,055	-	91,619,795
-	-	(657,253,996)
-	-	(15,370,187)
-	-	(75,466,308)
(40,616,158)	-	(80,204,182)
(74,008)	-	(3,302,136)
-	-	(38,439)
(7,654,482)	-	(7,654,482)
(1,176,406)	-	(1,176,406)
(160,125)	-	(160,125)
(836,120)	-	(836,120)
(1,142,267)	-	(1,142,267)
(5,937,936)	-	(6,197,238)
(70,745,357)	-	(75,045,335)
(13,892,849)	-	(13,892,849)
-	(55,450,272)	(55,450,272)
(33,384,055)	-	(91,619,795)
(34,871,436)	(767,086)	(488,259,614)
-	-	730,886,481
-	-	(298,665,000)
-	-	(6,351,080)
-	-	425,870,401
(452,415)	-	(452,415)
(452,415)	-	(452,415)
(19,368,911)	-	(19,368,911)
10,357,460	-	10,357,460
(9,011,451)	-	(9,011,451)
(44,335,302)	(767,086)	(71,853,079)
136,798,558	12,982,228	555,896,965
$ 92,463,256	$ 12,215,142	$ 484,043,886

OHIO HOUSING FINANCE AGENCY

Statement of Cash Flows

Year Ended June 30, 2006

	Single Family Mortgage Revenue Program Fund	Multi-Family Mortgage Revenue Program Fund
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ (83,900,537)	$ (1,559,676)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of bond issue costs	4,046,433	41,120
Amortization of bond discount (premium)	(1,307,252)	(14,785)
Amortization of loan (discount) premium	(991,745)	26,010
Net (increase) decrease in the fair value of investments and mortgage-backed securities	90,316,828	1,605,259
Office equipment depreciation and leasehold amortization	-	-
(Gain) loss on disposal of equipment	-	-
Amounts loaned under agency programs	-	(40,608,024)
Amounts collected - program loans	1,398,656	12,578,977
Purchases - mortgage-backed securities	(640,507,742)	(15,726,254)
Principal received on mortgage-backed securities	221,804,748	287,995
Decrease (increase) in accounts receivable	4,303	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	(3,728,138)	(110,228)
Decrease (increase) in interest receivable on loans	8,951	(480,712)
Decrease (increase) in prepaid insurance and other	(25,375)	-
Increase (decrease) in accounts payable and other	(1,855,436)	37,093
Increase (decrease) in interest payable	5,588,831	646,223
Increase (decrease) in deposits held	(2)	(51,746)
Increase (decrease) in deferred revenue	(144,867)	-
Net cash provided (used) by operating activities	$ (409,292,344)	$ (43,328,748)

See accompanying notes to the financial statements.

	General Fund	Federal Program Fund	Total FY 2006
	$ 8,278,626	$ -	$ (77,181,587)
	-	-	4,087,553
	-	-	(1,322,037)
	(448,677)	-	(1,414,412)
	144,765	-	92,066,852
	315,267	-	315,267
	(6,645)	-	(6,645)
	(40,612,975)	-	(81,220,999)
	62,710,853	-	76,688,486
	-	-	(656,233,996)
	-	-	222,092,743
	(893,238)	(357,066)	(1,246,001)
	(212,285)	-	(4,050,651)
	(37,087)	-	(508,848)
	150,390	-	125,015
	(29,688,658)	(410,020)	(31,917,021)
	-	-	6,235,054
	(35,787,822)	-	(35,839,570)
	1,216,050	-	1,071,183
	$ (34,871,436)	$ (767,086)	$ (488,259,614)

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NOTE 1 · AUTHORIZING LEGISLATION AND FUNDS

Ohio Housing Finance Agency (OHFA) was originally created as an agency within the Ohio Department of Development (ODOD) by Bill No. 1, inter alia, enacted Chapter 175 of the Ohio Revised Code implementing Section 14 of Article VIII of the Constitution of Ohio of 1852. On November 30, 2004, the Ohio General Assembly passed Am. Sub H.B. 431, and on February 1, 2005, Am. Sub. H.B. 431 was signed into law by the Governor (the "Act"). The Act, effective July 1, 2005, established OHFA as a body corporate and politic performing essential governmental functions of the State, as a separate entity from the Ohio Department of Development. On the effective date of the legislation, OHFA assumed the functions, powers, duties and obligations from the Ohio Department of Development pertaining to OHFA.

OHFA's mission includes but is not limited to assisting with the financing, refinancing, production, development and preservation of safe, decent and affordable housing for occupancy by low- and moderate-income persons, and promoting community development, economic stability and growth within Ohio.

The powers of OHFA are vested in its Board of eleven members, consisting under the Act of the Ohio Director of Development, or his or her designee, the Ohio Director of Commerce, or his or her designee, and nine public members appointed by the Governor, with the advice and consent of the Ohio Senate, for six-year terms. The Governor appoints the Chairperson of OHFA, and the members of OHFA Board appoint a Vice Chairperson.

OHFA is required to prepare an annual plan to address the State's housing needs and develop policies and program guidelines for the administration of its programs, as well as to prepare an annual financial report, including audited financial statements prepared in accordance with generally accepted accounting principles (GAAP) and appropriate accounting standards and an annual report of all of its programs. OHFA holds its own moneys, which are not deemed to be funds of the State of Ohio or public moneys.

OHFA is a related organization to the State of Ohio and not part of the primary government. No accounts or funds of OHFA are included in the Ohio Comprehensive Annual Financial Report or the State of Ohio Single Audit Report. The Auditor of State will release a separate Single Audit Report for fiscal year ending June 30, 2006.

Single Family Mortgage Revenue Program Fund

The Single Family Mortgage Revenue Program (the Single Family Program) accounts for proceeds of four bond series under separate closed indentures and of bond series issued under an open indenture dated June 1994. The assets, liabilities, revenues and expenses reported in the Single Family Program Fund reflect the use of tax-exempt and taxable financing (see Note 9).

Prior to 1988, those bonds provided funds for the trustee to purchase directly from lending institutions eligible mortgage loans on owner-occupied, one- to four-unit residences. Since 1988, except for the 1993 Series A bonds, qualified loans have been pooled by the master servicer and purchased by the trustee as Government National Mortgage Association (GNMA) Securities or as Federal National Mortgage Association (Fannie Mae) Certificates and classified as mortgage-backed securities on the financial statements.

Multi-Family Mortgage Revenue Program Fund

The Multi-Family Mortgage Revenue Program (the Multi-Family Program) accounts for proceeds of bond programs under separate closed indentures. These bonds provide below-market rate financing for the purchase from lending institutions of mortgage loans or GNMAs on multiple-unit rental property. OHFA is a conduit issuer of these bonds. Expenses not covered under the indenture are the responsibility of the borrower. The borrower is required to comply with Tax Regulatory Agreements to maintain the tax-exempt status of the bonds.

General Fund

The General Fund receives administrative fees for bond, loan and federal programs and certain earnings from the Single Family Program, reported in the Bond Series Program and Escrow Funds. General and administrative expenses of OHFA are paid with these fees. The Housing Development Fund (HDF) includes amounts borrowed as interest-free funds from the Ohio Department of Commerce Division of Unclaimed Funds (Commerce) to fund loans to qualified housing sponsors to develop low cost housing. Commerce is repaid as the loans are repaid. The Housing Development Assistance Program (HDAP) Fund includes money provided by the Ohio Housing Trust Fund to be used to provide loans and grants to projects for low or moderate-income tenants. Loan repayments are repaid to the Housing Trust Fund (HTF). OHFA's General Fund is separate and not related to the State of Ohio's General Fund.

Federal Program Fund

Under annual contributions contracts among OHFA, the owners of rental housing properties, and the U.S. Department of Housing and Urban Development (HUD), monthly Housing Assistance Payments (Section 8) are received from HUD and disbursed to the owners as rent subsidies. The Home Investment Partnership Act HOME Fund accounts for amounts allocated from the ODOD Office of Housing and Community Partnership (OHCP), the designated administrator for HOME. OHFA utilizes the allocation to fund (HDAP) and the Community Housing Development Organization Program (CHDO). Amounts directed to the HDAP program are used to provide loans and grants to projects for low or moderate-income tenants. Loan repayments are collected by OHFA and returned to OHCP and are used to provide future loans and grants. Funds allocated to the CHDO program are awarded to community organizations as grants by OHFA. The Financial Adjustment Factor (FAF) funds are held by OHFA for allocation to eligible projects. A contractor administers the awards of FAF money. OHFA provided interim relief shelter to evacuees from Hurricanes Katrina and Rita under a Department of Homeland Security program authorized by the Federal Emergency Management Agency (FEMA) administered by the Ohio Emergency Management Agency (OEMA).

NOTE 2 · SUMMARY OF SIGNIFICANT POLICIES

The financial statements have been prepared in conformity with GAAP as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with the provisions of the GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, OHFA has elected, in addition to applying Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principle Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. OHFA utilizes the economic resource measurement focus and the accrual basis of accounting wherein revenues are recognized when earned and expenses when incurred.

Under GASB 14, *The Financial Reporting Entity*, OHFA is a related organization to the State of Ohio's primary government as the Governor appoints the Board members and the State is not entitled to OHFA's resources, nor obligated to finance OHFA's deficits or to pay OHFA's debts.

Consistent with Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards published by the GASB, *Defining the Reporting Entity*, this report includes all funds, activities and functions for which OHFA is financially accountable.

OHFA eliminated intra-Agency balances in the General Fund on the Supplemental Information using elimination entries that reduced fund accounts receivables and payables by $4,686,315.

During the year, OHFA reviewed GASB Statements No 46, *Net Assets Restricted by Enabling Legislation,* and No. 47, *Accounting for Termination Benefits*, and determined they have no impact on the financial statements.

Recently issued accounting pronouncements that will be effective in future years are GASB No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (2007) and GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (2008). Management has not yet determined the impact that the new GASB pronouncements will have on OHFA's financial statements.

The financial statements include summarized prior year comparative information. Such information does not include sufficient financial detail and disclosure to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such prior year summary information should be read in conjunction with OHFA's financial statements for the fiscal year ending June 30, 2005, from which such summarized information was derived.

ASSETS

Cash

Cash consists of cash on hand, cash held by depository institutions and trustees (see Note 3). Cash in the bond and federal funds is restricted for use in those programs

Cash and current investments, including the portions restricted for debt service, are considered to be cash equivalents, as defined in GASB Statement No. 9, for purposes of a Statement of Cash Flows. Current investments consist primarily of guaranteed investment contracts (GICs), which can be liquidated at any time.

Investments

The current investments within the Single Family and Multi-Family Programs, generally restricted by the various bond resolutions to direct obligations of the U.S. government and its agencies or other instruments secured by such obligations, are commonly held in guaranteed investment contracts (GICs). Other current investments reported in the bond programs, along with current investments reported in the General and Federal Program Funds, are primarily invested in money market mutual funds and securities of federal agencies or instrumentalities held by the trustees. Current investments within the General and Federal Program Funds that are not held by the trustee are invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) Fund administered by the Office of Treasurer of State. Those current investments are reported at fair values, which, for most current investments, is the same as cost (see Notes 3 and 5).

The non-current investments reported in the General Fund are primarily invested in United States Treasury obligations or securities of federal agencies or instrumentalities and are held by a trustee. These non-current investments are reported at fair values.

OHFA complies with GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (see Note 5) and No. 40, *Deposit and Investment Risk Disclosure* (see Note 3).

Excess Revenue Fund

The excess revenue account in the series General Trust receives money transferred from the individual Single Family Program series that qualifies as excess revenue under the General Indenture. The money in the excess revenue fund can be used to redeem bonds or, upon delivery of a Cash Flow Certificate, pay extraordinary trustee fees or transfer moneys to the Program Fund of the General Fund. The amount of investments in the Excess Revenue Fund was $28,700,102 at June 30, 2006.

Restricted Assets

Current investments in the Single Family and Multi-Family Program Funds are restricted primarily for debt service. Other current investment account restrictions are for bond acquisition, bond revenue, bond proceeds, special funds, commitments, costs of issuance, capital reserves, mortgage reserves, mortgage prepayment, debt service reserves, construction and expenses. Cash and investments are restricted in all the funds of the Federal Program Fund. OHFA does not use restricted investments to fund unrestricted program costs. Restricted investments used to fund current operations are classified as current assets.

Mortgage-Backed Securities

Mortgage-backed securities (MBS) reported in both the Single Family and Multi-Family Bond Programs are pass-through securities of GNMA and certificates of Fannie Mae, which securitize qualified pools of loans or individual loans under the respective programs. They are reported at fair value that varies from the value of the securities and certificates if held to maturity (see Note 5).

<u>Capital Assets</u>

Office equipment is capitalized at cost in the General Fund and depreciation is provided on the straight-line basis over the estimated useful lives. Leasehold improvements are capitalized at cost and amortized on the straight-line basis over the term of the building lease. OHFA capitalizes assets that have an individual line item cost exceeding $100 (see Note 7).

<u>Bond Issue Cost</u>

Costs relating to issuing bonds are capitalized in the related bond group and are amortized using a method that does not differ materially from the level yield method over the lives of the related bond issues. Amortization of bond issue cost is included with interest expense.

LIABILITIES

<u>Accounts Payable</u>

Current and non-current accounts payables and other includes general payables of each fund, the arbitrage liability of the Single Family Program, compensated absences of the General Fund and amounts owed to the Ohio Department of Commerce Division of Unclaimed Funds in the General Fund for interest-free loans used to fund development programs.

<u>Debt Refunding</u>

OHFA follows GASB Statement No. 23, *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities.* The Statement requires that gains and losses resulting from debt refunding be deferred and amortized over the shorter period of the remaining life of the new debt or the retired debt using the bonds outstanding method. The refunding this year of the Series 1996A bonds resulted in a deferred loss of $793,975 net of $16,469 amortization during the year reported in the refunding issue 2006 Series A-D.

<u>Arbitrage Liability</u>

OHFA records rebatable arbitrage as a reduction in investment income (see Note 8).

<u>Deposits Held</u>

In the Single Family Program these contributions are held as a deposit until the loans are closed and the MBS are purchased. The deposits held in the Multi-Family Program Fund are primarily money received in the series, which is owed to the project owners and will be used to pay future project expenses. The deposits in the General Fund include Bond Series Program and Escrow fund for fees remitted by the lenders of Single Family mortgage bond issues, until contributed to a new series, and miscellaneous deposits (see Note 15).

<u>Deferred Revenue</u>

The Single Family Program recorded income for the newly issued Series 2006EFG as Deferred Revenue so its recognition will be reported as earned. Total Deferred Revenue for Series 2006EFG at June 30, 2006 was $5,947,987.

Yield reductions resulting from Intercreditor Agreements for interest rate strips on previously refunded series are recorded as an investment and deferred revenue in the General Trust of the Single Family Program Fund until needed for a new issue. The amount of deferred revenue from yield reductions available at June 30, 2006 was $76,252.

The tax credit reservation and compliance monitoring fee accounting reflects the recording of income when the fees are earned by deferring the unearned amount in the Bond Depository and Housing Tax Credit Program funds of the General Fund. The total amount of deferred reservation and compliance monitoring fees at June 30, 2006 was $6,883,777.

Compensated Absences

The State of Ohio, which governs employee leave benefits and policies, pays compensation to separated employees for leave balances accumulated during the employee's term of service. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences,* the compensated absence liability calculated for OHFA employees at June 30, 2006 was included in the current and non-current portions of accounts payable and other (see Note 8). A prior period adjustment recorded the non-current portion of $598,239 that was previously reported in the State of Ohio's Comprehensive Annual Financial Report at June 30, 2005 (see Note 16).

Pension and Employee Benefits

OHFA complies with GASB Technical Bulletin No. 2004-2, *Recognition of Pension and Other Post-employment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers*, in the recognition of expense and liabilities for pensions and post employment benefits (see Notes 12 and 13).

OPERATIONS AND OTHER

Operating Revenues

OHFA considers operating revenues to include interest earned on investments in the General Fund. The interest earned on the General Fund investments is included in operations for purposes of net income and the direct method cash flow statement.

Other Mortgage Income – Net

Items reported on the line "Other mortgage income – net" include closing fees (previously called commitment fees), down payment assistance grants, premiums (or inducements paid to lenders) and other items. The net total for fiscal year 2006 was a charge in the amount of $1,263,738.

Servicer Release Fee

The net servicer release fees paid by the master servicer are included in "Service fees and other" revenues in the Bond Series Program and Escrow of the General Fund.

OHFA Contributions to New Bond Issues

The "OHFA contribution to bond issues" includes contributions made by OHFA to primarily fund various uses within new bond issues.

HTF Grant and Loan Revenue and Expense

In compliance with GASB 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the HTF grant and loan revenue or expense amounts offset each other and primarily represent the draws paid to HDAP projects funded by HTF.

Interest Expense

OHFA records bond interest, amortized bond discounts and premiums and amortized bond issue costs in the "Interest expense" line item.

A summary for fiscal year 2006 follows:

	Single Family Program Fund	Multi-Family Program Fund
Not Under General Indenture		
Bond Interest	$ 519,277	$ 9,727,896
Amortized bond discount or (premium)	-	(14,785)
Amortized bond issue costs	43,118	41,120
Total interest expense not under general indenture	$ 562,395	$ 9,754,231
Under General Indenture		
Bond Interest	$ 71,401,294	$ -
Amortized bond discount or (premium)	(1,307,252)	-
Amortized bond issue costs	4,003,315	-
Total interest expense under general indenture	$ 74,097,357	$ -
Total Interest Expense	$ 74,659,752	$ 9,754,231

Interest Rate Swaps

OHFA has entered into interest swap agreements to reduce its exposure to changes in variable interest rates on bonds financing fixed-rate mortgages. OHFA has adopted GASB Technical Bulletin No. 2003-1, *Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets* (see Notes 8 and 10).

Non-exchange Transactions

During the year, OHFA reviewed GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions,* and determined it to have no impact on the financial statements.

Building Lease

OHFA occupies a leased office and the rent is charged to the "Rent or lease expense" line item in Fund 100 of the General Fund (see Note 14).

Pass-Through Grants

OHFA complies with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance.* GASB Statement No. 24 requires that all cash pass-through grants received by a governmental entity be reported in its financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Estimates used in the preparation of the financial statements are based on various factors, including the current interest rate environment, and can significantly affect OHFA's net interest income.

NOTE 3 · DEPOSITS AND INVESTMENTS

Deposits

Deposits include OHFA's bank deposits in the form of cash. The book and bank balance of OHFA's deposits at June 30, 2006 is $19,397,973. Of the bank balance, $200,003 is insured by the federal deposit insurance, and $757,504 is with the Ohio Treasurer of State not subject to the classification of custodial credit risk. The remainder of $18,440,466, though subject to custodial credit risk, is collateralized at not less than 100%.

Investments

The Investment Policy adopted by the OHFA Board provides investment guidance for the unrestricted investments in the General Fund. The objective of the Investment Policy is to maintain safety and liquidity with appropriate yield and generally limits the investments to United States Treasury or Agency obligations, certificates of deposits, money market funds, Star Ohio funds or investment grade commercial paper notes. The credit quality of the investments are generally rated Aaa by Moody's and interest rate risk is limited due to the generally short-term nature of the investments. The investments are made in consideration with short and intermediate-term cash requirements.

The Trust Indentures provide policy for the restricted investments within the Single Family and Multi-Family Program series. The documents specify whether the financing of the mortgage loans will be by the purchase of mortgage-backed securities and also identifies the investment providers for which liquid account balances are to be invested. The Investment Agreements specify a minimum credit rating for the investment providers, usually at least Aa by Moody's. The rates of interest on investments are established in the documents and are calculated to provide sufficient present value earnings to retire the outstanding bonds through maturity. The MBS are subject to interest rate risks due to prepayments before maturities and the fair value of the securities vary with the change in market interest rates. However, OHFA does not expect to realize a loss on disposal of the MBS securities as they are held to maturity.

The restricted investments in the Federal Funds are invested in various money market accounts and are also guided by cash management rules of the Federal government.

The Treasurer of State is the investment advisor and the administrator of STAR Ohio as authorized under Section 135.45 of the Ohio Revised Code. Information can be obtained by accessing the Treasurer of State's website at www.ohiotreasurer.org.

As of June 30, 2006, the Agency had the following investments subject to credit risk and custodial credit risk:

Investment Type	Investment Balance (stated at fair value)	Investment Custodial Credit Risk Categories: Not Exposed to Custodial Credit Risk	Investment Custodial Credit Risk Categories: Held by Counterparty's Trust Dept. and not in the OHFA's Name
U.S.Treasury Bonds[1]	$ 1,052,632	$ 1,052,632	$ -
GNMAs[1]	1,241,169,805	1,241,169,805	-
FNMAs (Aaa)[2]	278,332,967	-	278,332,967
U.S. Agencies Coupon (Aaa)[2]	27,764,206	-	27,764,206
U.S. Agencies Discount Notes (P-1)[2]	8,826,012	-	8,826,012
Investment Contracts (Aaa)[2]	78,299,368	78,299,368	-
Investment Contracts (Aa)[2]	283,442,240	283,442,240	-
Money Market (Aaa)[2]	33,798,985	33,798,985	-
STAR Ohio (AAA)[3]	40,796,369	40,796,369	-
Habitat for Humanity Notes (NR)[4]	895,355	-	895,355
Totals	$ 1,994,377,939	$ 1,678,559,399	$ 315,818,540

1 Backed by the full faith and credit of the U.S. government
2 Moody's Investor Service rating
3 Standard & Poor's rating
4 Not Rated

As of June 30, 2006, the Agency had the following investments and maturities subject to interest rate risk:

Investment Type	Fair Value	Investment maturities (in Years): Less Than 1	1-5	6-10	More Than 10
U.S. Treasuries & GNMAs	$ 1,242,222,437	$ 49,822,417	$ 199,289,669	$ 250,164,719	$ 742,945,632
U.S. Agencies & FNMAs *	314,923,185	37,162,281	55,827,644	45,117,174	176,816,086
Investment Contracts	361,741,608	361,741,608	-	-	-
Money Market	33,798,985	33,798,985	-	-	-
STAR Ohio	40,796,369	40,796,369	-	-	-
Habitat for Humanity Notes	895,355	170,106	559,249	166,000	-
Totals	$ 1,994,377,939	$ 523,491,766	$ 255,676,562	$ 295,447,893	$ 919,761,718

* includes:
FHLMC $ 1,487,280 matures 11/13/06 callable 08/13/06, quarterly thereafter
FHLMC $ 987,850 matures 08/22/07 callable 08/22/06, one time only
FHLB $ 990,630 matures 10/26/07 callable 07/26/06, one time only
FNMA $ 990,630 matures 11/23/07 callable 08/23/06, quarterly thereafter
FNMA $ 1,983,120 matures 11/28/07 callable 11/28/06, one time only
FHLMC $ 1,497,210 matures 12/19/07 callable 12/19/06, one time only
FHLB $ 1,978,120 matures 08/15/08 callable 11/15/06, one time only
FHLMC $ 1,995,420 matures 11/10/08 callable 11/10/06, one time only

Credit Risk: The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Custodial Credit Risk: The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Interest Rate Risk: The risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. Trust indentures require OHFA to match its Single Family Program and Multi-Family Program investments with anticipated cash flow requirements for bond debt service.

Concentration of Credit Risk: The risk of loss attributed to the magnitude of a government's investment in a single issuer. OHFA places no limit on the amount OHFA may invest in any one issuer. More than five percent of OHFA's investments are with one of the investment contract providers, $278,332,967 (14.0%) in Fannie Mae investments of which $267,050,433 are mortgage- backed securities and $244,968,424 (12.3%) in TransAmerica Life Insurance and Annuity Co.

NOTE 4 · DEBT SERVICE RESERVES

All investments in the Single Family Program Fund and the Multi-Family Program Fund are restricted for debt service. In addition, the various bond trust indentures prescribe amounts to be placed into debt service reserve funds with the trustees.

These additional reserves at June 30, 2006 were as follows:

	Required Reserve	Actual Reserve
Single Family Program Fund	$ 1,350,389	$ 1,357,551
Multi-Family Program Fund	781,403	979,497
	$ 2,131,792	$ 2,337,048

The maintenance of the debt service reserve is the responsibility of the trustee.

The Multi-Family Mortgage Revenue Bond trust indentures represented may also require letters of credit from the projects.

NOTE 5 · FAIR VALUE OF INVESTMENTS

OHFA implemented GASB Statement No. 31, effective July 1, 1997. GASB 31 requires that investments be reported at fair value as of the Statement of Net Assets date and that changes in the fair value during the reporting period be reported as revenue. In applying GASB 31, OHFA determined that it held four classifications of investments.

Interest-Earning Investment Contracts - Under the Single Family and Multi-Family Programs, certain current investments are invested in guaranteed investment contracts (GICs). These contracts are not marketable and nonparticipating and are carried at cost and no change in fair value is reported.

External Investment Pools - Certain current investments held in the General Fund are invested in the STAR Ohio Fund at the Office of the Treasurer of State. The net assets of the pool are equivalent to $1 per share of the pool, and therefore cost is equal to fair value and no change in fair value is reported. The STAR Ohio Fund issues a separate annual report that may be obtained from the Office of the Treasurer of State at 30 East Broad Street, Columbus, Ohio 43266-0421.

Open-End Mutual Funds - Certain current investments are held by the trustees in mutual funds. Those funds have reported that the net assets are equal to $1 per share, and therefore cost is equal to fair value. No change in fair value is reported for these investments.

Debt Securities - Within the Single Family and the Multi-Family Programs, qualified loans are securitized by GNMA and Fannie Mae. The resulting securities are considered by GASB No. 31 to be investments and must be carried at fair value. At June 30, 2006, the trustees have provided a market price as reported by recognized pricing firms. Certain other money was invested in federal obligations, which were also reported at the fair value as reported by the trustee. Investments with less than one year to maturity at purchase are carried at amortized cost. The net decrease in fair value of $92,066,852 is reported in the operating statement.

One purpose of OHFA is to make below-market rate mortgages which, when securitized in GNMA or Fannie Mae certificates, initially provide a lower-than-market coupon rate and would sell at a loss in the market. The unpredictability of cash flows resulting from mortgage prepayments creates fluctuations during the life of the security that may or may not be reflected in the market as a whole. Unrealized gains or losses will be reversed as the security reaches par value at maturity.

Single Family and Multi-Family mortgage-backed securities held at June 30, 2006 valued at fair value and principal outstanding are as follows:

Series	Fair Value	Principal Outstanding
Not Under General Indenture:		
1991E-G	$ 872,721	$ 844,056
Subtotal	872,721	844,056
Under General Indenture:		
1996B	9,819,519	9,820,795
1997A1	22,589,868	22,804,457
1996B/1997C	30,965,051	31,929,975
1997D	2,818,933	2,650,065
1998A	47,511,130	49,612,246
1997B/1998B	57,458,082	59,868,983
1998C	5,084,762	4,792,531
1999A	53,548,907	55,245,474
1999B	3,728,419	3,514,592
1999C&D	59,710,596	59,196,341
2000A&B	32,084,997	31,644,588
2000C-G	38,644,787	37,744,863
2001A&B	27,732,118	28,315,539
2001C-E	71,248,466	71,817,803
2002A-C	82,021,584	83,876,389
2002D-E	24,062,354	24,870,519
2003A	34,069,136	36,289,548
2003B&C	44,272,576	46,864,596
2004A&B	63,010,969	67,049,658
2004C&D	64,481,346	68,195,780
2004E&F	52,546,290	56,075,170
2005A&B	113,654,146	122,786,718
2005C&D	113,676,682	123,339,552
2005E&F	101,101,027	109,338,305
2006A-D	285,084,492	299,859,243
2006E-G	20,877,985	20,877,985
General Trust	16,687,783	16,368,559
Subtotal	1,478,492,005	1,544,750,274
Total Single Family	$ 1,479,364,726	$ 1,545,594,330
Kennedy Portfolio	$ 10,052,018	$ 10,717,237
Moody/Regina Manor	3,009,384	3,156,630
Oakleaf Toledo Refunder	6,584,333	6,218,675
Vistula	1,774,067	1,786,807
Wind River	7,435,710	7,500,590
Total Multi-Family	$ 28,855,512	$ 29,379,939
Grand total	$ 1,508,220,238	$ 1,574,974,269

NOTE 6 · LOANS RECEIVABLE

Loans receivable include loans made or purchased under OHFA's Single Family or Multi-Family Programs, the Downpayment Assistance Program (DAP), the OHFA 2nd Mortgage Loan program, HDF, and HDAP.

All loans made under the Single Family Program are secured by first mortgages and insured under mortgage pool insurance arrangements (subject to policy limitations). The loans in the Single Family Program Series 1987A Program are additionally secured by a limited guarantee provided by OHFA with a pledge from the Ohio Department of Commerce Division of Unclaimed Funds. Some loans no longer covered by pool insurance in the Single Family Program Series 1993A Program may be insured by funds held by OHFA in the General Fund.

NOTE 7 · CAPITAL ASSETS

Capital asset activity in the General Fund for the fiscal year ending June 30, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Equipment	$ 1,797,230	$ 356,191	$ 187,211	$ 1,966,210
Leasehold Improvements	617,238	96,224	-	713,462
Total	$ 2,414,468	$ 452,415	$ 187,211	$ 2,679,672
Less Accumulated Depreciation				
Equipment	$ 1,024,629	$ 248,732	$ 193,854	$ 1,079,507
Leasehold Improvements	155,561	66,535	-	222,096
Total	$ 1,180,190	$ 315,267	$ 193,854	$ 1,301,603
Net Capital Assets	$ 1,234,278	$ 137,148	$ (6,643)	$ 1,378,069

Depreciation of equipment and lease hold improvements are expensed in the General Fund.

NOTE 8 · NON-CURRENT LIABILITIES

Changes in non-current liabilities for the fiscal year ending June 30, 2006 are as follows:

	Restated Balance July 1, 2005	Increases	Decreases	Balance June 30, 2006	Amount Due Within One Year
Single Family Program Fund					
Arbitrage Payable	$ 4,963,431	$ 368,492	$ 2,842,233	$ 2,489,690	$ 2,489,690
Bonds Payable	1,418,240,000	660,000,000	285,775,000	1,792,465,000	25,485,000
Unamortized Premium and Deferred Costs on Refunding	5,519,265	12,558,580	866,976	17,210,869	1,103,769
Total	$1,428,722,696	$ 672,927,072	$ 289,484,209	$1,812,165,559	$ 29,078,459
Multi-Family Program Fund					
Bonds Payable	$ 196,171,000	$ 58,280,000	$ 12,890,000	$ 241,561,000	$ 1,975,000
Unamortized Premium, Discount and Deferred Costs	227,890	47,900	13,835	261,955	16,925
Total	$ 196,398,890	$ 58,327,900	$ 12,903,835	$ 241,822,955	$ 1,991,925
General Fund					
Uncompensated Absences	$ 598,239	$ 101,714	$ -	$ 699,953	$ 88,502
Housing Development Accounts Payable to Commerce and Development	255,671,817	9,159,445	38,143,677	226,687,585	34,796,621
Total	$ 256,270,056	$ 9,261,159	$ 38,143,677	$ 227,387,538	$ 34,885,123
Total Non-Current Liabilities	$1,881,391,642	$ 740,516,131	$ 340,531,721	$2,281,376,052	$ 65,955,507
Less Amount Due Within One Year:				(65,955,507)	
Total Non-Current Liabilities				$2,215,420,545	

Interest calculations were based on rates as of June 30, 2006. As rates vary, variable-rate bond interest payments and net swap payments will vary (see Note 10). Using these rates debt service requirements of the variable-rate debt and net swap payments are as follows:

Fiscal Year Ending June 30	Variable-Rate Bond Principal	Variable-Rate Bond Interest	Interest Rate Swap, Net	Total
2007	$ 8,145,000	$ 13,474,061	$ (829,871)	$ 20,789,190
2008	7,840,000	15,092,782	(893,132)	22,039,650
2009	7,515,000	14,779,980	(939,857)	21,355,122
2010	7,220,000	14,480,076	(984,678)	20,715,398
2011	3,425,000	14,211,424	(1,025,707)	16,610,717
2012-2016	41,385,000	68,084,704	(4,893,902)	104,575,802
2017-2021	94,790,000	53,442,748	(3,202,012)	145,030,736
2022-2026	73,985,000	36,851,327	(1,993,247)	108,843,080
2027-2031	68,030,000	21,959,351	(1,104,415)	88,884,936
2032-2036	68,735,000	8,275,383	(389,244)	76,621,139
2037-2041	3,800,000	77,165	(2,119)	3,875,046
Total	$ 384,870,000	$ 260,729,000	$ (16,258,184)	$ 629,340,816

Debt service on non-current bonds payable at June 30, 2006 is as follows:

	Principal	Interest	Total
Single Family Bonds Payable			
2007	$ 25,485,000	$ 83,607,861	$ 109,092,861
2008	40,225,000	85,151,936	125,376,936
2009	43,640,000	83,483,973	127,123,973
2010	47,790,000	81,633,041	129,423,041
2011	48,070,000	79,462,322	127,532,322
2012-2016	252,545,000	362,757,725	615,302,725
2017-2021	234,695,000	301,899,520	536,594,520
2022-2026	297,205,000	235,932,616	533,137,616
2027-2031	307,320,000	152,352,940	459,672,940
2032-2036	361,780,000	88,446,383	450,226,383
2037-2041	133,710,000	2,837,249	136,547,249
Total	$ 1,792,465,000	$ 1,557,565,564	$ 3,350,030,564
Multi-Family Bonds Payable			
2007	$ 2,160,000	$ 10,881,288	$ 13,041,288
2008	12,307,686	10,771,569	23,079,255
2009	3,086,812	10,373,305	13,460,117
2010	3,940,316	10,203,293	14,143,609
2011	3,854,037	10,007,262	13,861,298
2012-2016	24,149,530	46,597,689	70,747,220
2017-2021	23,033,674	40,385,224	63,418,898
2022-2026	27,809,613	33,653,427	61,463,041
2027-2031	59,343,674	22,104,486	81,448,159
2032-2036	31,973,874	9,530,450	41,504,325
2037-2041	43,826,917	3,309,098	47,136,015
2042-2046	4,829,866	980,462	5,810,328
2047-2051	1,245,000	75,644	1,320,644
Total	$ 241,561,000	$ 208,873,196	$ 450,434,196

See related Notes 9, 10, 11 and 14.

Debt service on variable rate bonds is calculated using the rate in effect at the end of the reporting period.

NOTE 9 · BONDS PAYABLE

Bonds issued by OHFA consist of fully registered bonds with or without coupons. The floating interest rate bonds are indexed to a percent of base lending rate of a designated bank or a specified index. The net proceeds of the bonds issued were used to purchase eligible residential mortgage loans or MBS, provide interim and permanent financing for multi-family construction projects, and establish debt service reserves as required by the various bond trust indentures. Such indentures generally provide pledges of all loans acquired, all revenues and collections with respect to such loans, all funds established by the indenture and by such other guarantees as may be required under each specific indenture for the payment of principal and interest. The bond indentures also contain various covenants which management believes all bonds are in compliance at June 30, 2006. The Single Family Program Series 1987A is guaranteed under the bond insurance policy issued by the Municipal Bond Insurance Association that unconditionally guarantees the payment of principal and interest on the respective payment dates. The Westlake (Series 1996) and 10 Wilmington Place (Series 1991B) are guaranteed under bond insurance policies issued by Financial Security Insurance. Tyler's Creek (Series 2000), Pebble Brook (Series 1999), and Timberlake (Series 1999C&D) are guaranteed under the bond insurance policies issued by Sunamerica Incorporated. These policies were issued concurrently with the delivery of the bonds.

Single Family Program bonds outstanding at June 30, 2006 are as follows:

Series	Composite Interest Rate	Maturity Date	Principal Amount at June 30, 2006	Carrying Amount at June 30, 2006
Not Under General Indenture:				
1987A	5.945%	2016, 2017	$ 900,000	$ 900,000
1991E-G	7.140%	2023	500,000	500,000
1993A	7.900%	2014	1,925,000	1,925,000
Subtotal			3,325,000	3,325,000
Under General Indenture:				
1996B	5.948%	2006-2028	10,535,000	10,535,000
1997A1	6.029%	2006-2029	21,170,000	21,170,000
1996B3/1997C	5.553%	2006-2028	32,535,000	32,535,000
1997D	5.012%	2007-2020	1,040,000	988,371
1998A	5.253%	2006-2029	52,670,000	52,670,000
1997B/1998B	5.228%	2006-2030	61,565,000	61,565,000
1998C	5.000%	2019	800,000	764,808
1999A	4.995%	2006-2030	58,925,000	58,925,000
1999B	4.650%	2020	3,360,000	3,221,020
1999C&D	5.550%	2006-2030	65,010,000	64,229,418
2000A&B	6.100%	2021-2027	34,080,000	34,013,740
2000C-G	6.137%	2006-2032	36,730,000	36,228,317
2001A&B	5.064%	2006-2034	30,130,000	30,130,000
2001C-E	5.218%	2006-2032	76,050,000	76,593,631
2002A-C	4.449%	2006-2034	89,940,000	89,940,000
2002D&E	5.007%	2006-2034	26,820,000	26,820,000
2003A	4.014%	2006-2034	36,370,000	36,370,000
2003B&C	4.243%	2007-2034	48,955,000	50,039,171
2004A&B	3.944%	2006-2035	67,905,000	69,258,347
2004C&D	4.258%	2007-2035	69,425,000	70,311,078
2004 E&F	4.267%	2006-2035	56,835,000	57,808,635
2005A&B	3.485%	2006-2035	123,950,000	124,834,168
2005C&D	3.683%	2006-2036	124,385,000	125,946,743
2005E&F	3.906%	2007-2036	109,955,000	111,348,170
2006A-D	4.472%	2007-2036	300,000,000	306,029,697
2006E-G	4.574%	2007-2037	250,000,000	254,075,555
Subtotal			1,789,140,000	1,806,350,869
Total Single Family			$ 1,792,465,000	$ 1,809,675,869

The difference between the Principal Amount and the Carrying Amount, $17,210,869, is the amount of Unamortized Premium and Deferred Costs on Refunding, which can be found in Note 8.

Multi-Family Program bonds outstanding at June 30, 2006 are as follows:

Series		Composite Interest Rate	Maturity Date	Principal Amount at June 30, 2006	Carrying Amount at June 30, 2006
1985	Lincoln Park	3.310%	2015	$ 7,565,000	$ 7,565,000
1991B	10 Wilmington Place	2.987%	2026	8,945,000	8,945,000
1994A-C	Oakleaf Village Refunder	5.658%	2006-2026	3,910,000	3,910,000
1996A&B	Detroit Terrace Refunder	5.733%	2006-2012	1,430,000	1,430,000
1996A&B	Beehive and Doan Refunder	6.530%	2007-2026	1,010,000	1,005,867
1996A&B	Club at Spring Valley	4.130%	2029	10,800,000	10,800,000
1996	Westlake	3.403%	2028	9,810,000	9,810,000
1997A-D	Willow Lake	3.103%	2009-2029	6,625,000	6,625,000
1997A&B	Wind River	5.643%	2006-2032	8,145,000	8,145,000
1998B	Courtyards of Kettering	5.480%	2008-2040	3,520,000	3,578,557
1999A&B	Pebble Brooke Apartments	5.787%	2008-2031	15,000,000	15,000,000
1999C&D	Timber Lake Apartments	6.485%	2007-2031	15,155,000	15,155,000
1999E	Hunters Glen Refunder	6.350%	2029	10,740,000	10,740,000
2000A&B	Tyler's Creek	6.152%	2013-2033	14,790,000	14,790,000
2001A&B	Asbury Woods/Towne Square Refunder	5.327%	2004-2026	3,415,000	3,403,781
2001A&B	Park Trails Apartments	5.870%	2019-2034	11,445,000	11,445,000
2002	Pine Crossing Refunder	3.041%	2036	5,670,000	5,670,000
2002A-E	Oakleaf Toledo Refunder	6.874%	2006-2027	6,705,000	6,876,060
2002F	Chambrel @ Montrose	2.999%	2032	12,451,000	12,451,000
2003A	Shannon Glen Apartments	3.049%	2036	11,800,000	11,800,000
2004B1	Robin Springs	5.235%	2037	5,650,000	5,650,000
2004E	Wingate at Belle Meadows	3.057%	2036	8,750,000	8,750,000
2005A&B	Moody Manor/Regina Manor	4.142%	2007-2035	7,370,000	7,370,000
2005G	Sharon Green	5.000%	2039	5,900,000	5,900,000
2005J	Kennedy Portfolio	4.900%	2041	10,735,000	10,735,000
2006A	Hillwood II	4.982%	2011-2047	9,725,000	9,772,690
2006B&C	Vistula Heritage Village II	4.634%	2008-2034	5,600,000	5,600,000
2006F	Uptown Towers	5.078%	2009-2048	12,500,000	12,500,000
2006K	Bethel Park/Zebulon Park	6.000%	2043	6,400,000	6,400,000
Total Multi-Family				$ 241,561,000	$ 241,822,955

All bonds are redeemable at prescribed redemption prices on specified dates, at the option of OHFA, or upon mandatory early redemption. OHFA redeems such bonds from loan and mortgage-backed security payments. Certain bonds are subject to mandatory early redemption at 100% of the principal amount, in accordance with provisions of the trust indenture.

The difference between the Principal Amount and the Carrying Amount, $261,955, is the amount of Unamortized Premium, Discount and Deferred Cost, which can be found in Note 8.

NOTE 10 · INTEREST RATE SWAPS

Objective: As a means of lowering its borrowing costs when compared against fixed-rate bonds at the time of issuance, OHFA entered into interest rate swap agreements with various counterparties in connection with the 2002B1-3, 2002E, 2003C, 2004B&D&F, 2005B1-2&D&F, 2006B&F&I&J bond issues. The swaps serve as hedging tools, which allow OHFA to reduce its exposure to changes in variable interest rates on bonds financing fixed-rate mortgages and effectively changes OHFA's interest rate on the bonds to a synthetic fixed rate. Under the swap agreements, OHFA has agreed to make certain payments to the counterparties based on a fixed rate of interest, and the counterparties have agreed to make certain payments to OHFA based on a floating rate of interest. The floating rate on the bonds, which is determined based on the rate the remarketing agents determine is necessary to maintain a par price on the bonds, approximates The Bond Market Association Municipal Swap Index ™ (BMA) plus .05% on average over time. As of June 30, 2006, $384,870,000 of the Single Family Program's outstanding bond principal included associated interest-rate swap agreements.

Terms: The notional amounts and basic terms of the swap agreements associated with variable rate bonds at June 30, 2006 are presented. The term of each swap agreement provides for reductions in the notional amounts to coincide with expected redemptions of outstanding amounts of the associated bonds.

Fair value: As of June 30, 2006, the 2002B1-3, 2002E and 2006I&J swap agreements had a negative fair value, as reported on the following schedule: 2003C, 2004B&D&F, 2005B1-2&D&F and 2006B&F had positive fair values. Since the coupons on OHFA's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was estimated using the counterparties' proprietary valuation models on the basis of estimated mid-market quotation levels. The valuation models typically calculate the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

Amortization Risk is the risk that the actual redemption of the bonds will differ from the notional principal amortization contained in the swap schedule, possibly producing a mismatch at any given time between the principal amount of the bonds and the notional amount of swap. This may occur because the timing of mortgage prepayments – normally used to redeem bonds – cannot be predicted. In order to mitigate the risk of amortization mismatch, OHFA purchased cancellation options to allow for adjustments to the swap notional amount in order to better match the amount of associated bonds outstanding. See "call notional" options described in the *Termination Risk* section. Even with these cancellation options, some risk remains that the speed of mortgage prepayments could exceed expectations and result in an amortization mismatch.

Basis Risk is the risk that arises when interest rates on a hedge and an associated bond are based on different indexes. OHFA pays the counterparties a fixed rate and receives a variable rate, which may be different then the variable rate payments to be made on the bonds. If the variable rate received on the swap fails to fully offset the variable rate OHFA pays on its bonds, anticipated savings may fail to be realized and OHFA may be exposed to higher costs. Certain swap agreements contain "alternate rate events," including ratings-based events, that expose OHFA to added basis risk in the event that the alternate floating rate fails to offset the variable cost of the bonds.

Credit Risk is the risk that a counterparty will not fulfill its obligations. Credit events can trigger certain termination provisions or collateral provisions as outlined in the swap documents. As of June 30, 2006, OHFA is exposed to credit risk because three of the six counterparties had positive fair values. If the negative fair value swaps go positive at some point in the future, the counterparty may be obligated to secure the value of the swaps with eligible collateral at varying thresholds, depending upon the particular swap and the counterparty credit rating. However, if a counterparty suddenly defaulted, OHFA would be exposed to unhedged floating rate debt and/or the cost of replacing the swap counterparty.

Rollover Risk is the risk that a hedge associated with OHFA's debt does not extend to the maturity of that debt. The swap agreements terminate for 2002B1-3 in 2010 and 2002E in 2012 and do not extend to the maturity dates of the bonds in 2033 or 2034 and therefore expose OHFA to *market-access risk* which is the risk that OHFA may not be able to enter the credit market or that credit will become more costly.

Swap payments and associated debt. See Note 8 for debt service on interest rate swap agreements.

Termination Risk is the risk that a swap may be terminated involuntarily prior to its scheduled termination date, presenting OHFA with potentially significant unscheduled termination payments to the counterparty or costs to replace the counterparty. The swaps are documented under International Swaps and Derivatives Association Master Agreement, which include standard termination events. The Schedules to the Master Agreement negotiated by OHFA include additional termination events that allow the swaps to be terminated if either the counterparty or OHFA ceases to have a published credit rating above certain minimum threshold levels. If any of the swap agreements are terminated, OHFA would prospectively pay the variable rates on the associated bonds rather than fixed rate payments under the swap agreements. The termination of the swap agreements could increase OHFA's total debt service if, at the time of termination, floating rates exceed the fixed rate payable on the swaps.

The counterparties and their credit ratings are:

Counterparties	Rating	Notional Amount
(1) Lehman Brothers Financial Products Inc.	Aaa/AAA	$ 24,475,000
(2) Salomon Swapco Inc.	Aaa/AAA	10,835,000
(3) Goldman Sachs	Aaa/AAA	158,070,000
(4) SMBC Derivative Products Limited	Aaa/AAA	112,500,000
(5) Rabobank Incorporated	Aaa/AAA	34,990,000
(6) Wells Fargo Bank, National Association	Aaa/AA	44,000,000
	Subtotal as of June 30, 2006	$ 384,870,000
(6) Wells Fargo Bank, National Association	Subsequent to June 30, 2006	$ 140,000,000
	TOTAL	$ 524,870,000

Ratings are Moody's Investors Service, Inc./Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

OHFA has issued a Single Family Program Bond Series 2006HIJK totaling $400 million of bonds with $140 million in swap agreements during July 2006 (see Note 11). The hedge transactions described previously become general obligations of OHFA in the event the Single Family Program bond series cannot fulfill requirements of the swap agreements (see Note 14). OHFA expects to subsequently issue Single Family Program Series 2006LMNO in the amount of $350 million with $122.5 million in swap agreements.

Bond Series	Type of Swap	Notional Amount	Effective Date	Termina-tion Date	Fixed Rate	Swap Floating Rate	Bond Floating Rate (18)	Fair Value
2002B1 (1) (7)	Floating to fixed	$ 6,205,000	12/1/02	9/1/10	4.406%	Actual Bond Rate (13)	4.020%	$ (65,085)
2002B2 (1) (12)	Floating to fixed	10,565,000	1/6/03	9/1/10	4.610%	Actual Bond Rate (13)	4.030%	(162,742)
2002B3 (1) (12)	Floating to fixed	7,705,000	2/9/03	9/1/10	4.485%	Actual Bond Rate (13)	4.030%	(99,173)
2002E (2) (8)	Floating to fixed	10,835,000	3/1/03	3/1/12	4.970%	Actual Bond Rate (13)	4.040%	(297,823)
2003C (3) (9)	Floating to fixed enhanced LIBOR	13,070,000	10/27/05	9/1/21	3.377%	LIBOR-based Rate (14)	4.030%	304,457
2004B (5) (12)	Floating to fixed enhanced LIBOR	19,990,000	11/2/05	3/1/21	3.410%	LIBOR-based Rate (15)	4.030%	305,379
2004D (3) (7)	Floating to fixed enhanced LIBOR	20,000,000	10/27/05	3/1/20	3.370%	LIBOR-based Rate (14)	4.020%	465,218
2004F (5) (11)	Floating to fixed enhanced LIBOR	15,000,000	11/2/05	3/1/25	3.436%	LIBOR-based Rate (15)	4.040%	258,799
2005B1 (3) (9)	Floating to fixed enhanced LIBOR	32,500,000	9/1/05	9/1/35	3.833%	LIBOR-based Rate (14)	4.030%	852,119
2005B2 (3) (7)	Floating to fixed enhanced LIBOR	17,500,000	9/1/05	9/1/35	3.833%	LIBOR-based Rate (14)	4.020%	284,040
2005D (4) (10)	Floating to fixed enhanced LIBOR	50,000,000	7/6/05	9/1/35	3.652%	LIBOR-based Rate (16)	4.020%	2,244,976
2005F (6) (7)	Floating to fixed enhanced LIBOR	44,000,000	9/21/05	3/1/28	3.705%	LIBOR-based Rate (16)	4.020%	1,249,543
2006B,S1 (3) (11)	Floating to fixed enhanced LIBOR	25,000,000	4/1/06	9/1/36	3.765%	LIBOR-based Rate (17)	4.040%	355,750
2006B,S2 (3) (11)	Floating to fixed enhanced LIBOR	25,000,000	4/1/06	9/1/36	3.743%	LIBOR-based Rate (17)	4.040%	390,812
2006B,S3 (3) (11)	Floating to fixed enhanced LIBOR	25,000,000	4/1/06	9/1/36	3.778%	LIBOR-based Rate (17)	4.040%	326,554
2006F,S1 (4) (7)	Floating to fixed enhanced LIBOR	30,000,000	11/1/06	9/1/36	3.987%	LIBOR-based Rate (16)	4.020%	345,558
2006F,S2 (4) (7)	Floating to fixed enhanced LIBOR	32,500,000	11/1/06	9/1/36	4.064%	LIBOR-based Rate (16)	4.020%	157,180
Subtotal as of June 30, 2006		$ 384,870,000						------------
2006I (6) (7)	Floating to fixed enhanced LIBOR	$ 70,000,000	1/2/07	9/1/36	4.188%	LIBOR-based Rate (16)		$ (504,764)
2006J (6) (7)	Floating to fixed enhanced LIBOR	70,000,000	1/2/07	9/1/36	4.283%	LIBOR-based Rate (16)		(1,086,566)
Subsequent to June 30, 2006		$ 140,000,000						------------
TOTAL		$ 524,870,000						$ 5,324,232

2006B (this series has 3 swaps denoted by S1, S2, S3)
2006F (this series has 2 swaps denoted by S1, S2)

Counterparties at June 30, 2006:
(1) Lehman Brothers Financial Products, Inc.
(2) Salomon Swapco Inc.
(3) Goldman Sachs Mitsui Marine Derivative Products, L.P.
(4) SMBC Derivative Products Limited
(5) Rabobank Incorporated
(6) Wells Fargo Bank, National Association

Remarketing agents as of June 30, 2006:
(7) Merrill Lynch, Pierce, Fenner & Smith Incorporated
(8) Citigroup (from George K. Baum on July 19, 2005)
(9) Goldman, Sachs & Co.
(10) George K. Baum & Co.
(11) Citigroup Global Markets Incorporated
(12) Lehman Brothers

"Actual Bond Rate" means the actual rate of interest payable on the applicable bond. If certain events occur, referred to as "alternate floating rate events" the Actual Bond Rate on these swaps will convert to a BMA-based rate.
(13) 2002B1, B2, B3, 2002E

"LIBOR" refers to the London Interbank Offered Rate and LIBOR-based Rates are:
(14) 2003C, 2004D, 2005B,S1&S2 is greater of 65.5% 1-Month LIBOR or 54.8% 1-Month LIBOR + 51.2 basis points
(15) 2004B, 2004F is 63% USD - LIBOR - BBA + 20 basis points
(16) 2005D, 2005F, 2006F,S1&S2 is 63% USD - LIBOR - BBA
(17) 2006B,S1&S2&S3 is 54.8% 1-Month LIBOR + 51.2 basis points

(18) Bond floating rates are as of the week including June 30, 2006

NOTE 11 · CURRENT ISSUES AND DEFEASANCE

SINGLE FAMILY BONDS

Issuance

During the fiscal year ending June 30, 2006, OHFA issued $672,558,580 of Residential Mortgage Revenue Bonds. Those issues included:

> The 2005 Series E&F bonds totaling $111,446,600 included original fixed rate Series E bonds of $66,000,000, original variable rate Series F bonds of $44,000,000 and bond premium of $1,446,600; $110,221,870 of the proceeds was used to originate mortgages.
>
> The 2006 Series ABCD bonds totaling $306,983,020 included original fixed rate Series A bonds of $198,730,000, Series C bonds of $16,705,000 and Series D bonds of $9,565,000; original variable rate Series B bonds of $75,000,000 and bond premium of $6,983,020; $274,495,941 of the proceeds were used to originate mortgages.
>
> The 2006 Series EFG bonds totaling $254,128,960 included original fixed rate Series E bonds of $162,500,000, and Series G bonds of $25,000,000; original variable rate Series F bonds of $62,500,000 and bond premium of $4,128,960. The net proceeds of 2006 Series EFG bonds are being used to finance newly originated mortgage loans.

Defeasance

In fiscal year 1995, OHFA deposited assets into an irrevocable trust to provide for debt service on all remaining 1985 Series B bonds. During the year ended June 30, 2002, OHFA defeased the 1985 Series A Single Family Program bonds by placing the proceeds from the sale of the mortgages in a similar irrevocable trust to provide for all future debt service payments on the remaining bonds. The trust account assets and liability for the defeased bonds are not included in OHFA's financial statements. As of June 30, 2006, the escrowed assets and remaining bonds for each were:

Series	**Assets**		**Liabilities**
	Cost	**Market**	
1985A	$ 249,843	$ 323,677	$ 382,725
1985B	$ 30,588,490	$ 89,670,302	$ 110,482,725

Retirements

March 1, 2006, OHFA retired the 1992 Series A-2 Mortgage Revenue bonds.

March 15, 2006, due to refunding, OHFA directed the trustee to transfer funds currently invested in the 1996 Series A to the 2006 Series ABCD. The refunding of 1996 Series A bonds by the 2006 Series C&D bonds resulted in an economic gain of $3,401,322.

Subsequent Events

Subsequent to June 30, 2006, OHFA issued in July 2006 Series HIJK totaling $400,000,000. OHFA entered into a $140,000,000 swap transaction in connection with the issue.

Subsequent to June 30, 2006, OHFA expects to issue 2006 Series LMNO totaling $350,000,000. OHFA expects to enter into a $122,500,000 swap transaction in connection with the issue.

OHFA will borrow $13,266,510 under a collateralized loan in order to redeem bonds under the General Indenture. The debt will warehouse the volume cap until it is refunded by the expected issue of Series 2006 LMNO. OHFA will pledge securities in the form of federal agency notes in the amount of $13,508,580. The pledged securities are currently assets of the Investment Escrow in the General Fund. The pledge will be released after the loan is repaid.

MULTI-FAMILY BONDS

Issuance

During the fiscal year ended June 30, 2006, OHFA issued $58,327,900 of Multi-Family Revenue Bonds.

Moody Manor/Regina Manor Apartments – 2005 Series A&B fixed rate bonds totaling $7,420,000 were issued October 1, 2005. The bonds were issued to make two separate mortgage loans. The net proceeds were used to finance the acquisition; rehabilitation and equipping of two separate Multi-Family rental housing projects, both are located in Toledo, Ohio, to be known as Moody Manor/Regina Manor Apartments Projects.

Sharon Green Townhomes – 2005 Series G fixed rate bonds totaling $5,900,000 was issued December 1, 2005. The net proceeds were used to finance the acquisition, rehabilitation and equipping of a Multi-Family rental housing facility, located in Columbus, Ohio, to be known as Sharon Green Townhomes.

Kennedy Portfolio Projects – 2005 Series J fixed rate bonds totaling $10,735,000 was issued March 1, 2006. The net proceeds were used to finance the acquisition, renovation and equipping of a Multi-Family rental housing facilities, located in Toledo Ohio, to be known as Kennedy Portfolio Projects.

Vistula Heritage Village – 2006 Series B&C fixed rate bonds totaling $5,600,000 were issued March 1, 2006. The net proceeds were used to finance the acquisition, renovation, improving and equipping of a Multi-Family rental housing facility, located in Toledo, Ohio, to be known as Vistula Heritage Village II Projects.

Uptown Towers – 2006 Series F fixed rate bonds totaling $12,500,000 was issued May 12, 2006. The net proceeds were used to finance the acquisition, renovating, improving and equipping of a Multi-Family rental housing facility, located in Cincinnati, Ohio, to be known as Uptown Towers Apartments Project.

Hillwood Projects – 2006 Series A fixed rate bonds totaling $9,772,900 was issued June 1, 2006. The net proceeds were used to finance the acquisition, renovation, rehabilitation and equipping of a Multi-Family rental housing facility, located in Akron, Ohio, to be known as Hillwood II Project.

Bethel Park/Zebulon Park – 2006 Series K fixed rate bonds totaling $6,400,000 were issued June 1, 2006. The net proceeds were used to finance the acquisition, rehabilitation and equipping of two separate Multi-Family rental housing facilities. Bethel Park Apartments located in Bethel Ohio, and Zebulon Park Apartments located in Batavia, Ohio, are to be known as Bethel Park Apartments/Zebulon Park Apartments.

Retirements

On December 1, 2005 OHFA retired the 1998 Series A Housing Revenue bonds that financed the Assisted Living Concepts Inc. Project Multi-Family Housing Project.

Subsequent Events

Subsequent to June 30, 2006, the Agency expects to issue $53,350,000, which includes Michaelmas Manor Multi-Family Housing project totaling $3,200,000; Catholic Diocese Multi-Family Housing project totaling $15,000,000; Warren Heights Multi-Family Housing project totaling $6,000,000; Cambridge I Apartments totaling $6,500,000; Cambridge II Apartments totaling $6,000,000 Salvation Army (Booth Residence) totaling $8,350,000; Indian Lake Villa Multi-Family Housing project totaling $2,000,000 and Madonna Homes totaling $6,300,000.

NOTE 12 · PENSION PLANS

Ohio Public Employees Retirement System (OPERS) Pension Benefits

OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
2. The Member-Directed Plan (MD) – a defined contribution plan in which the member invest both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.
3. The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS benefits are established under Chapter 145, Ohio Revised Code. OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not quality for ancillary benefits.

Most employees who are members of OPERS and who have fewer than five years of total service credit as of December 31, 2002, and new employees hired on or after January 1, 2003, are eligible to select one of the OPERS retirement plans, as listed above, in which they wish to participate. Re-employed OPERS retirees are not eligible to select a plan. Participants may change their selection once prior to attaining five years of service credit, once after attaining five years of service credit and prior to attaining ten years of service credit, and once after attaining ten years of service credit.

Regular employees who participate in the defined benefit plan (TP) or the combined plan (CO) may retire after 30 years of credited service regardless of age, at age 55 or after with 25 years of credited service, or at age 60 or after with five years of credited service. Regular employees retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit amounts. Employees who participate in the defined contribution plan (MD) may retire at age 55.

The retirement allowance for the defined benefit plan (TP) is based on years of credited service and the final average salary, which is the average of the member's three highest salary years. The annual allowance for regular employees is determined by multiplying the final average salary by 2.2 percent for each year of Ohio contributing service up to 30 years and by 2.5 percent for each year in excess of 30 years of credited service. Retirement benefits increase three percent annually regardless of changes in the Consumer Price Index.

The retirement allowance for the defined benefit portion of the combined plan (CO) is based on years of credited service and the final average salary, which is the average of the member's three highest salary years. The annual allowance for regular employees is determined by multiplying the final average salary by 1.0 percent for each year of Ohio contributing service up to 30 years and by 1.25 percent for all other years in excess of 30 years of credited service. Retirement benefits increase three percent annually regardless of changes in the Consumer Price Index. Additionally, retirees receive the proceeds of their individual retirement plans in a manner similar to retirees in the defined contribution plan, as discussed below.

The retirement allowance for the defined contribution plan (MD) is based entirely on the proceeds of the retirees' individual retirement plans. Retirees may choose to receive either a lump-sum distribution or a monthly annuity for life. Participants direct the investment of their accounts by selecting from nine professionally managed investment options.

Retirees covered under any one of the three OPERS plan options may also choose to take part of their retirement benefit in a Partial Lump-Sum Option Plan (PLOP). Under this option, the amount of the monthly pension benefit paid to the retiree is actually reduced to offset the amount received initially under the PLOP. The amount payable under the PLOP is limited to a minimum of six months and maximum of 36 months worth of the original unreduced monthly pension benefit, and is capped at no more than 50 percent of the retirement benefit amount.

Employer and member required contributions to OPERS are established under the Ohio Revised Code and are based on percentages of covered employees' gross salaries, which are calculated annually by the retirement system's actuaries. Contribution rates for calendar years 2005/2006 were consistent across all three plans (TP, MD and CO) and were 13.31/13.54% for employers and 8.5/9.0% for members, respectively. OHFA contributions to OPERS for the years ending June 30, 2004, 2005 and 2006 were $627,155, $663,480 and $756,270, respectively, equal to 100% of the dollar amount billed OHFA.

OPERS issues a stand-alone financial report, copies of which may be obtained by making a written request to: Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-6705 or 1-800-222-7377.

NOTE 13 · OTHER POSTEMPLOYMENT BENEFITS

<u>Public Employees Retirement System</u>
The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and post-employment health care benefits to qualifying members of both the Traditional (TP) and the Combined (CO) Plans. Members of the Member-Directed Plan (MD) do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Plan and Combined Plan must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefits recipients and qualified survivor benefits recipients is available. The health care coverage provided by OPERS is considered to be an Other Post-employment Benefit (OPEB) as described in GASB Statement 12.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2005/2006 employer contribution rates for state employers were 13.31/13.54%, respectively of covered payroll, of which 4.00% each year was used to fund health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS.
All age and service retirees who are members of the defined benefit (TP) or combined (CO) plans with 10 or more years of service credit qualify for healthcare coverage under OPERS. Members hired after January 1, 2003 with no prior service credit vest according to length of service. Members with 10 years of service credit have a 25 percent vested interest. Vested interest increases with service credit until members attain a 100 percent vested interest after reaching 30 years of service credit. Members hired after January 1, 2003 can also choose various coverage options.
Members of the defined contribution plan (MD) may access a Retired Medical Account upon retirement. An employee's interest in the medical account for qualifying healthcare expenses vests on the basis of length of service, with 100 percent vesting attained after 10 years of service credit. Employers make no further contributions to a member's medical account after retirement, nor do employers have any further obligation to provide post-employment healthcare benefits.

Healthcare coverage for disability recipients and primary survivor recipients is also available to members of the defined benefit (TP) and combined (CO) plans. Chapter 145, Ohio Revised Code, provides the statutory authority for employer contributions. Employees do not fund any portion of healthcare costs.

OPEBs are advanced-funded on an actuarial determined basis. An entry-age, normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. The assumptions and calculations below are based on the System's latest Actuarial Review performed as of December 31, 2004 (the latest information available). The investment assumption rate for 2004 was 8.00 percent. The individual annual pay increase assumption was 4.00 percent compounded annually for inflation (assuming no change in the number of active employees), and annual pay increases, over and above the 4.00 percent base increase, were assumed to range from .50 percent and 6.30 percent. Healthcare premiums were assumed to increase 4.00 percent annually.

The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2004 was $10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $29.5 billion and $18.7 billion, respectively. All investments are carried at market value. For the actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually. At year-end 2005, the number of active contributing participants in the Traditional (TP) and Combined (CO) Plans totaled $355,287.

The portion of OHFA's contributions in fiscal year 2006 to OPERS that were used to fund post employment benefits was $227,259.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

NOTE 14 · COMMITMENTS

Unexpended bond proceeds from the Single Family Program Under the General Indenture (UGI) as of June 30, 2006 are as follows:

Available for purchasing mortgage-backed securities:	
Series 2006 E-G	$ 235,379,295

OHFA leases office space from Lee Smith Properties with the current lease commencing July 1, 2005 and ending June 30, 2009. The annual rent is as follows:

Fiscal year	2007	$ 856,757
Fiscal years	2008 and 2009	$ 908,691

The building lease provides for two renewal terms with the first through 2011 at $881,256 per year and the second through 2013 at no more than $922,480 per year.

Pursuant to OHFA becoming a separate entity from ODOD as described in Note 1, a Memorandum of Understanding between the two entities established a collaborative effort for which ODOD would provide on-going assistance. During FY 2006, OHFA paid ODOD $900,000 and is obligated to pay $600,000 in fiscal year ending June 30, 2007.

Designated other commitments of OHFA are:

Gap financing related to the low-income housing tax credit projects	$	9,715,410
Net asset reserve requirement FY2007		22,874,966
Columbus Home Again Program		250,000
HDAP advance for HOME and HTF draws		3,000,000
Volume Cap Warehousing Program		13,508,580
Historic Preservation Program		3,000,000
2nd mortgage loan program		8,219,838
Deferred tax credit reservation and compliance monitoring fee		6,883,777
Total	$	67,452,571

The FAF Fund in the Federal Program Fund contains $5,793,821 in assets available to be disbursed to qualified projects. A contractor under a personal service contract administers the awards of the FAF money to qualified projects. During fiscal year 2006, OHFA did not disburse any FAF funds to the contractor. However, he contractor did award $564,452 in FAF funds to qualified projects during fiscal year 2006.

The swap agreements, disclosed in Note 10, and liquidity facilities are general obligations of OHFA to the extent the specified resources in the individual bond series are not sufficient to make payments.

In addition to OHFA commitments, the Housing Guarantee Fund under the Ohio Department of Commerce Division of Unclaimed Funds could be drawn upon to support loans made by the Single Family Program bond issue – Series 1987A and the Housing Development Fund loan guarantee to Nick Roman/Eastview Estates. Such draws would have no effect on OHFA net assets.

OHFA is party to litigation arising in the ordinary course of business. While the ultimate effect of such actions cannot be predicted with certainty, OHFA expects the outcome of these matters will not result in an adverse material effect on the status of OHFA.

NOTE 15 · NET ASSETS

The Restricted – bond funds of the Single Family and Multi-Family Programs are for future bond retirements or other requirements under the indentures. See Note 14 for designated other commitments of OHFA.

The Agency recorded a prior period adjustment in the General Fund during the fiscal year 2006 that decreased income by $598,239 for the fiscal years 2005 and prior representing the cumulative compensated absence liability recorded as a unit of the ODOD in the State of Ohio's Comprehensive Annual Financial Report (see Notes 1 and 16).

NOTE 16 – PRIOR PERIOD ADJUSTMENT

Effective July 1, 2005, the Agency became a related organization to the State of Ohio's primary government and independent of the ODOD. For the fiscal years 2005 and prior, the compensated absence liability calculated for Agency employees was included as a liability in the State of Ohio's Comprehensive Annual Financial Report. In fiscal year 2006, the Agency has recorded the 2005 and prior year portion of the compensated absence liability as a prior period adjustment.

The following General Fund beginning year net asset balance has been restated on the financial statement presented for the year ending June 30, 2006:

Statement of Net Assets:

Net assets, beginning of year (as reported June 30, 2005)	$108,595,824
Prior period adjustment recorded in fiscal year 2006	(598,239)
Net assets, beginning of year (as restated)	$107,997,585

The General Fund financial statements provided by series in the Supplemental Information have been restated to reflect the prior period adjustment.

NOTE 17 – RISK MANAGEMENT

As a state agency, OHFA's exposure to various risks of loss events is reduced by participation in the primary government's programs for employee health insurance and other benefits, workers compensation and general insurance. Loss of office property is covered under an insurance policy with a private company. The Ohio Department of Administrative Services arranges programs and contracts for employee benefits and health and property insurance. OHFA made no insurance claims during fiscal year 2006. OHFA is developing disaster recovery plans for business continuity.

See the various Notes to the Financial Statements for policies or arrangements regarding the risk management strategies for specific assets or liabilities.

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OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 1987A	Series 1991E-G
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	-	-
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	930,975	111,029
Current portion of mortgage-backed securities, at fair value	-	51,337
Accounts receivable	3,421	-
Interest receivable on investments and mortgage-backed securities	211,633	5,528
Current portion of loans receivable	111,466	-
Interest receivable on loans	3,740	-
Current portion of unamortized bond issue costs	2,614	872
Prepaid insurance and other	2,031	-
Total current assets	1,265,880	168,766
Non-current assets		
Non-current portion of investments, at fair value	-	-
Non-current portion of restricted investments, at fair value	1,052,632	-
Non-current portion of mortgage-backed securities, at fair value	-	821,384
Non-current portion of loans receivable	592,042	-
Non-current portion of unamortized bond issue costs	17,250	13,755
Total non-current assets	1,661,924	835,139
Total assets	$ 2,927,804	$ 1,003,905

Series 1992A2	Series 1993A	Series Draw Bond	Total Not Under the General Indenture
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
-	1,004,972	-	2,046,976
-	-	-	51,337
-	78,584	-	82,005
-	20,672	-	237,833
-	370,920	-	482,386
-	43,026	-	46,766
-	-	-	3,486
-	7,596	-	9,627
-	1,525,770	-	2,960,416
-	-	-	-
-	-	-	1,052,632
-	-	-	821,384
-	3,111,464	-	3,703,506
-	-	-	31,005
-	3,111,464	-	5,608,527
$ -	$ 4,637,234	$ -	$ 8,568,943

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 1987A	Series 1991E-G
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ 9,617	$ 3,020
Interest payable	13,032	1,663
Current portion of bonds payable	-	-
Deposits held	-	-
Current portion of deferred revenue	-	-
Total current liabilities	22,649	4,683
Non-current liabilities		
Non-current portion of accounts payable and other	-	-
Non-current portion of bonds payable	900,000	500,000
Total non-current liabilities	900,000	500,000
Total liabilities	922,649	504,683
Net assets		
Restricted - bond funds	2,005,155	499,222
Total net assets	2,005,155	499,222
Total liabilites and net assets	$ 2,927,804	$ 1,003,905

	Series 1992A2		Series 1993A		Series Draw Bond		Total Not Under the General Indenture
$	-	$	794,414	$	-	$	807,051
	-		38,019		-		52,714
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		832,433		-		859,765
	-		-		-		-
	-		1,925,000		-		3,325,000
	-		1,925,000		-		3,325,000
	-		2,757,433		-		4,184,765
	-		1,879,801		-		4,384,178
	-		1,879,801		-		4,384,178
$	-	$	4,637,234	$	-	$	8,568,943

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 1996A	Series 1996B
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	-	-
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	-	3,210,987
Current portion of mortgage-backed securities, at fair value	-	464,368
Accounts receivable	-	-
Interest receivable on investments and mortgage-backed securities	-	106,967
Current portion of loans receivable	-	-
Interest receivable on loans	-	-
Current portion of unamortized bond issue costs	-	7,889
Prepaid insurance and other	-	375
Total current assets	-	3,790,586
Non-current assets		
Non-current portion of investments, at fair value	-	-
Non-current portion of restricted investments, at fair value	-	-
Non-current portion of mortgage-backed securities, at fair value	-	9,355,151
Non-current portion of loans receivable	-	-
Non-current portion of unamortized bond issue costs	-	116,669
Total non-current assets	-	9,471,820
Total assets	$ -	$ 13,262,406

Series 1997A1	Series 1996B/1997C	Series 1997D	Series 1998A
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
3,609,289	4,265,551	3,526,422	7,220,590
1,007,726	1,431,884	229,392	2,151,578
-	-	-	-
172,634	208,047	78,417	307,934
-	-	-	-
-	-	-	-
12,031	17,007	1,642	28,295
375	750	375	878
4,802,055	5,923,239	3,836,248	9,709,275
-	-	-	-
-	-	-	-
21,582,142	29,533,167	2,589,541	45,359,552
-	-	-	-
166,822	232,893	9,843	443,158
21,748,964	29,766,060	2,599,384	45,802,710
$ 26,551,019	$ 35,689,299	$ 6,435,632	$ 55,511,985

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 1996A	Series 1996B
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ -	$ 8,386
Interest payable	-	211,600
Current portion of bonds payable	-	235,000
Deposits held	-	-
Current portion of deferred revenue	-	-
Total current liabilities	-	454,986
Non-current liabilities		
Non-current portion of accounts payable and other	-	-
Non-current portion of bonds payable	-	10,300,000
Total non-current liabilities	-	10,300,000
Total liabilities	-	10,754,986
Net assets		
Restricted - bond funds	-	2,507,420
Total net assets	-	2,507,420
Total liabilites and net assets	$ -	$ 13,262,406

	Series 1997A1	Series 1996B/1997C	Series 1997D	Series 1998A
	$ 586,837	$ 355,799	$ 76,285	$ 616,043
	429,182	607,558	17,434	928,925
	370,000	695,000	47,622	1,100,000
	-	-	-	-
	-	-	-	-
	1,386,019	1,658,357	141,341	2,644,968
	-	-	-	-
	20,800,000	31,840,000	940,749	51,570,000
	20,800,000	31,840,000	940,749	51,570,000
	22,186,019	33,498,357	1,082,090	54,214,968
	4,365,000	2,190,942	5,353,542	1,297,017
	4,365,000	2,190,942	5,353,542	1,297,017
	$ 26,551,019	$ 35,689,299	$ 6,435,632	$ 55,511,985

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 1997B/1998B	Series 1998C
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	-	-
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	6,196,620	881,157
Current portion of mortgage-backed securities, at fair value	2,522,759	401,939
Accounts receivable	-	-
Interest receivable on investments and mortgage-backed securities	331,525	40,973
Current portion of loans receivable	-	-
Interest receivable on loans	-	-
Current portion of unamortized bond issue costs	37,538	910
Prepaid insurance and other	1,386	375
Total current assets	9,089,828	1,325,354
Non-current assets		
Non-current portion of investments, at fair value	-	-
Non-current portion of restricted investments, at fair value	-	-
Non-current portion of mortgage-backed securities, at fair value	54,935,323	4,682,823
Non-current portion of loans receivable	-	-
Non-current portion of unamortized bond issue costs	584,845	5,536
Total non-current assets	55,520,168	4,688,359
Total assets	$ 64,609,996	$ 6,013,713

	Series 1999A	Series 1999B	Series 1999C&D	Series 2000A&B
	$ -	$ -	$ -	$ -
	-	-	-	-
	-	-	-	-
	12,255,720	2,038,192	11,431,993	9,311,030
	2,383,018	291,182	3,282,741	1,333,406
	-	-	-	-
	416,563	54,384	500,930	336,781
	-	-	-	-
	-	-	-	-
	39,984	3,280	30,682	13,630
	982	375	1,084	568
	15,096,267	2,387,413	15,247,430	10,995,415
	-	-	-	-
	-	-	-	-
	51,165,889	3,437,237	56,427,855	30,751,591
	-	-	-	-
	447,344	23,596	328,468	230,079
	51,613,233	3,460,833	56,756,323	30,981,670
	$ 66,709,500	$ 5,848,246	$ 72,003,753	$ 41,977,085

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 1997B/1998B	Series 1998C
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ 163,697	$ 7,821
Interest payable	1,079,976	13,333
Current portion of bonds payable	1,225,000	45,031
Deposits held	-	-
Current portion of deferred revenue	-	-
Total current liabilities	2,468,673	66,185
Non-current liabilities		
Non-current portion of accounts payable and other	-	-
Non-current portion of bonds payable	60,340,000	719,777
Total non-current liabilities	60,340,000	719,777
Total liabilities	62,808,673	785,962
Net assets		
Restricted - bond funds	1,801,323	5,227,751
Total net assets	1,801,323	5,227,751
Total liabilites and net assets	$ 64,609,996	$ 6,013,713

	Series 1999A	Series 1999B	Series 1999C&D	Series 2000A&B
	$ 142,752	$ 8,972	$ 90,706	$ 100,265
	983,137	52,080	1,208,002	710,000
	1,240,000	148,036	308,315	(3,704)
	-	-	-	-
	-	-	-	-
	2,365,889	209,088	1,607,023	806,561
	-	-	-	-
	57,685,000	3,072,984	63,921,103	34,017,444
	57,685,000	3,072,984	63,921,103	34,017,444
	60,050,889	3,282,072	65,528,126	34,824,005
	6,658,611	2,566,174	6,475,627	7,153,080
	6,658,611	2,566,174	6,475,627	7,153,080
	$ 66,709,500	$ 5,848,246	$ 72,003,753	$ 41,977,085

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 2000C-G	Series 2001A&B
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	-	-
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	6,213,444	4,880,583
Current portion of mortgage-backed securities, at fair value	1,931,201	1,103,315
Accounts receivable	-	-
Interest receivable on investments and mortgage-backed securities	304,004	202,223
Current portion of loans receivable	-	-
Interest receivable on loans	-	-
Current portion of unamortized bond issue costs	17,306	21,945
Prepaid insurance and other	1,500	502
Total current assets	8,467,455	6,208,568
Non-current assets		
Non-current portion of investments, at fair value	-	-
Non-current portion of restricted investments, at fair value	-	-
Non-current portion of mortgage-backed securities, at fair value	36,713,586	26,628,803
Non-current portion of loans receivable	-	-
Non-current portion of unamortized bond issue costs	268,373	340,017
Total non-current assets	36,981,959	26,968,820
Total assets	$ 45,449,414	$ 33,177,388

	Series 2001C-E	Series 2002A-C	Series 2002D&E	Series 2003A
	$ -	$ -	$ -	$ -
	-	-	-	-
	-	-	-	-
	6,920,093	8,164,108	1,943,698	2,556,483
	3,153,999	3,136,016	909,567	1,253,314
	-	-	-	-
	438,041	487,624	135,786	170,122
	-	-	-	-
	-	-	-	-
	33,651	33,461	12,491	21,740
	1,509	2,283	750	606
	10,547,293	11,823,492	3,002,292	4,002,265
	-	-	-	-
	-	-	-	-
	68,094,467	78,885,568	23,152,787	32,815,822
	-	-	-	-
	417,526	549,620	238,943	348,771
	68,511,993	79,435,188	23,391,730	33,164,593
	$ 79,059,286	$ 91,258,680	$ 26,394,022	$ 37,166,858

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 2000C-G	Series 2001A&B
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ 78,864	$ 56,824
Interest payable	771,300	511,757
Current portion of bonds payable	439,608	375,000
Deposits held	-	-
Current portion of deferred revenue	-	-
Total current liabilities	1,289,772	943,581
Non-current liabilities		
Non-current portion of accounts payable and other	-	-
Non-current portion of bonds payable	35,788,709	29,755,000
Total non-current liabilities	35,788,709	29,755,000
Total liabilities	37,078,481	30,698,581
Net assets		
Restricted - bond funds	8,370,933	2,478,807
Total net assets	8,370,933	2,478,807
Total liabilites and net assets	$ 45,449,414	$ 33,177,388

	Series 2001C-E	Series 2002A-C	Series 2002D&E	Series 2003A
	$ 63,965	$ 76,320	$ 29,710	$ 24,444
	1,330,807	1,427,280	397,660	493,673
	1,825,546	1,470,000	215,000	710,000
	-	-	-	-
	-	-	-	-
	3,220,318	2,973,600	642,370	1,228,117
	-	-	-	-
	74,768,085	88,470,000	26,605,000	35,660,000
	74,768,085	88,470,000	26,605,000	35,660,000
	77,988,403	91,443,600	27,247,370	36,888,117
	1,070,883	(184,920)	(853,348)	278,741
	1,070,883	(184,920)	(853,348)	278,741
	$ 79,059,286	$ 91,258,680	$ 26,394,022	$ 37,166,858

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 2003B&C	Series 2004A&B
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	-	-
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	3,779,406	3,082,451
Current portion of mortgage-backed securities, at fair value	1,607,253	2,251,124
Accounts receivable	-	-
Interest receivable on investments and mortgage-backed securities	231,185	300,067
Current portion of loans receivable	-	-
Interest receivable on loans	-	-
Current portion of unamortized bond issue costs	28,608	28,933
Prepaid insurance and other	973	1,174
Total current assets	5,647,425	5,663,749
Non-current assets		
Non-current portion of investments, at fair value	-	-
Non-current portion of restricted investments, at fair value	-	-
Non-current portion of mortgage-backed securities, at fair value	42,665,323	60,759,845
Non-current portion of loans receivable	-	-
Non-current portion of unamortized bond issue costs	454,751	611,088
Total non-current assets	43,120,074	61,370,933
Total assets	$ 48,767,499	$ 67,034,682

	Series 2004C&D	Series 2004E&F	Series 2005A&B	Series 2005C&D
	$ -	$ -	$ -	$ -
	-	-	-	-
	-	-	-	-
	3,042,985	1,611,278	3,462,206	2,938,105
	2,283,090	1,840,482	3,920,024	3,875,935
	-	-	-	-
	317,929	239,508	501,324	489,282
	-	-	-	-
	-	-	-	-
	26,061	23,811	57,964	52,622
	1,199	1,072	2,149	2,073
	5,671,264	3,716,151	7,943,667	7,358,017
	-	-	-	-
	-	-	-	-
	62,198,256	50,705,808	109,734,122	109,800,747
	-	-	-	-
	553,455	533,809	962,835	1,011,633
	62,751,711	51,239,617	110,696,957	110,812,380
	$ 68,422,975	$ 54,955,768	$ 118,640,624	$ 118,170,397

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 2003B&C	Series 2004A&B
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ 42,213	$ 60,738
Interest payable	739,641	958,066
Current portion of bonds payable	929,168	1,261,183
Deposits held	-	-
Current portion of deferred revenue	-	-
Total current liabilities	1,711,022	2,279,987
Non-current liabilities		
Non-current portion of accounts payable and other	-	-
Non-current portion of bonds payable	49,110,003	67,997,164
Total non-current liabilities	49,110,003	67,997,164
Total liabilities	50,821,025	70,277,151
Net assets		
Restricted - bond funds	(2,053,526)	(3,242,469)
Total net assets	(2,053,526)	(3,242,469)
Total liabilites and net assets	$ 48,767,499	$ 67,034,682

	Series 2004C&D		Series 2004E&F		Series 2005A&B		Series 2005C&D
$	61,195	$	52,588	$	122,416	$	123,280
	1,061,177		864,576		1,635,580		1,716,670
	1,189,846		721,577		2,800,207		2,667,221
	-		-		-		-
	-		-		-		-
	2,312,218		1,638,741		4,558,203		4,507,171
	-		-		-		-
	69,121,232		57,087,058		122,033,961		123,279,522
	69,121,232		57,087,058		122,033,961		123,279,522
	71,433,450		58,725,799		126,592,164		127,786,693
	(3,010,475)		(3,770,031)		(7,951,540)		(9,616,296)
	(3,010,475)		(3,770,031)		(7,951,540)		(9,616,296)
$	68,422,975	$	54,955,768	$	118,640,624	$	118,170,397

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 2005E&F	Series 2006A-D
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	-	-
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	2,477,987	6,395,672
Current portion of mortgage-backed securities, at fair value	3,431,517	9,959,556
Accounts receivable	-	-
Interest receivable on investments and mortgage-backed securities	440,390	3,627,485
Current portion of loans receivable	-	-
Interest receivable on loans	-	-
Current portion of unamortized bond issue costs	58,408	71,766
Prepaid insurance and other	1,833	2,656
Total current assets	6,410,135	20,057,135
Non-current assets		
Non-current portion of investments, at fair value	-	-
Non-current portion of restricted investments, at fair value	-	-
Non-current portion of mortgage-backed securities, at fair value	97,669,510	275,124,936
Non-current portion of loans receivable	-	-
Non-current portion of unamortized bond issue costs	924,733	2,484,354
Total non-current assets	98,594,243	277,609,290
Total assets	$ 105,004,378	$ 297,666,425

	Series 2006E-G	Series General Trust	Total Under the General Indenture	Total FY 2006
	$ -	$ -	$ -	$ -
	26,717	-	26,717	26,717
	-	-	-	-
	237,890,021	12,064,241	371,370,312	373,417,288
	697,987	894,103	57,748,476	57,799,813
	-	24,328	24,328	106,333
	1,702,376	128,524	12,271,025	12,508,858
	-	-	-	482,386
	-	-	-	46,766
	173,160	-	854,815	858,301
	-	-	27,802	37,429
	240,490,261	13,111,196	442,323,475	445,283,891
	-	-	-	-
	-	-	-	1,052,632
	20,179,998	15,793,680	1,420,743,529	1,421,564,913
	-	-	-	3,703,506
	1,667,532	-	13,956,693	13,987,698
	21,847,530	15,793,680	1,434,700,222	1,440,308,749
	$ 262,337,791	$ 28,904,876	$ 1,877,023,697	$ 1,885,592,640

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Series 2005E&F	Series 2006A-D
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ 108,012	$ 404,541
Interest payable	1,535,325	5,064,473
Current portion of bonds payable	1,027,808	5,119,068
Deposits held	-	-
Current portion of deferred revenue	-	-
Total current liabilities	2,671,145	10,588,082
Non-current liabilities		
Non-current portion of accounts payable and other	-	-
Non-current portion of bonds payable	110,320,362	300,910,629
Total non-current liabilities	110,320,362	300,910,629
Total liabilities	112,991,507	311,498,711
Net assets		
Restricted - bond funds	(7,987,129)	(13,832,286)
Total net assets	(7,987,129)	(13,832,286)
Total liabilites and net assets	$ 105,004,378	$ 297,666,425

Series 2006E-G	Series General Trust	Total Under the General Indenture	Total FY 2006
$ 298,800	$ -	$ 3,761,473	$ 4,568,524
1,404,368	-	26,153,580	26,206,294
427,237	-	26,588,769	26,588,769
-	-	-	-
5,947,987	76,252	6,024,239	6,024,239
8,078,392	76,252	62,528,061	63,387,826
-	-	-	-
253,648,318	-	1,779,762,100	1,783,087,100
253,648,318	-	1,779,762,100	1,783,087,100
261,726,710	76,252	1,842,290,161	1,846,474,926
611,081	28,828,624	34,733,536	39,117,714
611,081	28,828,624	34,733,536	39,117,714
$ 262,337,791	$ 28,904,876	$ 1,877,023,697	$ 1,885,592,640

OHIO HOUSING FINANCE AGENCY
Single Family Mortgage Revenue Program
Statement of Revenues, Expenses
and Changes in Net Assets
Year Ended June 30, 2006

	Series 1987A	Series 1991E-G
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ 116,689	$ -
Mortgage-backed securities	-	61,305
Investments	142,188	5,125
Other mortgage income - net	-	-
Net increase (decrease) in the fair value of investments and mortgage-backed securities	(113,740)	(37,935)
Total interest and investment income	145,137	28,495
OTHER INCOME:		
Service fees and other	-	-
Total other income	-	-
Total operating revenues	145,137	28,495
OPERATING EXPENSES:		
Interest expense	90,868	40,298
Trustee expense and agency fees	4,542	1,668
Mortgage servicing and administration fees	5,059	-
OHFA contribution to bond issues	-	-
Insurance and other	4,822	-
Total operating expenses	105,291	41,966
Income over (under) expenses before transfer	39,846	(13,471)
Transfer in (out)	-	-
Net income (loss)	39,846	(13,471)
Net Assets, beginning of year	1,965,309	512,693
Net assets, end of year	$ 2,005,155	$ 499,222

	Series 1992A2	Series 1993A	Series Draw Bond	Total Not Under the General Indenture
	$ -	$ 1,366,211	$ -	$ 1,482,900
	66,597	-	-	127,902
	86,478	59,170	97,460	390,421
	-	-	-	-
	(94,015)	-	-	(245,690)
	59,060	1,425,381	97,460	1,755,533
	-	1,985,000	-	1,985,000
	-	1,985,000	-	1,985,000
	59,060	3,410,381	97,460	3,740,533
	105,189	326,040	-	562,395
	2,145	210,458	-	218,813
	-	18,382	-	23,441
	53,754	-	-	53,754
	-	14,126	4,000	22,948
	161,088	569,006	4,000	881,351
	(102,028)	2,841,375	93,460	2,859,182
	(2,844,406)	-	(93,460)	(2,937,866)
	(2,946,434)	2,841,375	-	(78,684)
	2,946,434	(961,574)	-	4,462,862
	$ -	$ 1,879,801	$ -	$ 4,384,178

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Revenues, Expenses

and Changes in Net Assets

Year Ended June 30, 2006

	Series 1996A	Series 1996B
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ -	$ -
Mortgage-backed securities	1,082,658	651,533
Investments	258,031	216,730
Other mortgage income - net	-	-
Net increase (decrease) in the fair value of investments and mortgage-backed securities	(782,238)	(457,255)
Total interest and investment income	558,451	411,008
OTHER INCOME:		
Service fees and other	-	-
Total other income	-	-
Total operating revenues	558,451	411,008
OPERATING EXPENSES:		
Interest expense	1,335,598	752,196
Trustee expense and agency fees	22,415	29,038
Mortgage servicing and administration fees	-	-
OHFA contribution to bond issues	205,261	-
Insurance and other	-	-
Total operating expenses	1,563,274	781,234
Income over (under) expenses before transfer	(1,004,823)	(370,226)
Transfer in (out)	(3,427,602)	-
Net income (loss)	(4,432,425)	(370,226)
Net Assets, beginning of year	4,432,425	2,877,646
Net assets, end of year	$ -	$ 2,507,420

	Series 1997A1	Series 1996B/1997C	Series 1997D	Series 1998A
	$ -	$ -	$ -	$ -
	1,469,966	1,892,196	235,156	2,854,386
	213,716	248,583	179,113	394,189
	-	-	-	-
	(1,083,260)	(1,845,456)	(114,283)	(2,874,672)
	600,422	295,323	299,986	373,903
	-	-	-	-
	-	-	-	-
	600,422	295,323	299,986	373,903
	1,557,343	2,159,335	153,495	3,354,350
	53,249	76,115	12,047	117,221
	-	-	-	-
	-	-	-	-
	-	-	-	-
	1,610,592	2,235,450	165,542	3,471,571
	(1,010,170)	(1,940,127)	134,444	(3,097,668)
	-	-	-	-
	(1,010,170)	(1,940,127)	134,444	(3,097,668)
	5,375,170	4,131,069	5,219,098	4,394,685
	$ 4,365,000	$ 2,190,942	$ 5,353,542	$ 1,297,017

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Revenues, Expenses

and Changes in Net Assets

Year Ended June 30, 2006

	Series 1997B/1998B	Series 1998C
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ -	$ -
Mortgage-backed securities	3,418,794	408,576
Investments	427,524	181,841
Other mortgage income - net	-	-
Net increase (decrease) in the fair value of investments and mortgage-backed securities	(3,468,127)	(273,332)
Total interest and investment income	378,191	317,085
OTHER INCOME:		
Service fees and other	-	-
Total other income	-	-
Total operating revenues	378,191	317,085
OPERATING EXPENSES:		
Interest expense	3,958,734	586,025
Trustee expense and agency fees	138,780	19,932
Mortgage servicing and administration fees	-	-
OHFA contribution to bond issues	-	-
Insurance and other	-	-
Total operating expenses	4,097,514	605,957
Income over (under) expenses before transfer	(3,719,323)	(288,872)
Transfer in (out)	-	-
Net income (loss)	(3,719,323)	(288,872)
Net Assets, beginning of year	5,520,646	5,516,623
Net assets, end of year	$ 1,801,323	$ 5,227,751

	Series 1999A	Series 1999B	Series 1999C&D	Series 2000A&B
	$ -	$ -	$ -	$ -
	3,317,941	244,506	4,284,561	2,369,057
	609,419	104,748	1,013,154	973,271
	-	-	-	-
	(3,183,947)	(199,193)	(3,101,499)	(1,557,063)
	743,413	150,061	2,196,216	1,785,265
	-	-	-	-
	-	-	-	-
	743,413	150,061	2,196,216	1,785,265
	3,500,434	290,178	4,665,902	2,679,326
	127,830	13,447	140,368	77,269
	-	-	-	-
	-	-	-	-
	-	-	-	-
	3,628,264	303,625	4,806,270	2,756,595
	(2,884,851)	(153,564)	(2,610,054)	(971,330)
	-	-	500,000	-
	(2,884,851)	(153,564)	(2,110,054)	(971,330)
	9,543,462	2,719,738	8,585,681	8,124,410
	$ 6,658,611	$ 2,566,174	$ 6,475,627	$ 7,153,080

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Revenues, Expenses

and Changes in Net Assets

Year Ended June 30, 2006

	Series 2000C-G	Series 2001A&B
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ -	$ -
Mortgage-backed securities	2,892,264	1,780,035
Investments	367,764	214,210
Other mortgage income - net	-	-
Net increase (decrease) in the fair value of investments and mortgage-backed securities	(1,807,910)	(1,418,699)
Total interest and investment income	1,452,118	575,546
OTHER INCOME:		
Service fees and other	-	-
Total other income	-	-
Total operating revenues	1,452,118	575,546
OPERATING EXPENSES:		
Interest expense	3,259,636	1,855,578
Trustee expense and agency fees	94,874	66,527
Mortgage servicing and administration fees	-	-
OHFA contribution to bond issues	-	-
Insurance and other	-	-
Total operating expenses	3,354,510	1,922,105
Income over (under) expenses before transfer	(1,902,392)	(1,346,559)
Transfer in (out)	2,005,000	-
Net income (loss)	102,608	(1,346,559)
Net Assets, beginning of year	8,268,325	3,825,366
Net assets, end of year	$ 8,370,933	$ 2,478,807

	Series 2001C-E	Series 2002A-C	Series 2002D&E	Series 2003A
	$ -	$ -	$ -	$ -
	4,502,702	5,110,634	1,446,502	1,845,382
	477,941	498,061	120,635	97,697
	-	-	-	-
	(3,623,722)	(4,323,706)	(1,351,964)	(2,225,797)
	1,356,921	1,284,989	215,173	(282,718)
	-	-	-	-
	-	-	-	-
	1,356,921	1,284,989	215,173	(282,718)
	4,430,341	5,339,520	1,602,074	1,626,062
	165,277	255,311	85,371	80,018
	-	-	-	-
	-	-	-	97
	-	-	-	-
	4,595,618	5,594,831	1,687,445	1,706,177
	(3,238,697)	(4,309,842)	(1,472,272)	(1,988,895)
	-	-	-	-
	(3,238,697)	(4,309,842)	(1,472,272)	(1,988,895)
	4,309,580	4,124,922	618,924	2,267,636
	$ 1,070,883	$ (184,920)	$ (853,348)	$ 278,741

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Revenues, Expenses

and Changes in Net Assets

Year Ended June 30, 2006

	Series 2003B&C	Series 2004A&B
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ -	$ -
Mortgage-backed securities	2,483,751	3,376,022
Investments	163,282	114,503
Other mortgage income - net	-	-
Net increase (decrease) in the fair value of investments and mortgage-backed securities	(2,774,244)	(4,042,341)
Total interest and investment income	(127,211)	(551,816)
OTHER INCOME:		
Service fees and other	-	-
Total other income	-	-
Total operating revenues	(127,211)	(551,816)
OPERATING EXPENSES:		
Interest expense	2,201,704	2,816,115
Trustee expense and agency fees	137,803	193,810
Mortgage servicing and administration fees	-	-
OHFA contribution to bond issues	-	190
Insurance and other	-	-
Total operating expenses	2,339,507	3,010,115
Income over (under) expenses before transfer	(2,466,718)	(3,561,931)
Transfer in (out)	-	-
Net income (loss)	(2,466,718)	(3,561,931)
Net Assets, beginning of year	413,192	319,462
Net assets, end of year	$ (2,053,526)	$ (3,242,469)

	Series 2004C&D	Series 2004E&F	Series 2005A&B	Series 2005C&D
	$ -	$ -	$ -	$ -
	3,519,762	2,772,685	5,400,320	3,974,487
	147,850	83,560	315,753	1,375,377
	-	-	210,286	253,894
	(3,982,020)	(3,379,003)	(8,870,009)	(9,662,870)
	(314,408)	(522,758)	(2,943,650)	(4,059,112)
	-	-	-	-
	-	-	-	-
	(314,408)	(522,758)	(2,943,650)	(4,059,112)
	3,210,751	2,596,330	4,981,630	5,208,684
	193,121	170,511	382,275	341,194
	-	-	-	-
	-	-	-	-
	-	-	-	-
	3,403,872	2,766,841	5,363,905	5,549,878
	(3,718,280)	(3,289,599)	(8,307,555)	(9,608,990)
	-	-	-	-
	(3,718,280)	(3,289,599)	(8,307,555)	(9,608,990)
	707,805	(480,432)	356,015	(7,306)
	$ (3,010,475)	$ (3,770,031)	$ (7,951,540)	$ (9,616,296)

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Revenues, Expenses

and Changes in Net Assets

Year Ended June 30, 2006

	Series 2005E&F	Series 2006A-D
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ -	$ -
Mortgage-backed securities	2,429,333	3,100,489
Investments	1,423,959	2,241,223
Other mortgage income - net	233,070	(2,541,158)
Net increase (decrease) in the fair value of investments and mortgage-backed securities	(8,237,279)	(14,774,751)
Total interest and investment income	(4,150,917)	(11,974,197)
OTHER INCOME:		
Service fees and other	-	148,860
Total other income	-	148,860
Total operating revenues	(4,150,917)	(11,825,337)
OPERATING EXPENSES:		
Interest expense	3,629,185	4,973,149
Trustee expense and agency fees	207,027	224,540
Mortgage servicing and administration fees	-	-
OHFA contribution to bond issues	-	-
Insurance and other	-	-
Total operating expenses	3,836,212	5,197,689
Income over (under) expenses before transfer	(7,987,129)	(17,023,026)
Transfer in (out)	-	3,190,740
Net income (loss)	(7,987,129)	(13,832,286)
Net Assets, beginning of year	-	-
Net assets, end of year	$ (7,987,129)	$ (13,832,286)

Series 2006E-G	Series General Trust	Total Under the General Indenture	Total FY 2006
$ -	$ -	$ -	$ 1,482,900
87,800	1,113,749	68,065,247	68,193,149
1,337,662	310,398	14,110,194	14,500,615
580,170	-	(1,263,738)	(1,263,738)
-	(656,498)	(90,071,138)	(90,316,828)
2,005,632	767,649	(9,159,435)	(7,403,902)
-	-	148,860	2,133,860
-	-	148,860	2,133,860
2,005,632	767,649	(9,010,575)	(5,270,042)
1,373,682	-	74,097,357	74,659,752
20,869	-	3,446,239	3,665,052
-	-	-	23,441
-	-	205,548	259,302
-	-	-	22,948
1,394,551	-	77,749,144	78,630,495
611,081	767,649	(86,759,719)	(83,900,537)
-	669,728	2,937,866	-
611,081	1,437,377	(83,821,853)	(83,900,537)
-	27,391,247	118,555,389	123,018,251
$ 611,081	$ 28,828,624	$ 34,733,536	$ 39,117,714

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Series 1987A	Series 1991E-G
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ -	$ 112,684
Cash collected from program loans principal	468,191	-
Cash received from investment interest and mortgage-backed securities interest	130,290	66,628
Cash received from program loans interest	89,691	-
Cash received from closing fees	-	-
Cash received from bond premiums, downpayment assistance grants and other	-	-
Cash received from service fees and other	20,212	2,281
Cash received from OHFA for new bond issues	-	-
Cash received from transfers in	-	-
Payments to purchase mortgage-backed securities	-	-
Payments for bond premiums, downpayment assistance grants and other	-	-
Payments for bond interest payable	(82,088)	(34,878)
Payments for trustee expense and agency fees	(4,826)	(1,387)
Payments for mortgage servicing and administration fees	(4,191)	-
Payments for new OHFA bond issues	-	-
Payments for insurance and other	(3,058)	-
Payments for transfer out	-	-
Net cash provided (used) by operating activities	614,221	145,328
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	-	-
Payments to redeem bonds	(605,000)	(100,000)
Payments for bond issue costs, unamortized	-	-
Net cash provided (used) by noncapital financing activities	(605,000)	(100,000)
Net increase (decrease) in cash and cash equivalents	9,221	45,328
Cash and cash equivalents, beginning of year	921,754	65,701
Cash and cash equivalents, end of year	$ 930,975	$ 111,029

	Series 1992A2	Series 1993A	Series Draw Bond	Total Not Under the General Indenture
	$ 1,999,051	$ -	$ -	$ 2,111,735
	-	930,465	-	1,398,656
	315,030	46,469	5,085	563,502
	-	410,416	-	500,107
	-	-	-	-
	-	-	-	-
	-	2,374,615	-	2,397,108
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	(124,662)	(378,970)	-	(620,598)
	(3,032)	(6,192)	(18)	(15,455)
	-	(18,521)	-	(22,712)
	(53,754)	-	-	(53,754)
	(426,670)	(313,522)	(47,508)	(790,758)
	(2,844,406)	-	(93,460)	(2,937,866)
	(1,138,443)	3,044,760	(135,901)	2,529,965
	-	-	-	-
	(1,905,000)	(2,680,000)	-	(5,290,000)
	-	-	-	-
	(1,905,000)	(2,680,000)	-	(5,290,000)
	(3,043,443)	364,760	(135,901)	(2,760,035)
	3,043,443	640,212	135,901	4,807,011
	$ -	$ 1,004,972	$ -	$ 2,046,976

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

		Series 1987A		Series 1991E-G
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income	$	39,846	$	(13,471)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Amortization of bond issue costs		18,118		3,992
Amortization of bond discount (premium)		-		-
Amortization of loan (discount) premium		(30,545)		-
Net (increase) decrease in the fair value of investments and mortgage-backed securities		113,740		37,935
Amounts collected - program loans		468,191		-
Purchases - mortgage-backed securities		-		-
Principal received on mortgage-backed securities		-		112,684
Decrease (increase) in accounts receivable		11,734		-
Decrease (increase) in interest receivable on investments and mortgage-backed securities		(11,898)		198
Decrease (increase) in interest receivable on loans		3,546		-
Decrease (increase) in prepaid insurance and other		1,767		-
Increase (decrease) in accounts payable and other		9,062		2,562
Increase (decrease) in interest payable		(9,338)		1,428
Increase (decrease) in deposits held		(2)		-
Increase (decrease) in deferred revenue		-		-
Net cash provided (used) by operating activities	$	614,221	$	145,328

	Series 1992A2		Series 1993A		Series Draw Bond		Total Not Under the General Indenture
$	(2,946,434)	$	2,841,375	$	-	$	(78,684)
	21,008		-		-		43,118
	-		-		-		-
	-		(961,200)		-		(991,745)
	94,015		-		-		245,690
	-		930,465		-		1,398,656
	-		-		-		-
	1,999,051		-		-		2,111,735
	-		(15,253)		-		(3,519)
	83,868		(12,701)		279		59,746
	-		5,405		-		8,951
	-		660		-		2,427
	(349,470)		308,939		(136,180)		(165,087)
	(40,481)		(52,930)		-		(101,321)
	-		-		-		(2)
	-		-		-		-
$	(1,138,443)	$	3,044,760	$	(135,901)	$	2,529,965

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Series 1996A	Series 1996B
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ 33,033,708	$ 2,387,455
Cash collected from program loans principal	-	-
Cash received from investment interest and mortgage-backed securities interest	1,568,087	889,942
Cash received from program loans interest	-	-
Cash received from closing fees	-	-
Cash received from bond premiums, downpayment assistance grants and other	-	-
Cash received from service fees and other	-	-
Cash received from OHFA for new bond issues	-	-
Cash received from transfers in	26,270,000	-
Payments to purchase mortgage-backed securities	-	-
Payments for bond premiums, downpayment assistance grants and other	-	-
Payments for bond interest payable	(1,945,206)	(768,257)
Payments for trustee expense and agency fees	(35,476)	(33,329)
Payments for mortgage servicing and administration fees	-	-
Payments for new OHFA bond issues	(205,261)	-
Payments for insurance and other	-	-
Payments for transfer out	(29,697,602)	-
Net cash provided (used) by operating activities	28,988,250	2,475,811
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	-	-
Payments to redeem bonds	(35,125,000)	(3,245,000)
Payments for bond issue costs, unamortized	285,044	-
Net cash provided (used) by noncapital financing activities	(34,839,956)	(3,245,000)
Net increase (decrease) in cash and cash equivalents	(5,851,706)	(769,189)
Cash and cash equivalents, beginning of year	5,851,706	3,980,176
Cash and cash equivalents, end of year	$ -	$ 3,210,987

Series 1997A1	Series 1996B/1997C	Series 1997D	Series 1998A
$ 5,399,101	$ 8,031,486	$ 625,231	$ 14,046,327
-	-	-	-
1,816,730	2,280,257	432,282	3,439,028
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(1,635,213)	(2,269,920)	(91,971)	(3,483,356)
(59,254)	(86,375)	(14,794)	(131,631)
-	-	-	-
-	-	-	-
-	-	(2,761)	-
-	-	-	-
5,521,364	7,955,448	947,987	13,870,368
-	-	-	(1)
(8,090,000)	(12,255,000)	(1,120,000)	(18,995,000)
-	-	-	-
(8,090,000)	(12,255,000)	(1,120,000)	(18,995,001)
(2,568,636)	(4,299,552)	(172,013)	(5,124,633)
6,177,925	8,565,103	3,698,435	12,345,223
$ 3,609,289	$ 4,265,551	$ 3,526,422	$ 7,220,590

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Series 1996A	Series 1996B
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ (4,432,425)	$ (370,226)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of bond issue costs	65,086	45,552
Amortization of bond discount (premium)	-	-
Amortization of loan (discount) premium	-	-
Net (increase) decrease in the fair value of investments and mortgage-backed securities	782,238	457,255
Amounts collected - program loans	-	-
Purchases - mortgage-backed securities	-	-
Principal received on mortgage-backed securities	33,033,708	2,387,455
Decrease (increase) in accounts receivable	-	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	227,399	21,679
Decrease (increase) in interest receivable on loans	-	-
Decrease (increase) in prepaid insurance and other	-	(375)
Increase (decrease) in accounts payable and other	(13,062)	(3,916)
Increase (decrease) in interest payable	(674,694)	(61,613)
Increase (decrease) in deposits held	-	-
Increase (decrease) in deferred revenue	-	-
Net cash provided (used) by operating activities	$ 28,988,250	$ 2,475,811

	Series 1997A1	Series 1996B/1997C	Series 1997D	Series 1998A
	$ (1,010,170)	$ (1,940,127)	$ 134,444	$ (3,097,668)
	80,928	110,870	80,175	197,007
	-	-	-	-
	-	-	-	-
	1,083,260	1,845,456	114,283	2,874,672
	-	-	-	-
	-	-	-	-
	5,399,101	8,031,486	625,231	14,046,327
	-	-	-	-
	66,705	85,578	5,778	121,445
	-	-	-	-
	(375)	(750)	(375)	(878)
	60,713	44,390	7,102	55,475
	(158,798)	(221,455)	(18,651)	(326,012)
	-	-	-	-
	-	-	-	-
	$ 5,521,364	$ 7,955,448	$ 947,987	$ 13,870,368

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Series 1997B/1998B	Series 1998C
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ 15,522,457	$ 1,845,409
Cash collected from program loans principal	-	-
Cash received from investment interest and mortgage-backed securities interest	4,043,744	713,164
Cash received from program loans interest	-	-
Cash received from closing fees	-	-
Cash received from bond premiums, downpayment assistance grants and other	-	-
Cash received from service fees and other	-	-
Cash received from OHFA for new bond issues	-	-
Cash received from transfers in	-	-
Payments to purchase mortgage-backed securities	-	-
Payments for bond premiums, downpayment assistance grants and other	-	-
Payments for bond interest payable	(4,089,881)	(326,000)
Payments for trustee expense and agency fees	(155,490)	(23,871)
Payments for mortgage servicing and administration fees	-	-
Payments for new OHFA bond issues	-	-
Payments for insurance and other	-	(39,666)
Payments for transfer out	-	-
Net cash provided (used) by operating activities	15,320,830	2,169,036
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	1	-
Payments to redeem bonds	(23,995,000)	(6,410,000)
Payments for bond issue costs, unamortized	-	-
Net cash provided (used) by noncapital financing activities	(23,994,999)	(6,410,000)
Net increase (decrease) in cash and cash equivalents	(8,674,169)	(4,240,964)
Cash and cash equivalents, beginning of year	14,870,789	5,122,121
Cash and cash equivalents, end of year	$ 6,196,620	$ 881,157

	Series 1999A	Series 1999B	Series 1999C&D	Series 2000A&B
	$ 14,540,646	$ 1,330,104	$ 18,212,447	$ 12,128,628
	-	-	-	-
	4,101,501	441,563	5,137,235	3,118,401
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	500,000	-
	-	-	-	-
	-	-	-	-
	(3,631,317)	(213,900)	(4,561,714)	(2,810,369)
	(142,248)	(16,668)	(157,913)	(88,366)
	-	-	-	-
	-	-	-	-
	-	(83,750)	-	-
	-	-	-	-
	14,868,582	1,457,349	19,130,055	12,348,294
	-	-	-	-
	(20,510,000)	(1,695,000)	(24,315,000)	(15,835,000)
	-	-	-	-
	(20,510,000)	(1,695,000)	(24,315,000)	(15,835,000)
	(5,641,418)	(237,651)	(5,184,945)	(3,486,706)
	17,897,138	2,275,843	16,616,938	12,797,736
	$ 12,255,720	$ 2,038,192	$ 11,431,993	$ 9,311,030

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Series 1997B/1998B	Series 1998C
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ (3,719,323)	$ (288,872)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of bond issue costs	279,813	366,858
Amortization of bond discount (premium)	-	-
Amortization of loan (discount) premium	-	-
Net (increase) decrease in the fair value of investments and mortgage-backed securities	3,468,127	273,332
Amounts collected - program loans	-	-
Purchases - mortgage-backed securities	-	-
Principal received on mortgage-backed securities	15,522,457	1,845,409
Decrease (increase) in accounts receivable	-	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	170,486	84,157
Decrease (increase) in interest receivable on loans	-	-
Decrease (increase) in prepaid insurance and other	(1,386)	(375)
Increase (decrease) in accounts payable and other	11,616	(4,640)
Increase (decrease) in interest payable	(410,960)	(106,833)
Increase (decrease) in deposits held	-	-
Increase (decrease) in deferred revenue	-	-
Net cash provided (used) by operating activities	$ 15,320,830	$ 2,169,036

	Series 1999A		Series 1999B		Series 1999C&D		Series 2000A&B
$	(2,884,851)	$	(153,564)	$	(2,110,054)	$	(971,330)
	208,639		102,550		549,143		173,995
	-		-		-		-
	-		-		-		-
	3,183,947		199,193		3,101,499		1,557,063
	-		-		-		-
	-		-		-		-
	14,540,646		1,330,104		18,212,447		12,128,628
	-		-		-		-
	120,970		10,807		137,848		101,499
	-		-		-		-
	(982)		(375)		(1,084)		(568)
	39,735		(5,093)		(314,789)		(335,955)
	(339,522)		(26,273)		(444,955)		(305,038)
	-		-		-		-
	-		-		-		-
$	14,868,582	$	1,457,349	$	19,130,055	$	12,348,294

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Series 2000C-G	Series 2001A&B
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ 11,822,020	$ 7,466,803
Cash collected from program loans principal	-	-
Cash received from investment interest and mortgage-backed securities interest	3,669,486	2,099,399
Cash received from program loans interest	-	-
Cash received from closing fees	-	-
Cash received from bond premiums, downpayment assistance grants and other	-	-
Cash received from service fees and other	-	-
Cash received from OHFA for new bond issues	-	-
Cash received from transfers in	2,005,000	-
Payments to purchase mortgage-backed securities	-	-
Payments for bond premiums, downpayment assistance grants and other	-	-
Payments for bond interest payable	(3,203,818)	(1,871,590)
Payments for trustee expense and agency fees	(107,213)	(74,044)
Payments for mortgage servicing and administration fees	-	-
Payments for new OHFA bond issues	-	-
Payments for insurance and other	(2,160,159)	(258,743)
Payments for transfer out	-	-
Net cash provided (used) by operating activities	12,025,316	7,361,825
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	-	-
Payments to redeem bonds	(19,380,000)	(8,755,000)
Payments for bond issue costs, unamortized	-	-
Net cash provided (used) by noncapital financing activities	(19,380,000)	(8,755,000)
Net increase (decrease) in cash and cash equivalents	(7,354,684)	(1,393,175)
Cash and cash equivalents, beginning of year	13,568,128	6,273,758
Cash and cash equivalents, end of year	$ 6,213,444	$ 4,880,583

Series 2001C-E	Series 2002A-C	Series 2002D&E	Series 2003A
$ 16,702,965	$ 16,809,293	$ 4,519,448	$ 4,169,074
-	-	-	-
5,325,514	5,764,611	1,599,641	1,962,032
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(4,825,414)	(5,393,089)	(1,582,256)	(1,617,740)
(182,066)	(277,753)	(89,351)	(85,153)
-	-	-	-
-	-	-	(97)
(201,516)	-	-	-
-	-	-	-
16,819,483	16,903,062	4,447,482	4,428,116
-	-	-	-
(21,330,000)	(24,500,000)	(5,960,000)	(4,875,000)
-	-	-	-
(21,330,000)	(24,500,000)	(5,960,000)	(4,875,000)
(4,510,517)	(7,596,938)	(1,512,518)	(446,884)
11,430,610	15,761,046	3,456,216	3,003,367
$ 6,920,093	$ 8,164,108	$ 1,943,698	$ 2,556,483

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Series 2000C-G	Series 2001A&B
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ 102,608	$ (1,346,559)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of bond issue costs	433,511	128,642
Amortization of bond discount (premium)	-	-
Amortization of loan (discount) premium	-	-
Net (increase) decrease in the fair value of investments and mortgage-backed securities	1,807,910	1,418,699
Amounts collected - program loans	-	-
Purchases - mortgage-backed securities	-	-
Principal received on mortgage-backed securities	11,822,020	7,466,803
Decrease (increase) in accounts receivable	-	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	181,582	40,413
Decrease (increase) in interest receivable on loans	-	-
Decrease (increase) in prepaid insurance and other	(1,500)	(502)
Increase (decrease) in accounts payable and other	(1,943,122)	(201,018)
Increase (decrease) in interest payable	(377,693)	(144,653)
Increase (decrease) in deposits held	-	-
Increase (decrease) in deferred revenue	-	-
Net cash provided (used) by operating activities	$ 12,025,316	$ 7,361,825

	Series 2001C-E	Series 2002A-C	Series 2002D&E	Series 2003A
	$ (3,238,697)	$ (4,309,842)	$ (1,472,272)	$ (1,988,895)
	240,342	226,418	71,774	66,509
	(272,401)	-	-	-
	-	-	-	-
	3,623,722	4,323,706	1,351,964	2,225,797
	-	-	-	-
	-	-	-	-
	16,702,965	16,809,293	4,519,448	4,169,074
	-	-	-	-
	147,520	155,916	32,505	18,953
	-	-	-	-
	(1,509)	(2,283)	(750)	(606)
	(19,446)	(20,159)	(3,231)	(4,529)
	(363,013)	(279,987)	(51,956)	(58,187)
	-	-	-	-
	-	-	-	-
	$ 16,819,483	$ 16,903,062	$ 4,447,482	$ 4,428,116

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Series 2003B&C	Series 2004A&B
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ 6,968,139	$ 5,331,400
Cash collected from program loans principal	-	-
Cash received from investment interest and mortgage-backed securities interest	2,678,795	3,515,291
Cash received from program loans interest	-	-
Cash received from closing fees	-	-
Cash received from bond premiums, downpayment assistance grants and other	-	-
Cash received from service fees and other	-	-
Cash received from OHFA for new bond issues	-	-
Cash received from transfers in	-	-
Payments to purchase mortgage-backed securities	-	-
Payments for bond premiums, downpayment assistance grants and other	-	-
Payments for bond interest payable	(2,400,627)	(2,932,386)
Payments for trustee expense and agency fees	(147,705)	(202,215)
Payments for mortgage servicing and administration fees	-	-
Payments for new OHFA bond issues	-	(190)
Payments for insurance and other	-	-
Payments for transfer out	-	-
Net cash provided (used) by operating activities	7,098,602	5,711,900
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	2	(1)
Payments to redeem bonds	(7,760,000)	(6,300,000)
Payments for bond issue costs, unamortized	-	-
Net cash provided (used) by noncapital financing activities	(7,759,998)	(6,300,001)
Net increase (decrease) in cash and cash equivalents	(661,396)	(588,101)
Cash and cash equivalents, beginning of year	4,440,802	3,670,552
Cash and cash equivalents, end of year	$ 3,779,406	$ 3,082,451

	Series 2004C&D	Series 2004E&F	Series 2005A&B	Series 2005C&D
	$ 5,303,431	$ 3,114,456	$ 2,424,455	$ 1,659,109
	-	-	-	-
	3,679,924	2,902,527	6,254,960	4,958,813
	-	-	-	-
	-	-	-	(20)
	-	-	-	(890)
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	(80,847,468)	(124,998,661)
	-	-	(2,250,175)	(3,249,083)
	(3,254,836)	(2,633,536)	(4,424,621)	(3,631,966)
	(205,355)	(191,385)	(304,348)	(223,517)
	-	-	-	-
	-	-	-	-
	-	(5,513)	-	910
	-	-	-	-
	5,523,164	3,186,549	(79,147,197)	(125,485,305)
	-	1	-	-
	(5,180,000)	(3,145,000)	(1,050,000)	(615,000)
	-	-	(43,750)	(292,573)
	(5,180,000)	(3,144,999)	(1,093,750)	(907,573)
	343,164	41,550	(80,240,947)	(126,392,878)
	2,699,821	1,569,728	83,703,153	129,330,983
	$ 3,042,985	$ 1,611,278	$ 3,462,206	$ 2,938,105

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Series 2003B&C	Series 2004A&B
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ (2,466,718)	$ (3,561,931)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of bond issue costs	100,758	84,110
Amortization of bond discount (premium)	(226,038)	(178,998)
Amortization of loan (discount) premium	-	-
Net (increase) decrease in the fair value of investments and mortgage-backed securities	2,774,244	4,042,341
Amounts collected - program loans	-	-
Purchases - mortgage-backed securities	-	-
Principal received on mortgage-backed securities	6,968,139	5,331,400
Decrease (increase) in accounts receivable	-	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	31,762	24,766
Decrease (increase) in interest receivable on loans	-	-
Decrease (increase) in prepaid insurance and other	(973)	(1,174)
Increase (decrease) in accounts payable and other	(8,929)	(7,231)
Increase (decrease) in interest payable	(73,643)	(21,383)
Increase (decrease) in deposits held	-	-
Increase (decrease) in deferred revenue	-	-
Net cash provided (used) by operating activities	$ 7,098,602	$ 5,711,900

Series 2004C&D	Series 2004E&F	Series 2005A&B	Series 2005C&D
$ (3,718,280)	$ (3,289,599)	$ (8,307,555)	$ (9,608,990)
61,164	52,538	81,165	69,895
(93,578)	(91,768)	(70,381)	(107,906)
-	-	-	-
3,982,020	3,379,003	8,870,009	9,662,870
-	-	-	-
-	-	(80,847,468)	(124,998,661)
5,303,431	3,114,456	2,424,455	1,659,109
-	-	-	-
12,312	46,282	538,887	(391,052)
-	-	-	-
(1,199)	(1,072)	(2,149)	(2,073)
(11,035)	(25,315)	80,077	120,661
(11,671)	2,024	546,225	1,614,728
-	-	-	-
-	-	(2,460,462)	(3,503,886)
$ 5,523,164	$ 3,186,549	$ (79,147,197)	$ (125,485,305)

(continued)

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Series 2005E&F	Series 2006A-D
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ 883,565	$ 2,148,917
Cash collected from program loans principal	-	-
Cash received from investment interest and mortgage-backed securities interest	3,412,902	1,918,267
Cash received from program loans interest	-	-
Cash received from closing fees	1,650,000	2,948,761
Cash received from bond premiums, downpayment assistance grants and other	1,228,262	1,222,344
Cash received from service fees and other	-	148,860
Cash received from OHFA for new bond issues	-	-
Cash received from transfers in	-	29,460,740
Payments to purchase mortgage-backed securities	(110,221,870)	(302,008,159)
Payments for bond premiums, downpayment assistance grants and other	(2,645,192)	(6,712,263)
Payments for bond interest payable	(2,112,161)	-
Payments for trustee expense and agency fees	(100,848)	(26,696)
Payments for mortgage servicing and administration fees	-	-
Payments for new OHFA bond issues	-	-
Payments for insurance and other	-	-
Payments for transfer out	-	(26,270,000)
Net cash provided (used) by operating activities	(107,905,342)	(297,169,229)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	111,446,600	306,983,019
Payments to redeem bonds	(45,000)	-
Payments for bond issue costs, unamortized	(1,018,271)	(3,418,118)
Net cash provided (used) by noncapital financing activities	110,383,329	303,564,901
Net increase (decrease) in cash and cash equivalents	2,477,987	6,395,672
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	$ 2,477,987	$ 6,395,672

	Series 2006E-G	Series General Trust	Total Under the General Indenture	Total FY2006
	$ -	$ 3,266,939	$ 219,693,013	$ 221,804,748
	-	-	-	1,398,656
	1,018	1,418,394	79,143,508	79,707,010
	-	-	-	500,107
	3,774,630	-	8,373,371	8,373,371
	3,267,001	-	5,716,717	5,716,717
	-	330,952	479,812	2,876,920
	-	-	-	-
	-	-	58,235,740	58,235,740
	(20,877,985)	(1,553,599)	(640,507,742)	(640,507,742)
	(513,474)	-	(15,370,187)	(15,370,187)
	-	-	(65,711,144)	(66,331,742)
	-	-	(3,163,064)	(3,178,519)
	-	-	-	(22,712)
	-	-	(205,548)	(259,302)
	-	(457,713)	(3,208,911)	(3,999,669)
	-	669,728	(55,297,874)	(58,235,740)
	(14,348,810)	3,674,701	(411,822,309)	(409,292,344)
	254,128,960	-	672,558,581	672,558,581
	-	-	(280,485,000)	(285,775,000)
	(1,863,412)	-	(6,351,080)	(6,351,080)
	252,265,548	-	385,722,501	380,432,501
	237,916,738	3,674,701	(26,099,808)	(28,859,843)
	-	8,389,540	397,496,837	402,303,848
	$ 237,916,738	$ 12,064,241	$ 371,397,029	$ 373,444,005

OHIO HOUSING FINANCE AGENCY

Single Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Series 2005E&F	Series 2006A-D
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ (7,987,129)	$ (13,832,286)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of bond issue costs	35,130	68,024
Amortization of bond discount (premium)	(53,430)	(159,347)
Amortization of loan (discount) premium	-	-
Net (increase) decrease in the fair value of investments and mortgage-backed securities	8,237,279	14,774,751
Amounts collected - program loans	-	-
Purchases - mortgage-backed securities	(110,221,870)	(302,008,159)
Principal received on mortgage-backed securities	883,565	2,148,917
Decrease (increase) in accounts receivable	-	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	(440,390)	(3,627,485)
Decrease (increase) in interest receivable on loans	-	-
Decrease (increase) in prepaid insurance and other	(1,833)	(2,656)
Increase (decrease) in accounts payable and other	108,012	404,540
Increase (decrease) in interest payable	1,535,324	5,064,473
Increase (decrease) in deposits held	-	-
Increase (decrease) in deferred revenue	-	(1)
Net cash provided (used) by operating activities	$ (107,905,342)	$ (297,169,229)

	Series 2006E-G		Series General Trust		Total Under the General Indenture		Total FY2006
$	611,081	$	1,437,377	$	(83,821,853)	$	(83,900,537)
	22,719		-		4,003,315		4,046,433
	(53,405)		-		(1,307,252)		(1,307,252)
	-		-		-		(991,745)
	-		656,498		90,071,138		90,316,828
	-		-		-		1,398,656
	(20,877,985)		(1,553,599)		(640,507,742)		(640,507,742)
	-		3,266,939		219,693,013		221,804,748
	-		7,822		7,822		4,303
	(1,702,375)		(11,831)		(3,787,884)		(3,728,138)
	-		-		-		8,951
	-		-		(27,802)		(25,375)
	298,800		-		(1,690,349)		(1,855,436)
	1,404,368		-		5,690,152		5,588,831
	-		-		-		(2)
	5,947,987		(128,505)		(144,867)		(144,867)
$	(14,348,810)	$	3,674,701	$	(411,822,309)	$	(409,292,344)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Asbury Woods/ Towne Square Refunder	Assisted Living Concepts
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	-	-
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	332,054	-
Current portion of mortgage-backed securities, at fair value	-	-
Accounts receivable	-	-
Interest receivable on investments and mortgage-backed securities	3,745	-
Current portion of loans receivable	93,131	-
Interest receivable on loans	15,165	-
Current portion of unamortized bond issue costs	5,790	-
Total current assets	449,885	-
Non-current assets		
Non-current portion of mortgage-backed securities, at fair value	-	-
Non-current portion of loans receivable	3,099,515	-
Non-current portion of unamortized bond issue costs	64,486	-
Total non-current assets	3,164,001	-
Total assets	$ 3,613,886	$ -

Beehive and Doan Refunder	Bethel Park Zebulon Park	Chambrel	Club at Spring Valley
$ -		$ -	$ -
-	-	-	-
-	-	-	-
196,165	-	35,149	22,029
-	-	-	-
-	-	-	-
4,204	-	-	-
28,597	-	-	-
10,640	32,000	21,501	24,087
2,680	-	-	-
242,286	32,000	56,650	46,116
-	-	-	-
973,195	6,400,000	12,451,000	10,800,000
32,242	-	-	-
1,005,437	6,400,000	12,451,000	10,800,000
$ 1,247,723	$ 6,432,000	$ 12,507,650	$ 10,846,116

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Asbury Woods/ Towne Square Refunder	Assisted Living Concepts
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ 7,077	$ -
Interest payable	45,602	-
Current portion of bonds payable	94,076	-
Deposits held	-	-
Total current liabilities	146,755	-
Non-current liabilities		
Non-current portion of bonds payable	3,309,705	-
Total non-current liabilities	3,309,705	-
Total liabilities	3,456,460	-
Net assets		
Invested in capital assets, net of related debt		
Restricted - bond funds	157,426	-
Unrestricted	-	-
Total net assets	157,426	-
Total liabilites and net assets	$ 3,613,886	$ -

Beehive and Doan Refunder	Bethel Park Zebulon Park	Chambrel	Club at Spring Valley
$ 1,949	$ -	$ 1,043	$ 19,277
30,411	32,000	21,501	24,087
9,681	-	-	-
-	-	34,106	2,752
42,041	32,000	56,650	46,116
996,186	6,400,000	12,451,000	10,800,000
996,186	6,400,000	12,451,000	10,800,000
1,038,227	6,432,000	12,507,650	10,846,116
209,496	-	-	-
-	-	-	-
209,496	-	-	-
$ 1,247,723	$ 6,432,000	$ 12,507,650	$ 10,846,116

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Courtyards of Kettering	Detroit Terrace Refunder
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	-	-
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	336,813	295,625
Current portion of mortgage-backed securities, at fair value	-	-
Accounts receivable	-	-
Interest receivable on investments and mortgage-backed securities	7,186	4,156
Current portion of loans receivable	34,117	188,324
Interest receivable on loans	16,149	6,102
Current portion of unamortized bond issue costs	-	6,543
Total current assets	394,265	500,750
Non-current assets		
Non-current portion of mortgage-backed securities, at fair value	-	-
Non-current portion of loans receivable	3,336,129	1,080,361
Non-current portion of unamortized bond issue costs	-	23,068
Total non-current assets	3,336,129	1,103,429
Total assets	$ 3,730,394	$ 1,604,179

Hillwood II	Hunters Glen Refunder	Kennedy Portfolio	Lincoln Park
$ -	$ -	$ -	$ -
-	-	(122)	-
-	-	-	-
-	258,448	201,928	426,316
-	-	289,267	-
-	-	-	-
-	-	87,927	-
14,968	-	-	591,667
40,574	57,191	-	-
-	-	-	-
55,542	315,639	$ 579,000	1,017,983
-	-	9,762,751	-
9,757,932	10,740,000	-	6,596,666
-	-	-	-
9,757,932	10,740,000	$ 9,762,751	6,596,666
9,813,474	$ 11,055,639	$ 10,341,751	$ 7,614,649

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Courtyards of Kettering	Detroit Terrace Refunder
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ 4,312	$ 1,050
Interest payable	96,556	27,528
Current portion of bonds payable	37,525	165,000
Deposits held	2	2
Total current liabilities	138,395	193,580
Non-current liabilities		
Non-current portion of bonds payable	3,541,032	1,265,000
Total non-current liabilities	3,541,032	1,265,000
Total liabilities	3,679,427	1,458,580
Net assets		
Invested in capital assets, net of related debt	-	-
Restricted - bond funds	50,967	145,599
Unrestricted	-	-
Total net assets	50,967	145,599
Total liabilites and net assets	$ 3,730,394	$ 1,604,179

	Hillwood II	Hunters Glen Refunder	Kennedy Portfolio	Lincoln Park
	$ 1,144	$ 16,350	$ 400	$ 1,107
	40,377	295,529	175,338	48,542
	2,338	-	110,000	565,000
	-	3,760	96,232	-
	43,859	315,639	381,970	614,649
	9,770,352	10,740,000	10,625,000	7,000,000
	9,770,352	10,740,000	10,625,000	7,000,000
	9,814,211	11,055,639	11,006,970	7,614,649
	-	-	-	-
	(737)	-	(665,219)	-
	-	-	-	-
	(737)	-	(665,219)	-
	$ 9,813,474	$ 11,055,639	$ 10,341,751	$ 7,614,649

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Moody Manor/ Regina Manor	Oakleaf Toledo Refunder
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	-	1
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	46,843	196,350
Current portion of mortgage-backed securities, at fair value	102,593	308,641
Accounts receivable	-	-
Interest receivable on investments and mortgage-backed securities	13,547	44,181
Current portion of loans receivable	106,667	-
Interest receivable on loans	26,023	-
Current portion of unamortized bond issue costs	-	21,999
Total current assets	295,673	571,172
Non-current assets		
Non-current portion of mortgage-backed securities, at fair value	2,906,791	6,275,692
Non-current portion of loans receivable	4,113,333	-
Non-current portion of unamortized bond issue costs	-	260,851
Total non-current assets	7,020,124	6,536,543
Total assets	$ 7,315,797	$ 7,107,715

	Oakleaf Village Refunder	Parktrails	Pebble Brooke	Pine Crossing Refunder
	$ -	$ -	$ -	$ -
	-	1	-	-
	-	-	-	-
	486,055	88,616	493,757	2
	-	-	-	-
	-	-	-	-
	4,188	-	-	-
	101,591	142,500	263,333	-
	17,958	18,969	-	17,346
	8,285	-	-	-
	618,077	250,086	757,090	17,348
	-	-	-	-
	3,653,310	11,302,500	14,736,667	5,670,000
	100,888	-	-	-
	3,754,198	11,302,500	14,736,667	5,670,000
	$ 4,372,275	$ 11,552,586	$ 15,493,757	$ 5,687,348

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Moody Manor/ Regina Manor	Oakleaf Toledo Refunder
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ -	$ 7,571
Interest payable	30,232	121,142
Current portion of bonds payable	100,000	168,304
Deposits held	50,619	116,816
Total current liabilities	180,851	413,833
Non-current liabilities		
Non-current portion of bonds payable	7,270,000	6,707,756
Total non-current liabilities	7,270,000	6,707,756
Total liabilities	7,450,851	7,121,589
Net assets		
Invested in capital assets, net of related debt	-	-
Restricted - bond funds	(135,054)	(13,874)
Unrestricted	-	-
Total net assets	(135,054)	(13,874)
Total liabilites and net assets	$ 7,315,797	$ 7,107,715

Oakleaf Village Refunder	Parktrails	Ravenwood	Pine Crossing Refunder
$ 11,324	$ -	$ 19,948	$ -
73,778	67,106	361,665	17,346
95,000	140,000	-	-
4,818	40,480	112,144	2
184,920	247,586	493,757	17,348
3,815,000	11,305,000	15,000,000	5,670,000
3,815,000	11,305,000	15,000,000	5,670,000
3,999,920	11,552,586	15,493,757	5,687,348
-	-	-	-
372,355	-	-	-
-	-	-	-
372,355	-	-	-
$ 4,372,275	$ 11,552,586	$ 15,493,757	$ 5,687,348

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Robin Springs	Shannon Glen
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	41	45
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	-	-
Current portion of mortgage-backed securities, at fair value	-	-
Accounts receivable	-	-
Interest receivable on investments and mortgage-backed securities	-	-
Current portion of loans receivable	-	-
Interest receivable on loans	79,919	20,613
Current portion of unamortized bond issue costs	-	-
Total current assets	79,960	20,658
Non-current assets		
Non-current portion of mortgage-backed securities, at fair value	-	-
Non-current portion of loans receivable	5,650,000	11,800,000
Non-current portion of unamortized bond issue costs	-	-
Total non-current assets	5,650,000	11,800,000
Total assets	$ 5,729,960	$ 11,820,658

	Sharon Green	Timber Lake	Tylers Creek	Uptown Towers
	$ -	$ -	$ -	$ -
	-	1	-	-
	-	-	-	-
	16,868	98,082	196,839	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	145,833	-
	122,917	-	-	105,786
	-	-	-	-
	139,785	98,083	342,672	105,786
	-	-	-	-
	5,900,000	15,155,000	14,644,167	12,500,000
	-	-	-	-
	5,900,000	15,155,000	14,644,167	12,500,000
	$ 6,039,785	$ 15,253,083	$ 14,986,839	$ 12,605,786

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Robin Springs	Shannon Glen
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ -	$ -
Interest payable	79,919	20,658
Current portion of bonds payable	-	-
Deposits held	41	-
Total current liabilities	79,960	20,658
Non-current liabilities		
Non-current portion of bonds payable	5,650,000	11,800,000
Total non-current liabilities	5,650,000	11,800,000
Total liabilities	5,729,960	11,820,658
Net assets		
Invested in capital assets, net of related debt	-	-
Restricted - bond funds	-	-
Unrestricted	-	-
Total net assets	-	-
Total liabilites and net assets	$ 5,729,960	$ 11,820,658

	Sharon Green	Timber Lake	Tylers Creek	Uptown Towers
	$ -	$ 15,521	$ 68,713	$ -
	122,917	81,896	91,283	105,786
	-	-	155,000	-
	16,868	666	36,843	-
	139,785	98,083	351,839	105,786
	5,900,000	15,155,000	14,635,000	12,500,000
	5,900,000	15,155,000	14,635,000	12,500,000
	6,039,785	15,253,083	14,986,839	12,605,786
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	$ 6,039,785	$ 15,253,083	$ 14,986,839	$ 12,605,786

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Vistula Heritage Village II	Westlake
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	-	-
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	2,018,622	11,246
Current portion of mortgage-backed securities, at fair value	63,172	-
Accounts receivable	-	-
Interest receivable on investments and mortgage-backed securities	8,532	-
Current portion of loans receivable	-	-
Interest receivable on loans	60,318	32,209
Current portion of unamortized bond issue costs	-	-
Total current assets	2,150,644	43,455
Non-current assets		
Non-current portion of mortgage-backed securities, at fair value	1,710,895	-
Non-current portion of loans receivable	1,815,124	9,810,000
Non-current portion of unamortized bond issue costs	-	-
Total non-current assets	3,526,019	9,810,000
Total assets	$ 5,676,663	$ 9,853,455

Willow Lake	10 Wilmington Place	Wind River	Wingate at Belle Meadows
$ -	$ -	$ -	$ -
-	-	-	500
-	-	-	-
8	-	163,201	-
-	-	282,369	-
-	-	-	-
-	-	36,103	-
205,000	-	126,667	-
20,453	27,151	14,175	26,830
-	-	-	-
225,461	27,151	622,515	27,330
-	-	7,153,341	-
6,420,000	8,945,000	503,333	8,750,000
-	-	-	-
6,420,000	8,945,000	7,656,674	8,750,000
$ 6,645,461	$ 8,972,151	$ 8,279,189	$ 8,777,330

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

	Vistula Heritage Village II	Westlake
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ -	$ 5,908
Interest payable	86,493	32,209
Current portion of bonds payable	15,000	-
Deposits held	2,910	5,338
Total current liabilities	104,403	43,455
Non-current liabilities		
Non-current portion of bonds payable	5,585,000	9,810,000
Total non-current liabilities	5,585,000	9,810,000
Total liabilities	5,689,403	9,853,455
Net assets		
Invested in capital assets, net of related debt	-	-
Restricted - bond funds	(12,740)	-
Unrestricted	-	-
Total net assets	(12,740)	-
Total liabilites and net assets	$ 5,676,663	$ 9,853,455

	Willow Lake	10 Wilmington Place	Wind River	Wingate at Belle Meadows
	$ -	$ 81	$ 1,894	$ -
	20,453	27,070	80,283	26,830
	205,000	-	130,000	-
	8	-	34,081	500
	225,461	27,151	246,258	27,330
	6,420,000	8,945,000	8,015,000	8,750,000
	6,420,000	8,945,000	8,015,000	8,750,000
	6,645,461	8,972,151	8,261,258	8,777,330
	-	-	-	-
	-	-	17,931	-
	-	-	-	-
	-	-	17,931	-
	$ 6,645,461	$ 8,972,151	$ 8,279,189	$ 8,777,330

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

		Total FY 2006
ASSETS		
Current assets		
Cash	$	-
Restricted Cash		467
Current portion of investments, at fair value		-
Current portion of restricted investments, at fair value		5,921,016
Current portion of mortgage-backed securities, at fair value		1,046,040
Accounts receivable		-
Interest receivable on investments and mortgage-backed securities		213,769
Current portion of loans receivable		2,042,396
Interest receivable on loans		814,076
Current portion of unamortized bond issue costs		45,296
Total current assets		10,083,060
Non-current assets		
Non-current portion of mortgage-backed securities, at fair value		27,809,472
Non-current portion of loans receivable		206,603,231
Non-current portion of unamortized bond issue costs		481,536
Total non-current assets		234,894,239
Total assets	$	244,977,299

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Net Assets

June 30, 2006

		Total FY 2006
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$	184,669
Interest payable		2,284,537
Current portion of bonds payable		1,991,925
Deposits held		558,988
Total current liabilities		5,020,119
Non-current liabilities		
Non-current portion of bonds payable		239,831,030
Total non-current liabilities		239,831,030
Total liabilities		244,851,149
Net assets		
Invested in capital assets, net of related debt		-
Restricted - bond funds		126,150
Unrestricted		-
Total net assets		126,150
Total liabilites and net assets	$	244,977,299

OHIO HOUSING FINANCE AGENCY
Multi-Family Mortgage Revenue Program
Statement of Revenues, Expenses
and Changes in Net Assets
Year Ended June 30, 2006

	Asbury Woods/ Towne Square Refunder	Assisted Living Concepts
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ 184,303	$ 100,801
Mortgage-backed securities	-	-
Investments	16,856	-
Net increase (decrease) in the fair value of investments and mortgage-backed securities	-	-
Total interest and investment income	201,159	100,801
OTHER INCOME:		
Administrative fees	-	-
Federal financial assistance programs	-	-
Service fees and other	-	-
Total other income	-	-
Total operating revenues	201,159	100,801
OPERATING EXPENSES:		
Interest expense	191,380	100,801
Trustee expense and agency fees	8,132	-
Mortgage servicing and administration fees	4,042	-
Insurance and other	-	-
Total operating expenses	203,554	100,801
Income over (under) expenses before transfer	(2,395)	-
Transfer in (out)	-	-
Net income (loss)	(2,395)	-
Net Assets, beginning of year	159,821	-
Net assets, end of year	$ 157,426	$ -

	Beehive and Doan Refunder	Bethel Park Zebulon Park	Chambrel	Club at Spring Valley
	$ 59,938	$ 32,000	$ 372,077	$ 446,406
	-	-	-	-
	9,017	-	-	-
	-	-	-	-
	68,955	32,000	372,077	446,406
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	68,955	32,000	372,077	446,406
	68,966	32,000	372,077	446,406
	3,554	-	-	-
	1,173	-	-	-
	-	-	-	-
	73,693	32,000	372,077	446,406
	(4,738)	-	-	-
	-	-	-	-
	(4,738)	-	-	-
	214,234	-	-	-
	$ 209,496	$ -	$ -	$ -

(continued)

OHIO HOUSING FINANCE AGENCY
Multi-Family Mortgage Revenue Program
Statement of Revenues, Expenses
and Changes in Net Assets
Year Ended June 30, 2006

	Courtyards of Kettering	Detroit Terrace Refunder
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ 194,647	$ 57,676
Mortgage-backed securities	-	-
Investments	14,442	13,207
Net increase (decrease) in the fair value of investments and mortgage-backed securities	-	-
Total interest and investment income	209,089	70,883
OTHER INCOME:		
Administrative fees	-	-
Federal financial assistance programs	-	-
Service fees and other	-	-
Total other income	-	-
Total operating revenues	209,089	70,883
OPERATING EXPENSES:		
Interest expense	192,254	89,692
Trustee expense and agency fees	8,438	2,992
Mortgage servicing and administration fees	2,823	1,617
Insurance and other	-	-
Total operating expenses	203,515	94,301
Income over (under) expenses before transfer	5,574	(23,418)
Transfer in (out)	-	-
Net income (loss)	5,574	(23,418)
Net Assets, beginning of year	45,393	169,017
Net assets, end of year	$ 50,967	$ 145,599

	Hillwood II	Hunters Glen Refunder	Kennedy Portfolio	Lincoln Park
	$ 40,574	$ 686,286	$ -	$ 256,517
	-	-	175,338	-
	-	-	-	-
	-	-	(665,219)	-
	40,574	686,286	(489,881)	256,517
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	40,574	686,286	(489,881)	256,517
	40,167	681,990	175,338	256,517
	1,144	4,296	-	-
	-	-	-	-
	-	-	-	-
	41,311	686,286	175,338	256,517
	(737)	-	(665,219)	-
	-	-	-	-
	(737)	-	(665,219)	-
	-	-	-	-
	$ (737)	$ -	$ (665,219)	$ -

(continued)

OHIO HOUSING FINANCE AGENCY
Multi-Family Mortgage Revenue Program
Statement of Revenues, Expenses
and Changes in Net Assets
Year Ended June 30, 2006

	Moody Manor/ Regina Manor	Oakleaf Toledo Refunder
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ 117,105	$ -
Mortgage-backed securities	100,381	526,134
Investments	-	6,928
Net increase (decrease) in the fair value of investments and mortgage-backed securities	(135,054)	(573,628)
Total interest and investment income	82,432	(40,566)
OTHER INCOME:		
Administrative fees	-	-
Federal financial assistance programs	-	-
Service fees and other	-	-
Total other income	-	-
Total operating revenues	82,432	(40,566)
OPERATING EXPENSES:		
Interest expense	217,486	447,542
Trustee expense and agency fees	-	13,137
Mortgage servicing and administration fees	-	-
Insurance and other	-	-
Total operating expenses	217,486	460,679
Income over (under) expenses before transfer	(135,054)	(501,245)
Transfer in (out)	-	-
Net income (loss)	(135,054)	(501,245)
Net Assets, beginning of year	-	487,371
Net assets, end of year	$ (135,054)	$ (13,874)

	Oakleaf Village Refunder	Parktrails	Ravenwood	Pine Crossing Refunder
	$ 216,518	$ 728,087	$ 867,998	$ 172,283
	-	-	-	-
	17,153	-	-	-
	-	-	-	-
	233,671	728,087	867,998	172,283
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	233,671	728,087	867,998	172,283
	228,742	728,087	867,998	172,283
	9,568	-	-	-
	4,719	-	-	-
	2,500	-	-	-
	245,529	728,087	867,998	172,283
	(11,858)	-	-	-
	-	-	-	-
	(11,858)	-	-	-
	384,213	-	-	-
	$ 372,355	$ -	$ -	$ -

(continued)

OHIO HOUSING FINANCE AGENCY
Multi-Family Mortgage Revenue Program
Statement of Revenues, Expenses
and Changes in Net Assets
Year Ended June 30, 2006

	Robin Springs	Shannon Glen
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ 295,800	$ 359,473
Mortgage-backed securities	-	-
Investments	-	-
Net increase (decrease) in the fair value of investments and mortgage-backed securities	-	-
Total interest and investment income	295,800	359,473
OTHER INCOME:		
Administrative fees	-	-
Federal financial assistance programs	-	-
Service fees and other	-	-
Total other income	-	-
Total operating revenues	295,800	359,473
OPERATING EXPENSES:		
Interest expense	295,800	359,473
Trustee expense and agency fees	-	-
Mortgage servicing and administration fees	-	-
Insurance and other	-	-
Total operating expenses	295,800	359,473
Income over (under) expenses before transfer	-	-
Transfer in (out)	-	-
Net income (loss)	-	-
Net Assets, beginning of year	-	-
Net assets, end of year	$ -	$ -

	Sharon Green	Timber Lake	Tylers Creek	Uptown Towers
	$ 156,514	$ 982,758	$ 916,778	$ 105,786
	-	-	-	-
	-	-	-	-
	-	-	-	-
	156,514	982,758	916,778	105,786
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	156,514	982,758	916,778	105,786
	156,514	982,758	916,778	105,786
	-	-	-	-
	-	-	-	-
	-	-	-	-
	156,514	982,758	916,778	105,786
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	$ -	$ -	$ -	$ -

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Revenues, Expenses

and Changes in Net Assets

Year Ended June 30, 2006

	Vistula Heritage Village II	Westlake
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ 62,924	$ 335,435
Mortgage-backed securities	23,569	-
Investments	-	-
Net increase (decrease) in the fair value of investments and mortgage-backed securities	(12,740)	-
Total interest and investment income	73,753	335,435
OTHER INCOME:		
Administrative fees	-	-
Federal financial assistance programs	-	-
Service fees and other	-	-
Total other income	-	-
Total operating revenues	73,753	335,435
OPERATING EXPENSES:		
Interest expense	86,493	335,435
Trustee expense and agency fees	-	-
Mortgage servicing and administration fees	-	-
Insurance and other	-	-
Total operating expenses	86,493	335,435
Income over (under) expenses before transfer	(12,740)	-
Transfer in (out)	-	-
Net income (loss)	(12,740)	-
Net Assets, beginning of year	-	-
Net assets, end of year	$ (12,740)	$ -

Willow Lake	10 Wilmington Place	Wind River	Wingate at Belle Meadows
$ 206,265	$ 270,012	$ 42,806	$ 266,559
-	-	430,165	-
-	-	5,949	-
-	-	(218,618)	-
206,265	270,012	260,302	266,559
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
206,265	270,012	260,302	266,559
206,265	270,012	462,632	266,559
-	-	5,516	-
-	-	-	-
-	-	-	-
206,265	270,012	468,148	266,559
-	-	(207,846)	-
-	-	-	-
-	-	(207,846)	-
-	-	225,777	-
$ -	$ -	$ 17,931	$ -

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Revenues, Expenses

and Changes in Net Assets

Year Ended June 30, 2006

		Total FY 2006
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$	8,534,326
Mortgage-backed securities		1,255,587
Investments		83,552
Net increase (decrease) in the fair value of investments and mortgage-backed securities		(1,605,259)
Total interest and investment income		8,268,206
OTHER INCOME:		
Administrative fees		-
Federal financial assistance programs		-
Service fees and other		-
Total other income		-
Total operating revenues		8,268,206
OPERATING EXPENSES:		
Interest expense		9,754,231
Trustee expense and agency fees		56,777
Mortgage servicing and administration fees		14,374
Insurance and other		2,500
Total operating expenses		9,827,882
Income over (under) expenses before transfer		(1,559,676)
Transfer in (out)		-
Net income (loss)		(1,559,676)
Net Assets, beginning of year		1,685,826
Net assets, end of year	$	126,150

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OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Asbury Woods/ Towne Square Refunder	Assisted Living Concepts
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ -	$ -
Cash collected from program loans principal	87,983	9,610,000
Cash received from investment interest and mortgage-backed securities interest	16,867	-
Cash received from program loans interest	184,721	120,690
Cash received from closing fees	-	-
Cash received from bond premiums, downpayment assistance grants and other	-	-
Cash received from service fees and other	-	-
Cash received from OHFA for new bond issues	-	-
Cash received from transfers in	-	-
Payments to purchase mortgage-backed securities	-	-
Payments for bond premiums, downpayment assistance grants and other	-	-
Payments for bond interest payable	(185,495)	(120,690)
Payments to purchase program loans	-	-
Payments for trustee expense and agency fees	(6,430)	-
Payments for mortgage servicing and administration fees	(4,051)	-
Payments for new OHFA bond issues	-	-
Payments for insurance and other	-	(23)
Payments for transfer out	-	-
Net cash provided (used) by operating activities	93,595	9,609,977
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	-	-
Payments to redeem bonds	(85,000)	(9,610,000)
Payments for bond issue costs, unamortized	-	-
Net cash provided (used) by noncapital financing activities	(85,000)	(9,610,000)
Net increase (decrease) in cash and cash equivalents	8,595	(23)
Cash and cash equivalents, beginning of year	323,459	23
Cash and cash equivalents, end of year	$ 332,054	$ -

Beehive and Doan Refunder	Bethel Park Zebulon Park	Chambrel	Club at Spring Valley
$ -	$ -	$ -	$ -
20,486	-	-	-
8,655	-	-	-
59,290	-	364,020	440,248
-	-	-	-
-	-	-	-
-	-	17,997	1,694
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(65,952)	-	(364,020)	(440,248)
-	(6,400,000)	-	-
(4,136)	-	-	-
(1,078)	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
17,265	(6,400,000)	17,997	1,694
-	6,400,000	-	-
-	-	-	-
-	-	-	-
-	6,400,000	-	-
17,265	-	17,997	1,694
178,900	-	17,152	20,335
$ 196,165	$ -	$ 35,149	$ 22,029

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Asbury Woods/ Towne Square Refunder	Assisted Living Concepts
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ (2,395)	$ -
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of bond issue costs	6,894	-
Amortization of bond discount (premium)	-	-
Amortization of loan (discount) premium	-	-
Net (increase) decrease in the fair value of investments and mortgage-backed securities	-	-
Amounts loaned under agency programs	-	-
Amounts collected - program loans	87,983	9,610,000
Purchases - mortgage-backed securities	-	-
Principal received on mortgage-backed securities	-	-
Decrease (increase) in accounts receivable	-	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	11	-
Decrease (increase) in interest receivable on loans	418	19,889
Decrease (increase) in prepaid insurance and other	-	-
Increase (decrease) in accounts payable and other	1,693	(22)
Increase (decrease) in interest payable	(1,009)	(19,889)
Increase (decrease) in deposits held	-	(1)
Increase (decrease) in deferred revenue	-	-
Net cash provided (used) by operating activities	$ 93,595	$ 9,609,977

Beehive and Doan Refunder	Bethel Park Zebulon Park	Chambrel	Club at Spring Valley
$ (4,738)	$ -	$ -	$ -
2,693	-	-	-
320	-	-	-
4,549	-	-	-
-	-	-	-
-	(6,400,000)	-	-
20,486	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(362)	-	-	-
(5,197)	(32,000)	(8,057)	(6,158)
-	-	-	-
(486)	-	682	1,694
-	32,000	8,057	6,158
-	-	17,315	-
-	-	-	-
$ 17,265	$ (6,400,000)	$ 17,997	$ 1,694

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Courtyards of Kettering	Detroit Terrace Refunder
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ -	$ -
Cash collected from program loans principal	32,215	158,817
Cash received from investment interest and mortgage-backed securities interest	14,219	13,181
Cash received from program loans interest	194,802	78,430
Cash received from closing fees	-	-
Cash received from bond premiums, downpayment assistance grants and other	-	-
Cash received from service fees and other	-	-
Cash received from OHFA for new bond issues	-	-
Cash received from transfers in	-	-
Payments to purchase mortgage-backed securities	-	-
Payments for bond premiums, downpayment assistance grants and other	-	-
Payments for bond interest payable	(194,193)	(88,866)
Payments to purchase program loans	-	-
Payments for trustee expense and agency fees	(8,471)	(3,925)
Payments for mortgage servicing and administration fees	(4,235)	(1,634)
Payments for new OHFA bond issues	-	-
Payments for insurance and other	-	-
Payments for transfer out	-	-
Net cash provided (used) by operating activities	34,337	156,003
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	-	-
Payments to redeem bonds	(30,000)	(155,000)
Payments for bond issue costs, unamortized	-	-
Net cash provided (used) by noncapital financing activities	(30,000)	(155,000)
Net increase (decrease) in cash and cash equivalents	4,337	1,003
Cash and cash equivalents, beginning of year	332,476	294,622
Cash and cash equivalents, end of year	$ 336,813	$ 295,625

Hillwood II		Hunters Glen Refunder		Kennedy Portfolio		Lincoln Park
$	-	$	-	$	18,163	$ -
	-		-		-	555,000
	-		-		87,411	-
	-		629,095		-	256,517
	-		-		-	-
	-		-		-	-
	-		6,060		96,232	572
	-		-		-	-
	-		-		-	-
	-		-		(10,735,400)	-
	-		-		-	-
	-		(681,990)		-	(255,225)
	(9,772,900)		-		-	-
	-		(3,222)		400	-
	-		-		-	-
	-		-		-	-
	-		(1,823)		-	-
	-		-		-	-
	(9,772,900)		(51,880)		(10,533,194)	556,864
	9,772,900		-		10,735,000	-
	-		-		-	(535,000)
	-		-		-	-
	9,772,900		-		10,735,000	(535,000)
	-		(51,880)		201,806	21,864
	-		310,328		-	404,452
$	-	$	258,448	$	201,806	$ 426,316

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Courtyards of Kettering	Detroit Terrace Refunder
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ 5,574	$ (23,418)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of bond issue costs	-	3,590
Amortization of bond discount (premium)	(1,219)	-
Amortization of loan (discount) premium	-	19,960
Net (increase) decrease in the fair value of investments and mortgage-backed securities	-	-
Amounts loaned under agency programs	-	-
Amounts collected - program loans	32,215	158,817
Purchases - mortgage-backed securities	-	-
Principal received on mortgage-backed securities	-	-
Decrease (increase) in accounts receivable	-	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	(223)	(26)
Decrease (increase) in interest receivable on loans	154	794
Decrease (increase) in prepaid insurance and other	-	-
Increase (decrease) in accounts payable and other	(1,444)	(950)
Increase (decrease) in interest payable	(720)	(2,764)
Increase (decrease) in deposits held	-	-
Increase (decrease) in deferred revenue	-	-
Net cash provided (used) by operating activities	$ 34,337	$ 156,003

	Hillwood II		Hunters Glen Refunder		Kennedy Portfolio		Lincoln Park
$	(737)	$	-	$	(665,219)	$	-
	-		-		-		-
	(210)		-		-		-
	-		-		-		-
	-		-		665,219		-
	(9,772,900)		-		-		-
	-		-		-		555,000
	-		-		(10,735,400)		-
	-		-		18,163		-
	-		-		-		-
	-		-		(87,927)		-
	(40,574)		(57,191)		-		-
	-		-		-		-
	1,144		7,135		400		572
	40,377		-		175,338		1,292
	-		(1,824)		96,232		-
	-		-		-		-
$	(9,772,900)	$	(51,880)	$	(10,533,194)	$	556,864

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Moody Manor/ Regina Manor	Oakleaf Toledo Refunder
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ 55,562	$ 96,280
Cash collected from program loans principal	-	-
Cash received from investment interest and mortgage-backed securities interest	86,834	533,522
Cash received from program loans interest	91,082	-
Cash received from closing fees	-	-
Cash received from bond premiums, downpayment assistance grants and other	-	-
Cash received from service fees and other	-	-
Cash received from OHFA for new bond issues	-	-
Cash received from transfers in	-	-
Payments to purchase mortgage-backed securities	(4,220,000)	-
Payments for bond premiums, downpayment assistance grants and other	-	-
Payments for bond interest payable	(187,254)	(442,672)
Payments to purchase program loans	(3,200,000)	-
Payments for trustee expense and agency fees	-	(13,282)
Payments for mortgage servicing and administration fees	-	-
Payments for new OHFA bond issues	-	-
Payments for insurance and other	50,619	-
Payments for transfer out	-	-
Net cash provided (used) by operating activities	(7,323,157)	173,848
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	7,420,000	-
Payments to redeem bonds	(50,000)	(200,000)
Payments for bond issue costs, unamortized	-	-
Net cash provided (used) by noncapital financing activities	7,370,000	(200,000)
Net increase (decrease) in cash and cash equivalents	46,843	(26,152)
Cash and cash equivalents, beginning of year	-	222,503
Cash and cash equivalents, end of year	$ 46,843	$ 196,351

Oakleaf Village Refunder	Parktrails	Pebble Brooke	Pine Crossing Refunder
$ -	$ -	$ -	$ -
94,476	1,635,000	-	-
16,794	-	-	-
218,475	786,283	867,998	166,580
-	-	-	-
-	-	-	-
-	-	10,899	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(225,079)	(737,848)	(867,998)	(166,580)
-	-	-	-
(5,658)	-	-	-
(4,729)	-	-	-
-	-	-	-
(2,500)	(143,106)	(9,632)	-
-	-	-	-
91,779	1,540,329	1,267	-
-	-	-	-
(90,000)	(1,635,000)	-	-
-	-	-	-
(90,000)	(1,635,000)	-	-
1,779	(94,671)	1,267	-
484,276	183,288	492,490	2
$ 486,055	$ 88,617	$ 493,757	$ 2

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Moody Manor/ Regina Manor	Oakleaf Toledo Refunder
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ (135,054)	$ (501,245)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of bond issue costs	-	22,614
Amortization of bond discount (premium)	-	(13,676)
Amortization of loan (discount) premium	-	-
Net (increase) decrease in the fair value of investments and mortgage-backed securities	135,054	573,628
Amounts loaned under agency programs	(4,220,000)	-
Amounts collected - program loans	-	-
Purchases - mortgage-backed securities	(3,200,000)	-
Principal received on mortgage-backed securities	55,562	96,280
Decrease (increase) in accounts receivable	-	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	(13,547)	460
Decrease (increase) in interest receivable on loans	(26,023)	-
Decrease (increase) in prepaid insurance and other	-	-
Increase (decrease) in accounts payable and other	-	(145)
Increase (decrease) in interest payable	30,232	(4,068)
Increase (decrease) in deposits held	50,619	-
Increase (decrease) in deferred revenue	-	-
Net cash provided (used) by operating activities	$ (7,323,157)	$ 173,848

	Oakleaf Village Refunder	Parktrails	Pebble Brooke	Pine Crossing Refunder
	$ (11,858)	$ -	$ -	$ -
	5,329	-	-	-
	-	-	-	-
	1,501	-	-	-
	-	-	-	-
	-	-	-	-
	94,476	1,635,000	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	(359)	-	-	-
	455	58,196	-	(5,703)
	-	-	-	-
	3,900	-	10,899	-
	(1,665)	(9,761)	-	5,703
	-	(143,106)	(9,632)	-
	-	-	-	-
	$ 91,779	$ 1,540,329	$ 1,267	$ -

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Robin Springs	Shannon Glen
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ -	$ -
Cash collected from program loans principal	-	-
Cash received from investment interest and mortgage-backed securities interest	-	-
Cash received from program loans interest	263,500	351,792
Cash received from closing fees	-	-
Cash received from bond premiums, downpayment assistance grants and other	-	-
Cash received from service fees and other	41	-
Cash received from OHFA for new bond issues	-	-
Cash received from transfers in	-	-
Payments to purchase mortgage-backed securities	-	-
Payments for bond premiums, downpayment assistance grants and other	-	-
Payments for bond interest payable	(263,500)	(351,747)
Payments to purchase program loans	-	-
Payments for trustee expense and agency fees	-	-
Payments for mortgage servicing and administration fees	-	-
Payments for new OHFA bond issues	-	-
Payments for insurance and other	-	-
Payments for transfer out	-	-
Net cash provided (used) by operating activities	41	45
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	-	-
Payments to redeem bonds	-	-
Payments for bond issue costs, unamortized	-	-
Net cash provided (used) by noncapital financing activities	-	-
Net increase (decrease) in cash and cash equivalents	41	45
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	$ 41	$ 45

Sharon Green	Timber Lake	Tylers Creek	Uptown Towers
$ -	$ -	$ -	$ -
-	-	180,000	-
-	-	-	-
33,597	982,758	916,778	52,893
-	-	-	-
-	-	-	-
16,868	4,983	2,543	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(33,597)	(982,758)	(918,088)	(52,893)
(5,900,000)	-	-	(12,500,000)
-	-	-	-
-	-	-	-
-	-	-	-
-	(18,556)	(64,730)	-
-	-	-	-
(5,883,132)	(13,573)	116,503	(12,500,000)
5,900,000	-	-	12,500,000
-	-	(180,000)	-
-	-	-	-
5,900,000	-	(180,000)	12,500,000
16,868	(13,573)	(63,497)	-
-	111,656	260,336	-
$ 16,868	$ 98,083	$ 196,839	$ -

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Robin Springs	Shannon Glen
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ -	$ -
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of bond issue costs	-	-
Amortization of bond discount (premium)	-	-
Amortization of loan (discount) premium	-	-
Net (increase) decrease in the fair value of investments and mortgage-backed securities	-	-
Amounts loaned under agency programs	-	-
Amounts collected - program loans	-	-
Purchases - mortgage-backed securities	-	-
Principal received on mortgage-backed securities	-	-
Decrease (increase) in accounts receivable	-	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	-	-
Decrease (increase) in interest receivable on loans	(32,300)	(7,681)
Decrease (increase) in prepaid insurance and other	-	-
Increase (decrease) in accounts payable and other	-	-
Increase (decrease) in interest payable	32,300	7,726
Increase (decrease) in deposits held	41	-
Increase (decrease) in deferred revenue	-	-
Net cash provided (used) by operating activities	$ 41	$ 45

Sharon Green	Timber Lake	Tylers Creek	Uptown Towers
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(5,900,000)	-	-	(12,500,000)
-	-	180,000	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(122,917)	-	-	(105,786)
-	-	-	-
-	7,411	2,290	-
122,917	-	(1,310)	105,786
16,868	(20,984)	(64,477)	-
-	-	-	-
$ (5,883,132)	$ (13,573)	$ 116,503	$ (12,500,000)

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Vistula Heritage Village II	Westlake
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$ 4,047	$ -
Cash collected from program loans principal	-	-
Cash received from investment interest and mortgage-backed securities interest	15,037	-
Cash received from program loans interest	2,606	326,859
Cash received from closing fees	-	-
Cash received from bond premiums, downpayment assistance grants and other	-	-
Cash received from service fees and other	2,910	104,968
Cash received from OHFA for new bond issues	-	-
Cash received from transfers in	-	-
Payments to purchase mortgage-backed securities	(1,790,854)	-
Payments for bond premiums, downpayment assistance grants and other	-	-
Payments for bond interest payable	-	(325,929)
Payments to purchase program loans	(1,815,124)	-
Payments for trustee expense and agency fees	-	-
Payments for mortgage servicing and administration fees	-	-
Payments for new OHFA bond issues	-	-
Payments for insurance and other	-	(108,792)
Payments for transfer out	-	-
Net cash provided (used) by operating activities	(3,581,378)	(2,894)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued	5,600,000	-
Payments to redeem bonds	-	-
Payments for bond issue costs, unamortized	-	-
Net cash provided (used) by noncapital financing activities	5,600,000	-
Net increase (decrease) in cash and cash equivalents	2,018,622	(2,894)
Cash and cash equivalents, beginning of year	-	14,140
Cash and cash equivalents, end of year	$ 2,018,622	$ 11,246

	Willow Lake	10 Wilmington Place	Wind River	Wingate at Belle Meadows
	$ -	$ -	$ 113,943	$ -
	195,000	-	10,000	-
	-	-	436,391	-
	199,991	242,861	43,031	259,171
	-	-	-	-
	-	-	-	-
	1	-	9,972	50
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	(199,991)	(260,601)	(463,730)	(257,622)
	-	-	-	-
	-	-	(4,885)	-
	-	-	-	-
	-	-	-	-
	-	(667)	-	(1,099)
	-	-	-	-
	195,001	(18,407)	144,722	500
	-	-	-	-
	(195,000)	-	(125,000)	-
	-	-	-	-
	(195,000)	-	(125,000)	-
	1	(18,407)	19,722	500
	7	18,407	143,479	-
	$ 8	$ -	$ 163,201	$ 500

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Vistula Heritage Village II	Westlake
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ (12,740)	$ -
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of bond issue costs	-	-
Amortization of bond discount (premium)	-	-
Amortization of loan (discount) premium	-	-
Net (increase) decrease in the fair value of investments and mortgage-backed securities	12,740	-
Amounts loaned under agency programs	(1,815,124)	-
Amounts collected - program loans	-	-
Purchases - mortgage-backed securities	(1,790,854)	-
Principal received on mortgage-backed securities	4,047	-
Decrease (increase) in accounts receivable	-	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	(8,532)	-
Decrease (increase) in interest receivable on loans	(60,318)	(8,576)
Decrease (increase) in prepaid insurance and other	-	-
Increase (decrease) in accounts payable and other	-	2,356
Increase (decrease) in interest payable	86,493	9,506
Increase (decrease) in deposits held	2,910	(6,180)
Increase (decrease) in deferred revenue	-	-
Net cash provided (used) by operating activities	$ (3,581,378)	$ (2,894)

Willow Lake	10 Wilmington Place	Wind River	Wingate at Belle Meadows
$ -	$ -	$ (207,846)	$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	218,618	-
-	-	-	-
195,000	-	10,000	-
-	-	-	-
-	-	113,943	-
-	-	-	-
-	-	277	-
(6,274)	(27,151)	225	(8,937)
-	-	-	-
-	(667)	631	-
6,274	9,411	(1,098)	8,937
1	-	9,972	500
-	-	-	-
$ 195,001	$ (18,407)	$ 144,722	$ 500

(continued)

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

		Total FY 2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from mortgage-backed securities principal	$	287,995
Cash collected from program loans principal		12,578,977
Cash received from investment interest and mortgage-backed securities interest		1,228,911
Cash received from program loans interest		8,134,068
Cash received from closing fees		-
Cash received from bond premiums, downpayment assistance grants and other		-
Cash received from service fees and other		275,790
Cash received from OHFA for new bond issues		-
Cash received from transfers in		-
Payments to purchase mortgage-backed securities		(16,746,254)
Payments for bond premiums, downpayment assistance grants and other		-
Payments for bond interest payable		(9,134,566)
Payments to purchase program loans		(39,588,024)
Payments for trustee expense and agency fees		(49,609)
Payments for mortgage servicing and administration fees		(15,727)
Payments for new OHFA bond issues		-
Payments for insurance and other		(300,309)
Payments for transfer out		-
Net cash provided (used) by operating activities		(43,328,748)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from bonds issued		58,327,900
Payments to redeem bonds		(12,890,000)
Payments for bond issue costs, unamortized		-
Net cash provided (used) by noncapital financing activities		45,437,900
Net increase (decrease) in cash and cash equivalents		2,109,152
Cash and cash equivalents, beginning of year		3,812,331
Cash and cash equivalents, end of year	$	5,921,483

OHIO HOUSING FINANCE AGENCY

Multi-Family Mortgage Revenue Program

Statement of Cash Flows

Year Ended June 30, 2006

	Total FY 2006
Reconciliation of operating income to net cash provided (used) by operating activities	
Operating income	$ (1,559,676)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Amortization of bond issue costs	41,120
Amortization of bond discount (premium)	(14,785)
Amortization of loan (discount) premium	26,010
Net (increase) decrease in the fair value of investments and mortgage-backed securities	1,605,259
Amounts loaned under agency programs	(40,608,024)
Amounts collected - program loans	12,578,977
Purchases - mortgage-backed securities	(15,726,254)
Principal received on mortgage-backed securities	287,995
Decrease (increase) in accounts receivable	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	(110,228)
Decrease (increase) in interest receivable on loans	(480,712)
Decrease (increase) in prepaid insurance and other	-
Increase (decrease) in accounts payable and other	37,093
Increase (decrease) in interest payable	646,223
Increase (decrease) in deposits held	(51,746)
Increase (decrease) in deferred revenue	-
Net cash provided (used) by operating activities	$ (43,328,748)

OHIO HOUSING FINANCE AGENCY

General Fund

Statement of Net Assets

June 30, 2006

	Operating Funds	Admin. Fee Funds
ASSETS		
Current assets		
Cash	$ 453,848	$ 4,839,654
Restricted Cash	-	-
Current portion of investments, at fair value	-	5,055,982
Current portion of restricted investments, at fair value	-	-
Accounts receivable	91,684	245,402
Interest receivable on investments and mortgage-backed securities	-	-
Current portion of loans receivable	-	6,986,719
Interest receivable on loans	-	1,504,225
Prepaid insurance and other	84,555	-
Total current assets	630,087	18,631,982
Non-current assets		
Non-current portion of investments, at fair value	-	-
Non-current portion of loans receivable	-	-
Office equipment, and leasehold improvement, net of accumulated depreciation and amortization	1,378,069	-
Total non-current assets	1,378,069	-
Total assets	$ 2,008,156	$ 18,631,982

Bond Series Admin.	General Program Funds	Bond Series Program Funds	Bond Series Escrow Funds
$ -	$ 6,842,556	$ 1,105	$ 147,129
-	-	-	-
-	39,215,041	3,906,547	32,001,394
-	-	-	-
-	2,223,756	5,823,504	2,171,835
-	12,036	15,660	421,688
-	46,296,853	60,000	-
-	82,668	8,633	-
-	100,717	-	-
-	94,773,627	9,815,449	34,742,046
-	-	-	20,459,156
-	177,262,896	1,914,866	-
-	-	-	-
-	177,262,896	1,914,866	20,459,156
$ -	$ 272,036,523	$ 11,730,315	$ 55,201,202

(continued)

OHIO HOUSING FINANCE AGENCY

General Fund

Statement of Net Assets

June 30, 2006

	Operating Funds	Admin. Fee Funds
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ 638,604	$ 261,017
Deposits held	-	-
Current portion of deferred revenue	-	4,935,356
Total current liabilities	638,604	5,196,373
Non-current liabilities		
Non-current portion of accounts payable and other	611,451	-
Total non-current liabilities	611,451	-
Total liabilities	1,250,055	5,196,373
Net assets		
Invested in capital assets, net of related debt	1,378,069	-
Restricted	-	-
Unrestricted	(619,968)	13,435,609
Total net assets	758,101	13,435,609
Total liabilities and net assets	$ 2,008,156	$ 18,631,982

Bond Series Admin.		General Program Funds		Bond Series Program Funds		Bond Series Escrow Funds
$	-	$	38,558,126	$	-	$ 3,229,836
	-		2,756		-	1,255,436
	-		1,948,421		-	-
	-		40,509,303		-	4,485,272
	-		191,890,964		-	-
	-		191,890,964		-	-
	-		232,400,267		-	4,485,272
	-		-		-	-
	-		-		-	-
	-		39,636,256		11,730,315	50,715,930
	-		39,636,256		11,730,315	50,715,930
$	-	$	272,036,523	$	11,730,315	$ 55,201,202

(continued)

OHIO HOUSING FINANCE AGENCY

General Fund

Statement of Net Assets

June 30, 2006

		Totals
ASSETS		
Current assets		
Cash	$	12,284,292
Restricted Cash		-
Current portion of investments, at fair value		80,178,964
Current portion of restricted investments, at fair value		-
Accounts receivable		10,556,181
Interest receivable on investments and mortgage-backed securities		449,384
Current portion of loans receivable		53,343,572
Interest receivable on loans		1,595,526
Prepaid insurance and other		185,272
Total current assets		158,593,191
Non-current assets		
Non-current portion of investments, at fair value		20,459,156
Non-current portion of loans receivable		179,177,762
Office equipment, and leasehold improvement, net of accumulated depreciation and amortization		1,378,069
Total non-current assets		201,014,987
Total assets	$	359,608,178

Elimination Entries Debit		Elimination Entries Credit			Total FY2006
$	-	$	-	$	12,284,292
					-
					80,178,964
					-
			(4,451,515)		6,104,666
					449,384
			(234,800)		53,108,772
					1,595,526
					185,272
	-		(4,686,315)		153,906,876
					20,459,156
					179,177,762
					1,378,069
	-		-		201,014,987
$	-	$	(4,686,315)	$	354,921,863

OHIO HOUSING FINANCE AGENCY

General Fund

Statement of Net Assets

June 30, 2006

		Totals
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$	42,687,583
Deposits held		1,258,192
Current portion of deferred revenue		6,883,777
Total current liabilities		50,829,552
Non-current liabilities		
Non-current portion of accounts payable and other		192,502,415
Total non-current liabilities		192,502,415
Total liabilities		243,331,967
Net assets		
Invested in capital assets, net of related debt		1,378,069
Restricted		-
Unrestricted		114,898,142
Total net assets		116,276,211
Total liabilities and net assets	$	359,608,178

	Elimination Entries		Total
	Debit	Credit	FY2006
	$ (4,686,315)	$ -	$ 38,001,268
			1,258,192
			6,883,777
	(4,686,315)	-	46,143,237
			192,502,415
	-	-	192,502,415
	(4,686,315)	-	238,645,652
			1,378,069
			-
			114,898,142
	-	-	116,276,211
	$ (4,686,315)	$ -	$ 354,921,863

OHIO HOUSING FINANCE AGENCY

General Fund

Statement of Revenues, Expenses

and Change in Net Assets

Year Ended June 30, 2006

	Operating Funds	Admin. Fee Funds
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ -	$ 4,336,806
Investments	-	390,457
Other mortgage income - net	-	-
Net increase (decrease) in the fair value of investments and mortgage-backed securities	-	-
Total interest and investment income	-	4,727,263
OTHER INCOME:		
Administrative fees	-	3,982,317
Service fees and other	15,058	809,116
HTF grant and loan revenue	-	-
Total other income	15,058	4,791,433
Total operating revenues	15,058	9,518,696
OPERATING EXPENSES:		
Payroll and benefits	7,654,482	-
Contracts	1,176,406	-
Maintenance	160,125	-
Rent or lease	836,120	-
Purchased services	1,142,267	-
Trustee expense and agency fees	-	608
OHFA contribution to bond issues	-	-
Insurance and other	555,885	3,850
HTF grant and loan expense	-	-
Total operating expenses	11,525,285	4,458
Income over (under) expenses before transfer	(11,510,227)	9,514,238
Transfer in (out)	12,092,481	(451,372)
Net income (loss)	582,254	9,062,866
Net assets, beginning of year	774,086	4,372,743
Prior period adjustment	(598,239)	-
Restated net assets, beginning of year	175,847	4,372,743
Net assets, end of year	$ 758,101	$ 13,435,609

	Bond Series Admin.	General Program Funds	Bond Series Program Funds	Bond Series Escrow Funds
	$ -	$ 641,460	$ 55,876	$ -
	829	2,182,910	326,723	1,859,215
	-	-	-	-
	-	-	-	(144,765)
	829	2,824,370	382,599	1,714,450
	-	153,659	2,746,769	-
	8,690	1,460,962	7,045,899	22,320
	-	14,023,933	-	-
	8,690	15,638,554	9,792,668	22,320
	9,519	18,462,924	10,175,267	1,736,770
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	6,043	58,071	21,619
	-	3,000,000	2,937,936	-
	-	7,630	47,695	6,938
	-	14,023,933	-	-
	-	17,037,606	3,043,702	28,557
	9,519	1,425,318	7,131,565	1,708,213
	(180,368)	(8,265,284)	(6,195,457)	3,000,000
	(170,849)	(6,839,966)	936,108	4,708,213
	170,849	46,476,222	10,794,207	46,007,717
	-	-	-	-
	170,849	46,476,222	10,794,207	46,007,717
	$ -	$ 39,636,256	$ 11,730,315	$ 50,715,930

(continued)

OHIO HOUSING FINANCE AGENCY

General Fund

Statement of Revenues, Expenses

and Change in Net Assets

Year Ended June 30, 2006

		Totals
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$	5,034,142
Investments		4,760,134
Other mortgage income - net		-
Net increase (decrease) in the fair value of investments and mortgage-backed securities		(144,765)
Total interest and investment income		9,649,511
OTHER INCOME:		
Administrative fees		6,882,745
Service fees and other		9,362,045
HTF grant and loan revenue		14,023,933
Total other income		30,268,723
Total operating revenues		39,918,234
OPERATING EXPENSES:		
Payroll and benefits		7,654,482
Contracts		1,176,406
Maintenance		160,125
Rent or lease		836,120
Purchased services		1,142,267
Trustee expense and agency fees		86,341
OHFA contribution to bond issues		5,937,936
Insurance and other		621,998
HTF grant and loan expense		14,023,933
Total operating expenses		31,639,608
Income over (under) expenses before transfer		8,278,626
Transfer in (out)		-
Net income (loss)		8,278,626
Net assets, beginning of year		108,595,824
Prior period adjustment		(598,239)
Restated net assets, beginning of year		107,997,585
Net assets, end of year	$	116,276,211

	Elimination Entries Debit		Credit		Total FY2006
$	-	$	-	$	5,034,142
					4,760,134
					-
					(144,765)
	-		-		9,649,511
					6,882,745
					9,362,045
					14,023,933
	-		-		30,268,723
	-		-		39,918,234
					7,654,482
					1,176,406
					160,125
					836,120
					1,142,267
					86,341
					5,937,936
					621,998
					14,023,933
	-		-		31,639,608
	-		-		8,278,626
					-
	-		-		8,278,626
					108,595,824
					(598,239)
	-		-		107,997,585
$	-	$	-	$	116,276,211

OHIO HOUSING FINANCE AGENCY

General Fund

Statement of Cash Flows

Year Ended June 30, 2006

	Operating Funds	Admin. Fee Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from program loans principal	$ -	$ -
Cash received from investment interest and mortgage-backed securities interest	-	390,457
Cash received from program loans interest	-	2,832,581
Cash received from administrative fees	-	4,167,104
Cash received from service fees and other	1,234,278	245,980
Cash received from OHFA for new bond issues	-	-
Cash received from HTF grants and loans	-	-
Cash received from federal financial assistance programs	-	-
Cash received from transfers in	19,365,700	8,741,702
Payments to purchase program loans	-	(6,986,719)
Payments for trustee expense and agency fees	-	(608)
Payments for payroll and benefits	(7,654,482)	-
Payments for contracts	(1,176,406)	-
Payments for maintenance	(160,125)	-
Payments for rent or lease	(836,120)	-
Payments for purchased services	(1,142,267)	-
Payments for new OHFA bond issues	-	-
Payments for insurance and other	(1,759,454)	(151,018)
Payments for HTF grants and loans	-	-
Payments for federal financial assistance programs	-	-
Payments for transfer out	(7,273,219)	(9,193,074)
Net cash provided (used) by operating activities	597,905	46,405
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash received from sale of capital assets	-	-
Payments to acquire capital assets and leasehold improvements	(452,415)	-
Net cash provided (used) by capital and related financing activities	(452,415)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	-	-
Proceeds from sale and maturities of investments	-	-
Interest and dividends on investments	-	-
Net cash provided (used) by investing activities	-	-
Net increase (decrease) in cash and cash equivalents	145,490	46,405
Cash and cash equivalents, beginning of year	308,358	9,849,231
Cash and cash equivalents, end of year	$ 453,848	$ 9,895,636

	Bond Series Admin.	General Program Funds	Bond Series Program Funds	Bond Series Escrow Funds
	$ -	$ 62,437,523	$ 34,008	$ -
	1,176	2,183,757	333,210	1,639,249
	-	669,370	38,856	-
	-	247,559	2,103,840	-
	9,576	6,085,767	6,883,877	1,933,255
	-	-	-	-
	-	13,892,849	-	-
	-	-	-	-
	-	2,070,503	206,150	3,000,000
	-	(31,612,860)	(2,016,579)	-
	-	(6,043)	(58,071)	(9,286)
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	(3,000,000)	(2,937,936)	-
	(331)	(65,118,380)	(3,678,642)	(37,532)
	-	(13,892,849)	-	-
	-	-	-	-
	(180,368)	(10,335,787)	(6,401,607)	-
	(169,947)	(36,378,591)	(5,492,894)	6,525,686
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	(19,368,911)
	-	-	-	10,357,460
	-	-	-	-
	-	-	-	(9,011,451)
	(169,947)	(36,378,591)	(5,492,894)	(2,485,765)
	169,947	82,436,188	9,400,546	34,634,288
	$ -	$ 46,057,597	$ 3,907,652	$ 32,148,523

(continued)

OHIO HOUSING FINANCE AGENCY

General Fund

Statement of Cash Flows

Year Ended June 30, 2006

	Operating Funds	Admin. Fee Funds
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ 582,254	$ 9,062,866
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of loan (discount) premium	-	-
Net (increase) decrease in the fair value of investments and mortgage-backed securities	-	-
Office equipment depreciation and leasehold amortization	315,267	-
(Gain) loss on disposal of equipment	(6,645)	-
Amounts loaned under agency programs	-	(6,986,719)
Amounts collected - program loans	-	-
Decrease (increase) in accounts receivable	(91,684)	(58,736)
Decrease (increase) in interest receivable on investments and mortgage-backed securities	-	-
Decrease (increase) in interest receivable on loans	-	(1,504,225)
Decrease (increase) in prepaid insurance and other	(13,284)	-
Increase (decrease) in accounts payable and other	(188,003)	237,569
Increase (decrease) in deposits	-	(2,756)
Increase (decrease) in deferred revenue	-	(701,594)
Net cash provided (used) by operating activities	$ 597,905	$ 46,405

	Bond Series Admin.		General Program Funds		Bond Series Program Funds		Bond Series Escrow Funds
$	(170,849)	$	(6,839,966)	$	936,108	$	4,708,213
	-		(448,677)		-		-
	-		-		-		144,765
	-		-		-		-
	-		-		-		-
	-		(31,612,860)		(2,013,396)		-
	-		62,437,523		38,530		-
	886		(2,100,656)		(4,242,553)		1,147,990
	347		847		6,487		(219,966)
	-		1,475,771		(8,633)		-
	-		163,674		-		-
	(331)		(25,643,271)		(178,660)		770,353
	-		(35,759,397)		-		(25,669)
	-		1,948,421		(30,777)		-
$	(169,947)	$	(36,378,591)	$	(5,492,894)	$	6,525,686

(continued)

OHIO HOUSING FINANCE AGENCY

General Fund

Statement of Cash Flows

Year Ended June 30, 2006

		Total
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from program loans principal	$	62,471,531
Cash received from investment interest and mortgage-backed securities interest		4,547,849
Cash received from program loans interest		3,540,807
Cash received from administrative fees		6,518,503
Cash received from service fees and other		16,392,733
Cash received from OHFA for new bond issues		-
Cash received from HTF grants and loans		13,892,849
Cash received from federal financial assistance programs		-
Cash received from transfers in		33,384,055
Payments to purchase program loans		(40,616,158)
Payments for trustee expense and agency fees		(74,008)
Payments for payroll and benefits		(7,654,482)
Payments for contracts		(1,176,406)
Payments for maintenance		(160,125)
Payments for rent or lease		(836,120)
Payments for purchased services		(1,142,267)
Payments for new OHFA bond issues		(5,937,936)
Payments for insurance and other		(70,745,357)
Payments for HTF grants and loans		(13,892,849)
Payments for federal financial assistance programs		-
Payments for transfer out		(33,384,055)
Net cash provided (used) by operating activities		(34,871,436)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash received from sale of capital assets		-
Payments to acquire capital assets and leasehold improvements		(452,415)
Net cash provided (used) by capital and related financing activities		(452,415)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments		(19,368,911)
Proceeds from sale and maturities of investments		10,357,460
Interest and dividends on investments		-
Net cash provided (used) by investing activities		(9,011,451)
Net increase (decrease) in cash and cash equivalents		(44,335,302)
Cash and cash equivalents, beginning of year		136,798,558
Cash and cash equivalents, end of year	$	92,463,256

Elimination Entries Debit		Credit		Total FY2006
$	234,800	$ -	$	62,706,331
				4,547,849
				3,540,807
				6,518,503
		(234,800)		16,157,933
				-
				13,892,849
				-
				33,384,055
				(40,616,158)
				(74,008)
				(7,654,482)
				(1,176,406)
				(160,125)
				(836,120)
				(1,142,267)
				(5,937,936)
				(70,745,357)
				(13,892,849)
				-
				(33,384,055)
	234,800	(234,800)		(34,871,436)
				-
				(452,415)
	-	-		(452,415)
				(19,368,911)
				10,357,460
				-
	-	-		(9,011,451)
	234,800	(234,800)		(44,335,302)
				136,798,558
$	234,800	$ (234,800)	$	92,463,256

OHIO HOUSING FINANCE AGENCY

General Fund

Statement of Cash Flows

Year Ended June 30, 2006

		Total
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$	8,278,626
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of loan (discount) premium		(448,677)
Net (increase) decrease in the fair value of investments and mortgage-backed securities		144,765
Office equipment depreciation and leasehold amortization		315,267
(Gain) loss on disposal of equipment		(6,645)
Amounts loaned under agency programs		(40,612,975)
Amounts collected - program loans		62,476,053
Decrease (increase) in accounts receivable		(5,344,753)
Decrease (increase) in interest receivable on investments and mortgage-backed securities		(212,285)
Decrease (increase) in interest receivable on loans		(37,087)
Decrease (increase) in prepaid insurance and other		150,390
Increase (decrease) in accounts payable and other		(25,002,343)
Increase (decrease) in deposits		(35,787,822)
Increase (decrease) in deferred revenue		1,216,050
Net cash provided (used) by operating activities	$	(34,871,436)

	Elimination Entries				Total
	Debit		Credit		FY2006
$	-	$	-	$	8,278,626
					(448,677)
					144,765
					315,267
					(6,645)
					(40,612,975)
	234,800				62,710,853
	4,451,515				(893,238)
					(212,285)
					(37,087)
					150,390
			(4,686,315)		(29,688,658)
					(35,787,822)
					1,216,050
$	4,686,315	$	(4,686,315)	$	(34,871,436)

OHIO HOUSING FINANCE AGENCY

Federal Program

Statement of Net Assets

June 30, 2006

	Housing Assistance Payment	HOME
ASSETS		
Current assets		
Cash	$ -	$ -
Restricted Cash	6,421,067	-
Current portion of investments, at fair value	-	-
Current portion of restricted investments, at fair value	-	-
Collateral on lent securities	-	-
Accounts receivable	830,239	-
Interest receivable on investments and mortgage-backed securities	-	-
Current portion of loans receivable	-	-
Interest receivable on loans	-	-
Current portion of unamortized bond issue costs	-	-
Prepaid insurance and other	-	-
Total current assets	7,251,306	-
Non-current assets		
Non-current portion of investments, at fair value	-	-
Non-current portion of restricted investments, at fair value	-	-
Non-current portion of loans receivable	-	-
Non-current portion of unamortized bond issue costs	-	-
Office equipment, and leasehold improvement, net of accumulated depreciation and amortization	-	-
Total non-current assets	-	-
Total assets	$ 7,251,306	$ -

	FAF	Disaster Relief Federal	Total FY 2006
	$ -	$ -	$ -
	665,176	254	7,086,497
	5,128,645	-	5,128,645
	-	-	-
	-	-	-
	-	318,196	1,148,435
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	5,793,821	318,450	13,363,577
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	$ 5,793,821	$ 318,450	$ 13,363,577

OHIO HOUSING FINANCE AGENCY

Federal Program

Statement of Net Assets

June 30, 2006

	Housing Assistance Payment	HOME
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of accounts payable and other	$ 7,251,306	$ -
Obligations under securities lending	-	-
Deposits held	-	-
Current portion of deferred revenue	-	-
Total current liabilities	7,251,306	-
Non-current liabilities		
Non-current portion of accounts payable and other	-	-
Total non-current liabilities	-	-
Total liabilities	7,251,306	-
Net assets		
Invested in capital assets, net of related debt	-	-
Restricted	-	-
Unrestricted	-	-
Total net assets	-	-
Total liabilities and net assets	$ 7,251,306	$ -

	FAF	Disaster Relief Federal	Total FY 2006
	$ 5,793,821	$ 318,450	$ 13,363,577
	-	-	-
	-	-	-
	-	-	-
	5,793,821	318,450	13,363,577
	-	-	-
	-	-	-
	5,793,821	318,450	13,363,577
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	$ 5,793,821	$ 318,450	$ 13,363,577

OHIO HOUSING FINANCE AGENCY

Federal Program

Statement of Revenues, Expenses

and Changes in Net Assets

Year Ended June 30, 2006

	Housing Assistance Payment	HOME
OPERATING REVENUES		
INTEREST AND INVESTMENT INCOME:		
Loans	$ -	$ -
Investments	-	-
Net increase (decrease) in the fair value of investments and mortgage-backed securities	-	-
Total interest and investment income	-	-
OTHER INCOME:		
Administrative fees	-	-
Federal financial assistance programs	45,384,165	8,569,164
Service fees and other	-	-
Total other income	45,384,165	8,569,164
Total operating revenues	45,384,165	8,569,164
OPERATING EXPENSES:		
Payroll and benefits	-	-
Contracts	-	-
Maintenance	-	-
Rent or lease	-	-
Purchased services	-	-
Federal financial assistance programs	45,384,165	8,569,164
Trustee expense and agency fees	-	-
Insurance and other	-	-
Total operating expenses	45,384,165	8,569,164
Income over (under) expenses before transfer	-	-
Transfer in (out)	-	-
Net income (loss)	-	-
Net assets, beginning of year	-	-
Net assets, end of year	$ -	$ -

FAF	Disaster Relief Federal	Total FY 2006
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	1,426,310	55,379,639
-	-	-
-	1,426,310	55,379,639
-	1,426,310	55,379,639
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	1,426,310	55,379,639
-	-	-
-	-	-
-	1,426,310	55,379,639
-	-	-
-	-	-
-	-	-
-	-	-
$ -	$ -	$ -

OHIO HOUSING FINANCE AGENCY

Federal Program

Statement of Cash Flows

Year Ended June 30, 2006

	Housing Assistance Payment	HOME
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash collected from program loans principal	$ -	$ -
Cash received from investment interest and mortgage-backed securities interest	323,936	-
Cash received from program loan interest	-	-
Cash received from administrative fees	-	-
Cash received from service fees and other	-	-
Cash received from federal financial assistance programs	43,541,906	8,569,164
Cash received from transfer in	-	-
Payments for trustee expense and agency fees	-	-
Payments for payroll and benefits	-	-
Payments for contracts	-	-
Payments for maintenance	-	-
Payments for rent or lease	-	-
Payments for purchased services	-	-
Payments for insurance and other	-	-
Payments for federal financial assistance programs	(45,454,798)	(8,569,164)
Payments for transfer out	-	-
Net cash provided (used) by operating activities	(1,588,956)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash received from sale of capital assets	-	-
Payments to acquire capital assets and leasehold improvements	-	-
Net cash provided (used) by noncapital financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	-	-
Proceeds from sale and maturities of investments	-	-
Net cash provided (used) by investing activities	-	-
Net increase (decrease) in cash and cash equivalents	(1,588,956)	-
Cash and cash equivalents, beginning of year	8,010,023	-
Cash and cash equivalents, end of year	$ 6,421,067	$ -

	FAF	Disaster Relief Federal	Total FY2006
	$ -	$ -	$ -
	-	-	323,936
	-	-	-
	-	-	-
	821,616	-	821,616
	-	1,426,564	53,537,634
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	(1,426,310)	(55,450,272)
	-	-	-
	821,616	254	(767,086)
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-		-
	821,616	254	(767,086)
	4,972,205	-	12,982,228
	$ 5,793,821	$ 254	$ 12,215,142

OHIO HOUSING FINANCE AGENCY

Federal Program

Statement of Cash Flows

Year Ended June 30, 2006

	Housing Assistance Payment	HOME
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	$ -	$ -
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of loan (discount) premium	-	-
Net (increase) decrease in the fair value of investments and mortgage-backed securities	-	-
Office equipment depreciation and leasehold amortization	-	-
(Gain) loss on disposal of equipment	-	-
Amounts loaned under agency programs	-	-
Amounts collected - program loans	-	-
Decrease (increase) in accounts receivable	(38,870)	-
Decrease (increase) in interest receivable on investments and mortgage-backed securities	-	-
Decrease (increase) in interest receivable on loans	-	-
Decrease (increase) in prepaid insurance and other	-	-
Increase (decrease) in accounts payable and other	(1,550,086)	-
Increase (decrease) in deposits	-	-
Increase (decrease) in deferred revenue	-	-
Net cash provided (used) by operating activities	$ (1,588,956)	$ -

	FAF	Disaster Relief Federal	Total FY2006
	$ -	$ -	$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	(318,196)	(357,066)
	-	-	-
	-	-	-
	-	-	-
	821,616	318,450	(410,020)
	-	-	-
	-	-	-
	$ 821,616	$ 254	$ (767,086)

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Ohio Housing Finance Agency
Schedule of Expenditures of Federal Awards
By Federal Agency and Federal Program
For the Fiscal Year Ended June 30, 2006

Federal Agency/CFDA Number/Program Title		
U.S. Department of Housing and Urban Development		
Office of Housing - Federal Housing Commissioner		
14.195	Section 8 Housing Assistance Payments Program	$ 47,959,421
14.195	Section 8 Financial Adjustment Factor Program	$ -
Office of Community Planning and Development		
14.239	HOME Investment Partnership Program Pass-through from the Ohio Department of Development	$ 8,966,892
	Total U.S. Department of Housing and Urban Development	$ 56,926,313
U.S. Department of Homeland Security		
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters) Pass-through from the Ohio Emergency Management Agency	$ 1,426,310
	Total U.S. Department of Homeland Security	$ 1,426,310
	Total Expenditures	$ 58,352,623

The accompanying notes are an integral part of this schedule.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, revised June 27, 2003, requires a Schedule of Expenditures of Federal Awards (Schedule). The Ohio Housing Finance Agency (OHFA) reports this information using the following presentations:

- Schedule of Expenditures of Federal Awards Summarized by Federal Agency
- Schedule of Expenditures of Federal Awards by Federal Agency and Federal Program

The Schedules must report total disbursements for each federal finance assistance program, as listed in the *Catalog of Federal Domestic Assistance* (CFDA).

A. Reporting Entity

The Schedules include all federal programs OHFA has administered for the fiscal year ended June 30, 2006.

Ohio Housing Finance Agency (OHFA) was originally created as an agency within the Ohio Department of Development (ODOD) by Bill No. 1, inter alia, enacted Chapter 175 of the Ohio Revised Code implementing Section 14 of Article VIII of the Constitution of Ohio of 1852. On November 30, 2004, the Ohio General Assembly passed Am. Sub H.B. 431, and on February 1, 2005, Am. Sub. H.B. 431 was signed into law by the Governor (the “Act”). The Act, effective July 1, 2005, established OHFA as a body corporate and politic performing essential governmental functions of the State, as a separate entity from the Ohio Department of Development. On the effective date of the legislation, OHFA assumed the functions, powers, duties and obligations from the Ohio Department of Development pertaining to OHFA.

Under the Act, the powers of OHFA are vested in its Board of eleven members, consisting of the Ohio Director of Development, or his or her designee, the Ohio Director of Commerce, or his or her designee, and nine public members appointed by the Governor, with the advice and consent of the Ohio Senate, for six-year terms. The Governor appoints the Chairperson of OHFA, and the members of OHFA Board appoint a Vice Chairperson.

OHFA is a related organization to the State of Ohio and is not part of the primary government. There are no accounts or funds of OHFA that are included in the Ohio Comprehensive Annual Financial Report or the State of Ohio Single Audit Report. OHFA holds its own moneys, which are not deemed to be funds of the State of Ohio or public moneys.

Under annual contributions contracts among OHFA, the owners of rental housing properties, and the U.S. Department of Housing and Urban Development (HUD), monthly Housing Assistance Payments (HAP or Section 8) are received from HUD and disbursed to the owners as rent subsidies. The Home Investment Partnership Act HOME Fund accounts for amounts allocated from the ODOD Office of Housing and Community Partnership (OHCP), the designated administrator for HOME.

OHFA utilizes the allocation to fund Housing Development Assistance Program (HDAP) and the Community Housing Development Organization Program (CHDO). Amounts directed to the HDAP program are used to provide loans and grants to projects for low or moderate-income tenants. Loan repayments are collected by OHFA and returned to OHCP and are used to provide future loans and grants. Funds allocated to the CHDO program are awarded to community organizations as grants by OHFA. OHFA provided interim relief shelter to evacuees from Hurricanes Katrina and Rita under a Department of Homeland Security program authorized by the Federal Emergency Management Agency (FEMA) administered by the Ohio Emergency Management Agency (OEMA). OHFA was the issuer of bonds that were refunded approximately 1979 through 1984 under the *financial adjustment factor* (FAF) provisions of the McKinney Act. OHFA contracts the administration and monitoring of the FAF awards with a nonprofit organization.

B. Basis of Accounting
OHFA prepares the Schedules on the cash basis of accounting; therefore, OHFA recognizes expenditures when paid rather than when it incurs obligations.

C. Indirect Costs
Indirect costs benefit more than one federal program and are not directly allocable to the programs receiving the benefits. OHFA does not receive federal expenditures that recover costs using indirect cost rates. OHFA charges overhead costs to administrative fee reimbursements based upon federally approved plans.

NOTE 2 HOME INVESTMENT PARTNERSHIP PROGRAM (CFDA 14.239)

The State of Ohio's Department of Development (ODOD), Office of Housing and Community Partnership (OHCP) is the designated administrator for HOME and allocates amounts to OHFA for pass-through to Housing Development Assistance Program (HDAP) recipients. The OHFA utilizes the allocation to disburse amounts to fund HDAP and Community Housing Development Organization Program (CHDO) awards.

NOTE 3 FEDERAL MORTGAGE INSURANCE AND GUARANTEES

Certain mortgage loans of OHFA are insured by the Federal Housing Administration (FHA) or guaranteed by the Veterans' Administration (VA). As of June 30, 2006, outstanding FHA-insured loans were $542,415 and there were no mortgage loans guaranteed by the VA.

NOTE 4 FEDERAL TAX CREDIT PROGRAMS

OHFA administers the following federal tax credit programs.

A. Federal Low-Income Housing Tax Credit Program
The Federal Low-Income Housing Tax Credit Program allocates federal tax credits to the owners of qualified low-income rental housing units to be used over a 10-year period. For the allocation year ended December 31, 2005, OHFA allocated $21,469,914 of federal tax credits under this program.

B. Federal Mortgage Credit Certificate Program
The Federal Mortgage Credit Certificate Program allocates tax credits to qualifying homebuyers purchasing qualifying homes to be applied against their federal income tax liability in the year of purchase (if any) and/or carried forward for use in the subsequent three years. In the year ended June 30, 2006, OHFA issued/committed $1,948,283 in federal tax credits under this program.

NOTE 5 RESEARCH AND DEVELOPMENT, TRANSFERS BETWEEN FEDERAL PROGRAMS AND FEDERAL TAX RELIEF PROGRAMS

OHFA reported no expenditures under the Research and Development Cluster, made no transfers between federal programs reported on the Supplemental Schedule of Expenditures of Federal Awards and received no moneys under the Federal Tax Relief Program.

NOTE 6 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT – HOUSING ASSISTANCE PAYMENTS ADMINISTRATIVE FEE ACCOUNTING

The U.S. Department of Housing and Urban Development (HUD) has approved the accounting method OHFA uses to report the Housing Assistance Payment (HAP) administrative fee earned in the administration of the Section 8 program in Ohio. OHFA records the HAP administrative fee in the General Fund and uses the fee to pay HAP program contract administration expenses and other housing related program expenses of the Agency. The administrative fee is considered a "fee-for-service" under OMB Circular A-87 A(2)(b), not a "cost reimbursement" grant, and is available to OHFA for housing program expenses as outlined in Ohio Revised Code 175.02. The HAP administrative fee included in CFDA 14.195 for fiscal year 2006 is $2,575,256.

NOTE 7 SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, OHFA provided federal awards to the following subrecipient:

Partnership Center, LTD (FEMA)	$104,796

NOTE 8 COMPLIANCE MONITORING

A. HAP
OHFA monitors the HAP contract administration requirements for expenditures presented on the Schedule. Nonprofit recipients provide single audit reports to OHFA.

B. HOME
Under a funding award agreement and a Memorandum of Understanding, the HOME expenditures are presented on the federal Schedule as a pass-through to OHFA from ODOD and are monitored by ODOD OHCP. The grants/loans require the project recipient to maintain affordable housing status for varying periods. Any amounts received as grant/loan repayments retain status as HOME funds.

C. FEMA
OHFA monitored the application process and the pass-through awards from OEMA of interim relief shelter assistance to evacuees of hurricanes Katrina and Rita.

D. FAF
OHFA has continuing monitoring responsibilities for HUD's FAF program grants/loans disbursed under provisions of the McKinney Act. The grants/loans require the recipient project to maintain affordable housing status for 10 years. A subrecipient, under a personal service agreement with OHFA, administers the FAF awards, including determining eligibility, use of proceeds and continuing affordability. To-date, the amount of FAF grants/loans disbursed is $4,064,452. A tax credit property received a $3.5 million loan and three metropolitan housing agencies that were previously qualified under FAF sharer agreements received grants/loans in the total amount of $564,452. The grants/loans require an annual repayment only when the project's cash flow exceeds a minimum amount specified in the award grant/loan agreement. Any repayment received during the required affordability period would retain FAF status. Any repayments received beyond the 10 years affordable housing period would be available to OHFA for non-FAF program purposes. The total unpaid balance of the $3.5 million loan is due upon maturity and the three grants/loans are subject to possible forgiveness if the affordable housing status is maintained. The uncertainty of repayment does not allow reasonable expectation of collection and the recording of a receivable. The Program Compliance division of OHFA and the tax credit department of the subrecipient monitor the 10 years affordable housing compliance of the FAF recipients. The subrecipient provides a single audit report to OHFA.

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Auditor of State
Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Ohio Housing Finance Agency
57 East Main Street
Columbus, Ohio 43215

We have audited the financial statements of the Single Family Mortgage Revenue Program Fund, Multi-Family Mortgage Revenue Program Fund, General Fund, and Federal Program Fund of the Ohio Housing Finance Agency (the Agency), as of and for the year ended June 30, 2006, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated October 30, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Agency's management dated October 30, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Agency's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the Agency's management dated October 30, 2006, we reported other matters related to noncompliance we deemed immaterial.

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We intend this report solely for the information and use of the audit committee, management of the Ohio Housing Finance Agency, the Ohio General Assembly, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Betty Montgomery
Auditor of State

October 30, 2006

Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Ohio Housing Finance Agency
57 East Main Street
Columbus, Ohio 43215

Compliance

We have audited the compliance of the Ohio Housing Finance Agency with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2006. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the Ohio Housing Finance Agency's major federal programs. The Ohio Housing Finance Agency's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. Our responsibility is to express an opinion on the Ohio Housing Finance Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Ohio Housing Finance Agency's compliance with those requirements and performing 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 on Ohio Housing Finance Agency's compliance with those requirements.

In our opinion, the Ohio Housing Finance Agency complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that OMB Circular A-133 requires us to report, which are described in the accompanying schedule of findings and questioned costs; see finding numbers 2006-01 through 2006-03.

In a separate letter to the Ohio Housing Finance Agency's management dated October 30, 2006, we reported other matters related to federal noncompliance not requiring inclusion in this report.

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Internal Control Over Compliance

The Ohio Housing Finance Agency's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Ohio Housing Finance Agency's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Ohio Housing Finance Agency's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs; see finding number 2006-04.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected by employees when performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

In a separate letter to the Ohio Housing Finance Agency's management dated October 30, 2006, we reported other matters involving the internal control over federal compliance not requiring inclusion in this report.

We intend this report solely for the information and use of the audit committee, management, the OHFA Board, the State Legislature, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 23, 2007

OHIO HOUSING FINANCE AGENCY
JULY 1, 2005 THROUGH JUNE 30, 2006

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified
(d)(1)(ii)	**Were there any material control weakness conditions reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weakness conditions reported for major federal programs?**	No
(d)(1)(iv)	**Were there any other reportable internal control weakness conditions reported for major federal programs?**	Yes
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	Yes
(d)(1)(vii)	**Major Programs (list):**	See list below
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 1,684,509 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	No

Major Programs:

CFDA #	Program Name
14.195	Section 8 Housing Assistance Payments Program
14.239	HOME Investment Partnership Program

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER

None, there were no federal findings that were also material to the GAGAS level compliance report.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. VARIANCE IN SUMMARY AND SUPPORT DOCUMENTS

Finding Number	2006-01
CFDA Number and Title	14.195 – Section 8 Housing Assistance Payments Program – Special Allocations
Federal Agency	Department of Housing and Urban Development

QUESTIONED COSTS $927

The Ohio Housing Finance Agency (OHFA) is recognized as a public housing agency by a contract with the U. S. Department of Housing and Urban Development (HUD) and administers the Section 8 Housing Assistance Payments Program. Under this program, OHFA distributes section 8 housing assistance payments to participating property owners on behalf of eligible tenants who receive decent, safe, and sanitary housing through a system of rental subsidies. 24 CFR 880.501 (d) (1) relates to the amount of the housing assistance payment and states: "The amount of the housing assistance payment made to the owner of a unit being leased by an eligible family is the difference between the contract rent for the unit and the tenant rent payable by the family."

Monthly, the property owners submit a *Housing Owner's Certification and Application for Housing Assistance Payments* (HUD 52670) form to OHFA. This form summarizes both the amounts of regular tenant assistance payments and adjustments to tenant assistance payments requested by the owner. The form is accompanied by a *Schedule of Tenant Assistance Payments Due* (HUD 52670-A part 1) form, which lists payments by individual tenants and provides other detail information. OHFA employees review the forms and make revisions, as needed, so that the correct amount of assistance payments are disbursed to the owners. For two of the 60 forms tested, we noted that the amount of adjustments shown on the Certification form (after revision) was more than the total adjustments shown on the related Schedule form. In one instance, there was a difference of $121; in the other instance, there was a difference of $927. Although a variance was noted in the first instance; the correct amount was disbursed to the owner, due to another error made in one of the assistance payments revised by OHFA. However, in the second instance the owner was paid $927 more than what was on the supporting schedule and projects to over $10,000 compared to the program's total costs of $45,384,165. Thus, the $927 is being questioned as a valid program expense without appropriate documentation.

If OHFA fails to detect and identify invalid or excessive section 8 housing assistance payments, the program will incur costs that should not be allowed and payments could be made for ineligible tenants. Noncompliance by OHFA could result in federal funding being reduced or taken away, or sanctions imposed by the federal grantor agency. Noncompliance could also result in OHFA having to repay part or all of the grant awards to the federal government. The Federal Programs Coordinator said the exceptions were the result of human error in the review process.

We recommend OHFA evaluate the adequacy of the controls associated with the Section 8 Housing Assistance Payments program and strengthen the controls where vulnerabilities are noted. This may involve adding a secondary, higher-level, review of the HUD 52670 forms submitted by the property owners. The forms may be reviewed in whole or just for the revisions, and may be performed on some or all of the forms. In addition, we recommend that OHFA investigate the two instances noted above and take the steps necessary to recoup any excess federal funds disbursed.

1. VARIANCE IN SUMMARY AND SUPPORT DOCUMENTS (Continued)

Officials' Response and Corrective Action Plan

OHFA agrees with the comment. The Federal Programs Manager in the Finance Office performs a quality assurance review of 100% of all Section 8 vouchers, as required by HUD HAP Handbook4350.1. The review recalculates all adjustments (manual and system generated) submitted by the property owner. The $927.00 overpayment was an isolated incident and a result of human error. OHFA reduced the property owner's HAP payment by the $927 in March 2007. OHFA will provide refresher training in the calculation of vouchers to all employees in the Federal Programs section.

Anticipated Completion Date for Corrective Action

The 100% quality assurance review will continue and the refresher training will occur in April 2007. The return of the $927 occurred in March 2007.

Contact Person Responsible for Corrective Action
Donald E. West, Jr. Chief Financial Officer, Ohio Housing Finance Agency, 57 E. Main Street, Columbus, Ohio 43215. Phone: 614-644-7039, e-mail dwest@ohiohome.org.

2. INSUFFICIENT NUMBER OF ON-SITE INSPECTIONS

Finding Number	2006-02
CFDA Number and Title	14.239 – HOME Investment Partnerships Program
Federal Agency	Department of Housing and Urban Development

<u>NONCOMPLIANCE</u>

24 CFR 92.504 (d) contains requirements related to the frequency and purpose of on-site inspections required during administration of the HOME Investment Partnerships Program to satisfy the affordability requirements of the program. The Code states the following:

> *(d) On site inspections*—(1) *HOME assisted rental housing.* During the period of affordability, the participating jurisdiction must perform on-site inspections of HOME-assisted rental housing to determine compliance with the property standards of § 92.251 and to verify the information submitted by the owners in accordance with the requirements of § 92.252 no less than: every three years for projects containing 1 to 4 units; every two years for projects containing 5 to 25 units; and every year for projects containing 26 or more units. Inspections must be based on a sufficient sample of units.

The Ohio Housing Finance Agency (OHFA) entered into a subrecipient agreement, for the period beginning July 1, 2005 and ending June 30, 2009, with the Ohio Department of Development (the recognized participating jurisdiction for the state) to administer part of the HOME program. Section 11 of the agreement states that "The Grantee [OHFA] is responsible for ensuring that all HOME funds under its oversight are used in accordance with all program requirements, and for determining the adequacy of its performance as a subrecipient. Accordingly, the grantee is obligated to make site visits and review program files as necessary to fulfill these responsibilities." Section 10 of appendix B of the agreement contains specific monitoring activities OHFA must perform related to the affordability requirements cited above.

2. INSUFFICIENT NUMBER OF ON-SITE INSPECTIONS (Continued)

We selected approximately 10 percent of the HOME-assisted rental housing projects and noted that OHFA did not perform the required number of on-site inspections for 14 of the 32 projects tested. As of the date of testing, the inspections were overdue from almost five years to two years. In addition, we noted that OHFA could not identify specific control procedures to help ensure compliance with this requirement. Noncompliance by OHFA could result in federal funding being reduced or taken away, or sanctions imposed by the federal grantor agency. Noncompliance could also result in OHFA having to repay part or all of the grant awards to the federal government. The Director of Program Compliance that the HOME staff had interpreted guidelines from HUD and made the decision to use a risk based analysis to determine which projects would have an on-site inspection during the year. As a result of this process, the HOME staff decided to engage in an on-site inspection once every three years per project. This decision was further reinforced by the fact that HUD had audited HOME while it was still part of Development on two different occasions and issued no findings regarding on-site inspection frequency.

We recommend OHFA develop control procedures to help them comply with this requirement. One method may be to communicate with all program officials what the requirement is; another may be to maintain a tracking list of when projects were last inspected and prepare a schedule of when projects should be inspected. In addition, we recommend that OHFA take the necessary steps to comply with the requirement above. Although we agree the guidance provided by HUD suggests a risk-based approach may be used for achieving the required annual monitoring activities and that an on-site visit is one method to perform monitoring, it does not state the on-site visits required by the federal law do not need to be performed.

Officials' Response and Corrective Action Plan

OHFA agrees with the comment. Since all HOME projects have tax credit monitoring requirements, the Program Compliance (PC) division has based the HOME project inspections on the tax credit inspection cycle of once every three years. The PC staff receives from the tax credit projects the Annual Owner Certification and the Annual Owner's Report which provide information about the project's physical condition, rents, income of tenants and utility allowances. The PC staff also responds to owner or resident's rental complaints. The Director of Program Compliance also has close contact with managers and lenders of the HOME projects that have vested interests in maintaining safe, affordable and decent housing.

The PC division has used the tax credit inspection cycle as a rational and objective way to select and inspect the HOME projects for site visits. The fiscal year 2007 tax credit site visits are all scheduled, but the PC staff and representatives of other OHFA divisions will review the resources available to expand the fiscal year 2008 inspections to be in compliance with 24 CFR 92.504 (d).

The Director of Program Compliance will continue to communicate with HUD to obtain approval to use published guidelines which would allow a risk based analysis to determine which projects would have an on-site inspection. OHFA will meet with the federal state HOME recipient, the Ohio Department of Development (ODOD) to review the inspection requirement to maintain program compliance and amend, if necessary, the HOME Funding Agreement dated October 14, 2005.

Anticipated Completion Date for Corrective Action

The PC staff and other OHFA division representatives will review the inspection requirements and available resources in April 2007 and meet with the ODOD staff in early May 2007. PC staff will communicate any changes in the on-site inspections requirements through the OHFA web site and newsletters starting in late May 2007. Any amendments to the HOME Funding Agreement will then be made in June 2007.

2. INSUFFICIENT NUMBER OF ON-SITE INSPECTIONS (Continued)

Contact Person Responsible for Corrective Action
Brian Carnahan, Director of Program Compliance, Ohio Housing Finance Agency, 57 E. Main Street, Columbus, Ohio 43215. Phone: 614-728-5608, e-mail bcarnahan@ohiohome.org.

3. REPORTING DEFICIENCIES

Finding Number	2006-03
CFDA Number and Title	14.239 – HOME Investment Partnerships Program
Federal Agency	Department of Housing and Urban Development

<u>NONCOMPLIANCE</u>

Attachment C of the subrecipient agreement between the Ohio Housing Finance Agency (OHFA) and the Ohio Department of Development lists five specific required reports, most of which are not due until the end of the four-year agreement. In addition, OHFA entered into agreements with Housing Development Assistance Program (HDAP) recipients who receive grant funding under the HOME program. Attachment E of these agreements requires the HDAP recipients to furnish certain reports to OHFA as it administers the HOME program for Development; the following are some of the reports required by the attachment:

1. HDAP Recipient shall submit to OHFA a semi-annual Status Report provided by OHFA. Each such report shall be delivered to OHFA within thirty days after the end of the applicable reporting period.

. . .

4. Within ninety (90) days of the end of each calendar year during the Affordability Period, HDAP Recipient shall provide to OHFA an internally prepared Cash Flow Report describing the Project in the format prescribed by OHFA and prepared in accordance with generally accepted accounting principles. This report shall be certified by an authorized representative of HDAP Recipient.

5. If the Project is receiving the benefit of an award of Low Income Housing Tax Credits, HDAP Recipient shall provide to OHFA a signed copy of the HDAP Recipient's financial statements prepared by a certified public accountant that are furnished to the equity investor of the Project; provided, however, that if such financial statements are not required by such equity investor or if HDAP Recipient otherwise is not obligated to obtain such financial statements, then in such event HDAP Recipient shall deliver to OHFA financial statements, including balance sheets and statements of income and expenses, prepared on a compilation basis (in accordance with generally accepted accounting principles consistently applied) by an independent certified public accountant acceptable to OHFA. HDAP Recipient shall cause such accountant to deliver such financial statements to OHFA simultaneously with their delivery to HDAP Recipient.

Based on the tests that we performed on the 15 projects that received funding during the year, we noted that OHFA did not consistently receive the reports required above. Seven of the HDAP recipients did not submit a semi-annual Status Report to OHFA, and none of the projects submitted Cash Flow Reports or financial statements, although every HOME project recipient also participates in the Tax Credit program. Every HDAP recipient must submit a Request for Payment and Status of Funds Report to obtain payment of the HOME funds. The Request for Payment report provides similar information as required by the Status Reports. The Request for Payment reports were not available for the seven HDAP recipients who did not submit the Status Reports. In addition, we noted that OHFA could not identify specific control procedures to help ensure

3. REPORTING DEFICIENCIES (Continued)

compliance with this requirement, except for the signed agreement.

If OHFA does not receive, or does not receive in a timely manner, the reports they require of the project recipients, then there is an increased risk that OHFA will not be able to comply with its own report requirements and provide timely program information to the Department of Development. Program noncompliance could result in federal funding being reduced or taken away, or sanctions imposed by the federal grantor agency. Noncompliance could also result in OHFA having to repay part, or all, of the grant awards to the federal government. Management said that, after the Request for Payment reports are reviewed by the HOME staff, they are sent off-site to file retention. OHFA is currently in the process of having all of its off-site files scanned into a database. This transition is still ongoing and not all of the files have been processed. Management said they are certain that all Request for Payment reports could be located given enough time. Management also stated that OHFA does not presently collect either the Cash Flow Reports or financial statements from the HDAP recipients.

We recommend that OHFA evaluate the necessity of obtaining the reports they required from the HDAP recipients. If the reports do not provide meaningful information or provide information duplicated on other reports, OHFA should consider changing their report requirements. If the reports are needed, then we recommend OHFA implement control procedures to help them obtain the reports on a timely basis. We also recommend that OHFA determine the specific reasons why the HDAP recipients did not submit the reports and work with the project recipients to resolve the difficulties identified.

Officials' Response and Corrective Action Plan

OHFA agrees with the comment. The Director of Planning, Preservation and Development (PP&D) and the Program Administration Manager plan to review the Reporting Requirements to determine if the listed reports are necessary or can be substituted by other reports. OHFA will meet with the federal state HOME recipient, the Ohio Department of Development (ODOD), to complete the list of reports required for maintaining program compliance and amending, if necessary, the HOME Funding Agreement dated October 14, 2005. OHFA will then prepare a list of projects from the active property database that received awards and communicate the need to the project for any missing report and an explanation for the tardiness.

Anticipated Completion Date for Corrective Action

The PP&D staff and other OHFA division representatives will review the report requirements in April 2007 and meet with the ODOD staff in early May 2007. Letters communicating the report requirements will be sent in late May 2007 to the projects that received awards. Any amendments to the HOME Funding Agreement will then be made in June 2007.

Contact Person Responsible for Corrective Action

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4. CONTRACTS / RELATIONSHIPS WITH HOUSING PROJECTS

Finding Number	2006-04
CFDA Number and Title	14.195 – Section 8 Housing Assistance Payments Program – Special Allocations 14.239 – HOME Investment Partnerships Program 97.036 – Disaster Grants - Public Assistance
Federal Agency	Department of Housing and Urban Development

<u>INTERNAL CONTROL - REPORTABLE CONDITION</u>

OMB Circular A-133 §__.210 (b) states:

(b) Federal award. Characteristics indicative of a Federal award received by a subrecipient are when the organization:

(1) Determines who is eligible to receive what Federal financial assistance;
(2) Has its performance measured against whether the objectives of the Federal program are met;
(3) Has responsibility for programmatic decision making;
(4) Has responsibility for adherence to applicable Federal program compliance requirements; and
(5) Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.

It is management's responsibility to evaluate all federal transactions to determine if a subrecipient relationship exists; and to notify the parties involved, in a written contract or agreement, of the nature of these relationships as well as the other parties' responsibilities for meeting the compliance and audit requirements of the single audit act and OMB Circular A-133.

OHFA entered into contracts with property owners or other entities (such as, Housing Development Assistance Program (HDAP) recipients) in connection with the Section 8 and HOME federal programs. Depending on the federal program and type of project, the contracts required the project entities to comply with applicable state and federal laws, including OMB Circular A-133; however, the contracts do not clearly identify the nature of the relationship between OHFA and the project entity, nor has OHFA completed a formal evaluation of these relationships to determine if the entities are vendors or subrecipients. In addition, OHFA changed its stance, more than once during the audit, on whether it had subrecipient relationships with the federal programs it administers. Initially, OHFA's Schedule of Expenditures of Federal Awards and accompanying notes identified that nearly $4 million of the Section 8 program expenditures were disbursed to five subrecipients, and that these were the only subrecipients. Later, OHFA revised the schedule to state there was only one subrecipient, and that was with the Disaster Grant – Public Assistance program. Still later, OHFA concluded that it had subrecipients with the Section 8 and HOME programs, in addition to the one with the Disaster Grant.

If subrecipient relationships exist between OHFA and the housing assistance projects and are not properly identified, the housing projects would not be subject to a separate single audit, as required by the Single Audit Act and OMB Circular A-133. If subrecipient relationships do not exist, then OHFA may be requesting single audits of the project, when they are not necessary; thus, adding to the project entity's financial burden. In addition, under the current structure, the roles and responsibilities of OHFA and the housing projects are not always clear, which increases the risk of noncompliance and reduces overall program effectiveness. This greatly increases the risk that federal funds could be used improperly or that other program compliance requirements would not be met. Noncompliance with federal regulations could subject OHFA to sanctions or other penalties and a repayment of part of a grant award amount or a decrease in future funding.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505

4. CONTRACTS / RELATIONSHIPS WITH HOUSING PROJECTS (Continued)

OHFA management indicated this was the first year the Agency had to prepare its own federal schedule and notes, after its separation from the Ohio Department of Development. There was a certain level of learning involved in this process.

We recommend OHFA evaluate the current relationship with project entities to determine a more effective method for defining responsibilities and monitoring results. This will require OHFA to complete an evaluation of their relationships with the project entities to determine whether, based on the criteria in OMB Circular A-133, the entities should be treated as subrecipients for any or all of the federal programs involved, and OHFA should revise contracts with the project entities to clearly define the nature of the relationships and each party's responsibilities. If subrecipient relationships are identified, these contracts must identify the program name and CFDA number, the award name and number, the award year, if the award is for research and development, and the name of the federal awarding agency. In addition, the contracts should incorporate basic information about the award and key provisions which would enable the project entities to carry out their responsibilities and allow OHFA to monitor their activities. We also recommend that OHFA review its responsibilities with regard to monitoring subrecipients, and institute the necessary control procedures to satisfy these requirements should the entities be determined subrecipients. Furthermore, all future relationships which involve federal funds should be carefully evaluated and explicit agreements defining the nature of the relationship and each party's responsibilities should be completed before funds are disbursed.

Officials' Response and Corrective Action Plan

OHFA agrees with the comment. The Director of Planning, Preservation and Development (PP&D), the Program Administration Manager and staff of other OHFA divisions plan to review the contracts and relationships to determine if the recipients of federal funds are subrecipients and subject to the OMB Circular A-133 requirements. OHFA has received for a number of years the OMB Circular A-133 Reports from the Housing Assistance Payment Section 8 non-profit organizations. The OHFA group will then meet with the federal state HOME recipient, the Ohio Department of Development (ODOD) to better define responsibilities and monitoring results and amend, if necessary, the HOME Funding Agreement dated October 14, 2005 and agreements between OHFA and the non-profit organizations to better allow the project entities to perform duties and OHFA to monitor. OHFA will then prepare a list of projects from the active HOME property database to produce a matrix of compliance and monitoring requirements. The matrix will also function as a control list of projects for which control procedures will be established and performance verified. The relationship and requirements will be communicated to the HOME projects that received awards. OHFA will prepare a manual of rules for determining relationships and monitoring the performance of receiving entities. Future relationships with federal funds will be carefully evaluated and explicit agreements defining the nature of the relationship and each party's responsibilities will be completed before funds are disbursed.

Anticipated Completion Date for Corrective Action

The PP&D staff and other OHFA division representatives will review the relationship and requirements and prepare the matrix in April 2007 and meet with the ODOD staff in early May 2007. Letters communicating the relationship and requirements will be sent in late May 2007 to the projects that received awards. Any amendments to the HOME Funding Agreement or agreements between OHFA and the non-profit organizations will then be made in June 2007. The manual of rules for determining relationships and monitoring performance will be completed in June 2007. Future relationships with federal programs will be evaluated and responsibilities and monitoring requirements identified before agreements are executed.

Contact Person Responsible for Corrective Action

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OHIO HOUSING FINANCE AGENCY
JULY 1, 2005 THROUGH JUNE 30, 2006

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
N/A	N/A	N/A	N/A

OHIO HOUSING FINANCE AGENCY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
APRIL 5, 2007

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