WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Financial Statements
For the Years Ended
June 30, 2018 and 2017
and Independent Auditors' Report

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To the Members
Wisconsin Housing and Economic Development Authority
Madison, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of Wisconsin Housing and Economic Development Authority, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the entity'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.

Auditors' Responsibility

Our responsibility is to express opinions 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 auditors' 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Wisconsin Housing and Economic Development Authority as of June 30, 2018 and 2017, and the respective changes in financial position and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 – 10, schedule of authority's proportionate share of the net pension liability (asset), schedule of authority pension contributions, schedule of authority's proportionate share of the net OPEB liability, and the schedule of authority OPEB contributions 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wisconsin Housing and Economic Development Authority's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2018, on our consideration of Wisconsin Housing and Economic Development 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Wisconsin Housing and Economic Development Authority's 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 Wisconsin Housing and Economic Development Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
October 30, 2018

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

(A Component Unit of the State of Wisconsin)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Wisconsin Housing and Economic Development Authority (Authority), created in 1972 by an act of the Wisconsin Legislature, facilitates the purchase, construction and rehabilitation of housing for families of low and moderate-income by providing or participating in the origination of mortgage loans and tax credits, as well as providing economic development financing guarantees, loans and tax credits. The Authority has two major loan programs; the Home Ownership Mortgage Loan Program (Single Family) and the Multifamily Mortgage Loan Program (Multifamily). Among the additional programs that the Authority administers are the Wisconsin Development Reserve Fund, the Home Improvement Loan Program, the Low Income Housing Tax Credit Program, the New Markets Tax Credit Program, the State Small Business Credit Initiative and the Participation Lending Program.

The various loan program activities are all considered proprietary and are accounted for in a manner similar to businesses operating in the private sector. Funding has primarily arisen through the issuances of bonds, both tax-exempt and taxable, the proceeds of which are used to make loans to finance low and moderate-income housing. The Net Position of these programs represents accumulated earnings since their inception and is generally restricted for program purposes.

This section of the Authority's annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2018 compared to the fiscal years that ended on June 30, 2017 and 2016. Please read it in conjunction with the Authority's financial statements, which follow this section.

Financial Highlights – Fiscal Year 2018

The Authority ended fiscal year 2018 with earnings that exceeded expectations. Net Income before the adjustment for a change in the market value of investments was $54.3 million. The fiscal year 2018 budgeted earnings were $32.5 million. Loan originations were up 27% and 132%, respectively in the Single Family and Multifamily programs and prepayment levels slowed significantly compared to fiscal year 2017.

The following are financial highlights for fiscal year 2018:

- Consolidated net income after the adjustment for the market value of investments was $33.9 million. The aggregate market value adjustment for the year was negative $20.4 million.
- Mortgage and MBS Investment earnings before the adjustment for a change in the market value of investments were stable at $82.1 million. The combined mortgage loan and MBS investment portfolio increased by $231.2 million, or 13.6% during 2018.
- Interest expense and debt financing costs increased $4.8 million or 12.7%. The increase is due primarily to the costs associated with the issuance of bonds.
- In December 2017, the Authority's long-term issuer credit rating (ICR) and bond resolution ratings were upgraded. The Authority has an Issuer's Credit Rating (ICR) from Moody's Investors Services (Moody's) of Aa3 and from Standard and Poor's (S&P) of AA. All individual bond resolutions have credit ratings equal to or better than the Authority's ICR.

Financial Highlights – Fiscal Year 2017

Fiscal year 2017 was another strong performance year for the Authority. Net Income before the adjustment for a change in the market value of investments was $34.3 million. The fiscal year 2017 projected budget earnings were $27.2 million. Loan originations were up 31% and 6%, respectively in the Single Family and Multifamily programs and prepayment levels slowed slightly compared to fiscal year 2016.

The following are financial highlights for fiscal year 2017:

- Consolidated net income after the adjustment for the market value of investments was $23.2 million. The aggregate market value adjustment for the year was negative $11.1 million.
- Mortgage and MBS Investment earnings before the adjustment for a change in the market value of investments were stable at $77.6 million. The combined mortgage loan and MBS investment portfolio increased by $136.8 million, or 8.7% during 2017.
- Interest expense and debt financing costs declined by $4.2 million or 10.0%. The decline is partially the result of favorable rates and early redemption of debt with prepayment proceeds. The savings were also related to the timing of bond issues and the associated financing costs.
- As of June 30, 2017, the Authority's long-term issuer credit rating (ICR) and bond resolution ratings were unchanged. The Authority has an Issuer's Credit Rating (ICR) from Moody's Investors Services (Moody's) of Aa3 and from Standard and Poor's (S&P) of AA-. All individual bond resolutions have credit ratings equal to or better than the Authority's ICR.

Statements of Net Position - Comparative Fiscal Year 2018

The following condensed statements of net position show a summary of changes, in dollars and percentages, between fiscal years ended June 30, 2018 and 2017. The Authority reported a change in net position of $33.9 million for the year ended June 30, 2018.

Wisconsin Housing and Economic Development Authority
Statements of Net Position
June 30, 2018 and 2017
(Millions of Dollars)

			Increase / (Decrease)	
	2018	**2017**	**Amount**	**%**
Cash and cash equivalents	481.5	413.6	67.9	16.4
Mortgage loans and interest receivable	1,181.0	1,181.3	(0.3)	0.0
Mortgage-backed security investments and interest receivable	755.5	524.0	231.5	44.2
Investments and interest receivable	28.2	31.2	(3.0)	(9.6)
Net pension asset	2.1	0.0	2.1	-
Other assets	6.9	19.6	(12.7)	(64.8)
Total Assets	2,455.2	2,169.7	285.5	13.2
Accumulated decrease in fair value of hedging	13.9	26.7	(12.8)	(47.9)
Pension plan – Actual vs. expected outcomes	3.5	4.1	(0.6)	(14.6)
OPEB – Actual vs. expected outcomes	0.1	0.0	0.1	-
Total Deferred Outflow of Resources	17.5	30.8	(13.3)	(43.2)
Accrued interest payable	11.2	9.6	1.6	16.7
Bonds and notes payable	1,545.7	1,317.6	228.1	17.3
Interest Rate Swap Agreements	13.9	26.7	(12.8)	(47.9)
Net pension liability	0.0	0.6	(0.6)	(100.0)
Net OPEB liability	1.3	0.0	1.3	-
Other liabilities	139.4	121.1	18.3	15.1
Total Liabilities	1,711.5	1,475.6	235.9	16.0
Total Deferred Inflow of Resources	4.1	1.8	2.3	127.8
Net investment in capital assets	0.4	10.5	(10.1)	(96.2)
Restricted by bond resolutions	496.0	491.7	4.3	0.9
Restricted by contractual agreements	231.2	214.9	16.3	7.6
Unrestricted	29.4	6.0	23.4	390.0
Total Net Position	757.0	723.1	33.9	4.7

Schedule may not foot due to rounding

The Authority experienced asset growth of $285.5 million during fiscal year 2018. This increase was again almost exclusively in the mortgage backed security portfolio. The Single Family and Multifamily programs saw increases in originations of 27% and 132%, respectively. Prepayments dropped by 76% in the Single Family portfolio but remained high in Multifamily.

Mortgage loans and interest receivable declined by $300,000 to end fiscal 2018 with a portfolio balance of $1.2 billion. Mortgage backed security investments rose $231.5 million, up 44.2% from the prior year. Single Family loan originations grew by $91 million and Multifamily loan originations increased by $91.7 million from fiscal 2017. The combined portfolio balance of $1.9 billion represents an increase of 231.2 million or 13.6%.

Liabilities ended the year at $1.7 billion, up $235.9 million over fiscal 2017. The majority of the increase is attributable to new bonds that were issued to finance both Single Family First Time Home Buyer (FTHB) mortgages and Multifamily loans. There were two Single Family bond issues in fiscal year 2018 totaling $236.6 million. In addition, $136.1 million in bonds were issued in the Multifamily program. Proceeds were used to fund new loans in both lines of business and refund outstanding bonds in Single Family.

Overall, net position, increased $33.9 million during fiscal year 2018. The various lending programs and investments within the Authority's business segments generated the change in net position. The business segment contributions for fiscal year 2018 are as follows: $(4.8) million in Single Family bond resolutions, $9.0 million in Multifamily Bond and Housing Revenue bond resolutions, $29.5 million in the General Fund (including subsidiary change in net position) and $188,000 in State of Wisconsin Programs.

Statements of Net Position - Comparative Fiscal Year 2017

The following condensed statements of net position show a summary of changes, in dollars and percentages, between fiscal years ended June 30, 2017 and 2016. The Authority reported a change in net position of $23.2 million for the year ended June 30, 2017.

Wisconsin Housing and Economic Development Authority
Statements of Net Position
June 30, 2017 and 2016
(Millions of Dollars)

			Increase / (Decrease)	
	2017	**2016**	**Amount**	**%**
Cash and cash equivalents	413.6	391.4	22.2	5.7
Mortgage loans and interest receivable	1,181.3	1,291.0	(109.7)	(8.5)
Mortgage-backed security investments and interest receivable	524.0	277.5	246.5	88.8
Investments and interest receivable	31.2	49.4	(18.2)	(36.8)
Other assets	19.6	19.4	0.2	1.0
Total Assets	2,169.7	2,028.7	141.0	7.0
Accumulated decrease in fair value of hedging	26.7	47.6	(20.9)	(43.9)
Pension plan – Actual vs. expected outcomes	4.1	6.2	(2.1)	(33.9)
Total Deferred Outflow of Resources	30.8	53.8	(23.0)	(42.8)
Accrued interest payable	9.6	8.6	1.0	11.6
Bonds and notes payable	1,317.6	1,202.1	115.5	9.6
Interest Rate Swap Agreements	26.7	47.6	(20.9)	(43.9)
Net pension liability	0.6	1.2	(0.6)	(50.0)
Other liabilities	121.1	120.6	0.5	0.4
Total Liabilities	1,475.6	1,380.1	95.5	6.9
Deferred inflow of resources-pension	1.8	2.5	(0.7)	(28.0)
Total Deferred Inflow of Resources	1.8	2.5	(0.7)	(28.0)
Net investment in capital assets	10.5	9.3	1.2	12.9
Restricted by bond resolutions	491.7	479.4	12.3	2.6
Restricted by contractual agreements	214.9	205.9	9.0	4.4
Unrestricted	6.0	5.3	0.7	13.2
Total Net Position	723.1	699.9	23.2	3.3

Schedule may not foot due to rounding

The Authority experienced asset growth of $141 million during fiscal year 2017. This increase was almost exclusively in the mortgage backed security portfolio. The Single Family and Multifamily programs saw increases in originations of 80% and 6%, respectively. Prepayments remain high in both program areas even through there were slight decreases when compared to fiscal year 2016.

Mortgage loans and interest receivable declined by $110 million to end fiscal 2017 with a portfolio balance of $1.2 billion. Mortgage backed security investments rose to $524 million, up 89% from the prior year. Single Family loan originations grew by $80 million or 31% and Multifamily loan originations of $70.0 million were up 6.0% from fiscal 2016. The combined portfolio balance of $1.7 billion represents an increase of 137.0 million or 8.7%.

Liabilities ended the year at $1.5 billion, up 6.9% over fiscal 2016. The majority of the increase is attributable to new bonds that were issued to finance both Single Family First Time Home Buyer (FTHB) mortgages and Multifamily loans. There were two Single Family bond issues in fiscal year 2017 totaling $233.3 million. In addition, $39.7 million in bonds were issued in the Multifamily program. Proceeds were used to fund new loans and refund outstanding bonds in both lines of business.

Overall, net position, increased $23.2 million during fiscal year 2017. The various lending programs and investments within the Authority's business segments generated the change in net position. The business segment contributions for fiscal year 2017 are as follows: $2.0 million in Single Family bond resolutions, $8.8 million in Multifamily Bond and Housing Revenue bond resolutions, $12.5 million in the General Fund (including subsidiary change in net position) and ($86,000) in State of Wisconsin Programs.

Statements of Revenues, Expenses and Change in Net Position – Comparative Fiscal Year 2018

The Authority reported a change in net position of $33.9 million for the fiscal year ended June 30, 2018. The following table summarizes the Statements of Revenues, Expenses and Change in Net Position of the Authority for the fiscal years ended June 30, 2018 and 2017.

Wisconsin Housing and Economic Development Authority
Statements of Revenues, Expenses and Change in Net Position
For the Fiscal Years Ended June 30, 2018 and 2017
(Millions of Dollars)

			Favorable/ (Unfavorable)	
	2018	**2017**	**Amount**	**%**
Mortgage income	63.0	65.3	(2.3)	(3.5)
Mortgage-backed investment income (net)	(1.7)	(0.5)	(1.2)	(240.0)
Investment income (net)	8.7	4.8	3.9	81.3
Interest expense and debt financing costs	(42.5)	(37.7)	(4.8)	(12.7)
Net Interest Income	27.5	31.9	(4.4)	(13.8)
Mortgage service fees	7.8	8.1	(0.3)	(3.7)
Pass-through subsidy revenue	183.8	184.9	(1.1)	(0.6)
Grant Income	0.9	0.5	0.4	80.0
Other	35.4	16.6	18.8	113.3
Net Interest And Other Income	255.4	242.0	13.4	5.5
Direct loan program expense	15.3	13.8	(1.5)	(10.9)
Pass-through subsidy expense	183.8	184.9	1.1	0.6
Grants and services	0.5	0.8	0.3	37.5
General and administrative expenses	21.2	18.5	(2.7)	(14.6)
Other expense	0.7	0.8	0.1	12.5
Change in Net Position	33.9	23.2	10.7	46.1
Net Position, Beginning of Year	723.1	699.9	23.2	3.3
Net Position, End of Year	757.0	723.1	33.9	4.7

Schedule may not foot due to rounding

Net Interest Income declined by 13.8% during fiscal 2018 to finish the year at $27.5 million. The most significant decline was in the mortgage backed investment portfolio. While the volume of MBS investments in the portfolio grew by almost 44% during the year, *Governmental Accounting Standard Board Statement No. 31* requires that the Authority periodically adjust the investments to reflect current market value. The cumulative adjustment for fiscal year 2018 was a write-down of $20.4 million. While the Authority doesn't intend to actually realize these losses, the adjustment can lead to significant swings in the recorded value of the portfolio. Mortgage Income from the Authority's traditional mortgages was down $2.3 million during 2018 primarily because no new traditional single family mortgages were added to the portfolio so scheduled payments and prepayments resulted in contraction of the portfolio and thus lower earnings.

Direct loan program expense increased by 10.9% or $1.5 million during 2018. MBS origination fees paid to lenders rose by $1.9 million which is a reflection of increased volume in the MBS investment portfolio.

Pass-through subsidy revenue and expense represent subsidy proceeds and other financial assistance received by the Authority and transferred to or spent on behalf of secondary projects. Revenues and expenses of the pass-through subsidy programs are equal resulting in a net effect, on the Authority's financial statements, of zero.

Statements of Revenues, Expenses and Change in Net Position – Comparative Fiscal Year 2017

The Authority reported a change in net position of $23.2 million for the fiscal year ended June 30, 2017. The following table summarizes the Statements of Revenues, Expenses and Change in Net Position of the Authority for the fiscal years ended June 30, 2017 and 2016.

Wisconsin Housing and Economic Development Authority
Statements of Revenues, Expenses and Change in Net Position
For the Fiscal Years Ended June 30, 2017 and 2016
(Millions of Dollars)

			Favorable/ (Unfavorable)	
	2017	**2016**	**Amount**	**%**
Mortgage income	65.3	71.4	(6.1)	(8.5)
Mortgage-backed investment income (net)	(0.5)	15.3	(15.8)	(103.3)
Investment income (net)	4.8	3.9	0.9	23.1
Interest expense and debt financing costs	(37.7)	(41.9)	4.2	10.0
Net Interest Income	31.9	48.7	(16.8)	(34.5)
Mortgage service fees	8.1	6.5	1.6	24.6
Pass-through subsidy revenue	184.9	176.4	8.5	4.8
Grant Income	0.5	0.0	0.5	-
Other	16.6	16.1	0.5	3.1
Net Interest And Other Income	242.0	247.7	(5.7)	(2.3)
Direct loan program expense	13.8	14.1	0.3	2.1
Pass-through subsidy expense	184.9	176.4	(8.5)	(4.8)
Grants and services	0.8	0.5	(0.3)	(60.0)
General and administrative expenses	18.5	17.3	(1.2)	(6.9)
Other expense	0.8	0.9	0.1	11.1
Change in Net Position	23.2	38.5	(15.3)	(39.7)
Net Position, Beginning of Year	699.9	661.4	38.5	5.8
Net Position, End of Year	723.1	699.9	23.2	3.3

Schedule may not foot due to rounding

Net Interest Income declined by 34.5% during fiscal 2017 to finish the year at $31.9 million. The most significant decline was in the mortgage backed investment portfolio. While the volume of MBS investments in the portfolio grew by almost 89% during the year, *Governmental Accounting Standard Board Statement No. 31* requires that the Authority periodically adjust the investments to reflect current market value. The cumulative adjustment for fiscal year 2017 was a write-down of $13.0 million. While the Authority doesn't intend to actually realize these losses, the adjustment can lead to significant swings in the recorded value of the portfolio. Mortgage Income from the Authority's traditional mortgages was down $6.1 million during 2017 primarily because of the continued high level of prepayments.

Direct loan program expense was relatively flat in 2017. Liquidity fees and the provision for loan loss were lower than 2016, but the savings in these areas were offset by the increase in loan origination fees which are volume driven expenses.

Pass-through subsidy revenue and expense represent subsidy proceeds and other financial assistance received by the Authority and transferred to or spent on behalf of secondary projects. Revenues and expenses of the pass-through subsidy programs are equal resulting in a net effect, on the Authority's financial statements, of zero.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Statements of Net Position
June 30, 2018 and 2017
(Thousands of Dollars)

	2018	2017
Assets		
Current Assets:		
Cash and cash equivalents (Notes 1 & 4)	481,450	413,631
Investments (Notes 1 & 4)	12,784	14,973
Investment interest receivable	626	288
Mortgage-backed securities investment interest receivable	1,991	1,323
Mortgage loans receivable, net (Notes 1 & 5)	67,080	46,113
Mortgage interest receivable	5,520	6,665
Accounts receivable	2,175	2,945
Prepaid expense	65	93
Total Current Assets	571,691	486,031
Noncurrent Assets:		
Investments (Notes 1 & 4)	14,828	15,976
Mortgage-backed securities (Notes 1 & 4)	753,544	522,675
Mortgage loans receivable, net (Notes 1 & 5)	1,108,353	1,128,556
Net pension asset (Note 9)	2,105	-
Other assets (Note 1)	4,628	16,491
Total Noncurrent Assets	1,883,458	1,683,698
Total Assets	2,455,149	2,169,729
Deferred Outflow of Resources		
Accumulated decrease in fair value of hedging derivatives (Notes 1 & 7)	13,940	26,688
Deferred outflow of resources - pension (Note 9)	3,541	4,150
Deferred outflow of resources - other post employment benefits (Note 9)	131	-
Total Deferred Outflow of Resources	17,612	30,838
Liabilities		
Current Liabilities:		
Bonds and notes payable (Notes 1 & 6)	69,500	66,664
Accrued interest payable	11,206	9,560
Total Current Liabilities	80,706	76,224
Noncurrent Liabilities:		
Bonds and notes payable (Notes 1 & 6)	1,476,233	1,251,013
Escrow deposits (Notes 1 & 4)	94,881	81,972
Derivative instrument - interest rate swaps (Notes 1 & 7)	13,940	26,688
Net pension liability (Note 9)	-	578
Net other post employment benefits liability (Note 9)	1,280	-
Other liabilities	44,601	39,191
Total Noncurrent Liabilities	1,630,935	1,399,442
Total Liabilities	1,711,641	1,475,666
Deferred Inflow of Resources		
Deferred inflow of resources - pension (Note 9)	4,145	1,817
Net Position		
Net investment in capital assets	420	10,499
Restricted by bond resolutions (Note 8)	495,973	491,737
Restricted by contractual agreements (Note 8)	231,163	214,905
Unrestricted (Note 8)	29,419	5,943
Total Net Position	756,975	723,084

The accompanying notes are an integral part of the financial statements.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Statements of Revenues, Expenses And Change in Net Position For the Years Ended June 30, 2018 and 2017

(Thousands of Dollars)

	2018	2017
Mortgage income (Note 1)	62,983	65,277
Investment interest (Note 1)	6,279	3,009
Net increase in fair value of investments	2,450	1,767
Mortgage-backed securities investment income	19,141	12,318
Net decrease in fair value of mortgage-backed securities	(20,864)	(12,862)
Interest expense (Note 1)	(39,708)	(35,372)
Debt financing costs	(2,841)	(2,247)
Net Investment Income	27,440	31,890
Mortgage service fees	7,787	8,066
Pass-through subsidy revenue (Note 1)	183,811	184,876
Grant Income	864	530
Other income (Note 1)	35,409	16,616
Net Investment and Other Income	255,311	241,978
Direct loan program expense	15,272	13,762
Pass-through subsidy expense (Note 1)	183,811	184,876
Grants and services	488	772
General and administrative expenses	21,167	18,536
Other expense (Note 1)	682	838
Total Expenses	221,420	218,784
Change in Net Position	33,891	23,194
Net Position, Beginning of Year	723,084	699,890
Net Position, End of Year	756,975	723,084

The accompanying notes are an integral part of the financial statements.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017
(Thousands of Dollars)

	2018	2017
Cash Flows from Operating Activities:		
Cash received from interest on mortgage loans	64,128	67,158
Cash received from mortgage payments	203,589	173,916
Cash received from other fees and other income	24,800	24,994
Cash payments to purchase mortgage loans	(204,353)	(66,231)
Cash received from escrow deposits, net	12,910	(161)
Cash payments to employees	(15,803)	(14,637)
Cash payments to vendors	(11,096)	(16,737)
Net Cash Provided by Operating Activities	74,175	168,302
Cash Flows from Non-Capital Financing Activities:		
Proceeds from issuance of bonds and notes	437,388	292,516
Repayments on bonds and notes	(209,767)	(177,241)
Interest paid on bonds, notes and escrows	(40,469)	(36,330)
Net Cash Provided by Non-Capital Financing Activities	187,152	78,945
Cash Flows from Investing Activities:		
Purchases of investments	(476,334)	(529,280)
Proceeds from sales and maturities of investments	228,476	288,102
Investment interest received	26,162	16,804
Net Cash Used in Investing Activities	(221,696)	(224,374)
Cash Flows from Capital Financing Activities:		
Purchase of capital assets	(686)	(682)
Sale of capital assets	28,874	-
Net Cash Provided by (Used in) Capital Financing Activities	28,188	(682)
Net Increase in Cash and Cash Equivalents	67,819	22,191
Cash and Cash Equivalents, Beginning of Year	413,631	391,440
Cash and Cash Equivalents, End of Year	481,450	413,631

The accompanying notes are an integral part of the financial statements.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017
(Thousands of Dollars)

	2018	2017
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities:		
Change in Net Position	33,891	23,194
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:		
Net decrease in fair value of investments and mortgage-backed securities	20,375	11,095
Provision for loan loss (Note 5)	1,389	1,126
Interest expense	39,707	35,371
Income on investments and mortgage backed securities	(27,390)	(15,327)
Depreciation and amortization	(1,414)	(1,526)
(Increase) Decrease in mortgage loans receivable and real estate held, net	(2,153)	106,559
Increase in escrows	13,082	(161)
Other	(3,312)	7,971
Net Cash Provided by Operating Activities	74,175	168,302

The accompanying notes are an integral part of the financial statements.

1. Summary of Significant Accounting Policies

Accounting Principles: The financial statements of the Wisconsin Housing and Economic Development Authority (Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Accounting Presentation: GASB 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was implemented in 2018 (Note 9).

Blended Component Unit: The reporting entity for the Authority consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of, the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Discretely presented component units would be reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Authority. This report does not contain any discretely presented component units. Badger Capital Services, LLC (Badger Capital) is a Wisconsin limited liability company that is a wholly owned subsidiary of the Authority and is reported as a blended component unit. The primary purpose of Badger Capital is to provide mortgage servicing. Greater Wisconsin Opportunities Fund (GWOF) and Lift Wisconsin are Wisconsin non stock corporations that are wholly owned subsidiaries of the Authority and are reported as blended component units. GWOF and Lift Wisconsin are registered with the United States Department of the Treasury's Community Development Financial Institutions (CDFI) Fund as Community Development Entities (CDE), created primarily for the purpose of participation in the New Markets Tax Credit (NMTC) program.

All material intercompany transactions and balances have been eliminated.

Authority Programs: The Authority accounts for each bond resolution as a separate accounting entity, each with its own assets, liabilities, net position, income and expense. The entities are then grouped according to type as they relate to Single Family (Home Ownership Revenue Bond and Home Ownership Mortgage Revenue Bonds), Housing Revenue Bonds, Multifamily Housing Bonds, State of Wisconsin and General Fund programs for presentation in the financial statements (Note 3).

Cash and Cash Equivalents: Cash and cash equivalents include short-term, highly liquid investments which are readily convertible to cash and typically have original maturities to the Authority of three months or less when acquired (Note 4).

Investments: Investments are carried at fair value based on quoted market prices. The collateralized and uncollateralized investment agreements are not transferable and are considered nonparticipating contracts. As such, both types of investment agreements are carried at contract value. The net increase (decrease) in the fair value of investments includes both realized and unrealized gains and losses (Note 4).

Mortgage Backed Securities (MBS): The Authority participates in the Fannie Mae and Ginnie Mae MBS program. Through the MBS program, Fannie Mae and Ginnie Mae guarantee securities that are backed by pools of mortgage loans originated by the Authority (Note 4). The Authority purchases the securities and receives service fees for the pass-through of principal and interest payments on the pool of mortgage loans, less amounts required to cover guaranty fees.

Mortgage Loans Receivable and Mortgage Income: Mortgage loans held by the Authority are carried at their unpaid principal balance, net of the allowance for loan losses and real estate held. Loan origination fees and associated direct costs are recognized as income or expense at the time of the loan closing. .

The allowance for loan losses is increased by charges to expense and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on the Authority's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions. Mortgage income includes interest

1. Summary of Significant Accounting Policies (concluded)

earned on the mortgages and the recognized loan origination fees. Mortgage interest income is calculated monthly using the 30/360 day interest calculation (Note 5).

Other Assets: On March 19, 2018, the WHEDA office building was sold to the State of Wisconsin for $28.9 million. At June 30, 2018, other capital assets total $12.3 million, at cost, less accumulated depreciation of $11.8 million. At June 30, 2017, other assets included an office building of $21.4 million, at cost, less accumulated depreciation of $9.6 million and other capital assets of $11.9 million, at cost, less accumulated depreciation of $11.5 million. Depreciation expense totaled $691,000 and $866,000 for the years ended June 30, 2018 and 2017, respectively. The assets are being depreciated on a straight-line basis, with half year convention, over the estimated useful life of the assets (40 years for the office building and between two and ten years for the other capital assets).

Bonds and Notes Payable: Bonds and notes payable include the general and special obligation bonds and notes collateralized by the revenues and assets of the Authority, subject to the provisions of the applicable resolutions and agreements (Note 6).

Debt Premiums and Discounts: Debt premiums and discounts are amortized ratably over the estimated life of the obligations to which they relate. Amortization of $1,000 of bond discount and $2.4 million of bond premium for the year ended June 30, 2018; and $4,000 of bond discount and $2.0 million of bond premium for the year ended June 30, 2017 are included in interest expense in the Statements of Revenues, Expenses and Change in Net Position.

Escrow Deposits: Escrow deposits include the amounts held for single family and multifamily mortgagees for the costs of taxes and insurance. Also included in escrow deposits are residual receipts, replacement reserves, capital needs assessments and other funds held on behalf of multifamily projects of the Authority (Note 4).

Investment Interest Income and Interest Expense: Investment income earned on escrow deposits is allocated to the mortgagors based upon investment results. Interest expense includes $1.2 million and $758,000 of investment income allocated to mortgage escrow deposits for the years ended June 30, 2018 and 2017, respectively (Note 4).

Other Income: Some of the items in other income include $6.0 million and $6.2 million of other fee income from the administration of the HUD contract for the years ended June 30, 2018 and 2017, respectively. At June 30, 2018 and 2017, other income included prepayment premiums for multifamily mortgage loans that paid off in the amounts of $833,000 and $167,000, respectively. Other income also included lease income of $1.5 million and $1.7 million for the years ended June 30, 2018 and 2017, respectively. The rental payments were structured to cover the Authority's costs with the Authority receiving a 5% up charge on the base rent, which was $9,000 and $38,000 in each of the years ended June 30, 2018 and 2017. Lease income also includes parking income from the Authority's employees and the State's principal amortization of the debt. The building was sold to the State of Wisconsin on March 19, 2018 and generated a net gain of $17.4 million. Also, included in other income is $1.7 million of fee income from the administration of the IRS federal Low-Income Housing Tax Credit Program for the years ended June 30, 2018 and 2017. In addition, other income included New Markets Tax Credits fee income of $1.3 million for the years ended June 30, 2018 and 2017 (Note 3). State Small Business Credit Initiative (SSBCI) income of $106,000 and $1.9 million represents loan funds returned to the authority for the years ended June 30, 2018 and June 30, 2017, respectively.

Grant Income: The authority was chosen to administer Capital Magnet Funds in the amount of $10.7 million of which $864,000 and $530,000 was utilized in the years ended June 30, 2018 and 2017, respectively.

Other Expense: Other expense includes $645,000 and $814,000 of lease expense for the years ended June 30, 2018 and 2017, respectively. Lease expense is the State's proportionate share of parking, and debt service on the building, also known as base rent and operating rent which includes usual and customary costs associated with maintenance of the facility. The lease expired March 19, 2018 when the State of Wisconsin purchased the building from the Authority.

Pass-through Subsidy Revenue and Expense: In accordance with GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance", pass-through grants are reported in the financial statements as both revenue and expense (Note 3).

Pensions*:* For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. 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 (Note 9).

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

2. Authorizing Legislation and Funds

The Authority was created in 1972 by an act of the Wisconsin Legislature to facilitate the purchase, construction and rehabilitation of housing for families of low and moderate-income by providing or participating in the providing of construction and mortgage loans. The Authority is authorized to issue bonds secured by a capital reserve fund up to an aggregate amount of $600.0 million, excluding those being used to refund outstanding obligations and those issued under the programs described below. Outstanding general obligation Housing Revenue Bonds total $439.4 million and $354.5 million at June 30, 2018 and 2017, respectively. The Authority has no taxing power. Bonds issued by the Authority do not constitute a debt of the State of Wisconsin or any political subdivision thereof. The Authority is a component unit of the State of Wisconsin for financial reporting purposes.

The Authority's mission has been expanded since 1972 through legislation authorizing the following:

A Home Ownership Mortgage Loan Program, funded by revenue bonds of $8.4 billion through June 30, 2018 and $8.2 billion through June 30, 2017, of which approximately $916.4 million and $809.2 million were outstanding at June 30, 2018 and 2017, respectively.

A Community Housing Alternatives Program (CHAP), funded by bonds of up to $99.4 million, to finance loans for residential facilities for the elderly or chronically disabled. Housing Revenue Bonds totaling $4.8 million have been issued since the inception of the program, of which none are outstanding at June 30, 2018 and 2017.

A Housing Rehabilitation Program and Home Improvement Loan Program, funded by revenue bonds outstanding at any time of up to $100.0 million, to finance below-market-rate loans for home rehabilitation. Revenue bonds totaling approximately $97.6 million have been issued since the inception of the program, of which none are outstanding at June 30, 2018 and 2017.

A Wisconsin Development Reserve Fund Program, which represents State of Wisconsin funds appropriated to subsidize interest and provide guarantees of principal balances for qualifying loans. By Wisconsin Statute 234.93, the Authority is authorized to make loan guarantees of up to $49.5 million with a minimum required reserve ratio of 4.5:1 (guarantee to reserve). At June 30, 2018 and 2017, outstanding loan guarantees totaled $8.1 million and $7.9 million, respectively. The balance of the reserve fund, restricted for purposes of the program, was $8.2 million at June 30, 2018 and 2017.

Section 234.65 of the Statutes of the State of Wisconsin (statutes) allows the Authority to fund Economic Development activity with revenue bonds of up to $150.0 million through June 30, 2022. As of June 30, 2018 and 2017, $42.5 million of revenue bonds were issued for economic development projects in Wisconsin which do not constitute indebtedness of the Authority within the meaning of any provision or limitation of the Constitution or statutes. They are payable solely out of the revenues derived pursuant to the loan agreement or, in the event of default of the loan agreement, out of any revenues derived from the sale, releasing or other disposition of the mortgaged property. They do not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit and therefore, these bonds are not reflected in the financial statements of the Authority.

A Multifamily Housing Bond (MHB) Program, funded by the Authority's Multifamily bonds of $131.7 million and $108.3 million as of June 30, 2018 and 2017, respectively. In addition, under the MHB program, other revenue bonds were issued which do not constitute indebtedness of the Authority within the meaning of any provision or limitation of the Constitution or Statutes of the State of Wisconsin. They do not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit. They are payable solely out of the revenues derived pursuant to the loan agreement or, in the event of default of the loan agreement, out of any revenues derived from the sale, releasing or other disposition of the mortgaged property. Based on the above, the bonds are not reflected in the financial statements of the Authority. As of June 30, 2018 and 2017, the Authority had issued an aggregate principal amount of $51.1 million of these non-general obligation credit bonds.

In May, 2018, Act 176 was signed into law establishing a Wisconsin housing tax credit program. The new state program provides a tax incentive for private investment in the development or rehabilitation of affordable rental housing.

The Authority has, by resolution, established other programs to promote the fulfillment of its objectives and has financed these efforts through appropriations of its General Fund.

3. Description of Programs

Single Family Bond Programs:

Home Ownership Revenue Bond (HORB) Resolutions include bonds secured by single family mortgage loans and MBS investments. The funds are used to purchase mortgage loans on single family residential housing units for persons and families of low and moderate-income in Wisconsin. The bond issues are grouped by bond resolution and each may have different covenants and requirements (Note 6).

The Home Ownership Mortgage Revenue Bond (HOMRB) 2009 Resolution is secured by mortgage-backed securities (Note 6). The bond proceeds are used to purchase mortgage-backed securities that represent claims to cash flows from pools of single family mortgage loans that are underwritten by the Authority. Mortgage-backed securities in this program total $127.5 million and $136.0 million as of June 30, 2018 and 2017, respectively.

Single Family Bonds include HORB and HOMRB Resolutions. HORB Resolutions dated 1987 and 1988, and the HOMRB Resolution dated 2009 are reported separately.

3. Description of Programs (continued)

Housing Revenue Bond Programs:

Housing Revenue Bonds (HRB) includes the 1974 Housing Revenue Bond Resolutions (Note 6). These funds are used to finance the construction, rehabilitation and permanent financing for multifamily rental housing developments generally designed for persons and families of low and moderate-income, the elderly, disabled or special needs persons.

Multifamily Bond Programs:

Multifamily Housing Bonds (MHB) include the 2006 and 2010 Multifamily Housing Bond Resolution (Note 6). The funds are used to finance multifamily mortgage loans for certain eligible projects.

Multifamily Bonds include HRB and MHB Resolutions.

State of Wisconsin Programs:

State of Wisconsin programs include the Home Improvement Loan Program and the Wisconsin Development Reserve Fund administered by the Authority. The Home Improvement Loan Program (HILP) provides loans for eligible borrowers to make improvements to owner-occupied properties. $118,000 and $245,000 of these home improvement loans were made through the program for the fiscal years ending June 30, 2018 and 2017, respectively. In addition, funds may be used to fund Easy Close Advantage loans for down payment assistance to Single Family borrowers. $302,000 and $0 of these down payment assistance loans were made through the program as of June 30, 2018 and 2017, respectively. Outstanding HILP loans total $1.0 million and $818,000 as of June 30, 2018 and 2017, respectively.

The Wisconsin Development Reserve Fund administered for the State of Wisconsin includes the Credit Relief Outreach Program (CROP), the Agribusiness Program, the WHEDA Small Business Guarantee Program (SBG), the Farm Assets Reinvestment Management Program (FARM), Disaster Assistance and Contractor Assistance, all of which provide loan guarantees and interest rate subsidies on loans. Outstanding guarantees as of June 30, 2018 and 2017 are $2.1 million and $1.3 million for CROP, $128,000 and $128,000 for Agribusiness, $4.2 million and $4.3 million for SBG and $1.7 million and $2.1 million for FARM, respectively. There were no guarantees outstanding for the Disaster or Contractor Assistance programs as of June 30, 2018 and 2017.

General Fund Programs:

The General Fund includes the Neighborhood Business Revitalization Guarantee program which was approved in April 2003. This guarantee program will provide up to $12.0 million in loan guarantees for revitalization in targeted urban commercial communities with populations greater than 35,000. As of June 30, 2018, $396,000 of loan guarantees had been approved and were outstanding. As of June 30, 2017, $510,000 of loan guarantees had been approved and were outstanding.

Property Tax Deferral Loans are made to elderly individuals to pay property taxes. As of June 30, 2018 and 2017, the Property Tax Deferral Loans had an outstanding balance of $861,000 and $1.1 million, respectively.

In December 2004, the Authority created a loan program called Construction Plus. This program provides financing for up to 90% of the development costs of rental housing properties for families, elderly, disabled or special needs persons. As of June 30, 2018 and 2017, the balance of Construction Plus loans was $26.1 million and $27.8 million, respectively.

Easy Close Advantage is a statewide program offering loans in the amount of $3,000-$3,500 or 3.0%-3.5% of the purchase price, whichever is greater, that can be used for down payment or closing costs and homebuyer education expenses. As of June 30, 2018 and 2017, the Easy Close loans and Easy Close Advantage programs had a combined outstanding balance of $9.1 million and $11.5 million, respectively.

The Authority administers the IRS federal Low-Income Housing Tax Credit Program for Wisconsin. This program is part of the Tax Reform Act of 1986. The program was created to encourage production of affordable multifamily rental housing for low-to-moderate income persons. The Low-Income Housing Tax Credit is a dollar-for-dollar reduction of federal income taxes owed by owners/investors in qualified projects for tenants whose incomes are at or below 60% of County Median Income (CMI). The Authority awarded $15.2 million and $13.6 million in Tax Credits in the years ended June 30, 2018 and 2017, respectively.

3. Description of Programs (concluded)

The Authority administers Section 8 subsidized housing programs under the U.S. Department of Housing and Urban Development. Funds administered for the Section 8 New Construction and Substantial Rehabilitation and Moderate Rehabilitation programs totaled $11.0 million and $14.2 million for the years ended June 30, 2018 and 2017, respectively. The Housing Choice Voucher program funds administered were $10.4 million and $11.1 million for the years ended June 30, 2018 and 2017, respectively. Interest Reduction Payments of $0 and $7,000 were administered for the years ended June 30, 2018 and 2017, respectively.

The Section 8 Housing Assistance Payments program funds were $161.6 million and $156.5 million for the years ended June 30, 2018 and 2017, respectively.

State Small Business Credit Initiative (SSBCI) was established with the passage of the federal Small Business Jobs Act of September 2011 and was created to make capital more accessible to entrepreneurs and small businesses. SSBCI bolstered state programs that support small business lending. On September 22, 2011, the U.S. Treasury Department approved Wisconsin's application to participate in SSBCI. Wisconsin was approved to receive up to $22.4 million for small business lending programs to help create private sector jobs. The Wisconsin Department of Administration was allocated the funds for the State of Wisconsin and the Authority administered those funds on behalf of the State. Based on 10:1 match expectations these funds were expected to support at least $224.0 million in new lending. The Authority received $14.8 million in SSBCI funds before the program ended on December 31, 2016. The money was used to administer the Wisconsin Equity Fund (a venture capital fund) through which $14.3 million was disbursed while the program was active. The Authority's portion of this lending was $9.2 million.

The Authority is a member of The Wisconsin Community Development Legacy Fund (WCDLF). WCDLF, a non-stock corporation, is a partnership between the Authority and Legacy Bancorp, Inc. WCDLF was created to make qualified low-income community investments throughout the State of Wisconsin in qualified active low-income community businesses for the New Markets Tax Credit (NMTC) program. Between April 2004 and April 2011, WCDLF was awarded $415.0 million in NMTC allocations. All of these awards had been allocated as of June 30, 2017. The Authority will not seek future awards through WCDLF. On June 16, 2011, a second non-stock corporation, the Greater Wisconsin Opportunities Fund, Inc. (GWOF) was created to make additional low-income community investments through the State of Wisconsin in qualified active low-income community businesses for the NMTC program. The Authority is the sole member of GWOF. GWOF has been awarded $160.0 million NMTC allocation since April, 2013. As of June 30, 2018, $26.5 million was remaining to be allocated. The Authority will not seek future awards through GWOF. On May 10, 2018, a third non-stock corporation, Lift Wisconsin, Inc. (Lift) was created to make additional low-income community investments through the State of Wisconsin in qualified active low-income community businesses for the NMTC program. On June 28, 2018, Lift submitted an application to the CDFI Fund for a future NMTC allocation. Awards are expected to be announced early in calendar year 2019.

The Authority has established a Preservation Revolving Loan Fund (PRLF) with funding provided by the United States Department of Agriculture (USDA) Rural Development, for the preservation and revitalization of low-income multifamily rental housing throughout rural Wisconsin. The loan fund, which serves populations of 20,000 or less, allows the Authority to allocate loans to rural multifamily developments that integrate low-income rental housing for families and individuals, including elderly persons and persons with disabilities. Loans outstanding in this fund as of June 30, 2018 and 2017 total $2.4 million and $2.5 million, respectively.

As of June 30, 2018 and 2017, $24.1 million and $23.7 million was encumbered, respectively, for economic development loans in partnership with financing from commercial and community lenders. The maximum Authority participation in any project is $2.0 million. Loans are restricted to businesses with less than $35.0 million in gross sales. As of June 30, 2018 and 2017, there is an outstanding loan balance of $15.1 million and $13.1 million in this program, respectively.

Since 2013, the Authority has operated the WHEDA Tax Advantage, a Mortgage Credit Certificate Program (MCC). Under this unique program, qualifying home buyers can claim a tax credit of up to $2,000 per year against their federal income tax liability. The $111.4 million in total credit available is expected to provide assistance to $445.6 million in mortgage loans. Eligibility for the credit continues as long as home buyers remain in their home and pay down their original amount of debt. As of June 30, 2018 and June 30, 2017 respectively, $184.9 million and $161.9 million of loans had been issued through this program with accompanying MCC's of $9.5 million and $2.4 million, respectively.

In September of 2016, the Authority won a $5.5 million Capital Magnet Fund Award. The Authority won an additional award of $5.2 million in March of 2018. The Capital Magnet Fund helps low-income families and economically distressed communities by attracting investment for affordable housing and related economic development. The Authority is using the funds to provide down payment and closing cost assistance for Single Family homebuyers and gap financing for qualified Commercial Lending projects. As of June 30, 2018 and June 30, 2017, there is an outstanding loan balance of $1.4 million and $530,000, respectively in this program.

4. Cash, Cash Equivalents and Investments

Cash, Cash Equivalents and Investments of the Authority are comprised of five distinct investment portfolios: 1) the General Fund investment portfolio, 2) the Home Improvement Loan Program investment portfolio, 3) the Wisconsin Development Reserve Fund investment portfolio, 4) the Escrow Fund investment portfolio, and 5) the Bonded Program investment portfolio.

Each investment portfolio has its own investment policy, which identifies the permitted investments and asset allocation guidelines. These policies are summarized under the applicable sections below. Depending on the investment portfolio, permitted investments may include (and are subject to minimum credit rating thresholds where applicable): U.S. government securities; U.S. agency securities; municipal bonds and notes; corporate bonds and notes; money market mutual funds; commercial paper; certificates of deposit; repurchase agreements; investment contracts; the State Investment Fund and equity securities within SSBCI.

Cash and Cash Equivalents: The carrying amounts of cash and cash equivalents and investments of the five investment portfolios, which approximate fair value, at June 30, 2018 and 2017 were as follows (in thousands of dollars):

	2018		2017	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Cash	32,783	32,778	25,736	25,736
Money Market Mutual Funds	448,667	448,667	387,895	387,895
Total Cash and Cash Equivalents	481,450	481,445	413,631	413,631
Certificates of Deposit	11,249	11,249	13,900	13,900
U.S. Government Securities	-	-	67	63
U.S. Agency Securities	11,160	11,123	12,148	11,776
Corporate Notes	-	-	-	-
Mortgage-backed Securities	753,544	773,772	522,675	522,695
Collateralized Investment Contracts	2,355	2,355	1,725	1,725
Equity Securities	2,848	2,848	3,109	3,109
Total Investments	781,156	801,347	553,624	553,268
Total Cash and Cash Equivalents and Investments	1,262,606	1,282,792	967,255	966,899

At June 30, 2018 and 2017, the Authority had cash bank balances totaling $32.2 million and $25.4 million, respectively, of which $250,000 was covered by depository insurance in both years, and the remaining balance was uninsured and uncollateralized. Cash deposits are not included in the investment portfolio summaries that follow. Money market mutual funds are included in the investment totals of the investment portfolio summaries that follow.

According to GASB Statement No. 72, Fair Value Measurement Application, the Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 are quoted prices in active markets for identical assets; Level 2 are significant other observable inputs; Level 3 are significant unobservable inputs. The fair value measurements at June 30, 2018 and 2017 were as follows (in thousands of dollars):

		Fair Value Measurements Using		
Investments by Fair Value Level	2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
U.S. Treasury Securities	--	--	--	--
U.S. Agency Securities	11,160	--	11,160	--
Collateralized Debt Obligations	2,355	--	2,355	--
Mortgage-backed Securities	753,544	91,644	661,900	--
Total Debt Securities	767,059	91,644	675,415	--
Equity Securities	2,848	--	--	2,848
Total Investments by Fair Value Level	769,907	91,644	675,415	2,848

4. Cash, Cash Equivalents and Investments (continued)

Investments by Fair Value Level	2017	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
U.S. Treasury Securities	67	--	67	--
U.S. Agency Securities	12,148	--	12,148	--
Collateralized Debt Obligations	1,725	--	1,725	--
Mortgage-backed Securities	522,675	103,628	419,047	--
Total Debt Securities	536,615	103,628	432,987	--
Venture Capital Investments	3,109	--	--	3,109
Total Investments by Fair Value Level	539,724	103,628	432,987	3,109

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Venture capital investments are valued at par.

General Fund Investment Portfolio:
As of June 30, 2018, the Authority had the following investments and maturities covered by the General Fund Investment Policy (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years): Less than 1	1 - 5	6 - 10	More than 10
Money Market Mutual Funds	98,943	98,943	--	--	--
Mortgage-backed Securities	27,326	--	--	--	27,326
Corporate Securities:					
Equity	2,848	--	2,848	--	--
General Fund Investments	129,117	98,943	2,848	--	27,326

The portfolio also has $250,000 in certificates of deposits that are not subject to interest rate risk.

As of June 30, 2017, the Authority had the following investments and maturities covered by the General Fund Investment Policy (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years): Less than 1	1 - 5	6 - 10	More than 10
Money Market Mutual Funds	67,570	67,570	--	--	--
Mortgage-backed Securities	--	--	--	--	--
Corporate Securities:					
Equity	3,109	597	2,215	297	--
General Fund Investments	70,679	68,167	2,215	297	--

Interest Rate Risk: Investment maturity and projected call dates are expected to coincide with the General Fund obligations. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the anticipated obligations. Based upon current consideration for each of these factors, investments in the General Fund portfolio may have maturities ranging up to 15 years.

4. Cash, Cash Equivalents and Investments (continued)

Credit Risk: The Authority's policy allows investments of the General Fund in the following:

Money market mutual funds are limited to AAA rated funds and non-rated funds with portfolios restricted to only those investments specifically authorized by the investment policy. Money market mutual funds are regulated by the Securities & Exchange Commission and have a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads. The Authority invests in money market mutual funds whose investment objectives include seeking to maintain a stable net asset value of $1 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund. As of June 30, 2018 and 2017, the Authority invested only in AAA rated money market mutual funds. Money market mutual funds totaled 76.5% and 95.6%, respectively, of the General Fund portfolio; and, the entire Authority portfolio's allocation was 36.5% and 41.2%, respectively.

Certificates of Deposit (CDs) purchased as part of the Authority's minority banking participation cannot exceed $500,000 per financial institution due to federal insurance coverage. CDs issued by financial institutions insured by the FDIC are permitted in amounts up to $250,000. The Authority held $250,000 and $0 in CD's in the General Fund as of June 30, 2018 and June 30, 2017, respectively.

U.S. Government Securities, which include, but are not limited to Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips. As of June 30, 2018 and 2017, the U.S. Government Securities were rated AA+ by Standard and Poor's (S&P) and Aaa by Moody's Investors Services (Moody's).

U.S. Agency Securities, which include, but are not limited to the following issuers: Federal Farm Credit System, Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac or FHLMC), Federal National Mortgage Association (Fannie Mae or FNMA), Federal Agricultural Mortgage Corporation (Farmer Mac) and Government National Mortgage Association (Ginnie Mae or GNMA). As of June 30, 2018 and 2017, the U.S. Agency Securities were rated AA+ by S&P and Aaa by Moody's.

Municipal Bonds and Notes are limited to obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Corporate Bonds and Notes are limited to U.S. domestic corporations having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Mortgage-backed Securities are guaranteed by Fannie Mae and backed by pools of mortgage loans. While the securities carry the guaranty of Fannie Mae, they do not carry explicit credit ratings from S&P or Moody's.

Repurchase Agreements/Collateralized Investment Contracts are collateralized at 102% or better with a defined termination date and secured by U.S. Government Securities and U.S. Agency Securities.

Commercial Paper is limited to "prime" quality obligations with a stated maturity of 270 days or less from the date of its issuance, having at time of purchase the highest short-term program credit rating as provided for by at least one nationally recognized rating service.

Equity securities are restricted to Limited Partnerships as authorized under the SSBCI Program, agreements with the Wisconsin Department of Administration and program parameters as approved by the Members of the Authority.

Bankers Acceptances must have a stated maturity of 180 days or less from the date of issuance, have the highest short-term credit rating as provided for by at least one nationally recognized rating service, be drawn on and accepted by U.S. commercial banks and be eligible for purchase by the Federal Reserve Bank.

Concentration of Credit Risk: No less than 50% of the total portfolio value will be invested in U.S. Government Securities, U.S. Agency Securities and Money Market Mutual Funds. For funds not invested in U.S. Government Securities, U.S. Agency Securities or Money Market Mutual Funds, no more than 5% of the total portfolio market value can be invested with any issuer or secured by one guarantor. No more than 15% of the total portfolio's market value will be invested in any one municipal or industry sector. As of June 30, 2018 the portfolio was in compliance with this requirement.

Foreign Currency Risk: The General Fund Investment Policy requires investments only in securities traded in U.S. dollars.

4. Cash, Cash Equivalents and Investments (continued)

Home Improvement Loan Fund Investment Portfolio:

As of June 30, 2018, the Authority had the following investments and maturities covered by the Home Improvement Loan Fund Investment Policy, relating to the Home Improvement Loan Program (in thousands of dollars):

		Investment Maturities (In Years)		
Investment Type:	Fair Value	Less than 1	1 - 5	6 - 10
Money Market Mutual Funds	9,458	9,458	--	--
Home Improvement Loan Fund Investments	9,458	9,458	--	--

As of June 30, 2017, the Authority had the following investments and maturities covered by the Home Improvement Loan Fund Investment Policy, relating to the Home Improvement Loan Program (in thousands of dollars):

		Investment Maturities (In Years)		
Investment Type:	Fair Value	Less than 1	1 - 5	6 - 10
Money Market Mutual Funds	9,240	9,240	--	--
Home Improvement Loan Fund Investments	9,240	9,240	--	--

Interest Rate Risk: Investment maturity dates or projected call dates are expected to coincide with the cash flow obligations and matched funding analyses, associated with a five year projection period. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the five year projected cash flow obligations. Based upon current consideration for each of these factors, investments in the Home Improvement Loan Fund portfolio may have maturities ranging up to 10 years.

Credit Risk: It is the Authority's policy to limit investments in the Home Improvement Loan Fund to the following:

Money market mutual funds are limited to AAA rated funds and non-rated funds with portfolios restricted to only those investments specifically authorized by the policy. Money market mutual funds are regulated by the Securities & Exchange Commission and have a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads. The Authority invests in money market mutual funds whose investment objectives include seeking to maintain a stable net asset value of $1 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund. As of June 30, 2018 and 2017, the Authority invested only in AAA rated money market mutual funds and 100% of the Home Improvement Loan Program portfolio was invested in money market mutual funds.

Certificates of Deposit issued by financial institutions insured by the FDIC are permitted in amounts up to $250,000.

U.S. Government Securities, which include, but are not limited to Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips.

U.S. Agency Securities, which include, but are not limited to the following issuers: Federal Farm Credit System, Federal Home Loan Bank System, Freddie Mac, Fannie Mae, Farmer Mac, and Ginnie Mae.

Municipal Bonds and Notes are limited to obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Corporate Bonds and Notes are limited to U.S. domestic corporations having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Repurchase Agreements/Collateralized Investment Contracts are collateralized at 102% or better with a defined termination date and secured by U.S. Government Securities and U.S. Agency Securities.

Commercial Paper is limited to "prime" quality obligations with a stated maturity of 270 days or less from the date of its issuance, having at time of purchase the highest short-term program credit rating as provided for by at least one nationally recognized rating service.

Bankers Acceptances must have a stated maturity of 180 days or less from the date of issuance, have the highest short-term credit rating as provided for by at least one nationally recognized rating service, be drawn on and accepted by U.S. commercial banks and be eligible for purchase by the Federal Reserve Bank.

Concentration of Credit Risk: No less than 60% of the total portfolio value will be invested in U.S. Government Securities, U.S. Agency Securities and Money Market Mutual Funds. For funds not invested in U.S. Government Securities, U.S. Agency Securities or Money Market Mutual Funds, no more than $500,000 can be invested with any issuer or secured by one guarantor. No more than 15% of the total portfolio's market value will be invested in any one municipal or industry sector. As of June 30, 2018, the portfolio was in compliance with this requirement.

Foreign Currency Risk: The Home Improvement Loan Investment Policy requires investments only in securities traded in U.S. dollars.

4. Cash, Cash Equivalents and Investments (continued)

Wisconsin Development Reserve Fund Investment Portfolio:

As of June 30, 2018, the Authority had the following investments and maturities covered by the Wisconsin Development Reserve Fund Investment Policy (in thousands of dollars):

		Investment Maturities (In Years)		
Investment Type:	Fair Value	Less than 1	1 - 5	6 - 10
Money Market Mutual Funds	8,224	8,224	--	--
Wisconsin Development Reserve Fund Investments	8,224	8,224	--	--

As of June 30, 2017, the Authority had the following investments and maturities covered by the Wisconsin Development Reserve Fund Investment Policy (in thousands of dollars):

		Investment Maturities (In Years)		
Investment Type:	Fair Value	Less than 1	1 - 5	6 - 10
Money Market Mutual Funds	8,205	8,205	--	--
Wisconsin Development Reserve Fund Investments	8,205	8,205		--

Interest Rate Risk: Investment maturity and projected call dates are expected to coincide with the cash flow obligations and matched funding analyses associated with a five year projection period. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the five year projected cash flow obligations. Based upon current consideration for each of these factors, no investment in the Wisconsin Development Reserve Fund portfolio will mature in more than 10 years.

Credit Risk: It is the Authority's policy to allow investments of the Wisconsin Development Reserve Fund in the following:

Money market mutual funds are limited to AAA rated funds and non-rated funds with portfolios restricted to only those investments specifically authorized by the policy. Money market mutual funds are regulated by the Securities & Exchange Commission and have a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads. The Authority invests in money market mutual funds whose investment objectives include seeking to maintain a stable net asset value of $1 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund. As of June 30, 2018 and 2017, the Authority invested only in AAA rated money market mutual funds, and 100% and 100%, respectively, of the Wisconsin Development Reserve Fund portfolio was invested in money market mutual funds.

Certificates of Deposit issued by financial institutions insured by the FDIC are permitted in amounts up to $250,000.

U.S. Government Securities, which include, but are not limited to Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips.

U.S. Agency Securities, which include, but are not limited to the following issuers: Federal Farm Credit System, Federal Home Loan Bank System, Freddie Mac, Fannie Mae, Farmer Mac, and Ginnie Mae. As of June 30, 2018 and 2017, the U.S. Agency Securities were rated AA+ by S&P and Aaa by Moody's.

Municipal Bonds and Notes are limited to obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Corporate Bonds and Notes are limited to U.S. domestic corporations having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Repurchase Agreements/Collateralized Investment Contracts are collateralized at 102% or better with a defined termination date and secured by U.S. Government Securities and U.S. Agency Securities.

Commercial Paper is limited to "prime" quality obligations with a stated maturity of 270 days or less from the date of its issuance, having at time of purchase the highest short-term program credit rating as provided for by at least one nationally recognized rating service.

Bankers Acceptances must have a stated maturity of 180 days or less from the date of issuance, have the highest short-term credit rating as provided for by at least one nationally recognized rating service, be drawn on and accepted by U.S. commercial banks and be eligible for purchase by the Federal Reserve Bank.

Concentration of Credit Risk: No less than 60% of the total portfolio value will be invested in U.S. Government Securities, U.S. Agency Securities and Money Market Mutual Funds. For funds not invested in U.S. Government Securities, U.S. Agency Securities or Money Market Mutual Funds, no more than 5% of the total portfolio market value can be invested with any issuer or secured by one guarantor. No more than 15% of the total portfolio's market value will be invested in any one municipal or industry sector. As of June 30, 2018, the portfolio was in compliance with this requirement.

4. Cash, Cash Equivalents and Investments (continued)

Foreign Currency Risk: The Wisconsin Development Reserve Fund Investment Policy requires investments only in securities traded in U.S. dollars.

Escrow Fund Investment Portfolio:
As of June 30, 2018, the Authority had the following investments and maturities covered by the Escrow Fund Investment Policy, related to escrow deposits (in thousands of dollars):

		Investment Maturities (In Years)			
Investment Type:	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Money Market Mutual Funds	56,740	56,740	--	--	--
U.S. Agency Securities	5,813	--	5,810	3	--
Escrow Fund Investments	62,553	56,740	5,810	3	--

The portfolio also has $11 million in certificates of deposits that are not subject to interest rate risk.

As of June 30, 2017, the Authority had the following investments and maturities covered by the Escrow Fund Investment Policy, related to escrow deposits (in thousands of dollars):

		Investment Maturities (In Years)			
Investment Type:	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Money Market Mutual Funds	45,629	45,629	--	--	--
U.S. Agency Securities	6,292	532	5,756	4	--
Escrow Fund Investments	51,921	46,161	5,756	4	--

The portfolio also has $13.9 million in certificates of deposits that are not subject to interest rate risk.

In accordance with provisions of certain escrow agreements related to mortgages outstanding, escrow deposits are to be invested in accordance with the agreements and investment income is to be allocated to the escrow deposits based upon investment results. Investment income of $1.2 million and $758,000 was allocated to the mortgage escrow deposits for the years ended June 30, 2018 and 2017, respectively, and is included in interest expense in the Statements of Revenues, Expenses and Change in Net Position.

Interest Rate Risk: Investment maturity dates or projected call dates are expected to coincide with the cash flow obligations and matched funding analyses associated with a five year projection period. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the five year projected cash flow obligations. Based upon current consideration for each of these factors, investments in the Escrow Fund portfolio may have maturities ranging up to 30 years.

Credit Risk: It is the Authority's policy to limit investments in the Escrow Fund to the following:

Money market mutual funds are limited to AAA rated funds and non-rated funds with portfolios restricted to only those investments specifically authorized by the policy. Money market mutual funds are regulated by the Securities & Exchange Commission and have a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads. The Authority invests in money market mutual funds whose investment objectives include seeking to maintain a stable net asset value of $1 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund. As of June 30, 2018 and 2017, the Authority invested only in AAA rated money market mutual funds, and 65.6% and 69.3%, respectively, of the Escrow Fund portfolio was invested in money market mutual funds.

Certificates of Deposit issued as part of the Bankers' Bank Certificate of Deposit program cannot exceed $500,000 per financial institution, and is not to exceed 25% of the total portfolio market value. All other certificates issued by financial institutions insured by the FDIC are permitted in amounts up to $250,000. As of June 30, 2018, all certificates outstanding were in compliance with this policy.

U.S. Government Securities, which include, but are not limited to Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips. As of June 30, 2018 and 2017, the U.S. Government Securities were rated AA+ by S&P and Aaa by Moody's.

U.S. Agency Securities, which include, but are not limited to the following issuers: Federal Farm Credit System, Federal Home Loan Bank System, Freddie Mac, Fannie Mae, Farmer Mac, and Ginnie Mae. As of June 30, 2018 and 2017, the U.S. Agency Securities were rated AA+ by S&P and Aaa by Moody's.

Municipal Bonds and Notes limited to obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Corporate Bonds and Notes are limited to U.S. domestic corporations having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

4. Cash, Cash Equivalents and Investments (continued)

Commercial Paper is limited to "prime" quality obligations with a stated maturity of 270 days or less from the date of its issuance, having at time of purchase the highest short-term program credit rating as provided for by at least one nationally recognized rating service.

Bankers Acceptances must have a stated maturity of 180 days or less from the date of issuance, have the highest short-term credit rating as provided for by at least one nationally recognized rating service, be drawn on and accepted by U.S. commercial banks and be eligible for purchase by the Federal Reserve Bank.

Concentration of Credit Risk: No less than 60% of the total portfolio value will be invested in U.S. Government Securities, U.S. Agency Securities and Money Market Mutual Funds. For funds not invested in U.S. Government Securities, U.S. Agency Securities or Money Market Mutual Funds, no more than 5% of the total portfolio market value can be invested with any issuer or secured by one guarantor. No more than 10% of the total portfolio's market value will be invested in any one municipal or industry sector, and no more than 25% of the portfolio's market value will be invested in bank certificates of deposit. As of June 30, 2018 the portfolio was in compliance with this requirement.

Foreign Currency Risk: The Escrow Fund Investment Policy requires investments only in securities traded in U.S. dollars.

Bonded Programs Investment Portfolio:

As of June 30, 2018, the Authority had the following investments and maturities covered by the HORB, HRB and MHB Bonded Programs Investment Policy (in thousands of dollars):

		Investment Maturities (In Years)			
Investment Type:	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Money Market Mutual Funds	275,302	275,302	--	--	--
U.S. Agency Securities	5,348	29	5,216	--	103
U.S. Government Securities	--	--	--	--	--
Mortgage-backed Securities	726,217	--	--	--	726,217
Collateralized Investment Contracts	2,355	1,506	--	--	849
Bonded Program Investments	1,009,222	276,837	5,216	--	727,169

As of June 30, 2017, the Authority had the following investments and maturities covered by the HORB, HRB and MHB Bonded Programs Investment Policy (in thousands of dollars):

		Investment Maturities (In Years)			
Investment Type:	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Money Market Mutual Funds	257,251	257,251	--	--	--
U.S. Agency Securities	5,855	--	5,722	--	133
U.S. Government Securities	67	67	--	--	--
Mortgage-backed Securities	522,675	--	--	--	522,675
Collateralized Investment Contracts	1,725	876	--	--	849
Bonded Program Investments	787,573	258,194	5,722	--	523,657

Interest Rate Risk: Investment maturities will coincide with the anticipated debt service payment dates and cash flow obligations associated with the life of the bonds. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the projected cash flow obligations. No investment will mature after the final bond maturity of the issue.

Credit Risk: It is the Authority's policy to allow investments of the HORB, HRB and MHB Bonded Programs which are acceptable to each rating agency currently rating the General Resolution. Such investments include but are not limited to the following:

Money market mutual funds are limited to AAA rated funds and non-rated funds with portfolios restricted to only those investments specifically authorized by the investment policy. Money market mutual funds are regulated by the Securities & Exchange Commission and have a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads. The Authority invests in money market mutual funds whose investment objectives include seeking to maintain a stable net asset value of $1 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund. As of June 30, 2018 and 2017, the Authority invested only in AAA rated money market mutual funds. Money market mutual funds totaled 27.3% and 32.7%, respectively, of the Bonded Programs Investment portfolio.

U.S. Government Securities, which include, but are not limited to Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips. As of June 30, 2018 and 2017, the U.S. Government Securities were rated AA+ by S&P and Aaa by Moody's.

U.S. Agency Securities, which include, but are not limited to the following issuers: Federal Farm Credit System, Federal Home Loan Bank System, Freddie Mac, Fannie Mae, Farmer Mac, and Ginnie Mae. As of June 30, 2018 and 2017, the U.S. Agency Securities were rated AA+ by S&P and Aaa by Moody's.

4. Cash, Cash Equivalents and Investments (concluded)

Mortgage-backed Securities are guaranteed by Fannie Mae and backed by pools of mortgage loans issued by the Authority. While the securities carry the guaranty of Fannie Mae, they do not carry explicit credit ratings from S&P or Moody's.

Repurchase Agreements/Collateralized Investment Contracts collateralized at 102% or better with a defined termination date not to exceed the maturity of the Bonds, and secured by permitted investments as allowed by the General Resolution. Only contract providers acceptable to the rating agency(s) currently rating the General Resolution will be used. Individual investment contracts are not rated.

Investment Contracts/Uncollateralized Investment Contracts with uncollateralized investment contracts being limited to a defined termination date not to exceed 42 months. Only contract providers acceptable to the rating agency(s) currently rating the General Resolution will be used. Individual investment contracts are not rated.

Concentration of Credit Risk: The investment policy allows investments as outlined in the applicable general resolution. As of June 30, 2018 and 2017, the bonded portfolios were in compliance with this requirement. As of June 30, 2018, 100% of mortgage-backed securities held by the Authority are issued by Fannie Mae.

Foreign Currency Risk: It is the Authority's policy to allow transactions traded in currencies acceptable to each rating agency currently rating the General Resolution.

Portions of cash, cash equivalents and investments are restricted and pledged to the payment of the principal, interest and sinking fund installments in accordance with the terms of the bond resolutions and note agreements.

The asset restrictions at June 30, 2018 and 2017 are as follows (in thousands of dollars):

	2018	2017
Home Ownership Revenue Bond Resolutions:		
1987	8,543	7,370
1988	7,391	6,169
Housing Revenue Bonds	43,236	36,853
Total Cash, Cash Equivalents and Investments	59,170	50,392

Cash, cash equivalents and investments of the funds at June 30, 2018 and 2017 met or exceeded the liquidity requirements of the bond resolutions and note agreements.

5. Mortgage Loans

Mortgage loans provide for monthly receipts of principal and interest for terms of 10 to 30 years for Home Ownership Revenue Bonds and Home Ownership Mortgage Revenue Bonds mortgage loans (together referred to as Single Family Bonds); terms of 1 to 40 years for Housing Revenue Bonds and Multifamily Housing Bonds mortgage loans (together referred to as Multifamily Bonds); terms of 1 to 15 years for State of Wisconsin Programs' mortgage loans; and terms of 1 to 40 years for the General Fund's mortgage loans.

Home Ownership Revenue Bonds and Multifamily Housing Bonds and Housing Revenue Bonds are collateralized with a combination of first mortgage liens and mortgage backed securities. Home Ownership Mortgage Revenue Bonds will be collateralized by Mortgage-backed securities guaranteed as to timely payment of principal and interest by Ginnie Mae, Fannie Mae, or Freddie Mac.

State of Wisconsin Programs are collateralized by second mortgage liens and the General Fund is collateralized primarily by first or second mortgage liens on multifamily developments and single family homes. Also, the General Fund includes Participation Lending Loans which are collateralized by subordinate liens considered on a case by case basis. The collateral coverage for these loans will be the minimum of 110% of market value and 80% of liquidation value.

Mortgages made from the proceeds from Home Ownership Revenue Bonds were initially insured by mortgage pool insurance. Once the bonds retire, mortgages may become self-insured or mortgage pool insurance is retained.

The Authority participates in the Fannie Mae and Ginnie Mae Mortgage-backed Securities (MBS) program. Through the MBS program, Fannie Mae and Ginnie Mae guarantee securities that are backed by pools of mortgage loans originated by the Authority (Note 4). The Authority purchases the securities and receives a fee for servicing the pass-through of principal and interest payments on the pool of mortgage loans, less amounts required to cover guaranty fees. As of June 30, 2018 and 2017, the Authority had $47.4 million and $46.2 million of loans held for sale.

5. Mortgage Loans(concluded)

Mortgage loans receivable bear interest at the following annual rates:

Home Ownership Revenue Bonds	0% - 11.00%
Multifamily Bonds	0% - 10.45%
State of Wisconsin Programs	0% - 8.00%
General Fund	0% - 10.50%

Mortgage loan information at June 30, 2018 and 2017 is as follows (in thousands of dollars):

	Mortgage Loan Balances	Allowance for Loan Losses	Real Estate Held	Net Mortgage Loan Balances
Home Ownership Revenue Bond Resolutions:				
1987	182,797	(747)	735	182,785
1988	226,842	(851)	427	226,418
Housing Revenue Bonds	478,830	(8,774)	--	470,056
Multifamily Housing Bonds	130,608	(3,212)	--	127,396
State of Wisconsin Programs	1,452	(181)	12	1,283
General Fund	175,105	(7,906)	296	167,495
Total as of June 30, 2018	1,195,634	(21,671)	1,470	1,175,433
Home Ownership Revenue Bond Resolutions:				
1987	215,738	(508)	1,113	216,343
1988	274,159	(765)	1,280	274,674
Housing Revenue Bonds	415,254	(8,774)	--	406,480
Multifamily Housing Bonds	107,752	(3,212)	--	104,540
State of Wisconsin Programs	1,482	(246)	30	1,266
General Fund	178,441	(7,219)	144	171,366
Total as of June 30, 2017	1,192,826	(20,724)	2,567	1,174,669

Activity in the allowance for loan losses included provisions charged to expense of $1.4 million and $1.1 million for the years ended June 30, 2018 and 2017, respectively. Activity in the allowance for loan losses also included actual loan charge offs of $443,000 and $573,000 for the years ended June 30, 2018 and 2017, respectively.

In addition, the Authority serviced $1.3 billion and $936.1 million in loans as of June 30, 2018 and 2017, respectively. These loans are serviced by the Authority for the benefit of others, for which the Authority collects a fee.

At June 30, 2018, the Authority was committed to fund mortgage loans approximating the following amounts (in millions of dollars):

Home Ownership Revenue Bonds	$ --
Multifamily Bonds	$ 55.7
State of Wisconsin Programs	$ --
General Fund	$ 94.3

6. Bonds and Notes Payable

Bonds and notes payable of the Authority at June 30, 2018 and 2017 consist of the following (in thousands of dollars):

	2018	2017
Bonds and Notes	1,531,778	1,307,610
Premium/Discount on Bonds	13,955	10,067
Total Bonds and Notes Payable	1,545,733	1,317,677

Bonds and notes payable of the Authority increased/decreased since June 30, 2016 as follows (in thousands of dollars):

	2016	Increase	(Decrease)	2017	Increase	(Decrease)	2018
Home Ownership Revenue Bond Resolutions:							
1987	298,040	141,435	(74,145)	365,330	115,030	(55,875)	424,485
1988	350,905	--	(40,295)	310,610	121,565	(61,535)	370,640
Home Ownership Mortgage Revenue Bonds	53,560	93,023	(13,300)	133,283	--	(12,025)	121,258
Housing Revenue Bonds	337,805	39,775	(23,095)	354,485	110,585	(25,720)	439,350
Multifamily Housing Bonds	127,830	--	(19,575)	108,255	25,549	(2,072)	131,732
General Fund	24,706	17,773	(6,832)	35,647	61,205	(52,539)	44,313
Premium/Discount on Bonds	9,271	2,757	(1,961)	10,067	4,718	(830)	13,955
Total Bonds and Notes Payable	1,202,117	294,763	(179,203)	1,317,677	438,652	(210,596)	1,545,733

Interest on the outstanding general and special obligation bonds is payable monthly, quarterly or semiannually.

The Authority's bonds and notes are collateralized by the revenues and assets of the Authority, subject to the provision of bond resolutions and note agreements which pledge particular revenues or assets to specific bonds or notes. Any particular series may contain both term bonds, subject to mandatory sinking fund requirements, and serial bonds which mature at various dates. The bonds may be redeemed at the Authority's option at various dates. The lines of credit can be prepaid in part or in full at any time.

Bonds and Notes Payable (in thousands of dollars):

	Program/Bond Resolution	Interest Rates*	Dated**	Maturities*	2018	2017
Housing Revenue Bonds						
1974	1998 Series A, B and C	5.30%	02/01/98	2018	50	150
	2003 Series C	5.00% - 5.25%	12/23/03	2023-2043	820	840
	2003 Series D and E	Variable	12/23/03	2044	7,445	7,575
	2005 Series A, B and C	Variable	12/14/05	2035	--	1,685
	2005 Series F	Variable	12/14/05	2030	86,565	91,095
	2006 Series A and B	4.55% - 4.70%	12/14/06	2027-2047	8,980	10,645
	2006 Series C and D	Variable	12/14/06	2037	6,940	7,185
	2007 Series F and G	Variable	12/19/07	2042	14,785	14,990
	2008 Series A, B, C, D, E, F and G	Variable	06/04/08	2030-2033	14,475	14,730
	2009 Series A	Variable	12/30/09	2042	8,675	8,745
	2010 Series A and B	3.95% - 5.75%	12/22/10	2018-2043	19,600	26,000
	2012 Series A and B	Variable	01/27/12	2055	51,280	51,985
	2013 Series ABC	1.90% - 4.875%	06/26/13	2018-2045	9,390	11,605
	2015 Series ABC	1.25% - 4.25%	11/30/15	2018-2052	60,225	67,555
	2016 Series AC	1.50% - 4.50%	12/22/16	2018-2054	15,450	15,615
	2016 Series AC	Variable	12/22/16	2034	24,085	24,085
	2017 Series AB	1.35% - 4.15%	12/21/17	2018-2055	96,330	--
	2017 Series C	Variable	12/21/17	2046	14,255	--
Total Housing Revenue Bonds 1974					439,350	354,485

6. Bonds and Notes Payable (continued)

Program/Bond Resolution	Interest Rates*	Dated**	Maturities*	2018	2017
Multifamily Housing Bonds					
2007 Series A and B	Variable	06/29/07	2040	10,330	10,530
2007 Series C	Variable	08/02/07	2048	5,825	5,895
2008 Series A and B	Variable	08/28/08	2046	12,745	12,925
2009 Series B-1	Variable	10/21/11	2041	4,710	4,830
2009 Series B-2	Variable	10/21/11	2041	46,910	48,110
2011 Series A	Variable	09/01/11	2043	8,385	8,550
2014 Series A	1.25% - 4.05%	10/30/14	2018-2049	6,810	6,915
2016 Series C	1.00% - 3.50%	06/21/16	2018-2053	10,500	10,500
2018 Series A	Variable	05/21/18	2049	25,517	--
Total Multifamily Housing Bonds				131,732	108,255

Program/Bond Resolution	Interest Rates*	Dated**	Maturities*	2018	2017
Home Ownership Revenue Bonds					
1987 2000 Series H	Variable	11/30/00	2024	2,100	2,650
2002 Series B	Variable	02/06/02	2032	520	890
2003 Series B	Variable	07/29/03	2034	14,810	17,350
2005 Series D and E	Variable	09/29/05	2036	7,255	8,490
2007 Series A and B	5.29%	04/10/07	2026	4,665	5,105
2007 Series E and F	Variable	12/18/07	2038	--	20,525
2015 Series ABC	Variable	09/01/15	2031	44,205	44,205
2015 Series ABC	1.50% - 4.00%	09/01/15	2018-2045	103,325	125,795
2016 Series DE	1.05% - 3.50%	10/06/16	2018-2046	132,575	140,320
2018 Series ABC	1.55% - 4.00%	03/28/18	2018-2048	70,925	--
2018 Series ABC	Variable	03/28/18	2039	44,105	--
Total Home Ownership Revenue Bonds 1987				424,485	365,330

Program/Bond Resolution	Interest Rates*	Dated**	Maturities*	2018	2017
Home Ownership Revenue Bonds					
1988 2003 Series D	Variable	11/04/03	2028	5,735	6,340
2004 Series E	Variable	11/23/04	2035	17,730	21,580
2006 Series A and B	Variable	01/19/06	2037	19,755	20,065
2007 Series C and D	Variable	04/10/07	2038	16,735	16,735
2008 Series A and B	Variable	05/15/08	2033-2038	--	24,780
2008 Series A and B	5.30%	05/15/08	2023	--	4,020
2016 Series ABC	1.25% - 3.50%	04/27/16	2018-2046	130,760	157,090
2016 Series ABC	Variable	04/27/16	2038	60,000	60,000
2017 Series BCD	1.25% - 4.00%	10/24/17	2018-2048	79,925	--
2017 Series BCD	Variable	10/24/17	2037	40,000	--
Total Home Ownership Revenue Bonds 1988				370,640	310,610

Program/Bond Resolution	Interest Rates*	Dated**	Maturities*	2018	2017
Home Ownership Mortgage Revenue Bonds					
2010 Series A and 2009 Series A-1	0.72% - 4.50%	11/16/10	2018-2041	31,050	40,260
2017 Series A	2.69%	06/28/17	2047	90,208	93,023
Total Home Ownership Mortgage Revenue Bonds				121,258	133,283
Facility Refunding Bonds, Series 2013	Variable	07/01/13	2017	--	1,685
Notes Payable					
Line of Credit – Construction Plus	Variable	10/01/14	2020	27,955	27,500
Line of Credit – Economic Development	3.50%	11/30/17	2026	5,000	--
Line of Credit – Economic Development	3.74%	08/30/17	2024	5,000	--
Rural Housing PRLF	1.00%	11/03/08	2038-2040	2,358	2,462
Other	3.75%	01/24/01	2021	4,000	4,000
Total Notes Payable				44,313	33,962
Total Bonds and Notes ***				1,531,778	1,307,610

6. Bonds and Notes Payable (continued)

The unused balance on the Construction Plus line of credit was $12.0 million and $12.5 million as of June 30, 2018 and 2017.

The Authority has $543.4 million in Variable Rate Demand Bonds (VRDB) outstanding. The interest rate on the VRDBs is set on a weekly, monthly and quarterly basis. The bondholders may tender the VRDBs on specified dates at a price equal to par plus accrued interest.

The Authority's remarketing agents are authorized to use their best efforts to sell the repurchased bonds at par by adjusting the interest rate. The remarketing agent determines the interest rate on each maturity of bonds.

In the event that the VRDBs cannot be remarketed, they will be purchased by the liquidity provider based on the terms of the liquidity agreement. The liquidity agreements are Standby Bond Purchase Agreements. The Authority currently has six liquidity providers. The short-term ratings of the liquidity providers are A-1 or A-1+ by Standard and Poor's and P-1 by Moody's Investor Service ratings.

No draws under the liquidity agreements are outstanding as of June 30, 2018 and no funds have been drawn July 1, 2017 to June 30, 2018. If a draw occurs, it will accrue interest at the bank's base rate. The bank's base rate is calculated using a prime lending rate or the federal funds rate plus a spread. If the bonds are not remarketed and a draw remains outstanding for a period of time or a default under the agreement occurs, the interest rate is increased. If the draw remains outstanding for a specified number of days, it may be amortized over a specified period of time (3 to 5 years). If interest on the draws or the required amortization of the draw is not paid, a default will occur.

Each liquidity agreement commitment includes the par amount of the bonds outstanding and accrued interest at the maximum bond rate. The Authority is required to pay an annual commitment fee on each liquidity agreement. The Authority did not pay any up-front commitment fees for the liquidity agreements. Each liquidity agreement includes provisions for extension at the option of the liquidity provider and the Authority. The expiration dates range from September 1, 2018 to June 1, 2023.

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* Interest rates and maturities are as of June 30, 2018.

** Variable Rate Bonds are dated the date of delivery.

*** In 1990 the Authority defeased $48.4 million of Insured Mortgage Revenue Bonds and as of June 30, 2018 and 2017, the remaining outstanding defeased debt was $0 and $5.8 million, respectively.

Scheduled debt maturities in the five fiscal years subsequent to June 30, 2018 and five year increments thereafter are as follows (in thousands of dollars):

	2019	2020	2021	2022	2023	2024-2028	2029-2033
Home Ownership Revenue Bond Resolutions:							
1987	13,885	14,605	15,015	15,495	16,015	73,945	172,135
1988	9,195	9,370	9,590	9,805	10,045	45,170	67,575
Home Ownership Mortgage Revenue Bonds	875	910	745	560	590	2,000	8,420
Housing Revenue Bonds	12,830	13,580	14,560	14,175	14,660	86,175	92,420
Multifamily Housing Bonds	2,365	1,830	1,910	1,980	2,065	11,665	14,250
General Fund	28,060	107	108	4,109	110	10,566	594
Totals	67,210	40,402	41,928	46,124	43,485	229,521	355,394

	2034-2038	2039-2043	2044-2048	2049-2053	2054-2058
Home Ownership Revenue Bond Resolutions:					
1987	55,925	47,465	--	--	--
1988	99,755	59,085	51,050	--	--
Home Ownership Mortgage Revenue Bonds	10,350	6,600	90,208	--	--
Housing Revenue Bonds	58,670	49,865	41,560	31,520	9,335
Multifamily Housing Bonds	17,435	26,960	17,285	33,892	95
General Fund	621	38	--	--	--
Totals	242,756	190,013	200,103	65,412	9,430

6. Bonds and Notes Payable (concluded)

Using rates as of June 30, 2018, debt service requirements of the Authority's outstanding debt interest payments, assuming current interest rates remain the same for their term, are as follows (in thousands of dollars). As rates change, variable rate bond interest payments will vary.

	2019	2020	2021	2022	2023	2024-2028	2029-2033
Home Ownership Revenue Bond Resolutions:							
1987	14,987	11,174	10,877	10,538	10,149	45,170	35,529
1988	12,060	8,942	8,771	8,582	8,361	37,970	32,297
Home Ownership Mortgage Revenue Bonds	3,202	3,377	3,345	3,319	3,295	16,127	15,402
Housing Revenue Bonds	13,685	11,462	11,117	10,789	10,458	46,571	34,728
Multifamily Housing Bonds	3,634	3,593	3,552	3,508	3,462	16,526	14,964
General Fund	1,302	535	533	457	381	926	51
Totals	48,870	39,083	38,195	37,193	36,106	163,290	132,971

	2034-2038	2039-2043	2044-2048	2049-2053	2054-2058
Home Ownership Revenue Bond Resolutions:					
1987	21,928	13,668	3,714	--	--
1988	24,744	14,926	3,580	--	--
Home Ownership Mortgage Revenue Bonds	14,010	12,471	10,111	--	--
Housing Revenue Bonds	23,617	16,144	9,511	4,053	245
Multifamily Housing Bonds	13,021	10,225	8,067	1,537	2
General Fund	21	--	--	--	--
Totals	97,341	67,434	34,983	5,590	247

During the years ended June 30, 2018 and 2017, the Authority redeemed various outstanding bonds early according to the redemption provisions in the bond resolutions. A summary of all early redemptions follows (in thousands of dollars):

	2018	2017
Home Ownership Revenue Bond Resolutions:		
1987	44,655	64,805
1988	53,930	31,860
Home Ownership Mortgage Revenue Bonds	10,831	11,740
Housing Revenue Bonds	13,995	11,920
Multifamily Housing Bonds	482	17,495
General Fund	--	--
Total	123,893	137,820

The Authority issued $115.0 million in Home Ownership Revenue Bonds in the 1987 Resolution. Bond proceeds of $15.0 million were used to redeem existing Home Ownership Revenue Bonds. The projected debt service payments on the existing bonds was $16.4 million and the projected debt service on the new bonds is expected to be $15.9 million. The projected economic gain using 2.2% was $717,000. The Authority also issued $121.6 million in Home Ownership Revenue Bonds in the 1988 Resolution. Bond proceeds of $21.6 million were used to redeem existing Home Ownership Revenue Bonds. The projected debt service payments on the existing bonds was $23.5 million and the projected debt service on the new bonds is expected to be $23.2 million. The projected economic gain using 2.2% was $180,000.

7. Derivatives

The Authority has entered into various interest rate swap agreements. The agreements provide the Authority with synthetic fixed interest rates on a portion of its debt. During the term of the swap agreements, the Authority expects to effectively pay a fixed rate on the debt. In return, the counterparty pays interest based on a contractually agreed upon variable rate. The Authority will be exposed to variable rates on the outstanding bonds if the counterparty to the swap defaults, the swap is terminated such that the bonds outstanding is greater than the swap notional value, or the effective interest rate, determined by the remarketing agent used for bond holder payments, increases over the variable rate index used for calculating the interest received from the counterparty. All interest rate swap agreements at June 30, 2018 and 2017 were classified as effective cash flow hedges, per GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". The fair value, or termination market value, is reported on the Statements of Net Position of the Authority.

7. Derivatives (continued)

The following table outlines information related to agreements in place as of June 30, 2018 and 2017 (in thousands of dollars):

Program and Bond Issue	Notional Value at 6/30/18	Effective Date	Swap Termination Date	Counterparty Credit Rating	Fixed Rate Paid	Variable Rate/Index Received[4] [5]	Swap Termination Market Value at 06/30/18	Swap Termination Market Value at 06/30/17	Change in Fair Value
HRB[1]									
2005 Series F	56,125	01/17/2006	11/01/2030	A+/Aa3	5.21%	1 Month LIBOR	(8,419)	(12,662)	4,243
2007 Series F	10,040	12/19/2007	11/01/2025	A+/Aa3	4.01%	SIFMA + 6 Basis Points	(1,157)	(1,653)	496
2007 Series G	4,745	12/19/2007	11/01/2025	A+/Aa3	4.01%	SIFMA + 6 Basis Points	(547)	(781)	234
		Total HRB Swap Termination Market Value					(10,123)	(15,096)	4,973
MHB[2]									
2007 Series A	6,735	06/29/2007	10/01/2022	A+/Aa3	4.43%	SIFMA + 6 Basis Points	(607)	(929)	322
2007 Series B	3,595	06/29/2007	10/01/2022	A+/Aa3	5.90%	1 Month LIBOR - 2 Basis Points	(437)	(702)	265
2007 Series C	5,825	08/02/2007	09/01/2024	A+/Aa3	4.33%	SIFMA + 2 Basis Points	(701)	(1,001)	300
2008 Series A	6,325	08/28/2008	10/01/2026	A+/Aa2	3.89%	SIFMA + 2 Basis Points	(752)	(1,066)	314
2008 Series A	4,065	08/28/2008	10/01/2026	A+/Aa2	3.89%	SIFMA + 2 Basis Points	(484)	(685)	201
2008 Series B	2,355	08/28/2008	10/01/2026	A+/Aa2	5.08%	LIBOR + 7 Basis Points	(359)	(541)	182
2011 Series A	8,385	09/01/2012	09/01/2018	A/A2	2.10%	SIFMA	(9)	(109)	100
		Total HRB Swap Termination Market Value					(3,349)	(5,033)	1,684
1987 HORB[3]									
2002 Series B	520	02/06/2002	03/01/2020	A+/Aa3	5.88%	1 Month LIBOR + 35 Basis Points	(11)	(41)	30
2003 Series B	14,810	07/29/2003	09/01/2034	A+/Aa3	3.94%	65% of 1 Month LIBOR + 25 Basis Points	(1,562)	(2,655)	1,093
2007 Series E	--	12/18/2007	09/01/2038	AA/Aa3	3.96%	62% of 1 Month LIBOR + 38 Basis Points	--	(103)	103
2015 Series C	44,205	03/01/2016	03/01/2031	AA-/A1	1.28%	67% of 1 Month LIBOR	707	(577)	1,284
2018 Series C	44,105	03/28/2018	03/01/2021	AA-/A1	2.66%	73% of 1 Month LIBOR	(541)	--	(541)
		Total 1987 HORB Swap Termination Market Value					(1,407)	(3,376)	1,969
1988 HORB[3]									
2004 Series E	17,730	11/23/2004	09/01/2035	A+/Aa3	3.99%	65% of 1 Month LIBOR + 25 Basis Points	(2,165)	(3,543)	1,378
2007 Series D	--	06/28/2007	09/01/2028	A+/Aa3	6.01%	1 Month LIBOR	--	(133)	133
2008 Series A	--	05/15/2008	03/01/2019	A+/Aa2	3.35%	SIFMA + 8 Basis Points	--	(174)	174
2008 Series A	--	05/15/2008	09/01/2038	AA/Aa3	3.86%	62% of 1 Month LIBOR + 38 Basis Points	--	(46)	46
2016 Series C	60,000	04/27/2016	03/01/2038	AA-/A1	1.911%	67% of 1 Month LIBOR	2,332	713	1,619
2017 Series D	40,000	10/24/2017	09/01/2037	AA-/A1	2.215%	73% of 1 Month LIBOR	772	--	772
		Total 1988 HORB Swap Termination Market Value					939	(3,183)	4,122
		Total Swap Termination Market Value					(13,940)	(26,688)	12,748

(1) Housing Revenue Bonds
(2) Multifamily Housing Bonds
(3) Home Ownership Revenue Bonds
(4) London Interbank Offered Rate
(5) SIFMA Municipal Bond Index™

Swap Valuation: The Swap Termination Market Values presented above were estimated by the Authority's counterparties to the swap agreements, using proprietary valuation models based on industry valuation methodology, including the use of forward yield curves, zero curve rates, and market implied volatility assumptions. The fair market valuation of these swaps is classified in Level 2 (Note 4) according to the fair value hierarchy provided by GASB No. 72 "Fair Value measurement and application". The synthetic instrument method and the regression analysis method were used to determine whether the derivative was an effective hedge or not based on criteria provided by GASB Statement No. 53 "Accounting and Financial Reporting for Derivative Instruments". The fair values of the hedgeable derivatives are presented in the Statements of Net Position of the Authority.

The market values in the table above represent the termination payments that would have been due had the swaps terminated on June 30, 2018 or June 30, 2017. A positive value represents money due to the Authority by the counterparty upon termination while a negative value represents money payable by the Authority.

Termination Risk: Counterparties to the Authority's swap agreements have ordinary termination rights that require a settlement payment by the Authority or the counterparty based on the market value of the swap agreement at the time of termination. As of June 30, 2018, no counterparty termination events occurred.

Credit Risk: The Authority is exposed to credit risk, the risk that the counterparty fails to perform according to its contractual obligations, on all swap agreements. As of June 30, 2018, the counterparty or counterparty guarantor in 57% of the outstanding swaps were rated AA-/A1, 36% of the outstanding swaps were rated A+/Aa3, 4% of the outstanding swaps were rated A+/Aa2 and the remaining counterparties were rated A/A2 by S&P and Moody's, respectively. A collateral agreement has been entered into with all but one of the swap counterparties, to help reduce the Authority's exposure to credit risk. Collateral is required based on the counterparty's credit rating and the allowed threshold under each credit rating level.

As of June 30, 2018, the counterparty rated A+/Aa3, has collateral requirements starting at BBB+/Baa1 and a posting threshold of $500,000. The counterparty rated A+/Aa2 has collateral requirements starting at A+/A1 and a posting threshold of $10.0 million. The counterparty rated AA-/A1 has collateral requirements starting at AA/Aa2 and a posting threshold of $50.0 million. The posting threshold at the current rating of AA-/A1 is $15.0 million. The counterparty rated A/A2 does not have a collateral agreement with the Authority. Based on the fair values as of June 30, 2018, no collateral is required from any counterparty.

Basis and Interest Rate Risk: This risk arises when the amount that is paid by the swap counterparty is different than the variable rate interest payment due to the bondholders. For the Authority, this can happen when the swap counterparty payment is based on a taxable index (LIBOR) while the underlying bonds are traded in the tax exempt market. Based on market conditions, the relationship between taxable and tax exempt rates may vary. To minimize this risk, the Authority has chosen to use the formula that best represents the relationship between the taxable index and the Authority's historical bond rates. In addition, even when the swap counterparty payment is based on a tax exempt index (SIFMA) and the underlying bonds are tax exempt, or the swap counterparty payment is based on a taxable index (LIBOR) and the underlying bonds are taxable, the Authority's variable rate bonds may be traded differently from the market indices.

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 bond. The Authority's swap agreements have limited rollover risk. For HORB issues, the swap agreements contain scheduled reductions to the notional amounts that are expected to follow the scheduled and anticipated reductions in the associated bonds under a wide range of mortgage prepayment speeds. In the case of the HRB and MHB issues, the underlying mortgages will adjust at the swap termination date to current market conditions.

The following swaps expose the Authority to rollover risk:

Associated Debt Issuance	Bond Maturity Date	Swap Termination Date
1987 HORB 2002 Series B	09/01/2032	03/01/2020
1974 HRB 2007 Series F & G	05/01/2042	11/01/2025
2006 MHB 2007 Series A & B	10/01/2040	10/01/2022
2006 MHB 2007 Series C	10/01/2048	09/01/2024
2006 MHB 2008 Series A & B	04/01/2046	10/01/2026
2011 MHB 2011 Series A	12/01/2043	09/01/2018

7. Derivatives (concluded)

Swap Payments and Associated Debt:

Using rates as of June 30, 2018, debt service requirements of the Authority's outstanding variable rate debt and net swap payments, assuming current interest rates remain the same for their term, are as follows (in thousands of dollars). As rates vary, variable rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	Principal	Interest	Interest Rate Swaps, Net	Total
2019	12,685	5,123	5,096	22,904
2020	4,365	5,150	4,883	14,398
2021	4,420	5,046	4,774	14,240
2022	4,645	4,978	4,615	14,238
2023	14,035	4,763	4,356	23,154
2024 – 2028	70,235	20,832	16,913	107,980
2029 – 2033	123,135	12,634	9,024	144,793
2034 – 2038	93,320	3,443	2,077	98,840
2039 – 2043	2,725	28	21	2,774
Totals	329,565	61,997	51,759	443,321

8. Restricted Net Position

Programs that are financed by the issuance of bonds are accounted for separately in accordance with each of the bond resolutions. Program assets and revenues are pledged to bondholders. As of June 30, 2018 and 2017, approximately $496.0 million and $491.7 million, respectively, of the net position was restricted by bond resolutions. Revenues in excess of required amounts are available to be transferred to the General Fund. Amounts transferred to the General Fund from the bond resolutions are free and clear of any lien or pledge created by the bond resolutions and may be used for any lawful purpose.

Net Position restricted by contractual agreement for various purposes including credit enhancements, loan programs, operating expenses, collateral for note agreements and property replacement was approximately $231.2 million and $214.9 million as of June 30, 2018 and 2017, respectively.

The unrestricted General Fund net position of $29.4 million as of June 30, 2018 will be used according to the 2018-2019 Dividends for Wisconsin plan.

9. Retirement and Other Benefits

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a stand-alone Comprehensive Annual Financial Report (CAFR), which can be found at http://etf.wi.gov/publications/cafr.htm

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10%
2008	6.6%	0%
2009	(2.1)%	(42)%
2010	(1.3)%	22%
2011	(1.2)%	11%
2012	(7.0)%	(7)%
2013	(9.6)%	9%
2014	4.7%	25%
2015	2.9%	2%
2016	0.5%	(5.0)%
2017	2.0	4.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized $738,440 in contributions from the employer. Contribution rates as of June 30, 2018 and June 30, 2017 are as follows:

Employee Category	2018 Employee	2018 Employer	2017 Employee	2017 Employer
General (including teachers, executives and elected officials)	6.8%	6.8%	6.6%	6.6%
Protective with Social Security	6.8%	10.6%	6.6%	9.4%
Protective without Social Security	6.8%	14.9%	6.6%	13.2%

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

At June 30, 2018, the Authority reported an asset of $2,105,385 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Authority's proportion of the net pension asset was based on the Authority's share of contributions to the pension plan relative to contributions of all participating employers. At December 31, 2017, the Authority's proportion was .071%, which was a increase of .001% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Authority recognized pension expense of $940,768.

9. Retirement and Other Benefits(continued)

At June 30, 2017, the Authority reported a liability of $577,790 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to contributions of all participating employers. At December 31, 2016, the Authority's proportion was .07%, which was a decrease of .002% from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the Authority recognized pension expense of $1,513,529.

At June 30, 2018 and 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands of dollars):

	2018	2018	2017	2017
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$2,675	($1,251)	$220	($1,817)
Net differences between projected and actual earnings on pension plan investments	$0	($2,894)	$2,876	$0
Changes in assumptions	$416	$0	$604	$0
Changes in proportion and differences between employer contributions and proportionate share of contributions	$69	$0	$93	$0
Employer contributions subsequent to the measurement date	$381	$0	$357	$0
Total	$3,541	($4,145)	$4,150	($1,817)

$381,000 and $357,000 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the years ended June 30, 2018 and 2017, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows (in thousands of dollars):

	Fiscal Year 2018	
Year ended June 30:	**Deferred Outflow of Resources**	**Deferred Inflows of Resources**
2018	$254	$0
2019	$8	$0
2020	$0	($708)
2021	$0	($545)
Thereafter	$5	$0

	Fiscal Year 2017	
Year ended June 30:	**Deferred Outflow of Resources**	**Deferred Inflows of Resources**
2017	$793	$0
2018	$793	$0
2019	$548	$0
2020	$0	($160)
Thereafter	$2	$0

9. Retirement and Other Benefits(continued)

Actuarial assumptions. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases: Inflation Seniority/Merit	 3.2% 0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension asset for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

Long-term expected Return on Plan Assets: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are 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 by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Retirement Funds
Asset Allocation Targets and Expected Returns
As of December 31, 2017

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class			
Global Equities	50.0	8.2	5.3
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8.0	6.5	3.6
Private Equity/Debt	8.0	9.4	6.5
Multi-Asset	4.0	6.5	3.6
Total Core Fund	110	7.3	4.4
Variable Fund Asset Class			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount rate: A single discount rate of 7.20% was used to measure the total pension asset. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan 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 asset.

Sensitivity of the Authority's proportionate share of the net pension asset to changes in the discount rate. The following presents the Authority's proportionate share of the net pension asset calculated using the discount rate of (7.20 percent), as well as what the Authority's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate (in thousands):

Fiscal Year 2018	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
Authority's proportionate share of the net pension liability (asset)	$5,447	$(2,106)	($7,846)

Fiscal Year 2017	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
Authority's proportionate share of the net pension liability (asset)	$7,601	$578	($4,831)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at http://etf.wi.gov/publications/cafr.htm.

General Information about Other Post-Employment Benefits

Plan Description. The SRLIF is a multiple-employer defined benefit OPEB plan. SRLIF benefits and other plan provisions are established by Chapter 40 of Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at http://etf.wi.gov/publications/cafr.htm

Benefits provided. The SRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2017 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	28% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are as listed below:

9. Retirement and Other Benefits (continued)

Life Insurance Employee Contribution Rates For the year ended December 31, 2017	
Attained Age	**Basic**
Under 30	$0.04
30-34	0.04
35-39	0.04
40-44	0.06
45-49	0.10
50-54	0.16
55-59	0.22
60-64	0.30
65-69	0.39

During the reporting period, the SRLIF recognized $3,458 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2018, the Authority reported a liability of $1,280,487 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017 and the total OPEB liability used to calculate the net OEPB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the OEB plan relative to the contributions of all participating employers. At December 31, 2017 the Authority's proportion was .259%, which was an increase of .006% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2017, the Authority recognized OPEB expense of $1,148,723.

At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$0
Net differences between projected and actual earnings on OPEB plan investments	$577
Changes in assumptions	$109,038
Changes in proportion and differences between employer contributions and proportionate share of contributions	$22,149
Total	$131,764

Year Ended June 30:	Deferred Outflows of Resources
2019	$19,239
2020	$19,239
2021	$19,239
2022	$19,239
Thereafter	$54,808

9. Retirement and Other Benefits (concluded)

Actuarial assumptions. The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability:	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return:	5.0%
Discount Rate:	3.60%
Salary Increases Inflation: Seniority/Merit:	 3.20% 0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the SRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the SRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2017

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.0%

Single Discount Rate. A Single discount rate of 3.60% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 3.60 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.60 percent) or 1-percentage point higher (4.60 percent) than the current rate:

	1% Decrease to Discount Rate (2.60%)	Current Discount Rate (3.60%)	1% Increase To Discount Rate (4.6%)
Authority's proportionate share of the net OPEB liability	$1,743,359	$1,280,487	$921,219

OEPB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at http://etf.wi.gov/publications/cafr.htm

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Required Supplementary Information

June 30, 2018
with comparative totals for June 30, 2017

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Wisconsin Retirement System
Last 10 Fiscal Years*
(In Thousands)

	2015	2016	2017	2018
Authority's proportion of the net pension liability (asset)	.074%	.072%	.070%	.071%
Authority's proportionate share of the net pension liability (asset)	($1,828)	$1,166	$578	($2,105)
Authority's covered-employee payroll	$9,909	$9,868	$10,124	$10,859
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.2%	99.12%	102.93%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year

SCHEDULE OF AUTHORITY CONTRIBUTIONS
Wisconsin Retirement System
Last 10 Fiscal Years*
(In Thousands)

	2015	2016	2017	2018
Contractually required contributions	$694	$671	$668	$738
Contributions in relation to the contractually required contributions	($694)	($671)	($668)	($738)
Contribution deficiency (excess)	$0.00	$0.00	$0.00	$0.00
Authority's covered-employee payroll	$9,909	$9,868	$10,124	$10,859
Contributions as a percentage of covered-employee payroll	7.0%	6.8%	6.6%	6.8%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Notes to Required Supplementary Information
For the Year Ended June 30, 2018

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. There were no changes in the assumptions.

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
State Retiree Life Insurance Fund
Last 10 Fiscal Years*
(In Thousands)

	2018
Authority's proportion of the net OPEB liability	.259%
Authority's proportionate share of the net OPEB liability	$1,280
Authority's covered-employee payroll	$8,261
Plan fiduciary net position as a percentage of the total OPEB liability	41.63%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year

SCHEDULE OF AUTHORITY CONTRIBUTIONS
State Retiree Life Insurance Fund
Last 10 Fiscal Years*
(In Thousands)

	2018
Contractually required contributions	$3
Contributions in relation to the contractually required contributions	$3
Contribution deficiency (excess)	$0
Authority's covered-employee payroll	$8,261
Contributions as a percentage of covered-employee payroll	.042%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Notes to Required Supplementary Information
For the Year Ended June 30, 2018

Changes of benefit terms. There were no changes of benefit terms for any participating employer in SRLIF.

Changes of assumptions. There were no changes in the assumptions.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Supplementary Information

June 30, 2018
with comparative totals for June 30, 2017

Combining Statements of Net Position
June 30, 2018
with comparative totals for June 30, 2017
(Thousands of Dollars)

Assets

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2018	Total 2017
Current Assets:							
Cash and cash equivalents (Notes 1 & 4)	110,602	154,204	11,221	17,683	187,740	481,450	413,631
Investments (Notes 1 & 4)	1,534	-	-	-	11,250	12,784	14,973
Investment interest receivable	176	269	11	16	154	626	288
Mortgage-backed securities investment interest receivable	1,831	79	-	-	81	1,991	1,323
Mortgage loans receivable, net (Notes 1 & 5)	18,335	34,674	2,651	232	11,188	67,080	46,113
Mortgage interest receivable	2,538	1,857	524	39	562	5,520	6,665
Accounts receivable	512	1	-	41	1,621	2,175	2,945
Prepaid expense	25	13	3	-	24	65	93
Interfunds	(12,746)	(1,736)	(1,171)	(166)	15,819	-	-
Total Current Assets	122,807	189,361	13,239	17,845	228,439	571,691	486,031
Noncurrent Assets:							
Investments (Notes 1 & 4)	384	5,783	-	-	8,661	14,828	15,976
Mortgage-backed securities (Notes 1 & 4)	696,120	30,098	-	-	27,326	753,544	522,675
Mortgage loans receivable, net (Notes 1 & 5)	390,868	435,382	124,745	1,051	156,307	1,108,353	1,128,556
Net pension asset (Note 9)	-	-	-	-	2,105	2,105	-
Other assets (Note 1)	-	-	-	-	4,628	4,628	16,491
Total Noncurrent Assets	1,087,372	471,263	124,745	1,051	199,027	1,883,458	1,683,698
Total Assets	1,210,179	660,624	137,984	18,896	427,466	2,455,149	2,169,729

Deferred Outflow of Resources

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2018	Total 2017
Accumulated decrease in fair value of hedging derivatives (Notes 1 & 7)	468	10,123	3,349	-	-	13,940	26,688
Deferred outflow of resources - pension (Note 9)	-	-	-	-	3,541	3,541	4,150
Deferred outflow of resources - other post employment benefits (Note 9)	-	-	-	-	131	131	-
Total Deferred Outflow of Resources	468	10,123	3,349	-	3,672	17,612	30,838

Liabilities

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2018	Total 2017
Current Liabilities:							
Bonds and notes payable (Notes 1 & 6)	26,245	12,830	2,365	-	28,060	69,500	66,664
Accrued interest payable	7,750	2,288	799	-	369	11,206	9,560
Total Current Liabilities	33,995	15,118	3,164	-	28,429	80,706	76,224
Noncurrent Liabilities:							
Bonds and notes payable (Notes 1 & 6)	904,098	426,516	129,367	-	16,252	1,476,233	1,251,013
Escrow deposits (Notes 1 & 4)	-	-	-	-	94,881	94,881	81,972
Derivative instrument - interest rate swaps (Notes 1 & 7)	468	10,123	3,349	-	-	13,940	26,688
Net pension liability (Note 9)	-	-	-	-	-	-	578
Net other post employment benefits liability (Note 9)	-	-	-	-	1,280	1,280	-
Other liabilities	330	186	40	5,632	38,413	44,601	39,191
Total Noncurrent Liabilities	904,896	436,825	132,756	5,632	150,826	1,630,935	1,399,442
Total Liabilities	938,891	451,943	135,920	5,632	179,255	1,711,641	1,475,666

Deferred Inflow of Resources

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2018	Total 2017
Deferred inflow of resources - pension (Note 9)	-	-	-	-	4,145	4,145	1,817

Net Position

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2018	Total 2017
Net investment in capital assets	-	-	-	-	420	420	10,499
Restricted by bond resolutions (Note 8)	271,756	218,804	5,413	-	-	495,973	491,737
Restricted by contractual agreements (Note 8)	-	-	-	13,264	217,899	231,163	214,905
Unrestricted (Note 8)	-	-	-	-	29,419	29,419	5,943
Total Net Position	271,756	218,804	5,413	13,264	247,738	756,975	723,084

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Revenues, Expenses And Change in Net Position For the Year Ended June 30, 2018 with comparative totals for the year ended June 30, 2017

(Thousands of Dollars)

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2018	Total 2017
Mortgage income (Note 1)	26,458	20,917	5,090	77	10,441	62,983	65,277
Investment interest (Note 1)	1,655	1,855	125	213	2,431	6,279	3,009
Net increase (decrease) in fair value of investments	(25)	(116)	-	-	2,591	2,450	1,767
Mortgage-backed securities investment income	17,578	1,303	-	-	260	19,141	12,318
Net decrease in fair value of mortgage-backed securities	(19,281)	(929)	-	-	(654)	(20,864)	(12,862)
Interest expense (Note 1)	(21,567)	(12,331)	(3,468)	-	(2,342)	(39,708)	(35,372)
Debt financing costs	(2,207)	(584)	-	-	(50)	(2,841)	(2,247)
Net Investment Income	2,611	10,115	1,747	290	12,677	27,440	31,890
Mortgage service fees	17	76	5	7	7,682	7,787	8,066
Pass-through subsidy revenue (Note 1)	-	10,968	-	-	172,843	183,811	184,876
Grant Income	-	-	-	-	864	864	530
Other income (Note 1)	417	817	-	45	34,130	35,409	16,616
Net Investment and Other Income	3,045	21,976	1,752	342	228,196	255,311	241,978
Direct loan program expense	3,282	1,030	309	5	10,646	15,272	13,762
Pass-through subsidy expense (Note 1)	-	10,968	-	-	172,843	183,811	184,876
Grants and services	-	-	-	-	488	488	772
General and administrative expenses	4,581	2,368	95	149	13,974	21,167	18,536
Other expense (Note 1)	-	-	-	-	682	682	838
Total Expenses	7,863	14,366	404	154	198,633	221,420	218,784
Change in Net Position	(4,818)	7,610	1,348	188	29,563	33,891	23,194
Net Position, Beginning of Year	276,556	211,195	3,986	13,057	218,290	723,084	699,890
Transfers between programs (Note 8)	18	(1)	79	19	(115)	-	-
Net Position, End of Year	271,756	218,804	5,413	13,264	247,738	756,975	723,084

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Cash Flows
For the Year Ended June 30, 2018
with comparative totals for the year ended June 30, 2017
(Thousands of Dollars)

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2018	Total 2017
Cash Flows from Operating Activities:							
Cash received from interest on mortgage loans	27,410	20,695	4,982	108	10,933	64,128	67,158
Cash received from mortgage payments	84,668	75,028	2,693	353	40,847	203,589	173,916
Cash received from other fees and other income	344	892	-	37	23,527	24,800	24,994
Cash payments to purchase mortgage loans	(2,855)	(138,603)	(25,549)	(369)	(36,977)	(204,353)	(66,231)
Cash received from escrow deposits, net	-	-	-	-	12,910	12,910	(161)
Cash payments to employees	(3,666)	(1,894)	(76)	(119)	(10,048)	(15,803)	(14,637)
Cash payments to vendors	(3,931)	(1,465)	(321)	(63)	(5,316)	(11,096)	(16,737)
Transfers between programs and change in interfunds	170	343	(90)	90	(513)	-	-
Net Cash Provided by (Used in) Operating Activities	102,140	(45,004)	(18,361)	37	35,363	74,175	168,302
Cash Flows from Non-Capital Financing Activities:							
Proceeds from issuance of bonds and notes	240,683	110,001	25,549	-	61,155	437,388	292,516
Repayments on bonds and notes	(129,436)	(25,720)	(2,072)	-	(52,539)	(209,767)	(177,241)
Interest paid on bonds, notes and escrows	(23,137)	(11,777)	(3,377)	-	(2,178)	(40,469)	(36,330)
Net Cash Provided by (Used in) Non-Capital Financing Activities	88,110	72,504	20,100	-	6,438	187,152	78,945
Cash Flows from Investing Activities:							
Purchases of investments	(285,277)	(55,095)	-	-	(135,962)	(476,334)	(529,280)
Proceeds from sales and maturities of investments	58,375	58,050	-	-	112,051	228,476	288,102
Investment interest received	18,566	3,017	118	201	4,260	26,162	16,804
Net Cash Provided by (Used in) Investing Activities	(208,336)	5,972	118	201	(19,651)	(221,696)	(224,374)
Cash Flows from Capital Financing Activities:							
Purchase of capital assets	-	-	-	-	(686)	(686)	(682)
Sale of capital assets	-	-	-	-	28,874	28,874	-
Net Cash Provided by (Used in) Capital Financing Activities	-	-	-	-	28,188	28,188	(682)
Net Increase (Decrease) in Cash and Cash Equivalents	(18,086)	33,472	1,857	238	50,338	67,819	22,191
Cash and Cash Equivalents, Beginning of Year	128,688	120,732	9,364	17,445	137,402	413,631	391,440
Cash and Cash Equivalents, End of Year	110,602	154,204	11,221	17,683	187,740	481,450	413,631

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Cash Flows
For the Year Ended June 30, 2018
with comparative totals for the year ended June 30, 2017
(Thousands of Dollars)

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2018	Total 2017
Reconciliation of Change in Net Position to Net Cash Provided by (Used in) Operating Activities:							
Change in Net Position	(4,818)	7,610	1,348	188	29,563	33,891	23,194
Adjustments to Reconcile Change in Net Position to Net Cash Provided by (Used in) Operating Activities:							
Net decrease in fair value of investments and mortgage-backed securities	19,306	1,045	-	-	24	20,375	11,095
Provision for loan loss	472	-	-	-	917	1,389	1,126
Interest expense	21,567	12,331	3,468	-	2,341	39,707	35,371
Income on investments and mortgage backed securities	(19,242)	(3,158)	(125)	(213)	(4,652)	(27,390)	(15,327)
Depreciation and amortization	-	-	-	-	(1,414)	(1,414)	(1,526)
Decrease (Increase) in mortgage loans receivable and real estate held	81,341	(63,575)	(22,856)	(16)	2,953	(2,153)	106,559
Increase in escrows	-	-	-	-	13,082	13,082	(161)
Other	3,514	743	(196)	78	(7,451)	(3,312)	7,971
Net Cash Provided by (Used in) Operating Activities	102,140	(45,004)	(18,361)	37	35,363	74,175	168,302

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Net Position - Home Ownership Mortgage Loan Program
June 30, 2018
with comparative totals for June 30, 2017
(Thousands of Dollars)

	Single Family Bonds				Total	
Assets	1987	1988	2009	Other Home	2018	2017
Current Assets:						
Cash and cash equivalents (Notes 1 & 4)	52,681	52,885	5,036	-	110,602	128,688
Investments (Notes 1 & 4)	1,515	19	-	-	1,534	943
Investment interest receivable	100	67	9	-	176	97
Mortgage-backed securities investment interest receivable	770	707	354	-	1,831	1,237
Mortgage loans receivable, net (Notes 1 & 5)	8,311	10,024	-	-	18,335	19,353
Mortgage interest receivable	1,151	1,387	-	-	2,538	3,489
Accounts receivable	243	269	-	-	512	745
Prepaid expense	16	8	1	-	25	53
Interfunds	(5,158)	(3,829)	(3,759)	-	(12,746)	(12,593)
Total Current Assets	59,629	61,537	1,641	-	122,807	142,012
Noncurrent Assets:						
Investments (Notes 1 & 4)	93	291	-	-	384	805
Mortgage-backed securities (Notes 1 & 4)	300,693	267,905	127,522	-	696,120	488,693
Mortgage loans receivable, net (Notes 1 & 5)	174,473	216,395	-	-	390,868	471,664
Other assets (Note 1)	-	-	-	-	-	-
Total Noncurrent Assets	475,259	484,591	127,522	-	1,087,372	961,162
Total Assets	534,888	546,128	129,163	-	1,210,179	1,103,174
Deferred Outflow of Resources						
Accumulated decrease in fair value of hedging derivatives (Notes 1 & 7)	1,407	(939)	-	-	468	6,559
Liabilities						
Current Liabilities:						
Bonds and notes payable (Notes 1 & 6)	15,207	10,134	904	-	26,245	21,678
Accrued interest payable	3,942	3,357	451	-	7,750	6,911
Total Current Liabilities	19,149	13,491	1,355	-	33,995	28,589
Noncurrent Liabilities:						
Bonds and notes payable (Notes 1 & 6)	415,976	367,703	120,419	-	904,098	797,618
Escrow deposits (Notes 1 & 4)	-	-	-	-	-	-
Derivative instrument - interest rate swaps (Notes 1 & 7)	1,407	(939)	-	-	468	6,559
Other liabilities	122	208	-	-	330	411
Total Noncurrent Liabilities	417,505	366,972	120,419	-	904,896	804,588
Total Liabilities	436,654	380,463	121,774	-	938,891	833,177
Net Position						
Net investment in capital assets	-	-	-	-	-	-
Restricted by bond resolutions (Note 8)	99,641	164,726	7,389	-	271,756	276,556
Restricted by contractual agreements (Note 8)	-	-	-	-	-	-
Unrestricted (Note 8)	-	-	-	-	-	-
Total Net Position	99,641	164,726	7,389	-	271,756	276,556

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Revenues, Expenses
And Change in Net Position - Home Ownership Mortgage Loan Program
For the Year Ended June 30, 2018
with comparative totals for the year ended June 30, 2017
(Thousands of Dollars)

	Single Family Bonds				Total	
	1987	1988	2009	Other Home	2018	2017
Mortgage income (Note 1)	11,681	14,777	-	-	26,458	32,149
Investment interest (Note 1)	867	668	123	(3)	1,655	796
Net decrease in fair value of investments	(4)	(21)	-	-	(25)	(48)
Mortgage-backed securities investment income	6,266	7,092	4,220	-	17,578	10,811
Net decrease in fair value of mortgage-backed securities	(7,525)	(7,690)	(4,066)	-	(19,281)	(12,783)
Interest expense (Note 1)	(9,212)	(8,780)	(3,575)	-	(21,567)	(19,959)
Debt financing costs	(990)	(1,081)	(136)	-	(2,207)	(1,923)
Net Investment Income	1,083	4,965	(3,434)	(3)	2,611	9,043
Mortgage service fees	-	-	17	-	17	463
Pass-through subsidy revenue (Note 1)	-	-	-	-	-	-
Other income (Note 1)	181	142	100	(6)	417	-
Net Investment and Other Income	1,264	5,107	(3,317)	(9)	3,045	9,506
Direct loan program expense	1,473	1,799	10	-	3,282	3,443
Pass-through subsidy expense (Note 1)	-	-	-	-	-	-
Grants and services	-	-	-	-	-	-
General and administrative expenses	2,140	2,129	312	-	4,581	4,034
Total Expenses	3,613	3,928	322	-	7,863	7,477
Change in Net Position	(2,349)	1,179	(3,639)	(9)	(4,818)	2,029
Net Position, Beginning of Year	101,767	164,363	10,423	3	276,556	273,275
Transfers between programs (Note 1)	223	(816)	605	6	18	1,252
Net Position, End of Year	99,641	164,726	7,389	-	271,756	276,556

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Cash Flows - Home Ownership Mortgage Loan Program
For the Year Ended June 30, 2018
with comparative totals for the year ended June 30, 2017
(Thousands of Dollars)

	Single Family Bonds				Total	
	1987	1988	2009	Other Home	2018	2017
Cash Flows from Operating Activities:						
Cash received from interest on mortgage loans	12,070	15,340	-	-	27,410	34,096
Cash received from mortgage payments	36,421	48,247	-	-	84,668	101,443
Cash received from other fees and other income	84	149	117	(6)	344	454
Cash payments to purchase mortgage loans	(2,863)	8	-	-	(2,855)	8,981
Cash from escrow deposits, net	-	-	-	-	-	-
Cash payments to employees	(1,712)	(1,704)	(250)	-	(3,666)	(3,227)
Cash payments to vendors	(1,744)	(2,066)	(115)	(6)	(3,931)	(4,247)
Transfers between programs and change in interfunds	407	(487)	917	(667)	170	3,186
Net Cash Provided by Operating Activities	42,663	59,487	669	(679)	102,140	140,686
Cash Flows from Non-Capital Financing Activities:						
Proceeds from issuance of bonds and notes	116,596	124,223	(136)	-	240,683	235,292
Repayments on bonds and notes	(55,875)	(61,535)	(12,026)	-	(129,436)	(127,740)
Interest paid on bonds, notes and escrows	(10,220)	(9,417)	(3,500)	-	(23,137)	(21,019)
Net Cash Provided by (Used in) Non-Capital Financing Activities	50,501	53,271	(15,662)	-	88,110	86,533
Cash Flows from Investing Activities:						
Purchases of investments	(133,821)	(145,356)	(6,100)	-	(285,277)	(275,567)
Proceeds from sales and maturities of investments	18,062	29,831	10,482	-	58,375	36,100
Investment interest received	6,780	7,423	4,356	7	18,566	11,026
Net Cash (Used in) Provided by Investing Activities	(108,979)	(108,102)	8,738	7	(208,336)	(228,441)
Cash Flows from Capital Financing Activities:						
Purchases of capital assets, net of sales	-	-	-	-	-	-
Net Cash Provided by Capital Financing Activities	-	-	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(15,815)	4,656	(6,255)	(672)	(18,086)	(1,222)
Cash and Cash Equivalents, Beginning of Year	68,496	48,229	11,291	672	128,688	129,910
Cash and Cash Equivalents, End of Year	52,681	52,885	5,036	-	110,602	128,688

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Cash Flows - Home Ownership Mortgage Loan Program
For the Year Ended June 30, 2018
with comparative totals for the year ended June 30, 2017
(Thousands of Dollars)

	Single Family Bonds				Total	
	1987	1988	2009	Other Home	2018	2017
Reconciliation of Change in Net Position to Net Cash Provided by						
Operating Activities:						
Change in Net Position	(2,349)	1,179	(3,639)	(9)	(4,818)	2,029
Adjustments to Reconcile Change in Net Position to Net Cash Provided by						
Operating Activities:						
Net decrease in fair value of investments						
and mortgage-backed securities	7,528	7,712	4,066	-	19,306	12,831
Provision for loan loss	328	144	-	-	472	421
Interest expense	9,212	8,780	3,575	-	21,567	19,959
Income on investments and mortgage backed securities	(7,136)	(7,760)	(4,343)	(3)	(19,242)	(11,607)
Depreciation and amortization	-	-	-	-	-	-
Decrease in mortgage loans						
receivable and real estate held	33,230	48,111	-	-	81,341	110,003
Other	1,850	1,321	1,010	(667)	3,514	7,050
Net Cash Provided by (Used in) Operating Activities	42,663	59,487	669	(679)	102,140	140,686