COLORADO HOUSING AND FINANCE AUTHORITY
ANNUAL FINANCIAL REPORT
(With Independent Auditors' Report Thereon)
December 31, 2015 and 2014

Prepared by:
Accounting Division

COLORADO HOUSING AND FINANCE AUTHORITY – Annual Financial Report

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EXECUTIVE LETTER
(UNAUDITED)

Message from Cris White,
Executive Director and CEO
March 24, 2016

As Colorado faced rising rent and home prices in 2015, demand for CHFA's programs surged. CHFA was well-positioned to respond with new programs that enabled us to break records and exceed production goals across all three lines of our business.

Overall in 2015, CHFA supported:

- 4,223 Colorado households in obtaining home purchase loans, mortgage refinance loans, or mortgage credit certificates;
- the development or preservation of 55 affordable rental housing projects, supporting a total of 4,972 rental housing units; and
- 411 businesses with our capital access and business lending programs, which combined supported 4,878 jobs.

CHFA made a $989.2 million direct investment into our mission last year. The economic activity estimated to occur as a result of this investment is $1.4 billion.

In 2015, CHFA broke our previous home finance production record by more than 150%, investing $745.9 million in home mortgage loans. Our ability to serve more homebuyers was due in large part to a new down payment assistance program, the CHFA DPA Grant[sm]. The grant was designed to help moderate income buyers compete more effectively in Colorado's dynamic market – where inventory was tight and bidding wars placed many of CHFA's traditional customers at a competitive disadvantage.

With historically low vacancy rates and rising rents in 2015, CHFA was ever dedicated to increasing and preserving rental housing units. CHFA's multifamily loan production volume in 2015 reached an all-time high at $189.4 million invested. In total, 4,972 affordable rental housing units will be created or preserved with CHFA multifamily loans and/or Low Income Housing Tax Credits (LIHTC). This represents a 126% increase over 2014.

The significant increase in the number of affordable rental housing units supported was due in part to the renewal of the state LIHTC program, which helped leverage more 4% LIHTC deals than in prior years. Additionally, 282 Permanent Supportive Housing units serving those experiencing homelessness were supported by CHFA in 2015, the most in any single year in our history.

CHFA's business finance programs also achieved success in 2015. We exceeded our budgeted production goal, reaching $33.1 million in production supporting businesses statewide. CHFA secured $400 thousand in new funding from the Colorado General Assembly for the Colorado Credit Reserve (CCR) program, helping small businesses access capital from lenders. The CHFA-administered Colorado Fresh Food Financing Fund (CO4F) gained momentum in 2015 as CHFA deployed $1.0 million in loans and grants to healthy food retail operations in underserved Colorado communities.

CHFA remains committed to capitalizing our Housing Opportunities Fund (HOF). During 2015, CHFA transferred a total of $16.6 million into the fund, bringing the total HOF balance available to $22.9 million. This represents a steady increase since CHFA began recapitalizing the HOF in 2013. During the year, CHFA disbursed $2.9 million from HOF and is building a pipeline for additional disbursements. These funds will be used to provide a flexible source of funding for affordable housing and community development activities throughout Colorado in the years ahead.

The needs CHFA helped to address in 2015 will remain as strong, if not become stronger, in 2016 and beyond. While continuing to serve Coloradans and set new benchmarks, CHFA will work towards creating new, innovative ways to invest in our mission.

Cris A. White

Cris A. White
Executive Director and CEO

INDEPENDENT AUDITORS' REPORT

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Independent Auditor's Report

The Board of Directors
Colorado Housing and Finance Authority

Report on the Financial Statements

We have audited the accompanying financial statements of Colorado Housing and Finance Authority (the Authority) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Colorado Housing and Finance Authority as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter—Adoption of Standards
As explained in Note 1 to the financial statements, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, which resulted in the Authority restating net position for recognition of the Authority's pension-related activity incurred prior to January 1, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Report on Comparative Information
The Authority's basic financial statements as of and for the year ended December 31, 2014, were audited by other auditors, whose report thereon dated March 26, 2015, expressed an unmodified opinion on the financial statements.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of selected pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The executive letter and the supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information as of and for the year ended December 31, 2015, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as of and for the year ended December 31, 2015, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The financial statements include summarized prior-year comparative information. The Authority's basic financial statements as of and for the year ended December 31, 2014, were audited by other auditors, whose report thereon dated March 26, 2015, expressed an unmodified opinion on the financial statements. The report of the other auditors stated that the accompanying supplementary information, as listed in the table of contents, for the year ended December 31, 2014, was subjected to the auditing procedures applied in the audit of the December 31, 2014, basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements, or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The executive letter has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by* Government Auditing Standards**

In accordance with *Government Auditing Standards,* we have also issued our report dated March 24, 2016, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

RSM US LLP

Denver, Colorado
March 24, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

This section of the Colorado Housing and Finance Authority's (the Authority) annual financial report presents management's discussion and analysis of the financial position and results of operations as of and for the years ended December 31, 2015 and 2014. This information is being presented to provide additional information regarding the activities of the Authority and to meet the disclosure requirements of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

The Authority is a public purpose financial enterprise, a body corporate and political subdivision of the State of Colorado (the State), that finances affordable housing, business and economic growth opportunities for residents and businesses of Colorado. Its dual mission is to increase the availability of affordable, decent and accessible housing for lower- and moderate-income Coloradans, and to strengthen the state's development by providing financial assistance to businesses.

Established by the Colorado General Assembly in 1973, the Authority raises funds through the public and private sale of bonds and notes, which are not obligations of the State. The proceeds are loaned to eligible borrowers, primarily through private lending institutions across the state under sound fiscal practices established by the Authority. As a self-sustaining organization, the Authority's operating revenues come from loan and investment income, program administration fees, loan servicing and gains on sales of loans. The Authority receives no tax appropriations, and its net revenues are reinvested in its programs and used to support bond ratings.

The Authority participates in the Government National Mortgage Association (Ginnie Mae) Mortgage Backed Securities (MBS) Programs. Through the MBS Programs, Ginnie Mae guarantees securities that are issued by the Authority and that are backed by pools of mortgage loans. Ginnie Mae securities, which can be held or sold, carry the full faith and credit guaranty of the United States government. Holders of the securities receive a "pass-through" of the principal and interest payments on a pool of mortgage loans, less amounts required to cover servicing costs and Ginnie Mae guaranty fees. The Ginnie Mae guaranty ensures that the holder of the security issued by the Authority receives the timely payment of scheduled monthly principal and any unscheduled recoveries of principal on the underlying mortgage loans, plus interest at the rate provided for in the securities. All loans pooled under the Ginnie Mae MBS Programs are either insured by the Federal Housing Administration or are guaranteed by the United States Department of Agriculture Rural Development or the Veterans Administration.

The Authority also participates in the Federal National Mortgage Association (Fannie Mae) Mortgage Backed Securities (MBS) and Whole Loan Commitment Programs. Fannie Mae is a Government-Sponsored Enterprise with a public mission to provide stability in and to increase the liquidity of the residential mortgage market for homebuyers. CHFA is a Fannie Mae Seller/Servicer, either selling whole loans to Fannie Mae for cash or swapping pooled loans for mortgage-backed securities (MBS) issued by Fannie Mae, which securities can be held or sold.

Overview of the Financial Statements

The basic financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows and the notes thereto. The Authority follows enterprise fund accounting. The financial statements offer information about the Authority's activities and operations.

The Statement of Net Position includes all of the Authority's assets and liabilities, presented in order of liquidity, along with deferred outflows and deferred inflows. The resulting net position presented in these statements is displayed as invested in capital assets, restricted or unrestricted. Net position is restricted when its use is subject to external limits such as bond indentures, legal agreements or statutes.

All of the Authority's current year revenues and expenses are recorded in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the activities of the Authority's operations over the past year and presents the resulting change in net position.

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

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the financial statements.

Required and other supplementary information is presented following the notes to financial statements to provide selected pension information and other supplemental information, such as combining schedules for the Authority's programs.

During 2015, the Authority implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is effective for financial statements for periods beginning after June 15, 2014. This Statement addresses the accounting and financial reporting for employer pension plans provided to employees by pension plans administered through trusts that have certain characteristics. Statement No. 68 also establishes standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses as they relate to pension plans. Accounting changes adopted to conform to the provisions of this statement were applied by restating the Authority's beginning net position for the year ended December 31, 2015. The financial information for the year ended December 31, 2014, could not be restated as the information required to adopt this standard was not available to the Authority.

Debt Activity

On February 5, 2015, the Authority issued $99.8 million in Federally Taxable Single Family Program Class I, 2015 Series A Bonds to refund outstanding variable rate bonds into fixed rate bonds in order to take advantage of favorable interest rates. The 2015 Series A refunding transaction allowed the Authority to lock in low fixed interest rates ahead of the May 1, 2015 optional termination date of the swap agreements associated with several series of the refunded variable rate bonds. The swap agreements were left outstanding and the required payments were made until May 1, 2015 when the swaps were terminated at no cost to the Authority.

On April 29, 2015, the Authority issued $25.5 million in Federally Taxable Single Family Program Class I, 2015 Series B Bonds to refund outstanding variable rate bonds into fixed rate bonds in order to take advantage of low fixed interest rates. On May 1, 2015 the swap agreement associated with the refunded bonds was optionally terminated at no cost to the Authority.

Programs – The financial statements present the activities of the Authority's housing and lending programs. Information regarding these programs is provided in the supplemental schedules.

Financial Highlights

- Total cash and investments as of December 31, 2015 were $746.9 million, a decrease of $87.2 million, or 10.5%, compared to the amount outstanding as of December 31, 2014. The decrease was primarily the result of payments made against interest rate swap agreements and scheduled payments of principal and interest on bonds outstanding.

- Total net loans receivable as of December 31, 2015 were $1.2 billion, a decrease of $215.5 million, or 15.1%, compared to the amount outstanding as of December 31, 2014. Loan repayments occurred without a corresponding increase in new loans retained as the Authority continued in 2015 to sell all of its single family loan production through three vehicles: sales of Ginnie Mae and Fannie Mae mortgage backed securities or by direct sale to Fannie Mae. During 2015, $573.8 million in loans were sold through the issuance and sale of Ginnie Mae securities, $182.5 million in loans were pooled and swapped for Fannie Mae mortgage backed securities, which were subsequently sold, and $4.0 million in loans were sold directly to Fannie Mae.

- Total deferred outflows as of December 31, 2015 were $130.3 million, a decrease of $11.8 million, or 8.3%, compared to the amount outstanding as of December 31, 2014, reflecting an increase in market interest rates.

- As of December 31, 2015, bonds, notes payable and short-term debt were $1.5 billion, a decrease of $341.4 million, or 18.4%, compared to the balance at December 31, 2014. Payments of loans, together with available cash, have been used to reduce bond balances.

- Net position as of December 31, 2015 was $340.0 million, a decrease of $195 thousand, or 0.1%, compared to the balance at December 31, 2014. Net position as a percent of total assets increased from 14.7% as of December 31, 2014 to 16.9% as of December 31, 2015.

- As reflected in the Statement of Revenues, Expenses and Changes in Net Position, the change in net position was $20.0 million or 54.9% less than the results at December 31, 2014. The decrease in the change in net position compared to prior year was primarily composed of the following:
  - A $932 thousand decrease in net interest income as a result of lower loans receivable outstanding.
  - A $13.1 million increase in other operating income is a result of the following:
    - $26.2 million increase in gain on sale of loans
    - $4.8 million increase in investment derivative activity
    - $21.9 million decrease in fair value of investments
    - $4.0 million increase in loan servicing and other revenues
  - A $32.2 million increase in operating expenses due primarily to expenses related to the down payment assistance program that began in 2015.

Analysis of Financial Activities

Condensed Summary of Net Position
(in thousands of dollars)

As of December 31,	2015	2014	2013
Assets			
Cash	$ 144,488	$ 118,512	$ 110,726
Investments	602,402	715,558	746,775
Loans receivable, net	1,165,675	1,385,457	1,591,990
Loans receivable held for sale	48,762	44,463	37,733
Capital assets, net	5,544	6,363	7,055
Other assets	42,455	42,460	47,172
Total assets	2,009,326	2,312,813	2,541,451
Deferred outflows of resources			
Accumulated increase in fair value of hedging derivatives	120,171	129,664	115,435
Pension contributions and investment earnings	2,558	-	-
Refundings of debt	7,584	12,472	16,010
Total deferred outflows of resources	130,313	142,136	131,445
Liabilities			
Bonds, notes payable and short-term debt	1,514,701	1,856,112	2,115,267
Derivative instruments and related borrowings	158,786	181,616	184,069
Net pension liability - proportionate share	19,395	-	-
Other liabilities	102,687	72,378	66,109
Total liabilities	1,795,569	2,110,106	2,365,445
Deferred inflows of resources			
Accumulated decrease in fair value of hedging derivatives	3,843	4,614	3,716
Pension investment differences	193	-	-
Total deferred inflows of resources	4,036	4,614	3,716
Net position			
Investment in capital assets	5,543	6,363	7,055
Restricted primarily by bond indentures	142,115	139,680	112,717
Unrestricted	192,376	194,186	183,963
Total net position	$ 340,034	$ 340,229	$ 303,735

Comparison of Years Ended December 31, 2015 and 2014

Total assets decreased $303.5 million, or 13.1%, from the prior year. Total cash and investments decreased $87.2 million, or 10.5% primarily as a result of payments made against interest rate swap agreements and scheduled payments of principal and interest on bonds outstanding. Net loans receivable, including loans receivable held for sale, decreased by $215.5 million, or 15.1%, as a result of loan repayments occurring without a corresponding increase in new loans retained as the Authority continued in 2015 to sell all of its single family loan production through three vehicles: sales of Ginnie Mae and Fannie Mae mortgage backed securities or by direct sale to Fannie Mae. Deferred outflows decreased $11.8 million, or 8.3%, from the prior year, reflecting an increase in market interest rates.

Total liabilities decreased $314.5 million, or 14.9%, from the prior year. Bonds, notes payable and short-term debt decreased $341.4 million, or 18.4% from the prior year, primarily due to scheduled bond payments and additional unscheduled redemptions. Derivative instruments and related borrowings decreased $22.8 million, or 12.6%, from the prior year due to an increase in market interest rates.

Comparison of Years Ended December 31, 2014 and 2013

Total assets decreased $228.6 million, or 9.0%, from the prior year. Total cash and investments decreased $23.4 million, or 2.7% primarily as a result of payments made against interest rate swap agreements and scheduled payments of principal and interest on bonds outstanding. Net loans receivable, including loans receivable held for sale, decreased by $199.8 million, or 12.3%, as a result of loan repayments occurring without a corresponding increase in new loans retained as the Authority continued in 2014 to sell all of its single family loan production through three vehicles: sales of Ginnie Mae and Fannie Mae mortgage backed securities or by direct sale to Fannie Mae. Deferred outflows increased $10.7 million, or 8.1%, from the prior year, reflecting a decrease in market interest rates.

Total liabilities decreased $255.3 million, or 10.8%, from the prior year. Bonds, notes payable and short-term debt decreased $259.2 million, or 12.3% from the prior year, primarily due to scheduled bond payments and additional unscheduled redemptions. Derivative instruments and related borrowings decreased $2.5 million, or 1.3%, from the prior year due to an increase in market interest rates.

Condensed Summary of Revenues, Expenses and Changes in Net Position
(in thousands of dollars)

For the years ended December 31,	2015	2014	2013
Interest income and expense:			
Interest on loans receivable	**$ 72,283**	$ 83,347	$ 96,000
Interest on investments	**23,667**	21,522	22,200
Interest on debt	**(72,616)**	(80,603)	(97,193)
Net interest income	**23,334**	24,266	21,007
Other operating income (loss):			
Rental income	**17**	32	358
Gain on sale of loans	**50,065**	23,846	23,094
Investment derivative activity gain (loss)	**1,569**	(3,194)	(6,005)
Net increase (decrease) in the fair value of investments	**(13,123)**	8,790	(19,574)
Other revenues	**26,749**	22,739	22,783
Total other operating income	**65,277**	52,213	20,656
Total operating income	**88,611**	76,479	41,663
Operating expenses:			
Salaries and related benefits	**18,647**	16,977	16,505
General operating	**51,872**	24,489	18,763
Depreciation	**1,109**	1,197	1,655
Provision for loan losses	**525**	(2,698)	1,176
Total operating expenses	**72,153**	39,965	38,099
Net operating income	**16,458**	36,514	3,564
Nonoperating expenses:			
Federal grant receipts	**120,224**	116,944	111,929
Federal grant payments	**(120,224)**	(116,944)	(111,929)
Gain (loss) on sale of capital assets	**-**	(20)	5
Total nonoperating income and expenses, net	**-**	(20)	5
Change in net position	**16,458**	36,494	3,569
Net position:			
Beginning of year	**340,229**	303,735	300,166
Restatement due to GASB 68 (see page 26)	**(16,653)**	-	-
End of year	**$ 340,034**	$ 340,229	$ 303,735

Comparison of Years Ended December 31, 2015 and 2014

Total operating income increased by $12.1 million in 2015, or 15.9%, compared to 2014. The following contributed to the increase:

- Interest income decreased by $8.9 million in 2015 as a result of higher loan prepayments without a corresponding increase in new loan production retained.
- Interest expense related to debt decreased by $8.0 million due to lower outstanding balances and reducing interest through actions to restructure debt.
- Gain on sale of loans increased $26.2 million due to increased loan activity related to the down payment assistance grant program offered in 2015.
- The fair value of investments and investment derivative activity collectively decreased by $17.2 million due primarily to changes in market rates during 2015.
- Other revenues increased $4.0 million due to higher servicing fee income collected.

Total operating expenses increased $32.2 million in 2015, or 80.5%, compared to 2014. The increase was primarily due to expenses related to the down payment assistance program that began in 2015.

The federal grant receipts/payments consisted primarily of pass-through amounts related to the Authority's role as a contract administrator of the U.S. Department of Housing and Urban Development's Section 8 subsidy program. Under the Section 8 subsidy program, tenants pay 30% of their income toward rent and the balance is paid by federal subsidy.

Comparison of Years Ended December 31, 2014 and 2013

Total operating income increased by $34.8 million in 2014, or 83.6%, compared to 2013. The following contributed to the increase:

- Interest income decreased by $13.3 million in 2014 as a result of higher loan prepayments without a corresponding increase in new loan production retained.
- Interest expense related to debt decreased by $16.6 million due to lower outstanding balances and reducing interest through actions to restructure debt.
- The fair value of investments increased by $28.4 million due primarily to changes in market rates during 2014.

Total operating expenses increased $1.9 million in 2014, or 4.9%, compared to 2013. The increase was primarily due to an increase in mortgage servicing rights expense related to fair value adjustments and an offsetting decrease in provision for loan losses.

The federal grant receipts/payments consisted primarily of pass-through amounts related to the Authority's role as a contract administrator of the U.S. Department of Housing and Urban Development's Section 8 subsidy program. Under the Section 8 subsidy program, tenants pay 30% of their income toward rent and the balance is paid by federal subsidy.

BASIC FINANCIAL STATEMENTS

Colorado Housing and Finance Authority
Statement of Net Position
As of December 2015 and 2014
(in thousands of dollars)

	2015	2014
Assets		
Current assets:		
Cash		
Restricted	$ 97,753	$ 77,734
Unrestricted	46,735	40,778
Investments (partially restricted, see note 2)	405,388	454,893
Loans receivable (partially restricted, see note 3)	87,617	90,645
Loans receivable held for sale	48,762	44,463
Other current assets	15,325	17,481
Total current assets	701,580	725,994
Noncurrent assets:		
Investments (partially restricted, see note 2)	197,014	260,665
Loans receivable, net (partially restricted, see note 3)	1,078,058	1,294,812
Capital assets, net	5,544	6,363
Other assets	27,130	24,979
Total noncurrent assets	1,307,746	1,586,819
Total assets	2,009,326	2,312,813
Deferred outflows of resources		
Accumulated increase in fair value of hedging derivatives	120,171	129,664
Pension contributions and investment earnings	2,558	-
Refundings of debt	7,584	12,472
Total deferred outflows of resources	130,313	142,136
Liabilities		
Current liabilities:		
Short-term debt	77,505	61,805
Bonds payable	84,192	134,731
Notes payable	102	103
Other current liabilities	95,498	67,725
Total current liabilities	257,297	264,364
Noncurrent liabilities:		
Bonds and notes payable	1,352,902	1,659,473
Derivative instruments	121,187	132,217
Hybrid instrument borrowing	37,599	49,399
Net pension liability - proportionate share	19,395	-
Other liabilities	7,189	4,653
Total noncurrent liabilities	1,538,272	1,845,742
Total liabilities	1,795,569	2,110,106
Deferred inflows of resources		
Accumulated decrease in fair value of hedging derivatives	3,843	4,614
Pension investment differences	193	-
Total deferred inflows of resources	4,036	4,614
Net position		
Investment in capital assets	5,543	6,363
Restricted primarily by bond indentures	142,115	139,680
Unrestricted	192,376	194,186
Total net position	$ 340,034	$ 340,229

See accompanying notes to basic financial statements.

Colorado Housing and Finance Authority
Statement of Revenues, Expenses and Changes in Net Position
For the years ended December 2015 and 2014
(in thousands of dollars)

	2015	2014
Interest income and expense:		
Interest on loans receivable	**$ 72,283**	$ 83,347
Interest on investments	**23,667**	21,522
Interest on debt	**(72,616)**	(80,603)
Net interest income	**23,334**	24,266
Other operating income (loss):		
Rental income	**17**	32
Gain on sale of loans	**50,065**	23,846
Investment derivative activity gain (loss)	**1,569**	(3,194)
Net increase (decrease) in the fair value of investments	**(13,123)**	8,790
Other revenues	**26,749**	22,739
Total other operating income	**65,277**	52,213
Total operating income	**88,611**	76,479
Operating expenses:		
Salaries and related benefits	**18,647**	16,977
General operating	**51,872**	24,489
Depreciation	**1,109**	1,197
Provision for loan losses	**525**	(2,698)
Total operating expenses	**72,153**	39,965
Net operating income	**16,458**	36,514
Nonoperating income and expenses:		
Federal grant receipts	**120,224**	116,944
Federal grant payments	**(120,224)**	(116,944)
Gain on sale of capital assets	**-**	(20)
Total nonoperating income and expenses	**-**	(20)
Change in net position	**16,458**	36,494
Net position:		
Beginning of year	**340,229**	303,735
Restatement due to GASB 68 (see page 26)	**(16,653)**	-
End of year	**$ 340,034**	$ 340,229

See accompanying notes to basic financial statements.

Colorado Housing and Finance Authority
Statement of Cash Flows
For the years ended December 2015 and 2014
(in thousands of dollars)

	2015	2014
Cash flows from operating activities:		
Principal payments received on loans receivable and receipts from dispositions of other real estate owned	**$ 450,109**	$ 393,256
Interest payments received on loans receivable	**74,123**	84,711
Payments for loans receivable	**(807,829)**	(449,679)
Receipts from sales of Ginnie Mae securities	**623,901**	283,226
Receipts from rental operations	**17**	32
Receipts from other revenues	**26,724**	23,314
Payments for salaries and related benefits	**(17,177)**	(16,712)
Payments for goods and services	**(52,078)**	(23,954)
All other, net	**32,020**	7,614
Net cash provided by operating activities	**329,810**	301,808
Cash flows from noncapital financing activities:		
Net increase in short-term debt	**15,700**	19,425
Proceeds from issuance of bonds	**125,300**	55,435
Proceeds from issuance of notes payable	**266**	76
Receipts from federal grant programs	**119,282**	119,626
Payments for federal grant programs	**(120,224)**	(116,944)
Principal paid on bonds	**(483,652)**	(332,950)
Interest rate swap activity, net	**(5,754)**	(3,117)
Principal paid on notes payable	**(104)**	(1,120)
Interest paid on short-term debt	**(235)**	(147)
Interest rate swap settlements	**(60,485)**	(72,965)
Interest paid on bonds	**(17,757)**	(21,885)
Interest paid on notes payable	**(10)**	(73)
Net cash used in noncapital financing activities	**(427,673)**	(354,639)
Cash flows from capital and related financing activities:		
Purchase of capital assets	**(291)**	(542)
Proceeds from the disposal of capital assets	**-**	16
Net cash used in capital and related financing activities	**(291)**	(526)
Cash flows from investing activities:		
Proceeds from maturities and sales of investments	**2,593,526**	4,320,867
Purchase of investments	**(2,493,489)**	(4,280,897)
Income received from investments	**24,093**	21,173
Net cash provided by investing activities	**124,130**	61,143
Net increase in cash	**25,976**	7,786
Cash at beginning of year	**118,512**	110,726
Cash at end of year	**$ 144,488**	$ 118,512
Restricted	**$ 97,753**	$ 77,734
Unrestricted	**46,735**	40,778
Cash, end of year	**$ 144,488**	$ 118,512

Continued on the next page

Colorado Housing and Finance Authority
Statement of Cash Flows *(continued)*
For the years ended December 2015 and 2014
(in thousands of dollars)

	2015	2014
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Net operating income	**$ 16,458**	$ 36,514
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	**1,109**	1,197
Amortization and fair value adjustments of service release premiums	**8,212**	9,087
Proportionate share of net pension expense	**377**	-
Amortization of derivatives related borrowings	**(7,657)**	(15,862)
Provision for loan losses	**525**	(2,698)
Interest on investments	**(23,667)**	(21,522)
Interest on debt	**80,273**	96,465
Unrealized loss on investment derivatives	**(1,569)**	3,194
Unrealized (gain) loss on investments	**13,123**	(8,790)
Gain on sale of REO	**(278)**	(616)
Gain on sale of loans receivable held for sale	**(50,065)**	(23,846)
Changes in assets and liabilities:		
Loans receivable and other real estate owned	**257,870**	218,331
Accrued interest receivable on loans and investments	**1,840**	1,364
Other assets	**(3,409)**	3,005
Accounts payable and other liabilities	**36,668**	5,985
Net cash provided by operating activities	**$ 329,810**	$ 301,808

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

1) Organization and Summary of Significant Accounting Policies

(a) Authorizing Legislation and Reporting Entity

Authorizing Legislation - The Colorado Housing and Finance Authority (the Authority) is a body corporate and a political subdivision of the State of Colorado (the State) established pursuant to the Colorado Housing and Finance Authority Act, Title 29, Article 4, Part 7 of the Colorado Revised Statutes (the Statutes), as amended (the Act). The Authority is not a state agency and is not subject to administrative direction by the State. The governing body of the Authority is its board of directors (the Board). Operations of the Authority commenced in 1974. The Authority is not a component unit of the State or any other entity.

The Authority was created for the purpose of making funds available to assist private enterprise and governmental entities in providing housing facilities for lower- and moderate-income families. Under the Act, the Authority is also authorized to finance projects and working capital loans to industrial and commercial enterprises (both for-profit and nonprofit) of small and moderate size.

In 1992, Colorado voters approved an amendment to the State Constitution, Article X, Section 20, which, among other things, imposes restrictions on increases in revenue and expenditures of state and local governments. In the opinion of its bond counsel, the Authority qualifies as an enterprise under the amendment and, therefore, is exempt from its provisions.

In 2001, the Colorado state legislature repealed the limitation on the amount of debt that the Authority can issue as well as removed the moral obligation of the State on future debt issues of the Authority. The bonds, notes and other obligations of the Authority do not constitute debt of the State.

Lending and Housing Programs – The Authority accounts for its lending and operating activities in the following groups:

General Program – The General Program is the Authority's primary operating program. It accounts for assets, liabilities, revenues and expenses not directly attributable to a bond program. Most of the bond resolutions of the programs permit the Authority to make cash transfers to the general accounts after establishing reserves required by the bond resolutions. The general accounts financially support the bond programs when necessary. The general accounts include proprietary loan programs developed by the Authority to meet the needs of low- and moderate-income borrowers not served by traditional lending programs. The general accounts also include administrative activities related to the federal government's Section 8 housing assistance payments program.

Single Family Program – The Single Family Program includes bonds issued and assets pledged for payment of the bonds under the related indentures. Loans acquired under this program with the proceeds of single family bond issues include Federal Housing Administration (FHA), conventional, United States Department of Agriculture (USDA) Rural Development, Rural Economic and Community Development Department (RD), and Veterans Administration (VA) loans made under various loan programs.

Multi-Family/Business Program – The Multi-Family/Business Program includes bonds issued and assets pledged for payment of the bonds under the related indentures. Loans acquired under this program with the proceeds of multi-family and business (sometimes referred to as project) bond issues include loans made for the purchase, construction or rehabilitation of multi-family rental housing. In addition, business loans are made to both for-profit and nonprofit organizations primarily for the purpose of acquisition or expansion of their facilities or for the purchase of equipment.

(b) Basis of Accounting

The Authority presents its financial statements in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP) as established by the Governmental Accounting Standards Board (GASB). For financial purposes, the

Authority is considered a special-purpose government engaged in business-type activities. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-entity transactions have been eliminated.

(c) Summary of Significant Accounting Policies

Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Significant estimates to the Authority's financial statements include the allowance for loan losses and fair value estimates. Actual results could differ from those estimates.

Cash and Restricted Cash – The Authority's cash and cash equivalents are represented by cash on hand and demand deposits held in banks. Restricted cash includes payments received on pledged assets and used for the payment of bonds under the related indenture agreements. Also included in restricted cash are escrow balances, payments in process and various government deposits.

Restricted Assets – Virtually all investments and loans receivable are restricted assets. Restricted assets are held for the benefit of respective bondholders and accounted for by program. Certain other assets are held on behalf of various governmental housing initiatives or regulations.

Investments – Noncurrent investments of the Authority, representing those investments which are held as reserves under indenture or other restrictions, are reported at fair value based on values obtained from third-party pricing services. The values are based on quoted market prices when available or on adjusted value in relation to observable prices on similar investments. Money market investments are reported at amortized cost. Virtually all investments are restricted.

Loans Receivable – Mortgage loans receivable are reported at their unpaid principal balance net of an allowance for estimated loan losses. Virtually all mortgage loans receivable are serviced by the Authority and are restricted.

Loans Receivable Held for Sale – Loans originated or acquired and intended for sale in the secondary market are carried at the lower of cost or fair value. Gains and losses on loan sales (sales proceeds minus carrying value) are reported as other operating income.

Allowance for Loan Losses – The allowance for loan losses is a reserve against current operations based on management's estimate of expected loan losses. Management's estimate considers such factors as the payment history of the loans, the projected cash flows of the borrowers, estimated value of the collateral, subsidies, guarantees, mortgage insurance, historical loss experience for each loan type, additional guarantees provided by the borrowers and economic conditions. Based on review of these factors, a total reserve amount is calculated and a provision is made against current operations to reflect the estimated balance.

Troubled Debt Restructuring – A restructuring of a debt constitutes a troubled debt restructuring if the creditor for economic or legal reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider. Whatever the form of concession granted by the creditor to the debtor in a troubled debt restructuring, the creditor's objective is to make the best of a difficult situation. That is, the creditor expects to obtain more cash or other value from the debtor, or to increase the probability of receipt, by granting the concession than by not granting it.

Interest income is recognized using the new interest rate after restructuring, which approximates the effective interest rate. Additional information is disclosed in the loans receivable note. See note 3.

Capital Assets – Capital assets are defined by the Authority as assets with an initial, individual cost of $10 thousand or greater. Capital assets are depreciated or amortized using the straight-line method over their estimated useful lives, which are 30 years for buildings and from 3 to 10 years for furniture and equipment.

Other Assets – Other assets is primarily made up of mortgage servicing rights. Mortgage servicing rights are amortized over the estimated life of the related loans using the effective interest method. Unamortized costs totaling $23.3 million and $19.2 million were outstanding at December 31, 2015 and 2014, respectively. Included in these amounts are mortgage servicing rights of $18.6 million and $13.4 million as of December 31, 2015 and 2014, respectively, related to loans sold by the Authority for which the Authority retained the mortgage servicing. These mortgage servicing rights are reported at the lower of cost or fair value.

The Authority recorded impairment losses of $1.1 million and $4.6 million on mortgage servicing rights as of December 31, 2015 and 2014, respectively. The impairment losses are reported in general operating expense on the Statement of Revenues, Expenses and Changes in Net Position.

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

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

Variable rate bonds have Stand-by Purchase Agreements (SBPA), which state that the issuer of the SBPA will purchase the bonds in the event the remarketing agent is unsuccessful in marketing the bonds. In this event, the interest rate paid by the Authority will be calculated using a defined rate from the SBPA. If the bonds remain unsold for a period of 90 days, they are deemed to be "bank bonds" and the Authority is required to repurchase the bonds from the SBPA issuer. The timing of this repurchase, or term out, will vary by issuer from two years to ten years.

Bond Discounts and Premiums – Discounts and premiums on bonds payable are amortized to interest expense over the lives of the respective bond issues using the effective interest method.

Debt Refundings – For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old or new debt, whichever is shorter. The difference is amortized using the effective interest method, with the exception of the amount relating to deferred loss on terminated interest rate swap hedging relationships, which is amortized on a straight-line basis. The deferred refunding amounts are classified as a component of deferred outflows on the Statement of Net Position.

Derivative Instruments – Derivative instruments, as defined in GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*, are measured on the Statement of Net Position at fair value. Changes in fair value for those derivative instruments that meet the criteria for hedging instruments under GASB No. 53 are reported as deferred inflows and outflows. Changes in fair value of investment derivative instruments, which are ineffective derivative instruments, are reported within investment derivative activity loss starting in the period of change.

Derivative Instruments – Interest Rate Swap Agreements – The Authority enters into interest rate swap agreements (swap) with rated swap counterparties in order to (1) provide lower cost fixed rate financing for its loan production needs through synthetic fixed rate structures and (2) utilize synthetic fixed rate structures with refunding bonds in order to generate cash flow savings. The interest differentials to be paid or received under such swaps are recognized as an increase or decrease in interest expense of the related bond liability. The Authority enters into fixed payor swaps, where it pays a fixed interest rate in exchange for receiving a variable interest rate from the counterparty. The variable interest rate may be based on either a taxable or tax-exempt index. By entering into a swap agreement, the Authority hedges its interest rate exposure on the associated variable rate bonds. The Authority's interest rate swaps are generally considered to be hedging derivative instruments under GASB No. 53. However, certain interest rate swaps have been deemed ineffective and are classified as investment derivative instruments. Additional information about the swap agreements is provided in note 8.

Derivative Instruments – Forward Sales Contracts – Forward sales of mortgage backed securities within the To-Be-Announced market are utilized to hedge changes in fair value of mortgage loan inventory and commitments to purchase mortgage loans at fixed rates. At December 31, 2015, the Authority had executed 66 forward sales transactions with a $159.5 million notional amount with five counterparties with concentrations and ratings (Standard and Poor's/Moody's Investors Service) as shown in note 8. The forward sales will all settle by March 22, 2016. These contracts are considered investment derivative instruments.

Hybrid Instrument Borrowings – Hybrid instrument borrowings represent cash premiums received on interest rate swaps that had a fair value other than zero at the date of execution, generally because the fixed rates were different from market rates at that date. Interest expense is imputed on these borrowings, which are reported at amortized cost.

Net Pension Liability – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Public Employee's Retirement Association of Colorado (PERA) pension plan and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Other Liabilities – The major other liabilities are as follows:

- *Servicing escrow:* The net amount of collected escrow funds currently being held on behalf of borrowers to pay future obligations of property taxes and insurance premiums due on real properties. The Authority has a corresponding asset that is recorded in restricted cash.
- *Deferred Low Income Housing Tax Credit (LIHTC) Income:* Compliance monitoring fees collected in advance on multi-family properties that have been awarded low-income housing tax credits to be used over a 15-year period. These fees cover the ongoing cost the Authority incurs to certify that these properties remain low-income compliant during the 15-year period and continue to be eligible to use the tax credits awarded.
- *Compensated Absences*: Employees accrue paid time off at a rate based on length of service. Employees may accrue and carry over a maximum of 150% of their annual paid time off benefit. The liability for compensated absences is based on current salary rates and is reported in the Statement of Net Position.
- *Capital lease*: The Authority includes as capital lease obligations the present value of noncancelable lease payments for leases that qualify as a capital lease. Capital lease payments of principal and interest total $66 thousand per year through 2016.

Classification of Revenues and Expenses – The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The principal operating revenues of the Authority are interest income on loans, gain on sale of loans and investment income. The Authority also recognizes revenues from rental operations and other revenues, which include loan servicing fees and other administrative fees. Operating expenses include interest expense, administrative expenses, depreciation, and the provision for loan losses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Authority's nonoperating revenues and expenses consist primarily of pass-through amounts related to the Authority's role as a contract administrator of the U.S. Department of Housing and Urban Development's Section 8 subsidy program. Under the Section 8 subsidy program, tenants pay 30% of their income toward rent and the balance is paid to the Authority by federal subsidy.

New Accounting Principles – As of December 31, 2015, the Authority implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is effective for financial statements for periods beginning after June 15, 2014. This Statement addresses the accounting and financial reporting for employer pension plans provided to employees by pension plans administered through trusts that have certain characteristics. These characteristics mirror the criteria and definitions set forth in Statement No. 67. Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses as they relate to pension plans. More specifically, this Statement details how cost-sharing multiple-employer defined benefit plans, such as the one administered by the Public Employee's Retirement Association of Colorado (PERA) on behalf of the Authority, will recognize pension liabilities based upon the employer's proportionate share of the collective net pension liability of the trust. This Statement also addresses the note disclosure and required supplementary information requirements for reporting the pension liability. Accounting changes adopted to conform to the provisions of this statement were applied retroactively by restating the basic financial statements for all prior periods presented. The Authority's December 31, 2014 net position, based on Statement No. 68 accounting adjustments, was restated (reduced) by $16.6 million, from $340.2 million to $323.6 million to record the Authority's proportionate share of the net pension liability, as well as certain deferred outflows and deferred inflows of resources associated with pension expense.

As of December 31, 2015, the Authority implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which is effective for financial statements for periods beginning after June 15, 2014. The objective of this statement is to address an issue regarding the application of the transition provisions of Statement No. 68, which requires the recognition of a deferred outflow or deferred inflow of resources related to pensions at the initial application of the new standard. This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68. As such, this Statement was implemented by the Authority at December 31, 2015, however, it had no additional impact on the Authority's financial statements.

Future Accounting Principles – GASB issued Statement No. 72, *Fair Value Measurement and Application*, which is effective for financial statements for periods beginning after June 15, 2015. This Statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. Under the new Statement, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. The applicability of Statement No. 72 on the Authority's financial statements has not yet been determined.

GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, which is effective for financial statements for periods beginning after June 15, 2015. The requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities. This Statement will be applicable to the Authority in 2016; however, this Statement will have no material impact on the Authority's financial statements.

GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for financial statements for periods beginning after June 15, 2018. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement will be applicable to the Authority in 2018; however, the financial impact of the applicability of Statement No. 75 on the Authority's financial statements has not yet been determined.

GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which is effective for financial statements for periods beginning after December 15, 2015. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement will be applicable to the Authority in 2016; however, the financial impact of the applicability of Statement No. 78 on the Authority's financial statements has not yet been determined.

GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*, which is effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. This Statement will be applicable to the Authority in 2016; however, the financial impact of the applicability of Statement No. 79 on the Authority's financial statements has not yet been determined.

(tabular dollar amounts are in thousands)

GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, which is effective for reporting periods beginning after June 15, 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. This Statement will be applicable to the Authority in 2017; however, the financial impact of the applicability of Statement No. 80 on the Authority's financial statements has not yet been determined.

(2) Cash and Investments

Cash and Cash Equivalents – The Authority's cash and cash equivalents are reported as either restricted or unrestricted and are represented by cash on hand and demand deposits held in banks. Cash is classified as restricted when its use is subject to external limits such as bond indentures, legal agreements or statutes. Restricted cash includes payments received on pledged assets and used for the payment of bonds under the related indenture agreements. Also included in restricted cash are escrow balances, payments in process and various government deposits. As of December 31, 2015 and 2014, the Authority had unrestricted cash of $46.7 million and $40.8 million, respectively.

Restricted cash as of December 31, 2015 and 2014 was as follows:

Summary of Restricted Cash	2015	2014
Customer escrow accounts	$ 73,901	$ 42,984
Payments in process	20,398	29,602
Administered program deposits	3,454	5,148
Total fair value	$ 97,753	$ 77,734

Investments – The Authority is authorized by means of a Board-approved investment policy to invest in notes, bonds and other obligations issued or guaranteed by the U.S. government and certain governmental agencies. Additionally, the Authority is permitted to invest, with certain restrictions as to concentration of risk, collateralization levels, maximum periods to maturity, and/or underlying rating levels applied, in revenue or general obligations of states and their agencies, certificates of deposits, U.S. dollar denominated corporate or bank debt, commercial paper, repurchase agreements backed by U.S. government or agency securities, money market mutual funds and investment agreements. The Authority's investment policy requires 1) staggered maturities to avoid undue concentrations of assets in a specific maturity sector, 2) stable income, 3) adequate liquidity to meet operations and debt service obligations and 4) diversification to avoid overweighting in any one type of security. The Authority is also subject to permissible investments as authorized by Title 24, Article 75, Part 6 of the Statues. Permissible investments pursuant to the Statutes are either identical to or less restrictive than the Authority's investment policy. In addition, each of the trust indentures established under the Authority's bond programs contains requirements as to permitted investments of bond fund proceeds, which may be more or less restrictive than the Authority's investment policy. These investments are included in the disclosures below under State and political subdivision obligations.

(tabular dollar amounts are in thousands)

As of December 31, 2015, the Authority had the following investment maturities:

	Investment Maturities (In Years)				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total**
Certificate of deposit	$ 18,400	$ -	$ -	$ -	$ 18,400
External investment pool	7,124	-	-	-	7,124
Investment agreements - uncollateralized	79,166	-	-	27,148	106,314
Money market mutual fund	42,196	-	-	-	42,196
Repurchase agreement	19,652	-	-	4,506	24,158
State & political subdivision obligations	-	-	-	425	425
U.S. government agencies	165,382	30,601	-	133,759	329,742
U.S. Treasury	73,468	-	575	-	74,043
Total	$ 405,388	$ 30,601	$ 575	$ 165,838	$ 602,402

As of December 31, 2014, the Authority had the following investment maturities:

	Investment Maturities (In Years)				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total**
Certificate of deposit	$ 29,400	$ -	$ -	$ -	$ 29,400
External investment pool	67,648	-	-	-	67,648
Investment agreements - uncollateralized	92,479	-	-	27,148	119,627
Money market mutual fund	132,621	-	-	-	132,621
Repurchase agreement	19,182	-	-	6,740	25,922
State & political subdivision obligations	-	-	-	532	532
U.S. government agencies	113,397	49,372	-	176,275	339,044
U.S. Treasury	166	-	598	-	764
Total	$ 454,893	$ 49,372	$ 598	$ 210,695	$ 715,558

General Program investments of $89.1 million include investments pledged as of December 31, 2015 as follows: a $18.4 million certificate of deposit and a $57.0 million Federal Home Loan Bank (FHLB) discount note pledged to the FHLB line of credit and Colorado Local Government Liquid Asset Trust (COLOTRUST) investments of Rural Development Loan Program (RDLP), RDLP II and RDLP V in the amounts of $811 thousand, $423 thousand and $503 thousand, respectively; each pledged as collateral for the RDLP notes payable and $945 thousand of investments pledged as collateral for private placement bonds.

General Program investments of $65.1 million include investments pledged as of December 31, 2014 as follows: a $29.4 million certificate of deposit and a $28.0 million Federal Home Loan Bank (FHLB) discount note pledged to the FHLB line of credit and Colorado Local Government Liquid Asset Trust (COLOTRUST) investments of Rural Development Loan Program (RDLP), RDLP II and RDLP V in the amounts of $576 thousand, $265 thousand and $29 thousand, respectively; each pledged as collateral for the RDLP notes payable and $364 thousand of investments pledged as collateral for private placement bonds.

(tabular dollar amounts are in thousands)

All Single Family and Multi-Family/Business Program investments, which total $513.3 million and $650.4 million as of December 31, 2015 and 2014, respectively, are restricted under bond indentures or other debt agreements, or otherwise pledged as collateral for borrowings.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Except for the money market mutual fund investments, substantially all of the Authority's investments are subject to this risk.

Credit Risk – The following table provides credit ratings of the Authority's investments as determined by Standard and Poor's and/or Moody's Investors Service.

	2015		2014	
Investment Type	**Rating**	**Total**	**Rating**	**Total**
Certificate of deposit	Not Rated	$ 18,400	Not Rated	$ 29,400
External investment pool	AAAm	7,124	AAAm	67,648
Investment agreements - uncollateralized	AA+/A1	10,794	AA+/A1	53,560
Investment agreements - uncollateralized	A/A2	17,134	A/A2	20,540
Investment agreements - uncollateralized	A+/Aa2	5,500	A+/Aa2	5,500
Investment agreements - uncollateralized	AA-/Aa3	4,376	AA-/Aa3	4,376
Investment agreements - uncollateralized	AA/Aa1	-	AA/Aa1	35,651
Investment agreements - uncollateralized	AA/Aa2	30,683	AA/Aa2	-
Investment agreements - uncollateralized	AA+/Aa2	37,827	AA+/Aa2	-
Money market mutual fund	AAAm/Aaa	42,196	AAAm/Aaa	132,621
Repurchase agreements	AA+/Aaa	24,158	AA+/Aaa	25,922
State and political subdivision obligations	AAA/Aaa	425	AAA/Aaa	532
U.S. government agencies	AA+/Aaa	329,742	AA+/Aaa	339,044
U.S. Treasury	AA+/Aaa	74,043	AA+/Aaa	764
Total		$ 602,402		$ 715,558

Of the investments in securities issued by state and political subdivisions, 100% are rated AAA as of December 31, 2015 and 2014. Investment agreements meet the requirements of the rating agency providing the rating on the related debt issue and of the Board's investment policy. The Board's investment policy states that the Authority is empowered to invest in any security that is a revenue or general obligation of any political subdivision. The credit rating at the time of purchase must be rated in one of its two highest rating categories by one or more nationally recognized organizations, which regularly rate such obligations and concentration limits may not exceed more than 20% of the investment portfolio.

As of December 31, 2015 and 2014, the Authority had invested in COLOTRUST, an investment vehicle established for local governmental entities in Colorado to pool funds available for investment. COLOTRUST is reflected in the above tables as an external investment pool. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund and each share's fair value is $1.00.

(tabular dollar amounts are in thousands)

Concentration of Credit Risk – The Authority has various maximum investment limits both by type of investment and by issuer to prevent inappropriate concentration of credit risk. The following table provides information on issuers in which the Authority has investments representing more than 5% of its total investments as of December 31, 2015 and 2014.

Issuer	2015	2014
COLOTRUST	1.18%	9.45%
FHLB	16.14%	10.99%
FHLMC	15.72%	17.71%
Fidelity	2.66%	12.67%
FNMA	5.36%	7.00%
GNMA	20.58%	15.79%
IXIS	11.95%	11.48%
Trinity	6.28%	5.74%
US Treasury	12.29%	0.11%
Wells Fargo	4.26%	5.82%

Custodial Credit Risk – Investments – Custodial credit risk is the risk that, in the event of the failure of the custodian, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of the custodian. All securities owned by the Authority are either in the custody of the related bond indenture trustees or held in the name of the Authority by a party other than the issuer of the security.

Custodial Credit Risk – Cash Deposits – In the case of cash deposits, custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. All deposit accounts were either covered by the Federal Deposit Insurance Corporation or fully collateralized in accordance with the State of Colorado's Division of Banking's Public Deposit Protection Act.

Included in cash deposits are escrow deposits in the amount of $73.9 million and $43.0 million held in a fiduciary capacity as of December 31, 2015 and 2014, respectively. These escrow deposits are primarily held for the payment of property taxes and insurance on behalf of the mortgagors whose loans are owned or serviced by the Authority.

(tabular dollar amounts are in thousands)

(3) Loans Receivable, Related Allowances and Troubled Debt Restructuring

Loans receivable and loans receivable held for sale at December 31, 2015 and 2014 consisted of the following:

	2015	2014
General Fund	$ 164,902	$ 166,490
Single Family Fund	536,362	690,300
Multi-Family/Business Fund:		
Multi-Family/Project	499,457	555,203
Multi-Family Pass Through	24,734	29,461
Total Multi-Family/Business Fund	524,191	584,664
Less intercompany loans, included in Multi-Family/Project above	(1,443)	(1,904)
Total loans receivable	1,224,012	1,439,550
Payments in process	(2,844)	(682)
Allowance for loan losses	(6,731)	(8,948)
Total loans receivable, net	$ 1,214,437	$ 1,429,920

Virtually all loans are restricted by bond indentures or other debt agreements.

Loans in the Single Family Program and the Multi-Family/Business Program in the table above are grouped based on the related bond type (see note 6 for additional information).

General Program loans include single family, multi-family and business finance loans acquired under various programs of the General Program, loans to be sold through the issuance of Ginnie Mae securities, loans to be sold to Fannie Mae, loans to be pooled and swapped for securities issued by Fannie Mae, loans held as investments and loans backed by bonds within the General Program. These loans are typically collateralized by mortgages on real property and improvements. Certain of these loans are also insured or guaranteed by agencies of the U.S. government.

Single family bond program loans are collateralized by mortgages on applicable real property and, in the case of loans with an initial loan-to-value ratio of 80% or more, are generally either insured by the FHA or guaranteed by the VA or RD or insured by private mortgage insurance.

The single family loan portfolio included in the general and single family programs as of December 31, 2015 was comprised of $404.3 million of FHA insured loans, $27.3 million of VA guaranteed loans, $20.8 million of RD guaranteed loans and $73.8 million of conventional insured loans with the balance of $113.4 million made up of uninsured conventional and second mortgage loans.

The single family loan portfolio included in the general and single family programs as of December 31, 2014 was comprised of $494.4 million of FHA insured loans, $35.1 million of VA guaranteed loans, $23.6 million of RD guaranteed loans and $104.5 million of conventional insured loans with the balance of $136.4 million made up of uninsured conventional and second mortgage loans.

(tabular dollar amounts are in thousands)

The Authority is exposed to operational risk, which makes it subject to loss or repurchase of insured FHA loans if specific guidelines are not met. As of December 31, 2015 and 2014, the Authority recorded a reserve of $205 thousand and $239 thousand, respectively, for claim refunds to be paid to the U.S. Department of Housing and Urban Development (HUD).

As of December 31, 2015 and 2014, single family mortgage loans with pending foreclosure actions have aggregate principal balances of approximately $7.9 million and $10.7 million, respectively. As of December 31, 2015 and 2014, the aggregate principal balance of single family mortgage loans delinquent 91 days or greater was approximately $39.2 million and $55.6 million, respectively.

The Multi-Family/Business Program loans and a portion of General Program loans are commercial loans. Commercial loans are collateralized by mortgages on applicable real estate and, in some cases, are insured by an agency of the U.S. government, which reduces the credit risk exposure for that type of insured loan.

As of December 31, 2015, approximately $313.8 million, or 72.9%, of the commercial loan balances are not covered by insurance. The insured loans were comprised of $184.5 million of Section 542(c) risk share loans, which are 50% insured, and $7.2 million of Sections 221(d) and 223(f) new construction and rehabilitation loans, which are 99% insured.

As of December 31, 2014, approximately $357.7 million, or 73.3%, of the commercial loan balances are not covered by insurance. The insured loans were comprised of $206.6 million of Section 542(c) risk share loans, which are 50% insured, and $10.8 million of Sections 221(d) and 223(f) new construction and rehabilitation loans, which are 99% insured.

As of December 31, 2015 and 2014, commercial loans with pending foreclosure actions have aggregate principal balances of approximately $0 and $240 thousand, respectively. As of December 31, 2015 and 2014, commercial loans delinquent 91 days or greater aggregate principal balances were approximately $161 thousand and $858 thousand, respectively.

Activity in the allowance for loan loss for the years ended December 31, 2015 and 2014 was as follows:

	2015	2014
Beginning balance	$ 8,948	$ 13,151
Provision	525	(1,332)
Net charge-offs		
Single-family	(1,835)	(2,600)
Multi-family/Business	(907)	(271)
Ending balance	$ 6,731	$ 8,948

The Authority services loans that it securitizes as Ginnie Mae mortgage-backed securities and sells. As of both December 31, 2015 and 2014, these loans totaled $1.5 billion.

The Authority services loans on the behalf of others, primarily for Fannie Mae, which are not reported on the Statement of Net Position. As of December 31, 2015 and 2014, these outstanding loan balances were $411.5 million and $274.9 million, respectively.

(tabular dollar amounts are in thousands)

The Authority has granted terms and interest rate concessions to debtors, which are considered troubled debt restructurings, as of December 31, 2015 and 2014, as summarized below:

Single Family Program Loans:	**2015**	**2014**
Aggregate recorded balance	$ 46,047	$ 41,982
Number of loans	369	324
Gross interest revenue if receivables had been current	$ 2,223	$ 2,400
Interest revenue included in changes in net position	$ 1,807	$ 1,569

Multi-Family/Business Program Loans:	**2015**	**2014**
Aggregate recorded balance	$ 17,351	$ 14,869
Number of loans	22	22
Gross interest revenue if receivables had been current	$ 966	$ 835
Interest revenue included in changes in net position	$ 991	$ 931

(tabular dollar amounts are in thousands)

(4) Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	$ 1,573	$ -	$ -	$ 1,573
Construction in progress	234	301	(535)	-
Total nondepreciable capital assets	1,807	301	(535)	1,573
Depreciable capital assets:				
Cost:				
Computer equipment/software *	14,678	518	-	15,196
Furniture and equipment	1,116	-	-	1,116
Buildings and related improvements	8,035	7	-	8,042
Total depreciable capital assets	23,829	525	-	24,354
Less accumulated depreciation:				
Computer equipment/software *	(13,701)	(658)	-	(14,359)
Furniture and equipment	(831)	(88)	-	(919)
Buildings and related improvements	(4,741)	(364)	-	(5,105)
Total accumulated depreciation	(19,273)	(1,110)	-	(20,383)
Total depreciable capital assets, net	4,556	(585)	-	3,971
Total capital assets, net	$ 6,363	$ (284)	$ (535)	$ 5,544

* Includes capital lease

(tabular dollar amounts are in thousands)

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	$ 1,573	$ -	$ -	$ 1,573
Construction in progress	276	556	(598)	234
Total nondepreciable capital assets	1,849	556	(598)	1,807
Depreciable capital assets:				
Cost:				
Computer equipment/software *	14,329	402	(53)	14,678
Furniture and equipment	1,117	43	(44)	1,116
Buildings and related improvements	7,896	139	-	8,035
Total depreciable capital assets	23,342	584	(97)	23,829
Less accumulated depreciation:				
Computer equipment/software *	(12,996)	(742)	37	(13,701)
Furniture and equipment	(753)	(101)	23	(831)
Buildings and related improvements	(4,387)	(354)	-	(4,741)
Total accumulated depreciation	(18,136)	(1,197)	60	(19,273)
Total depreciable capital assets, net	5,206	(613)	(37)	4,556
Total capital assets, net	$ 7,055	$ (57)	$ (635)	$ 6,363

* Includes capital lease

(5) Short-Term Debt

The Authority has agreements with the FHLB of Topeka for collateralized borrowings in an amount not to exceed the lending limit internally established by the FHLB, which is 40% of the Authority's total assets, or $799.2 million. As of December 31, 2015 and 2014, the Authority had $77.5 million and $61.8 million of short-term debt outstanding with the FHLB, respectively. Borrowings under these agreements are used to support the Authority's various lending programs, to purchase loans to be sold through the issuance of Ginnie Mae securities and activities related to the Authority's private activity bond volume cap preservation program. Amounts drawn under the agreements bear interest at the same rates charged by the FHLB to its member banks and are collateralized by certain mortgage loans and investments. There are no commitment fees associated with these agreements.

The Authority also has a revolving, unsecured, commercial bank line of credit agreement for borrowings of up to $30.0 million. Amounts drawn under the agreement bear interest fixed at 1.95% per annum above the one week or one-month LIBOR rate. This line of credit agreement terminates on December 17, 2016. The Authority pays an unused line fee at the rate of 0.02% per annum, payable in arrears on the first business day after each calendar quarter. The fee is based upon the average daily unused amount of the line of credit computed on the basis of a 360-day year. As of December 31, 2015 and 2014, there were no outstanding balances.

(tabular dollar amounts are in thousands)

Short-term debt activity for the years ended December 31, 2015 and 2014 was as follows:

	2015	2014
Beginning balance	$ 61,805	$ 42,380
Additions	4,160,340	3,535,460
Reductions	(4,144,640)	(3,516,035)
Ending balance	$ 77,505	$ 61,805

(6) Bonds, Notes Payable and Other Liabilities

The Authority issues bonds and notes payable to finance its lending programs. Proceeds from long-term debt of the Single Family and Multi-Family/Business bonds are used for funding of single family, multi-family and business loans. Long-term debt of the General Programs (including notes payable) is used to finance single family and business loans. The aggregate principal amounts of bonds and notes payable outstanding as of December 31, 2015 and 2014 are shown in the table on the following pages. Interest is payable semiannually unless otherwise noted. Interest rates on variable rate debt reset on a weekly or monthly basis. At December 31, 2015, these rates ranged from 0.01% to 0.98%. At December 31, 2014, these rates ranged from 0.02% to 0.92%.

(tabular dollar amounts are in thousands)

Descripton and due date		Interest rate (%)	2015	2014
Bonds payable:				
General Fund (prior to 2011, all General Fund bonds carry the Authority's general obligation pledge):				
Multi-Family/Business Finance:				
Guaranteed Loan Participation Purchase Bonds: *(* principal and interest payable monthly)*				
1999 Series A	2015 - 2015	5.71	-	115
2004 Series B*	2016 - 2024	4.88	1,074	1,166
2005 Series A*	2015 - 2015	4.81	-	301
2011 Series A*	2016 - 2031	2.92	528	938
2012 Series A*	2016 - 2025	2.84	5,100	5,542
Total Guaranteed Loan Participation Purchase Bonds			6,702	8,062
Project Loan Participation Purchase Bonds: *(* principal and interest payable monthly)*				
2004 Series AP*	2015 - 2015	4.90	-	300
Taxable Rental Project Revenue Bonds: *(* principal and interest payable monthly)*				
2000 Series A	2016 - 2020	6.15	2,884	3,031
2002 Series AV*	2016 - 2022	5.55	1,250	1,356
2003 Series AV*	2016 - 2024	5.19	655	705
2004 Series A*	2016 - 2024	4.90	8,467	8,933
Total Taxable Rental Project Revenue Bonds			13,256	14,025
Total Multi-Family/Business Finance			19,958	22,387
Total General Fund			19,958	22,387
Single Family Fund:				
Single Family Mortgage Bonds:				
2001 Series AA	2016 - 2038	Variable	79,030	89,670
2002 Series A	2016 - 2021	Variable	11,255	13,740
2002 Series B	2016 - 2021	Variable	23,240	23,240
2002 Series C	2016 - 2022	Variable	22,175	27,090
2003 Series A	2015 - 2015	Variable	-	4,620
2003 Series B	2016 - 2028	Variable	36,485	86,300
2003 Series C	2015 - 2015	Variable	-	39,370
2004 Series B	2015 - 2015	Variable	-	28,450
2005 Series B	2015 - 2015	Variable & 4.98 - 5.22	-	52,540
2006 Series A	2016 - 2036	Variable	38,585	40,975
2006 Series B	2016 - 2036	Variable	79,925	87,520
2006 Series C	2016 - 2034	Variable	12,395	12,395
2007 Series A	2016 - 2037	Variable	45,895	73,895
2007 Series B	2016 - 2038	Variable	102,545	119,990
2008 Series A	2016 - 2038	Variable & 5.00	87,555	105,840
2009 Series A	2016 - 2019	3.85 - 4.35	7,360	37,040
2011 Series AA	2016 - 2029	2.50 - 5.00	15,275	22,460
2011 Series D	2016 - 2016	Variable	4,055	24,130
2012 Series A	2016 - 2038	Variable	68,655	75,080
2013 Series AA	2016 - 2041	2.80	29,150	39,945
2013 Series B	2016 - 2036	Variable	34,290	39,950
2014 Series A	2016 - 2027	0.62 - 3.53	43,490	55,435
2015 Series A	2016 - 2031	0.50 - 4.00	84,220	-
2015 Series B	2016 - 2026	0.65 - 3.42	22,975	-
Total Single Family Mortgage Bonds			848,555	1,099,675
Total Single Family Fund			848,555	1,099,675

Table continued on following page.

(tabular dollar amounts are in thousands)

Descripton and due date		Interest rate (%)	2015	2014
Multi-Family/Business Fund:				
Multi-Family/Project Bonds: *(* principal and interest payable quarterly on some of the bonds)*				
2000 Series A	2016 - 2030	Variable	13,500	17,350
2000 Series B*	2016 - 2020	Variable	3,260	3,770
2002 Series A	2016 - 2030	Variable	2,490	8,800
2002 Series C	2016 - 2032	Variable	61,315	79,650
2003 Series A	2016 - 2033	Variable	31,560	32,840
2004 Series A	2016 - 2034	Variable	38,610	51,395
2005 Series A	2016 - 2040	Variable	26,750	52,925
2005 Series B	2016 - 2040	Variable	17,660	21,130
2006 Series A	2016 - 2036	Variable	36,930	38,750
2007 Series B	2016 - 2038	Variable	56,120	65,480
2008 Series A	2016 - 2043	Variable	24,165	25,850
2008 Series B	2016 - 2052	Variable	155,470	157,505
2008 Series C	2016 - 2038	Variable	14,350	21,665
2009 Series A	2016 - 2041	Variable & 3.80 - 5.40	27,105	29,020
2012 Series A	2016 - 2051	2.75 - 4.50	10,330	10,470
2012 Series B	2016 - 2054	2.55 - 4.20	17,240	17,450
2013 Series A	2016 - 2023	Variable	4,165	7,040
2013 Series I	2016 - 2044	3.20	24,776	29,508
Total Multi-Family/Project Bonds			565,796	670,598
Total Multi-Family/Business Fund			565,796	670,598
Total bonds payable			$ 1,434,309	$ 1,792,660
Premiums and losses classified as bonds payable				
Bond premiums (unamortized)			1,715	638
Bonds payable			$ 1,436,024	$ 1,793,298
Notes payable			1,172	1,009
Bonds and notes payable			$ 1,437,196	$ 1,794,307
Current:				
Bonds payable			$ 84,192	$ 134,731
Notes payable			102	103
Noncurrent:				
Bonds and notes payable			1,352,902	1,659,473
Total			$ 1,437,196	$ 1,794,307

(tabular dollar amounts are in thousands)

A breakdown of bonds payable as of December 31, 2015 and 2014, by fixed and variable interest rates, follows in the table below. Certain of the Authority's variable rate debt has been hedged by entering into pay fixed/receive variable rate interest rate swap agreements as further described in note 8. Such debt is referred to in the table as synthetic fixed rate debt.

Description	2015	2014
Fixed rate debt	$ 286,679	$ 297,140
Synthetic fixed rate debt	948,625	1,353,075
Unhedged variable rate debt	199,005	142,445
Total	$ 1,434,309	$ 1,792,660

Also included in the table of bonds and notes payable outstanding are certain Single Family and Multi-Family/Project bonds, which carry the Authority's general obligation pledge. These general obligation bonds are presented in the following table as of December 31, 2015 and 2014:

Description	2015	2014
General Fund Program Bonds	$ 14,330	$ 15,907
Single Family Mortgage Bonds, Class III	8,655	41,985
Multi-Family/Project Bonds, Class I	195,165	206,880
Multi-Family/Project Bonds, Class II	17,210	17,710
Total	$ 235,360	$ 282,482

(tabular dollar amounts are in thousands)

Standby Purchase Agreements provide liquidity support on variable rate bonds that are remarketed weekly. The liquidity/commitment fees vary by agreement and are based on a percentage of the outstanding bond balance, payable monthly or quarterly. During 2015 and 2014, the Authority renewed or replaced expiring liquidity facilities of $482.6 million and $302.8 million, respectively. Liquidity fees for the years ended December 31, 2015 and 2014 were $4.9 million and $6.5 million, respectively.

A schedule of providers and maturities is presented below, as of December 31, 2015:

Liquidity Expiration	Bank of America (1)	FHLB (2)	Royal Bank of Canada (3)	BNY Mellon (4)	Grand Total
2016	$ -	$ 264,020	$ 109,290	$ 56,530	$ 429,840
2018	45,415	430,975	-	-	476,390
Total	$ 45,415	$ 694,995	$ 109,290	$ 56,530	$ 906,230

The following provides the terms of the debt service requirements that would result if the SBPA commitments were to be exercised (bank bond rate, accelerated payment schedule, and lien):

(1) (a) Bank Rate: for the first 90 days following the purchase date, the "Base Rate", for any day, a per annum rate to the highest of (a) the Federal Fund Rate plus 2.00%, (b) the prime rate plus 1.00%, (c) the LIBOR Rate plus 2.00%, and (d) seven and one-half percent (7.50%), then from and after the ninety-first (91st) day, the Base Rate plus 1.00% per annum.

(b) Term out provisions: three hundred sixty-six (366) days following the earlier of (x) the Purchase Date, or (y) the last day of the Purchase Period. Semiannual Principal payment due the date that is the earlier of (x) the five year anniversary of the related Purchase Date, or (y) the five year anniversary of the last day of the Purchase Period.

(2) (a) Bank Rate: One-Month LIBOR plus 2.00%.

(b) Term out provisions: repayments due 90 days or 366 days following the purchase date in equal semiannual installments until fifth anniversary of the purchase date.

(3) (a) Bank Rate: for the first 90 days following the purchase date, the "Base Rate", which equals the highest of (i) the prime rate plus 2.50%, (ii) the Fed funds rate plus 3.00% and (iii) 8.00%; then for the period 91-180 days following the purchase date, the Base Rate plus 1.00%; then for the period 181 days and higher following the purchase date, the Base Rate plus 2.00%.

(b) Term out provisions: repayments due on the first business day of February, May, August or November on or following 90 days following purchase date and thereafter quarterly on each such dates in equal installments to the third anniversary of such purchase date. Class I lien.

(4) (a) Bank Rate: for any day, the "Base Rate", which is the greater of (a) the prime rate in effect for such day and (b) the sum of the Federal Funds Rate in effect for such day plus 1.00%, plus 2.00%.

(b) Term out provisions: with respect to any Bank Bond, the earlier of the fifth anniversary or the related mandatory redemption start date (the first business day of the month next following the earlier of (i) the 90th day following the purchase date of such Bank Bond and (ii) the last day of the purchase period) or the maturity date of such Bank Bond.

(tabular dollar amounts are in thousands)

The following table presents the detail of bonds, notes payable and certain other liabilities that include current and noncurrent activity for the year ended December 31, 2015:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current	Noncurrent
Bonds payable	$ 1,792,660	$ 125,300	$ (483,652)	$ 1,434,308	$ 84,092	$ 1,350,216
Bond premiums - unamortized	638	1,324	(247)	1,715	100	1,615
Total bonds payable	1,793,298	126,624	(483,899)	1,436,023	84,192	1,351,831
Notes payable	1,009	266	(102)	1,173	102	1,071
Arbitrage rebate payable	488	11	-	499	-	499
Unearned revenue	2,557	737	(392)	2,902	193	2,709
Other liabilities	1,858	2,614	(406)	4,066	85	3,981
Total other liabilities	4,903	3,362	(798)	7,467	278	7,189
Total	$ 1,799,210	$ 130,252	$ (484,799)	$ 1,444,663	$ 84,572	$ 1,360,091

The following table presents the detail of bonds, notes payable and certain other liabilities that include current and noncurrent activity for the year ended December 31, 2014:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current	Noncurrent
Bonds payable	$ 2,070,175	$ 55,435	$ (332,950)	$ 1,792,660	$ 134,683	$ 1,657,977
Bond premiums - unamortized	659	-	(21)	638	48	590
Total bonds payable	2,070,834	55,435	(332,971)	1,793,298	134,731	1,658,567
Notes payable	2,053	76	(1,120)	1,009	103	906
Arbitrage rebate payable	726	(104)	(134)	488	-	488
Unearned revenue	2,594	331	(368)	2,557	170	2,387
Other liabilities	2,074	255	(471)	1,858	80	1,778
Total other liabilities	5,394	482	(973)	4,903	250	4,653
Total	$ 2,078,281	$ 55,993	$ (335,064)	$ 1,799,210	$ 135,084	$ 1,664,126

(tabular dollar amounts are in thousands)

Bonds and notes payable sinking fund installments and contractual maturities subsequent to December 31, 2015, using rates in effect as of December 31, 2015, are as follows:

Years Ending	General Fund		Single Family		Multi-Family		Notes Payable	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 150	$ 906	$ 74,866	$ 8,093	$ 9,076	$ 3,502	$ 102	$ 12
2017	146	897	95,691	7,628	13,177	3,464	103	11
2018	148	888	88,866	7,115	13,447	3,407	104	10
2019	784	865	70,296	6,658	14,662	3,347	105	9
2020	1,656	782	52,466	6,235	16,012	3,282	90	8
2021 - 2025	16,546	2,481	157,705	24,690	32,481	15,750	292	28
2026 - 2030	-	77	121,060	13,527	68,890	14,897	129	16
2031 - 2035	528	16	117,210	7,113	57,900	13,763	136	10
2036 - 2040	-	-	41,245	4,442	140,335	11,280	112	2
2041 - 2045	-	-	29,150	612	34,896	7,977	-	-
2046 - 2050	-	-	-	-	5,710	4,371	-	-
2051 - 2055	-	-	-	-	159,210	1,239	-	-
Total	$ 19,958	$ 6,912	$ 848,555	$ 86,113	$ 565,796	$ 86,278	$ 1,173	$ 106

(7) Conduit Debt Obligation

The Authority has issued certain conduit bonds, the proceeds of which were made available to various developers and corporations for rental housing and commercial purposes. Other conduit proceeds were made available to the State of Colorado for the Colorado Unemployment Insurance Trust Fund. The bonds are payable solely from amounts received by the trustees. Loan and corresponding debt service payments are generally guaranteed by third-party irrevocable direct-pay letters of credit or other credit enhancement arrangements. The faith and credit of the Authority is not pledged for the payment of the principal or interest on the bonds. Accordingly, these obligations are excluded from the Authority's financial statements.

As of December 31, 2015 and 2014, the aggregate principal amount of conduit debt outstanding totaled $954.1 million and $886.7 million, respectively.

(8) Derivative Instruments

The Authority reports derivative instruments at fair value. The fair value of all derivatives is reported on the Statement of Net Position as a derivative instrument at the end of the year. If an interest rate hedge is considered ineffective, it is referred to as an investment derivative and the change in fair value is reported on the Statement of Revenues, Expenses and Changes in Net Position as investment derivative activity loss. The annual changes in the fair value of effective hedging derivative instruments are reported as deferred inflows and outflows, as appropriate, on the Statement of Net Position.

Swaps Transactions – The Authority has entered into pay fixed, receive variable interest rate swaps in order to (1) provide lower cost fixed rate financing for its production needs through synthetic fixed rate structures and (2) utilize synthetic fixed rate structures with refunding bonds in order to generate cash flow savings. The objective of the swaps is to hedge interest rate risk.

The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon rate bonds due on the date of each future net settlement payment on the swaps.

The Authority's interest rate swaps, which were used to hedge interest rate risk, are generally considered to be hedging derivative instruments under GASB No. 53. However, certain interest rate swaps have been deemed ineffective and are classified as investment derivative instruments.

On February 5, 2015, the Authority fully redeemed and refunded with fixed rate bonds certain single family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemption and refunding, $113.9 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2015.

On May 1 and November 1, 2015, the Authority partially redeemed from loan repayments and prepayments certain single family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $20.2 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2015.

On February 12, April 6, and September 1, 2015, the Authority partially redeemed from loan prepayments certain multi-family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $30.9 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2015.

On January 9, February 20, April 1, and October 1, 2015, the Authority partially or fully redeemed from surplus funds certain multi-family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $20.0 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2015.

On January 9, May 1 and November 1, 2014, the Authority partially redeemed from loan repayments and prepayments certain single family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $38.8 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2014.

On August 19, October 1 and November 17, 2014, the Authority redeemed from loan prepayments certain multi-family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $8.4 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2014.

On November 6, 2014, the Authority fully redeemed and refunded with proceeds from fixed rate bonds certain single family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemption and refunding, $72.3 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2014.

(tabular dollar amounts are in thousands)

A summary of interest rate swaps for the years ended December 31, 2015 and 2014 was as follows:

Summary of Interest Rate Swaps	2015 Fair Value	2014 Fair Value
Par optional termination right with trigger	$ 24,490	$ 23,371
Par optional termination right	17,947	28,804
Trigger	9,878	11,829
Plain	68,678	67,768
Total fair value	$ 120,993	$ 131,772

Trigger: The variable rate received on these swaps is 68% of the one-month LIBOR, if LIBOR is equal to or greater than 3.5%. The variable rate received on these swaps is SIFMA plus a spread if the one-month LIBOR is less than 3.5%. See further discussion in the basis risk section below.

Par Optional Termination Right: Certain swaps contain a cancellation clause that provides the Authority the option to cancel a certain amount of the swaps on certain dates. The Authority may cancel the optional termination amount for no payment (callable at par). The optional termination dates coincide with the debt service dates on the associated hedged bonds payable. These dates and amounts are provided in the table below.

Detail of Outstanding Interest Rate Swaps – The key terms, including the fair values and counterparty credit ratings of the outstanding swaps as of December 31, 2015, are shown in the table below. The notional amounts of the swaps approximate the principal amounts of the associated debt. Except as discussed under amortization risk below, the Authority's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated bonds payable. Based on the standard swap agreement, payments are settled on a net basis.

The Authority enters into master netting arrangements with each of its swap counterparties. All of the agreements provide for the netting of the value of assets and liability positions of all transactions with the respective counterparty. There are no other significant transactions with these counterparties outside of these swap agreements, such that the aggregate amount of liabilities included in the master netting arrangements is equal to the net fair value of the swaps.

(tabular dollar amounts are in thousands)

Outstanding Swaps at December 31, 2015:

Swap Series	Current Notional Amount	Effective Date	Termination Date	Fixed Rate Paid	Variable Rate Received *	Embedded Options	Optional Termination Date, at Par	Optional Termination Amount	Counterparty Rating S&P/Moody's	2015 Fair Value **	Change in Fair Value	2014 Fair Value **
Single Family:												
Investment derivatives (includes overhedged portion of interest rate swaps):												
2001AA-1 ****	$ 22,500	12/1/2009	11/1/2038	4.4850%	Trigger, SIFMA + .15% or 68% LIBOR	***	1) 11/1/2015 2) 11/1/2017 3) 11/1/2019	Up to: 1) 7,500 2) 15,000 3) all remaining	A- / A2	$ (132)	$ (554)	$ 422
2002C-3 ****	6,625	12/4/2008	5/1/2022	4.4220%	Trigger, SIFMA + .15% or 68% LIBOR				A- / A2	(377)	931	(1,308)
2003C-2 ****	-	12/2/2008	11/1/2026	4.5950%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2015	646	A- / A2	-	10	(10)
2004A-2 (SPV)	-	7/28/2004	11/1/2026	4.3685%	65% LIBOR + .10%	***	5/1/2015	35,970	AA- / Aa2	-	528	(528)
2004B-2 (SPV)	-	11/10/2004	11/1/2026	4.1220%	65% LIBOR + .10%	***	5/1/2015	1,952	AA- / Aa2	-	27	(27)
2005A-2 (SPV)	-	3/16/2005	11/1/2027	4.0710%	65% LIBOR + .10%	***	5/1/2015	32,290	AA- / Aa2	-	440	(440)
2006A-3	5,065	1/18/2006	11/1/2036	4.3129%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	2,765	A / A1	(505)	(142)	(363)
2006B-2	14,805	7/26/2006	11/1/2034	4.1951%	Trigger, SIFMA + .05% or 68% LIBOR	***	5/1/2019	5,580	A / A1	(153)	668	(821)
2006B-3	11,265	7/26/2006	11/1/2036	4.5445%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	7,353	A / A1	(603)	443	(1,046)
2007A-2	24,105	5/9/2007	11/1/2037	4.1530%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	19,763	A / A1	(2,198)	324	(2,522)
2012A-2 (SPV)	6,885	6/4/2008	5/1/2038	4.4140%	65% LIBOR + .10%	***	1) 5/1/2016 2) 5/1/2018	Up to: 1) 580 2) all remaining	AA- / Aa2	(91)	2	(93)
Total	91,250									(4,059)	2,677	(6,736)
Hedging derivatives:												
2001AA-2 ****	42,970	12/4/2008	5/1/2031	4.6000%	Trigger, SIFMA + .05% or 68% LIBOR				A- / A2	(5,053)	121	(5,174)
2001AA-3	13,560	12/2/2008	5/1/2018	5.5260%	Trigger, SIFMA + .05% or 68% LIBOR				A- / A2	(465)	440	(905)
2002A-3 ****	11,255	12/4/2008	11/1/2021	4.7490%	Trigger, SIFMA + .05% or 68% LIBOR				A- / A2	(546)	199	(745)
2002B-3 ****	27,295	12/4/2008	11/1/2021	4.5060%	Trigger, SIFMA + .05% or 68% LIBOR				A- / A2	(1,488)	271	(1,759)
2002C-3 ****	25,825	12/4/2008	5/1/2022	4.4220%	Trigger, SIFMA + .15% or 68% LIBOR				A- / A2	(1,671)	(319)	(1,352)
2003B-1 ****	-	12/2/2008	11/1/2026	4.8510%	LIBOR + .05%	***	5/1/2015	27,305	A- / A2	-	413	(413)
2003B-2	10,045	10/29/2008	5/1/2028	4.9380%	LIBOR + .05%	***	11/1/2018	all remaining	AA- / Aa3	(898)	314	(1,212)
2003B-3 ****	-	12/2/2008	11/1/2026	4.3840%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2015	43,170	A- / A2	-	(2,043)	2,043
2003C-2 ****	-	12/2/2008	11/1/2026	4.5950%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2015	28,134	A- / A2	-	(1,573)	1,573
2004B-2 (SPV)	-	11/10/2004	11/1/2026	4.1220%	65% LIBOR + .10%	***	5/1/2015	26,828	AA- / Aa2	-	28	(28)
2005B-2 (SPV)	-	7/20/2005	5/1/2034	4.1693%	65% LIBOR + .10%	***	5/1/2015	48,650	AA- / Aa2	-	(3)	3
2006A-3	34,935	1/18/2006	11/1/2036	4.3129%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	35,045	A / A1	(3,260)	243	(3,503)
2006B-2	28,245	7/26/2006	11/1/2034	4.1951%	Trigger, SIFMA + .05% or 68% LIBOR	***	5/1/2019	11,120	A / A1	(2,273)	264	(2,537)
2006B-3	51,680	7/26/2006	11/1/2036	4.5445%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	51,837	A / A1	(5,836)	(46)	(5,790)
2006C-2 (A)	7,090	12/20/2006	5/1/2016	4.2884%	Trigger, SIFMA + .05% or 68% LIBOR	***			A / A1	(89)	269	(358)
2006C-2 (B)	5,305	12/20/2006	11/1/2016	4.2884%	Trigger, SIFMA + .05% or 68% LIBOR	***			A / A1	1	(9)	10
2006C-2 (C)	5,305	12/20/2006	11/1/2017	4.2884%	Trigger, SIFMA + .05% or 68% LIBOR	***			A / A1	(328)	162	(490)
2006C-2 (D)	28,985	12/20/2006	11/1/2034	4.2884%	Trigger, SIFMA + .05% or 68% LIBOR	***	11/1/2019	21,210	A / A1	747	33	714
2007A-1	-	6/1/2007	5/1/2015	5.1911%	LIBOR + .05%				A+ / Aa3	-	62	(62)
2007A-2	45,895	5/9/2007	11/1/2037	4.1530%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	43,147	A / A1	(3,799)	(267)	(3,532)
2007B-1	27,545	11/1/2007	11/1/2026	5.5800%	LIBOR + .05%	***	11/1/2017	24,610	A+ / Aa3	(2,116)	1,169	(3,285)
2007B-2	50,000	10/18/2007	5/1/2038	4.5075%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	46,545	A / A1	(4,942)	85	(5,027)
2007B-3 ****	25,000	12/2/2008	5/1/2038	4.4050%	Trigger, SIFMA + .15% or 68% LIBOR	***	/1/20152) 11/1/2017	2) all remaining	A- / A2	(1,438)	(338)	(1,100)
2008A-1	26,230	6/4/2008	5/1/2038	5.4450%	LIBOR + .05%	***	/1/20162) 11/1/2018	2) all remaining	A+ / Aa3	(1,912)	932	(2,844)
2008A-2	39,565	6/4/2008	11/1/2027	4.5960%	LIBOR + .05%	***	5/1/2018	all remaining	AA- / Aa2	(2,766)	1,057	(3,823)
2012A-1 ****	15,540	12/2/2008	11/1/2021	4.1600%	Trigger, SIFMA + .05% or 68% LIBOR				A- / A2	138	(114)	252
2012A-2 (SPV)	53,115	6/4/2008	5/1/2038	4.4140%	65% LIBOR + .10%	***	5/1/20162) 5/1/2018	2) all remaining	AA- / Aa2	(230)	87	(317)
Total	575,385									(38,224)	1,437	(39,661)
Total Single Family	666,635									(42,283)	4,114	(46,397)

Table continued on following page.

(tabular dollar amounts are in thousands)

Swap Series	Current Notional Amount	Effective Date	Termination Date	Fixed Rate Paid	Variable Rate Received *	Embedded Options	Optional Termination Date, at Par	Optional Termination Amount	Counterparty Rating S&P/Moody's	2015 Fair Value **	Change in Fair Value	2014 Fair Value **
Multi-Family:												
Investment derivatives (includes overhedged portion of interest rate swaps):												
2000A-1 ****	-	11/21/2008	10/1/2020	5.2350%	SIFMA + .05%				A- / A2	-	54	(54)
2002A-1 ****	6,910	11/21/2008	10/1/2022	5.1000%	SIFMA + .15%				A- / A2	(983)	(428)	(555)
2002C-2 ****	24,000	11/21/2008	10/1/2032	5.1240%	Trigger, SIFMA + .15% or 68% LIBOR	***	4/1/2018	8,732	A- / A2	(2,063)	(864)	(1,199)
2002C-4 ****	8,495	11/21/2008	10/1/2032	5.0440%	Trigger, SIFMA + .05% or 68% LIBOR	***	4/1/2018	4,840	A- / A2	(736)	(67)	(669)
2005B-2 (B)	2,750	9/1/2006	10/1/2038	4.5270%	SIFMA + .15%	***	10/1/2021	4,520	A / A1	(463)	(463)	-
2007B-2 (A) ****	1,285	12/3/2008	10/1/2036	4.2870%	SIFMA + .15%	***	10/1/2017	1,153	A- / A2	(79)	40	(119)
2007B-2 (C) ****	1,300	12/3/2008	4/1/2038	4.4695%	SIFMA + .15%	***	10/1/2017	4,395	A- / A2	(87)	(87)	-
2007B-2 (D) ****	4,470	12/3/2008	4/1/2028	4.6510%	SIFMA + .15%	***	4/1/2023	3,835	A- / A2	(918)	(918)	-
2008C-3 ****	3,615	12/3/2008	10/1/2038	4.3400%	SIFMA + .05%	***	4/1/2019	1,777	A- / A2	(378)	(153)	(225)
2009A-1 ****	4,035	6/24/2009	10/1/2041	4.7900%	SIFMA + .05%	***	1) 10/1/2016 2) 4/1/2024	Up to: 1) 1,964 2) all remaining	A- / A2	(136)	171	(307)
2013A ****	2,270	11/21/2008	10/1/2023	6.0350%	SIFMA + .05%				A- / A2	(462)	(462)	-
Total	59,130									(6,305)	(3,177)	(3,128)
Hedging derivatives:												
2000A-1 ****	10,985	11/21/2008	10/1/2020	5.2350%	SIFMA + .05%				A- / A2	(883)	329	(1,212)
2000A-2 ****	-	11/21/2008	4/1/2015	5.8000%	SIFMA + .05%				A- / A2	-	8	(8)
2000B-1 (SPV)	3,260	10/19/2000	7/1/2020	7.3900%	Citigroup 3 month + .25%				A+ / A3	(462)	183	(645)
2002A-1 ****	-	11/21/2008	10/1/2022	5.1000%	SIFMA + .15%				A- / A2	-	527	(527)
2002C-2 ****	41,965	11/21/2008	10/1/2032	5.1240%	Trigger, SIFMA + .15% or 68% LIBOR	***	4/1/2018	50,608	A- / A2	2,043	2,023	20
2002C-4 ****	21,305	11/21/2008	10/1/2032	5.0440%	Trigger, SIFMA + .05% or 68% LIBOR	***	4/1/2018	21,945	A- / A2	658	682	(24)
2003A ****	12,460	11/21/2008	10/1/2023	6.0350%	SIFMA + .05%				A- / A2	(331)	(108)	(223)
2004A-2 (SPV)	-	9/22/2004	4/1/2045	4.8840%	SIFMA + .15%	***			A- / Baa1	-	1,515	(1,515)
2005A-1 (A) (SPV)	-	8/1/2005	10/1/2035	5.8200%	LIBOR + .05%	***			A- / Baa1	-	64	(64)
2005A-1 (B) (SPV)	-	8/1/2005	10/1/2020	5.2050%	LIBOR + .05%				A- / Baa1	-	479	(479)
2005A-1 (C) (SPV)	-	8/1/2005	10/1/2025	5.7120%	LIBOR + .05%	***			A- / Baa1	-	87	(87)
2005A-2 (SPV)	-	7/1/2005	4/1/2036	4.2850%	SIFMA + .05%	***			A- / Baa1	-	132	(132)
2005A-3 (A) (SPV)	-	4/13/2005	4/1/2040	4.6560%	SIFMA + .15%	***			A- / Baa1	-	864	(864)
2005A-3 (B) (SPV)	-	10/1/2005	4/1/2032	4.4800%	SIFMA + .15%	***			A- / Baa1	-	53	(53)
2005B-1	-	3/1/2006	4/1/2036	5.2350%	LIBOR + .05%	***			A / A1	-	430	(430)
2005B-2 (A)	-	1/2/2006	10/1/2040	4.7350%	SIFMA + .15%	***			A / A1	-	99	(99)
2005B-2 (B)	2,660	9/1/2006	10/1/2038	4.5270%	SIFMA + .15%	***	10/1/2021	4,520	A / A1	(347)	490	(837)
2006A-1 ****	25,070	12/3/2008	4/1/2027	5.7100%	LIBOR + .05%	***	10/1/2016	10,270	A- / A2	(333)	580	(913)
2006A-1 (F)	10,125	12/1/2006	10/1/2036	5.3420%	LIBOR + .05%	***	4/1/2021	8,040	A / A1	(1,647)	202	(1,849)
2007B-1 ****	25,530	12/3/2008	4/1/2038	5.6400%	LIBOR + .05%	***	1) 10/1/2017 2) 4/1/2022	Up to: 1) 14,220 2) 13,205	A- / A2	(792)	445	(1,237)
2007B-1 (G)	7,150	10/1/2007	4/1/2028	5.2200%	LIBOR + .05%	***	10/1/2022	6,190	A / A1	(1,285)	90	(1,375)
2007B-2 (A) ****	990	12/3/2008	10/1/2036	4.2870%	SIFMA + .15%	***	10/1/2017	887	A- / A2	7	29	(22)
2007B-2 (B) ****	1,880	12/3/2008	4/1/2038	4.5350%	SIFMA + .15%	***	10/2/2017	1,780	A- / A2	(66)	44	(110)
2007B-2 (C) ****	3,235	12/3/2008	4/1/2038	4.4695%	SIFMA + .15%	***	10/1/2017	4,395	A- / A2	(178)	202	(380)
2007B-2 (D) ****	-	12/3/2008	4/1/2028	4.6510%	SIFMA + .15%	***			A- / A2	110	918	(808)
2007B-3 (A) ****	2,220	12/3/2008	10/1/2037	4.2970%	SIFMA + .05%	***	10/1/2017	2,065	A- / A2	(78)	50	(128)
2007B-3 (C) ****	2,240	12/3/2008	4/1/2038	4.8805%	SIFMA + .05%	***	10/1/2017	2,205	A- / A2	(141)	64	(205)
2008A-1 ****	12,785	12/3/2008	4/1/2029	5.1300%	LIBOR + .05%	***	1) 4/1/2018 2) 4/1/2019	Up to: 1) 3,070 2) all remaining	A- / A2	(296)	226	(522)
2008A-2 ****	6,960	12/3/2008	4/1/2043	4.4540%	SIFMA + .15%	***	4/1/2019	6,340	A- / A2	(623)	81	(704)
2008B (a) ****	110,175	12/3/2008	10/1/2044	5.1722%	LIBOR				AA- / Aa3	(44,730)	(1,059)	(43,671)
2008B (b) ****	45,255	12/3/2008	3/1/2047	5.2071%	LIBOR				AA- / Aa3	(20,966)	(749)	(20,218)
2008C-3 ****	3,510	12/3/2008	10/1/2038	4.3400%	SIFMA + .05%	***	43556	4723	A- / A2	(316)	252	(568)
2009A-1 ****	23,855	6/24/2009	10/1/2041	4.7900%	SIFMA + .05%	***	1) 10/1/2016 2) 4/1/2024	Up to: 1) 11,616 2) all remaining	A- / A2	(1,888)	356	(2,244)
2013A ****	4,165	11/21/2008	10/1/2023	6.0350%	SIFMA + .05%				A- / A2	139	253	(114)
Total	377,780									(72,405)	9,841	(82,247)
Total Multi-Family	436,910									(78,710)	6,664	(85,375)
Total	$ 1,103,545									$ (120,993)	$ 10,778	$ (131,772)

(*) SIFMA is the Securities Industry Financial Markets Association Municipal Swap Index. LIBOR is the London Interbank Offered Rate.
(**) All fair values include the effect of any related embedded option.
(***) Par optional termination right.
(****) Swaps for which cash premiums were received in the amount of $73.4 million in 2008. The outstanding unamortized balance of the premium is reported on the Statement of Net Position as hybrid instrument borrowings.
(SPV) Counterparty operates as a special-purpose vehicle.

(tabular dollar amounts are in thousands)

Risk Disclosure

Credit Risk: All of the Authority's swaps rely upon the performance of the third parties who serve as swap counterparties, and as a result, the Authority is exposed to credit risk – that is, the risk that a swap counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the swaps, as shown in the column labeled "Fair Value" in the outstanding swaps table above. The Authority is exposed to credit risk in the amount of any positive net fair value exposure to each counterparty. As of December 31, 2015 and 2014, the Authority was exposed to minimal credit risk to any of its counterparties. To mitigate credit risk, the Authority maintains strict credit standards for swap counterparties. All swap counterparties must be rated in the AA/Aa or higher category by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's), respectively, at the time the contract is executed.

At December 31, 2015, the Authority had executed 45 swap transactions with seven counterparties with concentrations and ratings (Standard and Poor's/ Moody's Investors Service) as shown in the following table:

Swap Count	Notional Amount	Concentration	Counterparty Rating (S&P / Moody's)
12	$ 335,365	30.4%	A / A1
2	99,565	9.0%	AA- / Aa2
25	446,105	40.4%	A- / A2
2	53,775	4.9%	A+ / Aa3
1	3,260	0.3%	A+ / A3
3	165,475	15.0%	AA- / Aa3
45	$ 1,103,545	100%	

At December 31, 2014, the Authority had executed 64 swap transactions with six counterparties with concentrations and ratings (Standard and Poor's/ Moody's Investors Service) as shown in the following table:

Swap Count	Notional Amount	Concentration	Counterparty Rating (S&P / Moody's)
7	$ 54,010	3.6%	A- / Baa1
45	1,016,900	67.3%	A / A2
1	45,955	3.0%	AA- / Aa2
3	63,095	4.2%	A+ / Aa3
1	3,770	0.2%	AA- / A3
7	327,270	21.7%	AA- / Aa3
64	$ 1,511,000	100%	

Interest Rate Risk: The Authority is exposed to interest rate risk in that as the variable rates on the swaps agreements decrease, the Authority's net payment on the swap agreement would increase.

Basis Risk: The Authority is exposed to basis risk when the variable interest rate paid to the holders of its variable rate demand obligations (VRDOs) is not equivalent to the variable interest rate received from its counterparties on the related

swap agreements. When exposed to basis risk, the net interest expense incurred on the combination of the swap agreement and the associated variable rate debt may be higher or lower than anticipated.
The Authority's tax-exempt variable rate bond interest payments are substantially equivalent to the SIFMA rate (plus a trading spread). Certain tax-exempt swaps, as indicated in the table above, contain a trigger feature in which the Authority receives a rate indexed on SIFMA should LIBOR be less than a predetermined level (the trigger level, 3.5%), or a rate pegged at a percentage of LIBOR should LIBOR be equal to or greater than the predetermined trigger level. For these swaps, the Authority would be negatively exposed to basis risk during the time period it is receiving the rate based on a percentage of LIBOR should the relationship between LIBOR and SIFMA converge.

The Authority's taxable variable rate bond interest payments are substantially equivalent to LIBOR (plus a trading spread) and are reset on a weekly basis. The Authority is receiving one-month LIBOR (plus a trading spread) or LIBOR flat for all of its taxable swaps and therefore is only exposed to basis risk to the extent that the Authority's bonds diverge from their historic trading relationship with LIBOR.

Termination Risk: The Authority's swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards, the Authority or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. If at the time of the termination a swap has a negative value, the Authority would be liable to the counterparty for a payment equal to the fair value of such swap.

There are certain termination provisions relevant to the Authority's counterparties operating as special-purpose vehicles (SPV) with a terminating structure. In the case of certain events, including the credit downgrade of the SPV or the failure of the parent company to maintain certain collateral levels, the SPV would be required to wind up its business and terminate all of its outstanding transactions with all clients, including the Authority. All such terminations would be at mid-market pricing. In the event of such termination, the Authority would be exposed to the risk of market re-entry and the cost differential between the mid-market termination and the offered price upon re-entry.

Rollover Risk: The Authority is exposed to rollover risk only on swaps that mature or may be terminated at the counterparty's option prior to the maturity of the associated debt. As of December 31, 2015 and 2014, the Authority was not exposed to rollover risk.

Amortization Risk: The Authority is exposed to amortization risk in the event that the swap amortization schedules fail to match the actual amortization of the underlying bonds as a result of loan prepayments, which significantly deviate from expectations. If prepayments are significantly higher than anticipated, the Authority would have the option of reinvesting or recycling the prepayments, or calling unhedged bonds. Alternatively, if the Authority chose to call bonds associated with the swap, the Authority could elect an early termination of the related portions of the swap at a potential cost to the Authority. If prepayments are significantly lower than anticipated and the associated bonds remained outstanding longer than the relevant portion of the swap, the Authority could experience an increase in its exposure to unhedged variable rate bonds. Alternatively, the Authority could choose to enter into a new swap or an extension of the existing swap. If interest rates are higher at the time of entering into a new swap or swap extension, such action would result in an increased cost to the Authority.

Collateral Requirements: As of December 31, 2015 and 2014, swaps with a fair value of $100.7 million and $109.6 million, respectively, require the Authority to post collateral in the event that the underlying Class I bond rating drops below Aa3 as issued by Moody's Investor Service or AA- as issued by Standard & Poor's. Collateral requirements range up to 100% of the fair value of the swap depending on the bond rating. Over collateralization is required for investments posted in lieu of cash. At December 31, 2015 and 2014, the ratings of bonds subject to collateral requirements exceed the levels specified in the swap agreements.

(tabular dollar amounts are in thousands)

Swap Payments **–** Using interest rates as of December 31, 2015, debt service requirements of the Authority's outstanding variable rate debt and net swap payments were as follows. As rates vary, variable rate interest rate payments on the bonds and net swap payments will change.

Years Ending December 31,	Principal	Interest	Swaps, Net	Total
2016	$ 73,730	$ 2,732	$ 49,330	$ 125,792
2017	77,055	2,601	46,048	125,704
2018	47,720	2,472	42,694	92,886
2019	49,225	2,364	40,454	92,043
2020	50,825	2,251	38,140	91,216
2021-2025	209,410	9,488	158,592	377,490
2026-2030	222,175	6,557	109,796	338,528
2031-2035	215,935	4,045	61,012	280,992
2036-2040	103,970	1,570	21,536	127,076
2041-2045	42,975	529	7,191	50,695
2046-2047	10,525	49	639	11,213
Total	$1,103,545	$ 34,658	$ 575,432	$ 1,713,635

Hybrid Instrument Borrowings **–** Certain interest rate swaps, as identified on the detailed swap table above, include fixed rates that were off-market at the execution of the interest rate swaps. For financial reporting purposes, these interest rate swaps are considered hybrid instruments and are bifurcated between borrowings, with an aggregate original amount of $98.0 million reflecting the fair value of the instrument at its execution, and an interest rate swap with a fixed rate that was considered at-the-market at execution. Activity for the hybrid instrument borrowings for the years ended December 31, 2015 and 2014 was as follows:

	2015	2014
Beginning balance	$ 49,399	$ 66,535
Reductions	(11,800)	(17,136)
Ending balance	$ 37,599	$ 49,399

(tabular dollar amounts are in thousands)

The following table sets forth as of December 31, 2015, payments of principal and interest on the hybrid instrument borrowings for the next five years and thereafter. The total payments generally reflect the difference between the stated fixed rate of the hybrid instrument and the at-the-market fixed rate at the execution of the instrument.

Years Ending December 31,	Principal and Interest
2016	$ 6,653
2017	5,714
2018	4,287
2019	3,407
2020	2,921
2021-2025	8,868
2026-2030	4,280
2031-2035	1,232
2036-2040	207
2041-2045	29
2046-2047	1
Total	$ 37,599

Forward Sales Contracts – The Authority has entered into forward sales of mortgage backed securities with the To-Be-Announced market in order to lock in the sales price for the securitization of certain single family loans. The contracts offset changes in interest rates between the time of the loan reservations and the securitization of such loans into Ginnie Mae and Fannie Mae securities. These contracts are considered investment derivative instruments, such that their change in fair value is reported as investment derivative activity gains or losses on the Statement of Revenues, Expenses and Changes in Net Position.

The outstanding forward contracts, summarized by counterparty as of December 31, 2015, were as follows:

Count	Par	Exposure	Original Sales Price	12/31/15 Premium	Fair Value	Counterparty Rating (S&P / Moody's)
5	$ 28,500	17.9%	$ 30,711	$ 30,645	$ (66)	A / A1
11	15,000	9.4%	15,848	15,868	20	A- / A2
9	21,500	13.5%	22,910	22,948	38	AA- / Aa2
10	19,500	12.2%	20,603	20,668	65	A+ / A3
31	75,000	47.0%	80,235	80,372	137	AA- / Aa2
66	$ 159,500	100.0%	$ 170,307	$ 170,501	$ 194	

(tabular dollar amounts are in thousands)

The outstanding forward contracts, summarized by counterparty as of December 31, 2014, were as follows:

Count	Par	Exposure	Original Sales Price	12/31/14 Premium	Fair Value	Counterparty Rating (S&P / Moody's)
13	$ 28,500	23.2%	$ 30,265	$ 30,380	$ 115	A / A2
9	26,500	21.5%	28,411	28,468	57	A / A2
10	16,500	13.4%	17,544	17,610	66	AA- / Aa2
21	51,500	41.9%	54,766	54,973	207	AA- / Aa3
53	$ 123,000	100.0%	$ 130,986	$ 131,431	$ 445	

Summary

A summary of derivative instruments activity for the years ended December 31, 2015 and 2014 is as follows:

	2015				2014			
	Hedging	Investments			Hedging	Investments		
	Swaps	Swaps	Forwards	Total	Swaps	Swaps	Forwards	Total
Fair value, beginning	$ 121,908	$ 9,864	$ 445	$ 132,217	$ 111,927	$ 6,316	$ (709)	$ 117,534
Settlements	(44,675)	(8,152)	(445)	(53,272)	(52,245)	(4,857)	709	(56,393)
Change in fair value	33,396	8,652	194	42,242	62,226	8,405	445	71,076
Fair value, ending	$ 110,629	$ 10,364	$ 194	$ 121,187	$ 121,908	$ 9,864	$ 445	$ 132,217

(9) Debt Refundings

On February 5, 2015, the Authority issued Single Family Mortgage Bonds 2015 Series A in the aggregate principal amount of $99.8 million. The entire proceeds of the bonds were used to refund the Single Family Mortgage Bonds 2003 Series C-1 and C-2, 2004 Series B-2, 2005 Series B1-A and B1-B, Series 2005 B-2, and 2011 Series D-2. The refunding resulted in a decrease in the aggregate future debt service requirement of approximately $10.1 million and an approximate economic gain to the Authority of $8.7 million. In accordance with GASB No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, a gain of $1.2 million was deferred and is being amortized over the contractual life of the new debt as an adjustment to interest expense.

On April 29, 2015, the Authority issued Single Family Mortgage Bonds 2015 Series B in the aggregate principal amount of $25.5 million. The entire proceeds of the bonds were used to refund the Single Family Mortgage Bonds 2003 Series B-3. The refunding resulted in a decrease in the aggregate future debt service requirement of approximately $2.5 million and an approximate economic gain to the Authority of $2.4 million. In accordance with GASB No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, a gain of $1.5 million was deferred and is being amortized over the contractual life of the new debt as an adjustment to interest expense.

On November 6, 2014, the Authority issued its Single Family Mortgage Bonds 2014 Series A in the aggregate principal amount of $55.4 million. The entire proceeds of the bonds were used to refund the Single Family Mortgage Bonds 2004 Series A and 2005 Series A. The refunding resulted in a decrease in the aggregate future debt service requirement of approximately $12.1 million and an approximate economic gain to the Authority of $10.5 million. In accordance with GASB No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, a loss of $110 thousand was deferred and is being amortized over the contractual life of the new debt as an adjustment to interest expense.

(tabular dollar amounts are in thousands)

Economic gain or loss is calculated as the difference between the present value of the old debt service requirements, including related fees, and the present value of the new debt service requirements less related upfront costs of issuance, bond call premiums and bond insurance premiums, discounted at the effective interest rate.

In prior years, the Authority defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. On September 2, 2014, all defeased bonds were repaid with the final $58.9 million remittance to bondholders.

(10) Restricted and Unrestricted Net Position

The amounts restricted for the Single Family bond programs and the Multi-Family/Business bond programs are for the payment of principal, redemption premium, if any, and interest, including net swap payments, on all outstanding single family and multi-family/business bond issues, in the event that no other funds are legally available for such payments. Such assets are segregated within the Single Family and Multi-Family/Business bond programs and are held in cash, loans receivable and investments.

The Board may authorize the withdrawal of all or part of this restricted balance if (1) updated cash flow projections indicate that adequate resources will exist after any withdrawal to service the outstanding debt, subject to approval by the bond trustee and the rating agency review; (2) the Authority determines that such funds are needed for the implementation or maintenance of any duly adopted program of the Authority; and (3) no default exists in the payment of the principal, redemption premium, if any, or interest on such bonds.

The Board has designated certain amounts of the unrestricted net position of the General Programs as of December 31, 2015 and 2014, for various purposes, as indicated in the following table. These designations of net position are not binding, and can be changed by the Board.

Unrestricted Net Position for the years ended December 31, 2015 and 2014:

	2015	2014
Designations:		
Housing loans	$ 84,887	$ 75,002
Commerical loans	16,584	15,191
General operating and working capital	23,227	17,561
Rating agency reserves	24,480	28,598
General obligation bonds	20,006	24,011
Nongeneral obligation bonds	23,192	33,823
Total general programs unrestricted net position	$ 192,376	$ 194,186

(11) Retirement Plans

(a) Summary of Significant Accounting Policies

Pensions – The Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(b) General Information about the Pension Plan

Plan description – Eligible employees of the Authority are provided with pensions through the LGDTF. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided – PERA provides retirement, disability and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve for the LGDTF.

(tabular dollar amounts are in thousands)

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum of 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions – Eligible employees and the Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate [1]	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) [1]	-1.02%
Amount Apportioned to the LGDTF [1]	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 [1]	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 [1]	1.50%
Total Employer Contribution Rate to the LGDTF [1]	12.68%

[1]Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. For both years ended December 31, 2015 and 2014, employer contributions recognized by the LGDTF from the Authority were $1.5 million.

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31 2015, the Authority reported a liability of $19.4 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The Authority's proportion of the net pension liability was based on the Authority's contributions to the LGDTF for the calendar year 2014 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2014, the Authority's proportion was 2.16%, which was a decrease of 0.04% from its proportion measured as of December 31, 2013.

(tabular dollar amounts are in thousands)

For the year ended December 31, 2015, the Authority recognized pension expense of $377 thousand. At December 31, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 4
Change of assumptions or other inputs		189
Net difference between projected and actual earnings on pension plan investments	1,052	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3	-
Contributions subsequent to the measurement date	1,503	n/a
Total	$ 2,558	$ 193

The $1.5 million reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31,	Pension Expense
2016	$ 260
2017	262
2018	263
2019	263
2020	-
Thereafter	-

Actuarial assumptions – The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increases, including wage inflation	3.90% - 10.85%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50%
Future post-retirement benefit increases: PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00%
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

(tabular dollar amounts are in thousands)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.0%	

Discount rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future Amortization Equalization Disbursement (AED) and the Supplemental Amortization Equalization Disbursement (SAED), until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. There was no change in the discount rate from the prior measurement date.

(tabular dollar amounts are in thousands)

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate – The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1.0% Decrease (6.5%)	Current Discount Rate (7.5%)	1.0% Increase (8.5%)
Proportionate share of the net pension liability	$ 31,675	$ 19,395	$ 9,158

Pension plan fiduciary net position – Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

(d) Defined Contribution Retirement Plans

PERAPlus 401(k) Plan

Plan Description - Employees of the Authority that are also members of the LGDTF may voluntarily contribute to the PERAPlus 401(k) plan, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The PERAPlus 401(k) plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the Authority has agreed to match employee contributions up to 3.5% of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the years ended December 31, 2015 and 2014, program members contributed $1.1 million and $958 thousand, respectively, and the Authority recognized expense of $401 thousand and $367 thousand, respectively, related to the PERAPlus 401(k) plan.

PERAPlus 457 Plan

Plan Description - Employees of the Authority that are also members of the LGDTF may voluntarily contribute to the PERAPlus 457 plan, an Internal Revenue Code Section 457 defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The PERAPlus 457 plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The Authority does not match employee contributions. Employees are immediately vested in their own contributions and investment earnings. For the years ended December 31, 2015 and 2014, program members contributed $55 thousand and $0, respectively.

(e) Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Authority contributes to the Health Care Trust Fund (HCTF), a cost sharing multiple employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Authority is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Authority are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2015 and 2014, the Authority's contributions to the HCTF were $132 thousand and $121 thousand, respectively, equal to their required contributions for each year.

(12) Risk Management

The Authority has an Enterprise Risk Management (ERM) program under which risk to the business at both a strategic and operational level are identified, tracked and managed. The ERM program consists of Legal Compliance, Internal Audit, Regulatory Compliance and Information Security and Privacy. ERM program oversight is through the ERM Committee. The Committee consists of General Counsel, Executive Director, Chief Financial Officer, Chief Operating Officer, Director of IT, and the Director of Enterprise Risk. The risk management techniques utilized include annual risk assessments with periodic updates, established policies and procedures, which are tested based on risk, and purchased insurance. Commercial general liability, property losses, automobile liability, worker's compensation, crime, Executive Risk package with Directors' and Officer and Employed Lawyers Professional Liability, cyber coverage and public officials liability are all shared risk managed through purchased insurance. Settled claims did not exceed insurance coverage in the past three years.

(13) Related-Party Transactions

During the year ended December 31, 2015, the Authority allocated Federal and State Low Income Housing Tax Credits in the amount of $2.7 million to housing projects in which the Fort Collins Housing Authority (FCHA) is the general partner. Federal tax credits are provided annually for each of ten years and State tax credits are provided annually for each of six years. In addition, the Authority has an outstanding loan with the FCHA. As of December 31, 2015 and 2014, the unpaid principal balance on the loan was $1.0 million and $0 million, respectively. The Executive Director of the FCHA is a member of the Authority's Board.

During the year ended December 31, 2015, the Authority allocated Federal Low Income Housing Tax Credits in the amount of $2.3 million to housing projects in which the Grand Junction Housing Authority (GJHA) is the general partner. The allocated tax credits will be provided annually for each of ten years. In addition, the Authority has three outstanding loans with the GJHA. As of December 31, 2015 and 2014, the unpaid principal balance on the loan was $3.6 million and $1.6 million, respectively. The Executive Director of the GJHA is a member of the Authority's Board.

During the year ended December 31, 2015, the Authority allocated Federal and State Low Income Housing Tax Credits in the amount of $5.7 million to housing projects in which the Housing Authority of the City of Loveland, Colorado (HACL) is the developer or a limited partner. Federal tax credits are provided annually for each of ten years and State tax credits are provided annually for each of six years. The Authority has made loan commitments associated with each of these projects totaling $2.9 million. In addition, the Authority has three outstanding loans with the HACL. As of both December 31, 2015 and 2014, the unpaid principal balance on the loans totaled $2.5 million. The Executive Director of the HACL was a member of the Authority's Board.

(14) Commitments and Contingencies

The Authority had outstanding commitments to make or acquire single family and multi-family/business loans of $57.2 million and $71.4 million, respectively, as of December 31, 2015. The Authority had outstanding commitments to make or acquire single family and multi-family/business loans of $79.1 million and $24.3 million, respectively, as of December 31, 2014.

There are a limited number of claims or suits pending against the Authority arising in the Authority's ordinary course of business. In the opinion of the Authority's management and counsel, any losses that might result from these claims and suits are either covered by insurance or, to the extent not covered by insurance, would not have a material adverse effect on the Authority's financial position.

The Authority participates in the Ginnie Mae Mortgage Backed Securities (MBS) Programs. Through the MBS Programs, Ginnie Mae guarantees securities that are issued by the Authority and backed by pools of mortgage loans. If a borrower fails to make a timely payment on a mortgage loan, the Authority must advance its own funds to ensure that the security holders receive timely payment. All loans pooled under the Ginnie Mae MBS Program are either insured by the FHA or are guaranteed by the VA or RD. The Authority assesses the overall risk of loss on loans that it may be required to repurchase and advances funds to repurchase the loans as necessary. Advances are recovered as claims are processed or loans are modified. The Authority repurchased $34.6 million and $52.4 million of these loans in 2015 and 2014, respectively. Claims, recoveries and proceeds from re-pooled, modified loans substantially reimburse the Authority over time.

The Authority also participates in the Whole Loan Sales and Mortgage-Backed Securities (MBS) programs with Fannie Mae. Through the consideration of Whole Loan Sales to Fannie Mae, the Authority receives cash for mortgages. Through the MBS program, the Authority swaps loans for securities issued by Fannie Mae. Whole Loans Sales are serviced by the Authority in an Actual/Actual remittance method and the MBS loans are serviced by the Authority in a Schedule/Schedule remittance method. Under the Schedule/Schedule method if a borrower fails to make a timely payment on a MBS mortgage loan, the Authority must advance its own funds to ensure that the security holders receive timely payment. The Authority assesses the overall risk of loss on loans that it may be required to repurchase and repurchases the loans as necessary. The Authority repurchased $1 million and $0 of these loans in 2015 and 2014, respectively. The Authority did not have any repurchase obligations as of December 31, 2015.

REQUIRED SUPPLEMENTAL INFORMATION

Colorado Housing and Finance Authority
Schedule of the Authority's Share of Net Pension Liability
Last 10 Fiscal Years*
(in thousands of dollars)

	2014
Proportion of the net pension liability	2.16%
Proportionate share of net pension liability	$ 19,360
Covered-employee payroll	$ 11,857
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	163.28%
Plan fiduciary net position as a percentage of the total pension plan liability	80.72%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Colorado Housing and Finance Authority
Schedule of Authority Contributions
Local Government Division Trust Fund
Last 10 Fiscal Years*
(in thousands of dollars)

	2014
Contractually required contribution	$ 1,504
Contributions in relation to the contractually required contribution	1,504
Contribution deficiency	$ -
Covered-employee payroll	$ 11,857
Contributions as a percentage of covered-employee payroll	12.68%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SUPPLEMENTAL INFORMATION

Colorado Housing and Finance Authority
Combining Schedule - Statement of Net Position

As of December 31, 2015

(with summarized financial information for December 31, 2014)

(in thousands of dollars)

	General Programs	Single Family	Multi-Family/ Business	Eliminations	2015	Summarized 2014
Assets						
Current assets:						
Cash *(Note 2)*						
Restricted	$ 97,753	$ -	$ -	$ -	**$ 97,753**	$ 77,734
Unrestricted	46,735	-	-	-	**46,735**	40,778
Investments *(Note 2)*	84,375	230,862	90,151	-	**405,388**	454,893
Loans receivable *(Note 3)*	52,504	17,789	17,372	(48)	**87,617**	90,645
Loans receivable held for sale *(Note 3)*	48,762	-	-	-	**48,762**	44,463
Accrued interest receivable	2,759	4,848	2,768	(29)	**10,346**	12,244
Other assets	4,780	139	60	-	**4,979**	5,237
Due (to) from other programs	(23,021)	18,176	4,845	-	**-**	-
Total current assets	314,647	271,814	115,196	(77)	**701,580**	725,994
Noncurrent assets:						
Investments *(Note 2)*	4,737	145,339	46,938	-	**197,014**	260,665
Loans receivable, net *(Note 3)*	59,770	515,890	503,793	(1,395)	**1,078,058**	1,294,812
Capital assets - nondepreciable *(Note 4)*	1,573	-	-	-	**1,573**	1,807
Capital assets - depreciable, net *(Note 4)*	3,971	-	-	-	**3,971**	4,556
Other real estate owned, net	340	896	752	-	**1,988**	3,143
Other assets	25,142	-	-	-	**25,142**	21,836
Total noncurrent assets	95,533	662,125	551,483	(1,395)	**1,307,746**	1,586,819
Total assets	410,180	933,939	666,679	(1,472)	**2,009,326**	2,312,813
Deferred outflows of resources						
Accumulated increase in fair value of hedging derivatives	-	44,487	75,684	-	**120,171**	129,664
Pension contributions and investment earnings	2,558	-	-	-	**2,558**	-
Refundings of debt	-	5,570	2,014	-	**7,584**	12,472
Total deferred outflows of resources	2,558	50,057	77,698	-	**130,313**	142,136
Liabilities						
Current liabilities:						
Short-term debt *(Note 5)*	77,505	-	-	-	**77,505**	61,805
Bonds payable *(Note 6)*	150	74,966	9,076	-	**84,192**	134,731
Notes payable *(Note 6)*	102	-	-	-	**102**	103
Accrued interest payable	174	6,021	6,010	(29)	**12,176**	15,884
Federally assisted program advances	896	-	-	-	**896**	385
Accounts payable and other liabilities	81,386	296	744	-	**82,426**	51,456
Total current liabilities	160,213	81,283	15,830	(29)	**257,297**	264,364
Noncurrent liabilities:						
Bonds payable *(Note 6)*	19,808	775,303	556,720	-	**1,351,831**	1,658,567
Derivative instruments	194	42,282	78,711	-	**121,187**	132,217
Derivatives related borrowing	-	19,154	18,445	-	**37,599**	49,399
Net pension liability - proportionate share	19,395	-	-	-	**19,395**	-
Notes payable *(Note 6)*	2,514	-	-	(1,443)	**1,071**	906
Other liabilities *(Note 6)*	6,691	364	134	-	**7,189**	4,653
Total noncurrent liabilities	48,602	837,103	654,010	(1,443)	**1,538,272**	1,845,742
Total liabilities	208,815	918,386	669,840	(1,472)	**1,795,569**	2,110,106
Deferred inflows of resources						
Accumulated decrease in fair value of hedging derivatives	-	886	2,957	-	**3,843**	4,614
Pension investment differences	193	-	-	-	**193**	-
Total deferred inflows of resources	193	886	2,957	-	**4,036**	4,614
Net position						
Investment in capital assets, net of related debt	4,100	-	-	1,443	**5,543**	6,363
Restricted primarily by bond indentures	5,811	64,724	71,580	-	**142,115**	139,680
Unrestricted *(Note 10)*	193,819	-	-	(1,443)	**192,376**	194,186
Total net position	$ 203,730	$ 64,724	$ 71,580	$ -	**$ 340,034**	$ 340,229

Colorado Housing and Finance Authority
Combining Schedule - Statement of Revenues, Expenses and Changes in Net Position

For the year ended December 31, 2015

(with summarized financial information for the year ended December 31, 2014)

(in thousands of dollars)

	General Program	Single Family	Multi-Family/ Business	Eliminations	**2015**	Summarized 2014
Interest income and expense:						
Interest on loans receivable	$ 7,191	$ 31,833	$ 33,378	$ (119)	**$ 72,283**	$ 83,347
Interest on investments	724	17,900	5,043	-	**23,667**	21,522
Interest on debt	(1,307)	(41,366)	(30,062)	119	**(72,616)**	(80,603)
Net interest income	6,608	8,367	8,359	-	**23,334**	24,266
Other operating income (loss):						
Rental income	17	-	-	-	**17**	32
Loan servicing income	17,884	-	(30)	-	**17,854**	14,740
Section 8 administration fees	-	-	-	-	**-**	27
Gain on sale of loans	50,065	-	-	-	**50,065**	23,846
Investment derivative activity gain (loss)	250	4,495	(3,176)	-	**1,569**	(3,194)
Net increase (decrease) in the fair value of investments	(210)	(13,289)	376	-	**(13,123)**	8,790
Other revenues (losses)	8,843	52	-	-	**8,895**	7,972
Total other operating income (loss)	76,849	(8,742)	(2,830)	-	**65,277**	52,213
Total operating income (loss)	83,457	(375)	5,529	-	**88,611**	76,479
Operating expenses:						
Salaries and related benefits	18,647	-	-	-	**18,647**	16,977
General operating	49,640	1,864	368	-	**51,872**	24,489
Depreciation	1,109	-	-	-	**1,109**	1,197
Provision for losses	429	324	(228)	-	**525**	(2,698)
Total operating expenses	69,825	2,188	140	-	**72,153**	39,965
Net operating income (loss)	13,632	(2,563)	5,389	-	**16,458**	36,514
Nonoperating income and expenses:						
Federal grant receipts	120,224	-	-	-	**120,224**	116,944
Federal grant payments	(120,224)	-	-	-	**(120,224)**	(116,944)
Gains on sales of capital assets	-	-	-	-	**-**	(20)
Total nonoperating income and expenses, net	-	-	-	-	**-**	(20)
Income (loss) before transfers	13,632	(2,563)	5,389	-	**16,458**	36,494
Transfers from (to) other programs	(605)	2,151	(1,546)	-	**-**	-
Change in net position	13,027	(412)	3,843	-	**16,458**	36,494
Net position:						
Beginning of year	207,356	65,136	67,737	-	**340,229**	303,735
Restatement due to GASB 68 (see page 26)	(16,653)	-	-	-	**(16,653)**	-
End of year	$ 203,730	$ 64,724	$ 71,580	$ -	**$ 340,034**	$ 340,229

Colorado Housing and Finance Authority
Combining Schedule - Statement of Cash Flows

For the year ended December 31, 2015

(with summarized financial information for the year ended December 31, 2014)

(in thousands of dollars)

	General Program	Single Family	Multi-Family/ Business	Eliminations	**2015**	Summarized 2014
Cash flows from operating activities:						
Principal payments received on loans receivable & receipts from dispositions of other real estate owned	$ 230,496	$ 154,425	$ 65,648	$ (460)	**$ 450,109**	$ 393,256
Interest payments received on loans receivable	7,251	32,735	34,269	(132)	**74,123**	84,711
Payments for loans receivable	(801,466)	(479)	(5,884)	-	**(807,829)**	(449,679)
Receipts from sales of Ginnie Mae securities	623,901	-	-	-	**623,901**	283,226
Receipts from rental operations	17	-	-	-	**17**	32
Receipts from other revenues	26,703	52	(31)	-	**26,724**	23,314
Payments for salaries and related benefits	(17,177)	-	-	-	**(17,177)**	(16,712)
Payments for goods and services	(49,880)	(1,843)	(355)	-	**(52,078)**	(23,954)
All other, net	32,020	-	-	-	**32,020**	7,614
Net cash provided by (used in) operating activities	51,865	184,890	93,647	(592)	**329,810**	301,808
Cash flows from noncapital financing activities:						
Net increase in short-term debt	15,700	-	-	-	**15,700**	19,425
Proceeds from issuance of bonds	-	125,300	-	-	**125,300**	55,435
Proceeds from issuance of notes payable	266	-	-	-	**266**	76
Receipts from federal grant programs	119,282	-	-	-	**119,282**	119,626
Payments for federal grant programs	(120,224)	-	-	-	**(120,224)**	(116,944)
Principal paid on bonds	(2,430)	(376,420)	(104,802)	-	**(483,652)**	(332,950)
Interest rate swap activity, net	(874)	(4,752)	(128)	-	**(5,754)**	(3,117)
Principal paid on notes payable	(104)	-	-	-	**(104)**	(1,120)
Interest paid on short-term debt	(235)	-	-	-	**(235)**	(147)
Interest rate swap settlements	-	(34,349)	(26,136)	-	**(60,485)**	(72,965)
Interest paid on bonds	(950)	(9,636)	(7,171)	-	**(17,757)**	(21,885)
Interest paid on notes payable	(10)	-	-	-	**(10)**	(73)
Transfers to (from) other programs	(11,928)	726	11,202	-	**-**	-
Net cash provided by (used in) noncapital financing activities	(1,507)	(299,131)	(127,035)	-	**(427,673)**	(354,639)
Cash flows from capital and related financing activities:						
Purchase of capital assets	(291)	-	-	-	**(291)**	(542)
Proceeds from the disposal of capital assets	-	-	-	-	**-**	16
Principal paid on capital-related debt	(460)	-	-	460	**-**	-
Interest paid on capital-related debt	(132)	-	-	132	**-**	-
Net cash provided by (used in) capital and related financing activities	(883)	-	-	592	**(291)**	(526)
Cash flows from investing activities:						
Proceeds from maturities and sales of investments	1,454,920	796,405	342,201	-	**2,593,526**	4,320,867
Purchase of investments	(1,478,743)	(699,145)	(315,601)	-	**(2,493,489)**	(4,280,897)
Income received from investments	324	16,981	6,788	-	**24,093**	21,173
Net cash provided by (used in) investing activities	(23,499)	114,241	33,388	-	**124,130**	61,143
Net increase in cash	25,976	-	-	-	**25,976**	7,786
Cash at beginning of year	118,512	-	-	-	**118,512**	110,726
Cash at end of year	$ 144,488	$ -	$ -	$ -	**$ 144,488**	$ 118,512
Restricted	$ 97,753	$ -	$ -	$ -	**$ 97,753**	$ 77,734
Unrestricted	46,735	-	-	-	**46,735**	40,778
Cash, end of year	$ 144,488	-	$ -	$ -	**$ 144,488**	$ 118,512

Continued on the next page.

Colorado Housing and Finance Authority
Combining Schedule - Statement of Cash Flows *(continued)*
For the year ended December 31, 2015
(with summarized financial information for the year ended December 31, 2014)
(in thousands of dollars)

	General Program	Single Family	Multi-Family/ Business	Eliminations	**2015**	Summarized 2014
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Net operating income	$ 13,632	$ (2,563)	$ 5,389	$ -	**$ 16,458**	$ 36,514
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	1,109	-	-	-	**1,109**	1,197
Amortization and fair value adjustments of service release premiums	8,212	-	-	-	**8,212**	9,087
Proportionate share of net pension expense	377	-	-	-	**377**	-
Amortization of imputed debt associated with swaps	-	(5,379)	(2,278)	-	**(7,657)**	(15,862)
Provision for losses	429	324	(228)	-	**525**	(2,698)
Interest on investments	(724)	(17,900)	(5,043)	-	**(23,667)**	(21,522)
Interest on debt	1,307	46,745	32,340	(119)	**80,273**	96,465
Unrealized loss on derivatives	(250)	(4,495)	3,176	-	**(1,569)**	3,194
Unrealized (gain) loss on investments	210	13,289	(376)	-	**13,123**	(8,790)
(Gain) loss on sale of REO	(226)	(52)	-	-	**(278)**	(616)
Gain on sale of loans	(50,065)	-	-	-	**(50,065)**	(23,846)
Changes in assets and liabilities:						
Loans receivable and other real estate owned	44,568	153,998	59,764	(460)	**257,870**	218,331
Accrued interest receivable on loans and investments	60	902	891	(13)	**1,840**	1,364
Other assets	(3,480)	59	12	-	**(3,409)**	3,005
Accounts payable and other liabilities	36,706	(38)	-	-	**36,668**	5,985
Net cash provided by (used in) operating activities	$ 51,865	$ 184,890	$ 93,647	$ (592)	**$ 329,810**	$ 301,808