WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Financial Statements
For the Years Ended
June 30, 2019 and 2018
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, a component unit of the state of Wisconsin, as of and for the years ended June 30, 2019 and 2018, 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 an opinion on these financial statements based on our audits. We conducted our audits 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 opinion.

Opinion

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, 2019 and 2018, 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 25, 2019, 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 results 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 25, 2019

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 Housing Tax Credit Programs, 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, 2019 compared to the fiscal years that ended on June 30, 2018 and 2017. Please read it in conjunction with the Authority's financial statements, which follow this section.

Financial Highlights – Fiscal Year 2019

The Authority ended fiscal year 2019 with earnings that exceeded expectations. Net Income before the adjustment for a change in the market value of investments was $45.4 million which was slightly higher than budgeted earnings of $44.3 million. Fiscal year 2019 loan originations were flat compared to 2018 but prepayment levels declined by $13.3 million or 8.3%.

The following are financial highlights for fiscal year 2019:

- Consolidated net income after the adjustment for the market value of investments was $87.3 million. The aggregate market value adjustment for the year was a positive $41.9 million.
- Mortgage and Mortgage-Backed Securities (MBS) Investment earnings before the adjustment for a change in the market value of investments were up $11.8 million to $93.9 million during 2019. The combined mortgage loan and MBS investment portfolio increased by $295.3 million, or 15.3%.
- Bonds and Notes Payable outstanding at year end grew by $332.6 million over 2018. As a result, interest expense and debt financing costs increased $9.1 million or 21.4%.
- The Authority's long-term Issuer's Credit Rating (ICR) and bond resolution ratings were stable in 2019. The Authority has an 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 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 ICR and bond resolution ratings were upgraded. The Authority has an 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 2019

The following condensed statements of net position show a summary of changes, in dollars and percentages, between fiscal years ended June 30, 2019 and 2018. The Authority reported a change in net position of $87.3 million for the year ended June 30, 2019.

Wisconsin Housing and Economic Development Authority
Statements of Net Position
June 30, 2019 and 2018
(Millions of Dollars)

			Increase / (Decrease)	
	2019	**2018**	**Amount**	**%**
Cash and cash equivalents	503.9	481.5	22.4	4.7
Mortgage loans and interest receivable	1,183.8	1,181.0	2.8	0.2
Mortgage-backed security investments and interest receivable	1,048.9	755.5	293.4	38.8
Investments and interest receivable	142.0	28.2	113.8	403.5
Net pension asset	0.0	2.1	(2.1)	(100.0)
Other assets	3.7	6.9	(3.2)	(46.4)
Total Assets	2,882.3	2,455.2	427.1	17.4
Accumulated decrease in fair value of hedging	29.7	13.9	15.8	113.7
Pension plan – Actual vs. expected outcomes	6.7	3.5	3.2	91.4
OPEB – Actual vs. expected outcomes	0.5	0.1	0.4	400.0
Total Deferred Outflow of Resources	36.9	17.5	19.4	110.9
Accrued interest payable	14.2	11.2	3.0	26.8
Bonds and notes payable	1,878.4	1,545.7	332.7	21.5
Interest Rate Swap Agreements	29.7	13.9	15.8	113.7
Net pension liability	2.6	0.0	2.6	-
Net OPEB liability	1.5	1.3	0.2	15.4
Other liabilities	144.6	139.4	5.2	3.7
Total Liabilities	2,071.0	1,711.5	359.5	21.0
Total Deferred Inflow of Resources	3.9	4.1	(0.2)	(4.9)
Net investment in capital assets	0.3	0.4	(0.1)	(25.0)
Restricted by bond resolutions	566.0	496.0	70.0	14.1
Restricted by contractual agreements	261.3	231.2	30.1	13.0
Unrestricted	16.7	29.4	(12.7)	(43.2)
Total Net Position	844.3	757.0	87.3	11.5

Schedule may not foot due to rounding

The Authority experienced asset growth of $427.1 million during fiscal year 2019. The mortgage backed security portfolio continues to be the area with the most growth at 38.8% over fiscal year 2018. The Single Family program experienced an increase of $53.2 million in originations while Multifamily saw originations fall by $50.6 million. Prepayments were down 8.3% in the combined portfolios.

The Mortgage loans and interest receivable portfolio held steady at $1.2 billion. Mortgage backed security investments rose $293.4 million, up 38.8% from the prior year. The combined portfolio balance of $2.2 billion represents an increase of $296.2 million or 15.3%.

Liabilities ended the year at $2.1 billion, up $359.5 million over fiscal 2018. The majority of the increase was again 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 2019 totaling $290.0 million. In addition, $148.5 million in bonds were issued in the Multifamily program. Proceeds were used to fund new loans in both lines of business.

Overall, net position increased $87.3 million during fiscal year 2019. 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 2019 are as follows: $57.2 million in Single Family bond resolutions, $12.3 million in Multifamily Bond and Housing Revenue bond resolutions, $17.7 million in the General Fund (including subsidiary change in net position) and $120,000 in State of Wisconsin Programs.

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 Revenues, Expenses and Change in Net Position – Comparative Fiscal Year 2019

The Authority reported a change in net position of $87.3 million for the fiscal year ended June 30, 2019. The following table summarizes the Statements of Revenues, Expenses and Change in Net Position of the Authority for the fiscal years ended June 30, 2019 and 2018.

Wisconsin Housing and Economic Development Authority
Statements of Revenues, Expenses and Change in Net Position
For the Fiscal Years Ended June 30, 2019 and 2018
(Millions of Dollars)

			Favorable/ (Unfavorable)	
	2019	**2018**	**Amount**	**%**
Mortgage income	64.3	63.0	1.3	2.1
Mortgage-backed investment income (net)	71.6	(1.7)	73.3	4,311.8
Investment income (net)	14.2	8.7	5.5	63.2
Interest expense and debt financing costs	(51.6)	(42.5)	(9.1)	(21.4)
Net Interest Income	98.5	27.5	71.0	258.2
Mortgage service fees	7.6	7.8	(0.2)	(2.6)
Pass-through subsidy revenue	186.3	183.8	2.5	1.4
Grant Income	3.3	0.9	2.4	266.7
Other	20.9	35.4	(14.5)	(41.0)
Net Interest And Other Income	316.6	255.4	61.2	24.0
Direct loan program expense	19.1	15.3	(3.8)	(24.8)
Pass-through subsidy expense	186.3	183.8	(2.5)	(1.4)
Grants and services	1.3	0.5	(0.8)	(160.0)
General and administrative expenses	22.1	21.2	(0.9)	(4.2)
Other expense	0.5	0.7	0.2	28.6
Change in Net Position	87.3	33.9	53.4	157.5
Net Position, Beginning of Year	757.0	723.1	33.9	4.7
Net Position, End of Year	844.3	757.0	87.3	11.5

Schedule may not foot due to rounding

Net Interest Income grew by $71.0 million during fiscal 2019 to finish the year at $98.5 million. The increase was primarily in the MBS investment portfolio. While the volume of MBS investments in the portfolio grew by almost 38.8% 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 2019 was a write-up of $42.0 million. While the Authority doesn't intend to actually realize these gains, the adjustment can lead to significant swings in the recorded value of the portfolio. Mortgage income from the Authority's traditional mortgages was up $1.3 million during 2019 because the Multifamily segment has had several years of strong lending that have generated additional income.

Direct loan program expense increased by 24.8% or $3.8 million during 2019. MBS origination fees paid to lenders rose by $1.7 million which is a reflection of increased volume in the MBS investment portfolio. Increases in liquidity fees and the loan loss provision also contributed to the growth in this area during the year.

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 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 MBS 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.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Statements of Net Position
June 30, 2019 and 2018
(Thousands of Dollars)

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents (Notes 1 & 4)	503,907	481,450
Investments (Notes 1 & 4)	110,123	12,784
Investment interest receivable	1,439	626
Mortgage-backed securities investment interest receivable	2,832	1,991
Mortgage loans receivable, net (Notes 1 & 5)	62,272	67,080
Mortgage interest receivable	5,535	5,520
Accounts receivable	1,985	2,175
Prepaid expense	88	65
Total Current Assets	688,181	571,691
Noncurrent Assets:		
Investments (Notes 1 & 4)	30,444	14,828
Mortgage-backed securities (Notes 1 & 4)	1,046,089	753,544
Mortgage loans receivable, net (Notes 1 & 5)	1,115,946	1,108,353
Net pension asset (Note 9)	-	2,105
Other assets (Note 1)	1,631	4,628
Total Noncurrent Assets	2,194,110	1,883,458
Total Assets	2,882,291	2,455,149
Deferred Outflow of Resources		
Accumulated decrease in fair value of hedging derivatives (Notes 1 & 7)	29,676	13,940
Deferred outflow of resources - pension (Note 9)	6,680	3,541
Deferred outflow of resources - other post employment benefits (Note 9)	556	131
Total Deferred Outflow of Resources	36,912	17,612
Liabilities		
Current Liabilities:		
Bonds and notes payable (Notes 1 & 6)	89,189	69,500
Accrued interest payable	14,229	11,206
Total Current Liabilities	103,418	80,706
Noncurrent Liabilities:		
Bonds and notes payable (Notes 1 & 6)	1,789,184	1,476,233
Escrow deposits (Notes 1 & 4)	102,180	94,881
Derivative instrument - interest rate swaps (Notes 1 & 7)	29,676	13,940
Net pension liability (Note 9)	2,600	-
Net other post employment benefits liability (Note 9)	1,547	1,280
Other liabilities	42,409	44,601
Total Noncurrent Liabilities	1,967,596	1,630,935
Total Liabilities	2,071,014	1,711,641
Deferred Inflow of Resources		
Deferred inflow of resources - pension (Note 9)	3,582	4,145
Deferred inflow of resources - other post employment benefits (Note 9)	357	-
Total Deferred Inflow of Resources	3,939	4,145
Net Position		
Net investment in capital assets	337	420
Restricted by bond resolutions (Note 8)	565,952	495,973
Restricted by contractual agreements (Note 8)	261,239	231,163
Unrestricted (Note 8)	16,722	29,419
Total Net Position	844,250	756,975

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, 2019 and 2018

(Thousands of Dollars)

	2019	2018
Mortgage income (Note 1)	64,322	62,983
Investment interest (Note 1)	14,209	6,279
Net increase in fair value of investments	(134)	2,450
Mortgage-backed securities investment income	29,546	19,141
Net decrease in fair value of mortgage-backed securities	42,003	(20,864)
Interest expense (Note 1)	(48,539)	(39,708)
Debt financing costs	(3,133)	(2,841)
Net Investment Income	98,274	27,440
Mortgage service fees	7,525	7,787
Pass-through subsidy revenue (Note 1)	186,321	183,811
Grant Income	3,317	864
Other income (Note 1)	20,816	35,409
Net Investment and Other Income	316,253	255,311
Direct loan program expense	19,108	15,272
Pass-through subsidy expense (Note 1)	186,321	183,811
Grants and services	1,377	488
General and administrative expenses	22,118	21,167
Other expense (Note 1)	54	682
Total Expenses	228,978	221,420
Change in Net Position	87,275	33,891
Net Position, Beginning of Year	756,975	723,084
Net Position, End of Year	844,250	756,975

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, 2019 and 2018

(Thousands of Dollars)

	2019	2018
Cash Flows from Operating Activities:		
Cash received from interest on mortgage loans	64,306	64,128
Cash received from mortgage payments	160,813	203,589
Cash received from other fees and other income	34,897	24,800
Cash payments to purchase mortgage loans	(163,597)	(204,353)
Cash received from escrow deposits, net	7,299	12,910
Cash payments to employees	(16,715)	(15,803)
Cash payments to vendors	(26,477)	(11,096)
Net Cash Provided by Operating Activities	60,526	74,175
Cash Flows from Non-Capital Financing Activities:		
Proceeds from issuance of bonds and notes	485,445	440,230
Repayments on bonds and notes	(147,836)	(209,767)
Interest paid on bonds, notes and escrows	(50,488)	(40,469)
Bond issuance costs	(3,133)	(2,842)
Net Cash Provided by Non-Capital Financing Activities	283,988	187,152
Cash Flows from Investing Activities:		
Purchases of investments	(733,122)	(476,334)
Proceeds from sales and maturities of investments	369,655	228,476
Investment interest received	41,880	26,162
Net Cash Used in Investing Activities	(321,587)	(221,696)
Cash Flows from Capital Financing Activities:		
Purchase of capital assets	(470)	(686)
Sale of capital assets	-	28,874
Net Cash Provided by (Used in) Capital Financing Activities	(470)	28,188
Net Increase in Cash and Cash Equivalents	22,457	67,819
Cash and Cash Equivalents, Beginning of Year	481,450	413,631
Cash and Cash Equivalents, End of Year	503,907	481,450

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, 2019 and 2018
(Thousands of Dollars)

	2019	2018
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities:		
Change in Net Position	87,275	33,891
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	(41,869)	20,375
Provision for loan loss (Note 5)	3,276	1,389
Interest expense	48,539	39,707
Income on investments and mortgage backed securities	(43,756)	(27,390)
Depreciation and amortization	(1,655)	(1,414)
(Increase) Decrease in mortgage loans receivable and real estate held, net	(6,058)	(2,153)
Increase in escrows	7,358	13,082
Other	7,416	(3,312)
Net Cash Provided by Operating Activities	60,526	74,175

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 associated with mortgage loan receivable 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 earned on the mortgages and the recognized loan origination fees. Mortgage interest income is calculated

1. Summary of Significant Accounting Policies (concluded)

monthly using the 30/360 day interest calculation (Note 5).

Other Assets: At June 30, 2019, other capital assets total $12.5 million, at cost, less accumulated depreciation of $12.2 million. At June 30, 2018, Other Assets total $12.3 million, at cost, less accumulated depreciation of $11.8 million. Depreciation expense totaled $334,000 and $691,000 for the years ended June 30, 2019 and 2018, respectively. The assets are being depreciated on a straight-line basis, with half year convention, over the estimated useful life of the assets (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 $0 of bond discount and $5.0 million of bond premium for the year ended June 30, 2019; and $1,000 of bond discount and $2.4 million of bond premium for the year ended June 30, 2018 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 mortgagors based upon investment results. Interest expense includes $1.5 million and $1.2 million of investment income allocated to mortgage escrow deposits for the years ended June 30, 2019 and 2018, respectively (Note 4).

Other Income: Some of the items in other income include:

	2019	2018
HUD Contract Administration	$6.1 million	$6.0 million
Federal Tax Credit Program	$3.9 million	$1.7 million
New Market Tax Credit (NMTC)	$2.7 million	$1.3 million
State Small Business Credit Initiative (SSBCI) Repay Principle	$653,000	$106,000
Prepayment Penalty Multifamily Deals	$32,000	$833,000
Sale of WHEDA Building(1)	$0	$17.4 million
Lease Income from WHEDA Building(1)	$0	$1.5 million
5% Upcharge of Base Rent(1)	$0	$9,000

(1) The building was sold to the State of Wisconsin on March 19, 2018.

Grant Income: The authority was chosen to administer Capital Magnet Funds in the amount of $10.7 million of which $3.3 million and $864,000 was utilized in the years ended June 30, 2019 and 2018, respectively.

Other Expense: Other expense includes $645,000 of lease expense for the year ended June 30, 2018. 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).

Other Post-Employment Benefits (OPEB): The fiduciary net position of the State Retiree Life Insurance Fund (SRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, OPEB expense, and information about the fiduciary net position of the SRLIF. Additions to/deductions from SRLIFs fiduciary net position have been determined on the same basis as they are reported by SRLIF. 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 $800.0 million, excluding those being used to refund outstanding obligations and those issued under the programs described below. Outstanding general obligation Housing Revenue Bonds total $552.5 million and $439.4 million at June 30, 2019 and 2018, 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 $8.7 billion through June 30, 2019 and $8.4 billion through June 30, 2018, of which approximately $1.1 billion and $916.4 million were outstanding at June 30, 2019 and 2018, 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. There were no Housing Revenue Bonds outstanding under this program at June 30, 2019 and 2018.

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 and down payment assistance. There were no Revenue bonds outstanding under this program at June 30, 2019 and 2018.

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, 2019 and 2018, outstanding loan guarantees totaled $7.3 million and $8.1 million, respectively. The balance of the reserve fund, restricted for purposes of the program, was $7.6 million and $8.2 million at June 30, 2019 and 2018, respectively.

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, 2019 and 2018, $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 State 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 $128.5 million and $131.7 million as of June 30, 2019 and 2018, 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 State Constitution or statutes. 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, 2019 and 2018, the Authority had issued an aggregate principal amount of $62.1 million and $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. On August 28, 2018 the Authority announced the first award of $6.6 million in State Housing Tax Credits to fund housing developments across Wisconsin. On April 4, 2019 the Authority announced a second award of $7.4 million.

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 $121.9 million and $127.5 million as of June 30, 2019 and 2018, respectively. Single Family Bonds include HORB and HOMRB Resolutions. HORB Resolutions dated 1987 and 1988, and the HOMRB Resolution dated 2009 are reported separately.

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. $102,000 and $118,000 of these home improvement loans were made through the program for the fiscal years ending June 30, 2019 and 2018, respectively. In addition, funds may be used to fund Easy Close Advantage loans for down payment assistance to Single Family borrowers. $7.3 million and $302,000 of these down payment assistance loans were made through the program as of June 30, 2019 and 2018, respectively. Outstanding HILP loans total $627,000 and $1.0 million as of June 30, 2019 and 2018, 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, 2019 and 2018 are $2.5 million and $2.1 million for CROP, $0 and $128,000 for Agribusiness, $3.6 million and $4.2 million for SBG, $726,000 and $1.7 million for FARM, and $500,000 and $0 for Contractor Assistance, respectively. There were no guarantees outstanding for the Disaster program as of June 30, 2019 and 2018.

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, 2019, $302,000 of loan guarantees had been approved and were outstanding. As of June 30, 2018, $396,000 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, 2019 and 2018, the Property Tax Deferral Loans had an outstanding balance of $795,000 and $861,000, 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, 2019 and 2018, the outstanding balance of Construction Plus loans was $23.6 million and $26.1 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, 2019 and 2018, the Easy Close loans and Easy Close Advantage programs had a combined outstanding balance of $6.9 million and $9.1 million, respectively.

The Authority administers the IRS Federal 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 Federal 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 $24.8 million and $15.2 million in Federal tax credits in the years ended June 30, 2019 and 2018, 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 $6.8 million and $11.0 million for the years ended June 30, 2019 and 2018, respectively. The Housing Choice Voucher program funds administered were $10.7 million and $10.4 million for the years ended June 30, 2019 and 2018, respectively.

The Section 8 Housing Assistance Payments program passed through $163.2 million and $161.6 million of funds for the years ended June 30, 2019 and 2018, 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, 2019, all of these awards had been 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. As of June 30, 2019, Lift had not received any allocations of tax credits.

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, 2019 and 2018 total $3.0 million and $2.4 million, respectively.

As of June 30, 2019 and 2018, $31.8 million and $24.1 million was encumbered, respectively, for economic development loans in partnership with financing from commercial and community lenders. Loans are restricted to businesses with less than $35.0 million in gross sales. As of June 30, 2019 and 2018, there is an outstanding loan balance of $21.3 million and $15.1 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. 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, 2019 and June 30, 2018 respectively, $203.4 million and $184.9 million of loans had been issued through this program with accompanying MCC's of $2.2 million and $9.5 million, respectively.

In September of 2016, the Authority won a $5.5 million Capital Magnet Fund Award. The Authority won additional awards of $5.2 million in March of 2018 and $3.8 million in February of 2019. 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 subordinate financing for qualified Multifamily projects. As of June 30, 2019 and June 30, 2018, there is an outstanding loan balance of $4.7 million and $1.4 million, 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 Bond 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, 2019 and 2018 were as follows (in thousands of dollars):

	2019		2018	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Cash	43,579	43,579	32,783	32,783
Money Market Mutual Funds	460,328	460,328	448,667	448,667
Total Cash and Cash Equivalents	503,907	503,907	481,450	481,450
Certificates of Deposit	11,200	11,200	11,249	11,249
U.S. Agency Securities	11,155	11,122	11,160	11,123
Mortgage-backed Securities	1,046,089	1,024,502	753,544	773,772
Collateralized Investment Contracts	1,674	1,674	2,355	2,355
Non-Collateralized Investment Contracts	113,977	113,977	-	-
Equity Securities	2,561	2,561	2,848	2,848
Total Investments	1,186,656	1,165,036	781,156	801,347
Total Cash and Cash Equivalents and Investments	1,690,563	1,668,943	1,262,606	1,282,797

At June 30, 2019 and 2018, the Authority had cash bank balances totaling $43.5 million and $32.2 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 valued using quoted prices in active markets for identical assets; Level 2 are valued using significant other observable inputs; Level 3 are valued using significant unobservable inputs. The fair value measurements at June 30, 2019 and 2018 were as follows (in thousands of dollars):

		Fair Value Measurements Using		
Investments by Fair Value Level	2019	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. Agency Securities	11,155	--	11,155	--
Collateralized Debt Obligations	1,674	--	1,674	--
Non-Collateralized Debt Obligations	113,977	--	113,977	--
Mortgage-backed Securities	1,046,089	61,715	984,374	--
Total Debt Securities	1,172,895	61,715	1,111,180	--
Equity Securities	2,561	--	--	2,561
Total Investments by Fair Value Level	1,175,456	61,715	1,111,180	2,561

Investments by Fair Value Level	2018	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. 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

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. Equity securities classified in Level 3 of the fair value hierarchy are valued using various unobservable outputs, including but not limited to loan value, equity request and business performance information. 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, 2019, the Authority had the following investments and maturities covered by the General Fund 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	93,353	93,353	--	--	--
Mortgage-backed Securities	28,032	--	--	--	28,032
Corporate Securities:					
Equity	2,561	--	2,561	--	--
General Fund Investments	123,946	93,353	2,561	--	28,032

The portfolio also has $150,000 in certificates of deposits that are not subject to interest rate risk.

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 Maturities (In Years)			
Investment Type:	Fair Value	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.

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, 2019 and 2018, the Authority invested only in AAA rated money market mutual funds. Money market mutual funds totaled 75.2% and 76.5%, respectively, of the General Fund portfolio; and, the entire Authority portfolio's allocation was 27.9% and 36.5%, 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 $150,000 and $250,000 in CD's in the General Fund as of June 30, 2019 and June 30, 2018, 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 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.

Home Improvement Loan Fund Investment Portfolio:

As of June 30, 2019, 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	3,188	3,188	--	--
Home Improvement Loan Fund Investments	3,188	3,188	--	--

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	--	--

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, 2019 and 2018, 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, 2019, 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, 2019, 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	7,681	7,681	--	--
Wisconsin Development Reserve Fund Investments	7,681	7,681	--	--

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	--	--

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, 2019 and 2018, the Authority invested only in AAA rated money market mutual funds, 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, 2019 and 2018, 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, 2019, 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, 2019, 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	58,360	58,360	--	--	--
U.S. Agency Securities	5,965	5,962	3	--	--
Escrow Fund Investments	64,325	64,322	3	--	--

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

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.

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 $1.5 million and $1.2 million was allocated to the mortgage escrow deposits for the years ended June 30, 2019 and 2018, 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, 2019 and 2018, the Authority invested only in AAA rated money market mutual funds, and 77.4% and 77.1%, 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, 2019, 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 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.

Bond Programs Investment Portfolio:

As of June 30, 2019, the Authority had the following investments and maturities covered by the HORB, HRB and MHB Bond 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	297,746	297,746	--	--	--
U.S. Agency Securities	5,190	41	5,068	81	--
Mortgage-backed Securities	1,018,058	--	--	--	1,018,058
Collateralized Investment Contracts	1,674	826	--	--	848
Non-collateralized Investment Contracts	113,977	92,095	21,882	--	--
Bond Program Investments	1,436,645	390,708	26,950	81	1,018,906

As of June 30, 2018, the Authority had the following investments and maturities covered by the HORB, HRB and MHB Bond 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
Mortgage-backed Securities	726,217	--	--	--	726,217
Collateralized Investment Contracts	2,355	1,506	--	--	849
Bond Program Investments	1,009,222	276,837	5,216	--	727,169

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 Bond 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, 2019 and 2018, the Authority invested only in AAA rated money market mutual funds. Money market mutual funds totaled 20.7% and 27.3%, respectively, of the Bond 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 and 2018, the bond portfolios were in compliance with this requirement. As of June 30, 2019, 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, 2019 and 2018 are as follows (in thousands of dollars):

	2019	2018
Home Ownership Revenue Bond Resolutions:		
1987	7,756	8,543
1988	12,493	7,391
Housing Revenue Bonds	50,964	43,236
Total Cash, Cash Equivalents and Investments	71,213	59,170

Cash, cash equivalents and investments of the funds at June 30, 2019 and 2018 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 and second 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, 2019 and 2018, the Authority had $47.7 million and $47.4 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% - 8.25%

Mortgage loan information at June 30, 2019 and 2018 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	157,229	(729)	428	156,928
1988	197,594	(836)	461	197,219
Housing Revenue Bonds	500,304	(8,689)	--	491,615
Multifamily Housing Bonds	127,957	(3,212)	--	124,745
State of Wisconsin Programs	8,138	(448)	1	7,691
General Fund	209,653	(10,383)	750	200,020
Total as of June 30, 2019	1,200,875	(24,297)	1,640	1,178,218
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

Activity in the allowance for loan losses included provisions charged to expense of $3.3 million and $1.4 million for the years ended June 30, 2019 and 2018, respectively. Activity in the allowance for loan losses also included actual loan charge offs of $844,000 and $443,000 for the years ended June 30, 2019 and 2018, respectively.

In addition, the Authority serviced $1.6 billion and $1.3 billion in loans as of June 30, 2019 and 2018, respectively. These loans are serviced by the Authority for the benefit of others, for which the Authority collects a fee.

At June 30, 2019, the Authority was committed to fund mortgage loans approximating the following amounts (in millions of dollars):

Home Ownership Revenue Bonds	$ --
Multifamily Bonds	$ 155.5
State of Wisconsin Programs	$ --
General Fund	$ 84.4

6. Bonds and Notes Payable

Bonds and notes payable of the Authority at June 30, 2019 and 2018 consist of the following (in thousands of dollars):

	2019	2018
Bonds and Notes	1,861,992	1,531,778
Premium/Discount on Bonds	16,381	13,955
Total Bonds and Notes Payable	1,878,373	1,545,733

Bonds and notes payable of the Authority increased/decreased since June 30, 2017 as follows (in thousands of dollars):

	2017	Increase	(Decrease)	2018	Increase	(Decrease)	2019
Home Ownership Revenue Bond Resolutions:							
1987	365,330	115,030	(55,875)	424,485	--	(38,545)	385,940
1988	310,610	121,565	(61,535)	370,640	290,000	(33,275)	627,365
Home Ownership Mortgage Revenue Bonds	133,283	--	(12,025)	121,258	--	(12,368)	108,890
Housing Revenue Bonds	354,485	110,585	(25,720)	439,350	148,480	(35,365)	552,465
Multifamily Housing Bonds	108,255	25,549	(2,072)	131,732	--	(3,275)	128,457
General Fund	35,647	61,205	(52,539)	44,313	39,571	(25,009)	58,875
Premium/Discount on Bonds	10,067	4,718	(830)	13,955	7,397	(4,971)	16,381
Total Bonds and Notes Payable	1,317,677	438,652	(210,596)	1,545,733	485,448	(152,808)	1,878,373

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*	2019	2018
Housing Revenue Bonds					
1974 1998 Series A, B and C	5.30%	02/01/98	2018	--	50
2003 Series C	5.00% - 5.25%	12/23/03	2023-2043	800	820
2003 Series D and E	Variable	12/23/03	2044	7,305	7,445
2005 Series F	Variable	12/14/05	2030	81,730	86,565
2006 Series A and B	4.55% - 4.70%	12/14/06	2027-2047	8,715	8,980
2006 Series C and D	Variable	12/14/06	2037	--	6,940
2007 Series F and G	Variable	12/19/07	2042	14,565	14,785
2008 Series A, B, C, D, E, F and G	Variable	06/04/08	2030-2033	10,965	14,475
2009 Series A	Variable	12/30/09	2042	8,595	8,675
2010 Series A and B	4.10% - 5.75%	12/22/10	2019-2043	17,680	19,600
2012 Series A and B	Variable	01/27/12	2055	50,555	51,280
2013 Series ABC	2.30% - 4.875%	06/26/13	2019-2045	8,050	9,390
2015 Series ABC	1.55% - 4.25%	11/30/15	2019-2052	54,900	60,225
2016 Series A	1.75% - 4.50%	12/22/16	2019-2054	15,260	15,450
2016 Series C	Variable	12/22/16	2034	14,915	24,085
2017 Series AB	1.70% - 4.15%	12/21/17	2019-2055	95,695	96,330
2017 Series C	Variable	12/21/17	2046	14,255	14,255
2018 Series ABC	2.25% - 4.45%	12/20/18	2021-2057	148,480	--
Total Housing Revenue Bonds 1974				552,465	439,350

Program/Bond Resolution	Interest Rates*	Dated**	Maturities*	2019	2018
Multifamily Housing Bonds					
2007 Series A and B	Variable	06/29/07	2040	10,125	10,330
2007 Series C	Variable	08/02/07	2048	5,750	5,825
2008 Series A and B	Variable	08/28/08	2046	12,560	12,745
2009 Series B-1	Variable	10/21/11	2041	4,590	4,710
2009 Series B-2	Variable	10/21/11	2041	45,660	46,910
2011 Series A	Variable	09/01/11	2043	8,160	8,385
2014 Series A	1.55% - 4.05%	10/30/14	2019-2049	6,700	6,810
2016 Series C	1.30% - 3.50%	06/21/16	2019-2053	9,795	10,500
2018 Series A	Variable	05/21/18	2049	25,117	25,517
Total Multifamily Housing Bonds				128,457	131,732

6. Bonds and Notes Payable (continued)

Program/Bond Resolution		Interest Rates*	Dated**	Maturities*	2019	2018
Home Ownership Revenue Bonds						
1987	2000 Series H	Variable	11/30/00	2024	1,665	2,100
	2002 Series B	Variable	02/06/02	2032	180	520
	2003 Series B	Variable	07/29/03	2034	11,860	14,810
	2005 Series D and E	Variable	09/29/05	2036	7,000	7,255
	2007 Series A and B	Variable	04/10/07	2026	4,205	4,665
	2015 Series ABC	Variable	09/01/15	2031	44,205	44,205
	2015 Series ABC	1.95% - 4.00%	09/01/15	2019-2045	83,335	103,325
	2016 Series DE	1.15% - 3.50%	10/06/16	2019-2046	123,205	132,575
	2018 Series AB	1.75% - 4.00%	03/28/18	2019-2048	66,180	70,925
	2018 Series C	Variable	03/28/18	2039	44,105	44,105
Total Home Ownership Revenue Bonds 1987					385,940	424,485

Program/Bond Resolution		Interest Rates*	Dated**	Maturities*	2019	2018
Home Ownership Revenue Bonds						
1988	2003 Series D	Variable	11/04/03	2028	5,030	5,735
	2004 Series E	Variable	11/23/04	2035	15,545	17,730
	2006 Series A and B	Variable	01/19/06	2037	19,445	19,755
	2007 Series C and D	Variable	04/10/07	2038	16,735	16,735
	2016 Series AB	1.55% - 3.50%	04/27/16	2019-2046	108,880	130,760
	2016 Series C	Variable	04/27/16	2038	60,000	60,000
	2017 Series BC	1.50% - 4.00%	10/24/17	2019-2048	72,500	79,925
	2017 Series D	Variable	10/24/17	2037	40,000	40,000
	2018 Series D	1.75% - 4.00%	09/13/18	2019-2047	96,780	--
	2018 Series E	Variable	09/13/18	2039	27,450	--
	2019 Series A	1.65% - 4.25%	03/28/19	2019-2049	115,000	--
	2019 Series B	Variable	03/28/19	2043	50,000	--
Total Home Ownership Revenue Bonds 1988					627,365	370,640

Program/Bond Resolution	Interest Rates*	Dated**	Maturities*	2019	2018
Home Ownership Mortgage Revenue Bonds					
2010 Series A and 2009 Series A-1	3.01% - 4.50%	11/16/10	2019-2041	24,925	31,050
2017 Series A	2.69%	06/28/17	2047	83,965	90,208
Total Home Ownership Mortgage Revenue Bonds				108,890	121,258

Notes Payable	Interest Rates*	Dated**	Maturities*	2019	2018
Line of Credit – Construction Plus	Variable	10/01/14	2020	23,570	27,955
Line of Credit – Economic Development	3.50%	11/30/17	2026	5,000	5,000
Line of Credit – Economic Development	3.74%	08/30/17	2024	5,000	5,000
Rural Housing PRLF	1.00%	11/03/08	2038-2040	2,252	2,358
Rural Housing PRLF 2019	1.00%	04/10/19	2049	2,111	--
Line of Credit – Single Family Loans	Variable	10/31/18	2023	16,942	--
Other	3.75%	01/24/01	2021	4,000	4,000
				58,875	44,313
Total Notes Payable					
Total Bonds and Notes				1,861,992	1,531,778

The unused balance on the Construction Plus line of credit was $16.4 million and $12.0 million as of June 30, 2019 and 2018.

The Authority has $588.6 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 or Letters of Credit. 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, 2019 and no funds have been drawn July 1, 2018 to June 30, 2019. 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 of an agreed-upon minimum rate. 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 October 31, 2019 to March 28, 2026.

* Interest rates and maturities are as of June 30, 2019.
** Variable Rate Bonds are dated the date of delivery.

Scheduled debt maturities in the five fiscal years subsequent to June 30, 2019 and five year increments thereafter are as follows (in thousands of dollars):

	2020	2021	2022	2023	2024	2025-2029	2030-2034
Home Ownership Revenue Bond Resolutions:							
1987	14,570	14,975	15,445	15,960	10,325	78,920	100,060
1988	14,340	15,260	15,720	16,220	16,800	77,470	114,825
Home Ownership Mortgage Revenue Bonds	910	580	210	230	240	1,910	7,675
Housing Revenue Bonds	13,320	14,285	14,475	14,835	15,630	91,275	85,595
Multifamily Housing Bonds	1,830	1,910	1,980	2,065	2,145	12,140	14,850
General Fund	40,618	122	4,123	192	193	10,978	1,005
Totals	85,588	47,132	51,953	49,502	45,333	272,693	324,010

	2035-2039	2040-2044	2045-2049	2050-2054	2055-2059
Home Ownership Revenue Bond Resolutions:					
1987	57,340	45,940	32,405	--	--
1988	139,610	118,425	98,695	--	--
Home Ownership Mortgage Revenue Bonds	9,445	3,725	83,965	--	--
Housing Revenue Bonds	68,460	78,990	87,060	51,930	16,610
Multifamily Housing Bonds	18,130	23,665	47,357	2,385	--
General Fund	795	414	435	--	--
Totals	293,780	271,159	349,917	54,315	16,610

6. Bonds and Notes Payable (concluded)

Using rates as of June 30, 2019, 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.

	2020	2021	2022	2023	2024	2025-2029	2030-2034
Home Ownership Revenue Bond Resolutions:							
1987	10,736	10,459	10,117	9,724	9,389	41,507	30,612
1988	17,376	17,260	16,957	16,608	16,227	74,667	62,970
Home Ownership Mortgage Revenue Bonds	3,024	2,992	2,977	2,968	2,958	14,664	13,931
Housing Revenue Bonds	16,611	16,269	15,915	15,548	15,166	68,947	55,633
Multifamily Housing Bonds	3,719	3,670	3,626	3,578	3,533	16,799	15,142
General Fund	1,803	534	458	402	401	945	118
Totals	53,269	51,184	50,050	48,828	47,674	217,529	178,406

	2035-2039	2040-2044	2045-2049	2050-2054	2055-2059
Home Ownership Revenue Bond Resolutions:					
1987	18,232	10,621	1,985	--	--
1988	47,112	30,499	7,492	--	--
Home Ownership Mortgage Revenue Bonds	12,660	11,430	6,964	--	--
Housing Revenue Bonds	43,893	32,533	19,971	7,900	1,093
Multifamily Housing Bonds	13,077	9,969	7,742	187	--
General Fund	69	29	18	--	--
Totals	135,043	95,081	44,172	8,087	1,093

During the years ended June 30, 2019 and 2018, 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):

	2019	2018
Home Ownership Revenue Bond Resolutions:		
1987	24,670	44,655
1988	23,320	53,930
Home Ownership Mortgage Revenue Bonds	11,492	10,831
Housing Revenue Bonds	22,660	13,995
Multifamily Housing Bonds	510	482
General Fund	--	--
Total	82,652	123,893

In fiscal year 2018, 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. No bonds were refunded in fiscal year 2019.

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, 2019 and 2018 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, 2019 and 2018 (in thousands of dollars):

Program and Bond Issue	Notional Value at 6/30/19	Effective Date	Swap Termination Date	Counterparty Credit Rating	Fixed Rate Paid	Variable Rate/Index Received[4] [5]	Swap Termination Market Value at 06/30/19	Swap Termination Market Value at 06/30/18	Change in Fair Value
HRB[1]									
2005 Series F	52,850	01/17/2006	11/01/2030	A+/Aa2	5.21%	1 Month LIBOR	(10,795)	(8,419)	(2,376)
2007 Series F	9,890	12/19/2007	11/01/2025	A+/Aa2	4.01%	SIFMA + 6 Basis Points	(1,531)	(1,157)	(374)
2007 Series G	4,675	12/19/2007	11/01/2025	A+/Aa2	4.01%	SIFMA + 6 Basis Points	(724)	(547)	(177)
		Total HRB Swap Termination Market Value					(13,050)	(10,123)	(2,927)
MHB[2]									
2007 Series A	6,590	06/29/2007	10/01/2022	A+/Aa2	4.43%	SIFMA + 6 Basis Points	(643)	(607)	(36)
2007 Series B	3,535	06/29/2007	10/01/2022	A+/Aa2	5.90%	1 Month LIBOR - 2 Basis Points	(461)	(437)	(24)
2007 Series C	5,750	08/02/2007	09/01/2024	A+/Aa2	4.33%	SIFMA + 2 Basis Points	(855)	(701)	(154)
2008 Series A	6,230	08/28/2008	10/01/2026	A+/Aa2	3.89%	SIFMA + 2 Basis Points	(1,025)	(752)	(273)
2008 Series A	4,005	08/28/2008	10/01/2026	A+/Aa2	3.89%	SIFMA + 2 Basis Points	(660)	(484)	(176)
2008 Series B	2,325	08/28/2008	10/01/2026	A+/Aa2	5.08%	LIBOR + 7 Basis Points	(490)	(359)	(131)
2011 Series A	--	09/01/2012	09/01/2018	A/A2	2.10%	SIFMA	--	(9)	9
2011 Series A	8,160	09/04/2018	09/02/2025	A/A2	2.15%	SIFMA	(417)	--	(417)
		Total HRB Swap Termination Market Value					(4,551)	(3,349)	(1,202)
1987 HORB[3]									
2002 Series B	180	02/06/2002	03/01/2020	A+/Aa2	5.88%	1 Month LIBOR + 35 Basis Points	(1)	(11)	10
2003 Series B	11,860	07/29/2003	09/01/2034	A+/Aa2	3.94%	65% of 1 Month LIBOR + 25 Basis Points	(1,020)	(1,562)	542
2015 Series C	44,205	03/01/2016	03/01/2031	AA-/Aa2	1.28%	67% of 1 Month LIBOR	(907)	707	(1,614)
2018 Series C	44,105	03/28/2018	03/01/2021	AA-/Aa2	2.66%	73% of 1 Month LIBOR	(2,273)	(541)	(1,732)
		Total 1987 HORB Swap Termination Market Value					(4,201)	(1,407)	(2,794)
1988 HORB[3]									
2004 Series E	15,545	11/23/2004	09/01/2035	A+/Aa2	3.99%	65% of 1 Month LIBOR + 25 Basis Points	(1,463)	(2,165)	702
2016 Series C	60,000	04/27/2016	03/01/2038	AA-/Aa2	1.911%	67% of 1 Month LIBOR	(391)	2,332	(2,723)
2017 Series D	40,000	10/24/2017	09/01/2037	AA-/Aa2	2.215%	73% of 1 Month LIBOR	(1,242)	772	(2,014)
2018 Series E	27,450	09/13/2018	09/01/2039	A+/Aa2	2.800%	73% of 1 Month LIBOR	(1,784)	--	(1,784)
2019 Series B	50,000	03/28/2019	03/01/2043	AA-/Aa2	2.529%	73% of 1 Month LIBOR	(2,994)	--	(2,994)
		Total 1988 HORB Swap Termination Market Value					(7,874)	939	(8,813)
		Total Swap Termination Market Value					(29,676)	(13,940)	(15,736)

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

7. Derivatives (continued)

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, 2019 or June 30, 2018. 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, 2019, 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, 2019, the counterparty or counterparty guarantor in 60% of the outstanding swaps were rated AA-/Aa2, 38% of the outstanding swaps were rated A+/Aa2, and the remaining counterparty was 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, 2019, there were three counterparties rated A+/Aa2. One has collateral requirements starting at BBB+/Baa1 and a posting threshold of $500,000 and a second has collateral requirements starting at A+/A1 and a posting threshold of $10.0 million. A third has collateral requirements starting at A+/A1 or above and a posting threshold of $30.0 million. The posting threshold at the current rating of A+/Aa2 is $30.0 million. The counterparty rated AA-/Aa2 has collateral requirements starting at AA/Aa2 or above and a posting threshold of $50.0 million. The posting threshold at the current rating of AA-/Aa2 is $25.0 million. The counterparty rated A/A2 does not have a collateral agreement with the Authority. Based on the fair values as of June 30, 2019, 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

7. Derivatives (concluded)

Swap Payments and Associated Debt:

Using rates as of June 30, 2019, 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
2020	4,560	6,477	5,031	16,068
2021	4,615	6,122	5,129	15,866
2022	4,850	6,042	4,972	15,864
2023	14,255	5,781	4,721	24,757
2024	5,110	5,632	4,387	15,129
2025 – 2029	101,890	23,864	16,970	142,724
2030 – 2034	123,110	15,163	10,279	148,552
2035 – 2039	109,950	6,004	4,177	120,131
2040 – 2044	29,015	838	527	30,380
Totals	397,355	75,923	56,193	529,471

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, 2019 and 2018, approximately $566.0 million and $496.0 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 $261.2 million and $231.2 million as of June 30, 2019 and 2018, respectively.

The unrestricted General Fund net position of $16.7 million as of June 30, 2019 will be used according to the 2019-2020 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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

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 (%)
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
2018	2.4	17

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, Executives and Elected Officials. Starting on January 1,2016, the Executives and Elected Officials category was merged in the General Employee Category. 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 $781,651 in contributions from the employer. Contribution rates as of June 30, 2019 and June 30, 2018 are as follows:

Employee Category	2019 Employee	2019 Employer	2018 Employee	2018 Employer
General (including teachers, executives and elected officials)	6.7%	6.7%	6.8%	6.8%
Protective with Social Security	6.7%	10.7%	6.8%	10.6%
Protective without Social Security	6.7%	14.9%	6.8%	14.9%

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

At June 30, 2019, the Authority reported a liability of $2,600,301 for its proportionate share of the net pension liability. The Net Pension Liability was measured as of December 31, 2018, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018, the Authority's proportion was .073%, which was a increase of .002% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Authority recognized pension expense of $1,783,074.

9. Retirement and Other Benefits(continued)

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.

At June 30, 2019 and 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands of dollars):

	2019	2019	2018	2018
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$2,025	($3,580)	$2,675	($1,251)
Net differences between projected and actual earnings on pension plan investments	$3,797	$0	$0	($2,894)
Changes in assumptions	$438	$0	$416	$0
Changes in proportion and differences between employer contributions and proportionate share of contributions	$42	($2)	$69	$0
Employer contributions subsequent to the measurement date	$378	$0	$381	$0
Total	$6,680	($3,582)	$3,541	($4,145)

$378,000 and $381,000 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, 2019 and 2018, 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 2019
Year ended June 30:	**Net Deferred Outflow and (Inflows) of Resources**
2020	$997
2021	$258
2022	$427
2023	$1,038
Thereafter	$0

	Fiscal Year 2018
Year ended June 30:	**Net Deferred Outflows and (Inflows) of Resources**
2019	$254
2020	$8
2021	($708)
2022	($545)
Thereafter	$6

9. Retirement and Other Benefits(continued)

Actuarial assumptions. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases: Inflation Seniority/Merit	 3.0% 0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1,2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 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. 2018

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class			
Global Equities	49.0	8.1	5.5
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9.0	6.5	3.9
Private Equity/Debt	8.0	9.4	6.7
Multi-Asset	4.0	6.7	4.1
Total Core Fund	110	7.3	4.7
Variable Fund Asset Class			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount rate: A single discount rate of 7.00% was used to measure the Total Pension Liability as opposed to a discount rate of 7.2% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's proportionate share of the Net Pension Liability to changes in the discount rate. The following presents the Authority's proportionate share of the Net Pension Liability calculated using the discount rate of 7.00 percent, as well as what the Authority's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate (in thousands):

Fiscal Year 2019	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase To Discount Rate (8.00%)
Authority's proportionate share of the net pension liability (asset)	$10,334	$2,600	($3,150)

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)

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, 2019 are:

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

9. Retirement and Other Benefits (continued)

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, 2018 are as listed below:

Life Insurance
Employee Contribution Rates*
For the year ended December 31, 2018

Attained Age	Basic	Supplemental
Under 30	$0.04	$0.04
30-34	0.04	0.04
35-39	0.04	0.04
40-44	0.06	0.06
45-49	0.10	0.10
50-54	0.16	0.16
55-59	0.22	0.22
60-64	0.30	0.30
65-69	0.39	0.39

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the SRLIF recognized $4,972 in contributions from the employer. During the prior 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, 2019 and 2018, the Authority reported a liability of $1,546,686 and $1,280,487, respectively for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018 and the Total OPEB Liability used to calculate the Net OEPB Liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018 the Authority's proportion was .358%, which was an increase of .099% from its proportion measured as of December 31, 2017. 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 years ended June 30, 2019 and 2018, the Authority recognized OPEB expense of $204,178 and $1,148,723, respectively.

At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$0	($67)
Net differences between projected and actual earnings on OPEB plan investments	$31	$0
Changes in assumptions	$126	($290)
Changes in proportion and differences between employer contributions and proportionate share of contributions	$399	$0
Employer contributions subsequent to the measurement date	$0	$0
Total	$556	($357)

$0 reported as deferred outflows related to OPEB resulting from the SRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Fiscal Year 2019
Year Ended June 30:	Net Deferred Inflows and Outflows of Resources
2020	$41
2021	$41
2022	$41
2023	$37
2024	$32
Thereafter	$7

	Fiscal Year 2018
Year Ended June 30:	Net Deferred Inflows and Outflows of Resources
2019	$19
2020	$19
2021	$19
2022	$19
2023	$ 0
Thereafter	$56

Actuarial assumptions. The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability:	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.20%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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, 2018

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount Rate. A Single discount rate of 4.20% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.60% for the prior year. 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. The plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2033.

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 4.20 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 (3.20 percent) or 1-percentage point higher (5.20 percent) than the current rate:

	1% Decrease to Discount Rate (3.20%)	Current Discount Rate (4.20%)	1% Increase To Discount Rate (5.20%)
Authority's proportionate share of the net OPEB liability	$2,108	$1,547	$1,112

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, 2019
with comparative totals for June 30, 2018

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Wisconsin Retirement System
Last 5 Fiscal Years*
(In Thousands)

	2015	2016	2017	2018	2019
Authority's proportion of the net pension liability (asset)	.074%	.072%	.070%	.071%	.073%
Authority's proportionate share of the net pension liability (asset)	($1,828)	$1,166	$578	($2,105)	$2,600
Authority's covered-payroll	$9,909	$9,868	$10,124	$10,859	$11,666
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.2%	99.12%	102.93%	96.45%

*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 5 Fiscal Years*
(In Thousands)

	2015	2016	2017	2018	2019
Contractually required contributions	$694	$671	$668	$738	$782
Contributions in relation to the contractually required contributions	($694)	($671)	($668)	($738)	$782
Contribution deficiency (excess)	$0.00	$0.00	$0.00	$0.00	$0.00
Authority's covered-payroll	$9,909	$9,868	$10,124	$10,859	$11,666
Contributions as a percentage of covered-employee payroll	7.0%	6.8%	6.6%	6.8%	6.7%

*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, 2019

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
State Retiree Life Insurance Fund
Last 2 Fiscal Years*
(In Thousands)

	2018	2019
Authority's proportion of the net OPEB liability	0.259%	0.358%
Authority's proportionate share of the net OPEB liability	$1,280	$1,547
Authority's covered-employee payroll	$8,261	$9,361
Plan fiduciary net position as a percentage of the total OPEB liability	41.63%	44.36%

*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 2 Fiscal Years*
(In Thousands)

	2018	2019
Contractually required contributions	$3	$5
Contributions in relation to the contractually required contributions	$3	$5
Contribution deficiency (excess)	$0	$0
Authority's covered-employee payroll	$8,261	$9,361
Contributions as a percentage of covered-employee payroll	.042%	.053%

*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. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, mortality and separation rates.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Supplementary Information

June 30, 2019
with comparative totals for June 30, 2018

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Net Position
June 30, 2019
with comparative totals for June 30, 2018
(Thousands of Dollars)

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2019	Total 2018
Assets							
Current Assets:							
Cash and cash equivalents (Notes 1 & 4)	141,412	145,667	12,095	10,883	193,850	503,907	481,450
Investments (Notes 1 & 4)	866	92,095	-	-	17,162	110,123	12,784
Investment interest receivable	261	906	15	13	244	1,439	626
Mortgage-backed securities investment interest receivable	2,675	73	-	-	84	2,832	1,991
Mortgage loans receivable, net (Notes 1 & 5)	17,722	24,258	2,777	804	16,711	62,272	67,080
Mortgage interest receivable	2,091	2,023	510	46	865	5,535	5,520
Accounts receivable	428	1	-	13	1,543	1,985	2,175
Prepaid expense	25	13	3	-	47	88	65
Interfunds	(12,975)	(2,243)	(1,161)	(211)	16,590	-	-
Total Current Assets	152,505	262,793	14,239	11,548	247,096	688,181	571,691
Noncurrent Assets:							
Investments (Notes 1 & 4)	146	27,734	-	-	2,564	30,444	14,828
Mortgage-backed securities (Notes 1 & 4)	989,003	29,054	-	-	28,032	1,046,089	753,544
Mortgage loans receivable, net (Notes 1 & 5)	336,425	467,357	121,968	6,887	183,309	1,115,946	1,108,353
Net pension asset (Note 9)	-	-	-	-	-	-	2,105
Other assets (Note 1)	-	-	-	-	1,631	1,631	4,628
Total Noncurrent Assets	1,325,574	524,145	121,968	6,887	215,536	2,194,110	1,883,458
Total Assets	1,478,079	786,938	136,207	18,435	462,632	2,882,291	2,455,149
Deferred Outflow of Resources							
Accumulated decrease in fair value of hedging derivatives (Notes 1 & 7)	12,075	13,050	4,551	-	-	29,676	13,940
Deferred outflow of resources - pension (Note 9)	-	-	-	-	6,680	6,680	3,541
Deferred outflow of resources - other post employment benefits (Note 9)	-	-	-	-	556	556	131
Total Deferred Outflow of Resources	12,075	13,050	4,551	-	7,236	36,912	17,612
Liabilities							
Current Liabilities:							
Bonds and notes payable (Notes 1 & 6)	33,422	13,319	1,830	-	40,618	89,189	69,500
Accrued interest payable	9,997	3,061	786	-	385	14,229	11,206
Total Current Liabilities	43,419	16,380	2,616	-	41,003	103,418	80,706
Noncurrent Liabilities:							
Bonds and notes payable (Notes 1 & 6)	1,105,158	539,142	126,627	-	18,257	1,789,184	1,476,233
Escrow deposits (Notes 1 & 4)	-	-	-	-	102,180	102,180	94,881
Derivative instrument - interest rate swaps (Notes 1 & 7)	12,075	13,050	4,551	-	-	29,676	13,940
Net pension liability (Note 9)	-	-	-	-	2,600	2,600	-
Net other post employment benefits liability (Note 9)	-	-	-	-	1,547	1,547	1,280
Other liabilities	579	1,311	40	5,044	35,435	42,409	44,601
Total Noncurrent Liabilities	1,117,812	553,503	131,218	5,044	160,019	1,967,596	1,630,935
Total Liabilities	1,161,231	569,883	133,834	5,044	201,022	2,071,014	1,711,641
Deferred Inflow of Resources							
Deferred inflow of resources - pension (Note 9)					3,582	3,582	4,145
Deferred inflow of resources - other post employment benefits (Note 9)	-	-	-	-	357	357	-
Total Deferred Inflow of Resources	-	-	-	-	3,939	3,939	4,145
Net Position							
Net investment in capital assets	-	-	-	-	337	337	420
Restricted by bond resolutions (Note 8)	328,923	230,105	6,924	-	-	565,952	495,973
Restricted by contractual agreements (Note 8)	-	-	-	13,391	247,848	261,239	231,163
Unrestricted (Note 8)	-	-	-	-	16,722	16,722	29,419
Total Net Position	328,923	230,105	6,924	13,391	264,907	844,250	756,975

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Revenues, Expenses And Change in Net Position For the Year Ended June 30, 2019 with comparative totals for the year ended June 30, 2018

(Thousands of Dollars)

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2019	Total 2018
Mortgage income (Note 1)	22,180	23,358	5,991	343	12,450	64,322	62,983
Investment interest (Note 1)	2,694	5,258	254	269	5,734	14,209	6,279
Net increase (decrease) in fair value of investments	(8)	69	-	-	(195)	(134)	2,450
Mortgage-backed securities investment income	26,600	1,096	-	-	1,850	29,546	19,141
Net decrease in fair value of mortgage-backed securities	39,601	1,280	-	-	1,122	42,003	(20,864)
Interest expense (Note 1)	(24,250)	(16,591)	(4,472)	-	(3,226)	(48,539)	(39,708)
Debt financing costs	(2,236)	(897)	-	-	-	(3,133)	(2,841)
Net Investment Income	64,581	13,573	1,773	612	17,735	98,274	27,440
Mortgage service fees	-	24	190	7	7,304	7,525	7,787
Pass-through subsidy revenue (Note 1)	-	6,765	-	-	179,556	186,321	183,811
Grant Income	-	-	-	-	3,317	3,317	864
Other income (Note 1)	694	32	-	73	20,017	20,816	35,409
Net Investment and Other Income	65,275	20,394	1,963	692	227,929	316,253	255,311
Direct loan program expense	3,035	1,281	185	286	14,321	19,108	15,272
Pass-through subsidy expense (Note 1)	-	6,765	-	-	179,556	186,321	183,811
Grants and services	-	-	-	-	1,377	1,377	488
General and administrative expenses	5,073	1,797	78	286	14,884	22,118	21,167
Other expense (Note 1)	-	-	-	-	54	54	682
Total Expenses	8,108	9,843	263	572	210,192	228,978	221,420
Change in Net Position	57,167	10,551	1,700	120	17,737	87,275	33,891
Net Position, Beginning of Year	271,756	218,804	5,413	13,264	247,738	756,975	723,084
Transfers between programs (Note 8)	-	750	(189)	7	(568)	-	-
Net Position, End of Year	328,923	230,105	6,924	13,391	264,907	844,250	756,975

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Cash Flows
For the Year Ended June 30, 2019
with comparative totals for the year ended June 30, 2018
(Thousands of Dollars)

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2019	Total 2018
Cash Flows from Operating Activities:							
Cash received from interest on mortgage loans	22,626	23,192	6,005	336	12,147	64,306	64,128
Cash received from mortgage payments	54,647	53,850	2,651	1,296	48,369	160,813	203,589
Cash received from other fees and other income	794	56	190	107	33,750	34,897	24,800
Cash payments to purchase mortgage loans	411	(75,409)	-	(7,705)	(80,894)	(163,597)	(204,353)
Cash received from escrow deposits, net	-	-	-	-	7,299	7,299	12,910
Cash payments to employees	(4,059)	(1,438)	(63)	(229)	(10,926)	(16,715)	(15,803)
Cash payments to vendors	(3,817)	(515)	(200)	(929)	(21,016)	(26,477)	(11,096)
Transfers between programs and change in interfunds	229	1,257	(199)	52	(1,339)	-	-
Net Cash Provided by (Used in) Operating Activities	70,831	993	8,384	(7,072)	(12,610)	60,526	74,175
Cash Flows from Non-Capital Financing Activities:							
Proceeds from issuance of bonds and notes	297,394	148,480	-	-	39,571	485,445	440,230
Repayments on bonds and notes	(84,187)	(35,365)	(3,275)	-	(25,009)	(147,836)	(209,767)
Interest paid on bonds, notes and escrows	(26,975)	(15,818)	(4,485)	-	(3,210)	(50,488)	(40,469)
Bond premium	(2,236)	(897)	-	-	-	(3,133)	(2,842)
Net Cash Provided by (Used in) Non-Capital Financing Activities	183,996	96,400	(7,760)	-	11,352	283,988	187,152
Cash Flows from Investing Activities:							
Purchases of investments	(314,891)	(155,880)	-	-	(262,351)	(733,122)	(476,334)
Proceeds from sales and maturities of investments	62,511	44,228	-	-	262,916	369,655	228,476
Investment interest received	28,363	5,722	250	272	7,273	41,880	26,162
Net Cash Provided by (Used in) Investing Activities	(224,017)	(105,930)	250	272	7,838	(321,587)	(221,696)
Cash Flows from Capital Financing Activities:							
Purchase of capital assets	-	-	-	-	(470)	(470)	(686)
Sale of capital assets	-	-	-	-	-	-	28,874
Net Cash Provided by (Used in) Capital Financing Activities	-	-	-	-	(470)	(470)	28,188
Net Increase (Decrease) in Cash and Cash Equivalents	30,810	(8,537)	874	(6,800)	6,110	22,457	67,819
Cash and Cash Equivalents, Beginning of Year	110,602	154,204	11,221	17,683	187,740	481,450	413,631
Cash and Cash Equivalents, End of Year	141,412	145,667	12,095	10,883	193,850	503,907	481,450

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Cash Flows
For the Year Ended June 30, 2019
with comparative totals for the year ended June 30, 2018
(Thousands of Dollars)

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total 2019	Total 2018
Reconciliation of Change in Net Position to Net Cash Provided by (Used in) Operating Activities:							
Change in Net Position	57,167	10,551	1,700	120	17,737	87,275	33,891
Adjustments to Reconcile Change in Net Position to Net Cash Provided by (Used in) Operating Activities:							
Net (increase) decrease in fair value of investments and mortgage-backed securities	(39,593)	(1,349)	-	-	(927)	(41,869)	20,375
Provision for loan loss	24	-	-	283	2,969	3,276	1,389
Interest expense	24,250	16,591	4,472	-	3,226	48,539	39,707
Income on investments and mortgage backed securities	(29,294)	(6,354)	(254)	(269)	(7,585)	(43,756)	(27,390)
Depreciation and amortization	-	-	-	-	(1,655)	(1,655)	(1,414)
Decrease (Increase) in mortgage loans receivable and real estate held	55,034	(21,559)	2,651	(6,691)	(35,493)	(6,058)	(2,153)
Increase in escrows	-	-	-	-	7,358	7,358	13,082
Other	3,243	3,113	(185)	(515)	1,760	7,416	(3,312)
Net Cash Provided by (Used in) Operating Activities	70,831	993	8,384	(7,072)	(12,610)	60,526	74,175

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Net Position - Home Ownership Mortgage Loan Program
June 30, 2019
with comparative totals for June 30, 2018
(Thousands of Dollars)

	Single Family Bonds			Total	
Assets	1987	1988	2009	2019	2018
Current Assets:					
Cash and cash equivalents (Notes 1 & 4)	58,484	78,115	4,813	141,412	110,602
Investments (Notes 1 & 4)	853	13	-	866	1,534
Investment interest receivable	116	139	6	261	176
Mortgage-backed securities investment interest receivable	746	1,604	325	2,675	1,831
Mortgage loans receivable, net (Notes 1 & 5)	7,949	9,773	-	17,722	18,335
Mortgage interest receivable	947	1,144	-	2,091	2,538
Accounts receivable	183	245	-	428	512
Prepaid expense	16	8	1	25	25
Interfunds	(5,142)	(3,880)	(3,953)	(12,975)	(12,746)
Total Current Assets	64,152	87,161	1,192	152,505	122,807
Noncurrent Assets:					
Investments (Notes 1 & 4)	-	146	-	146	384
Mortgage-backed securities (Notes 1 & 4)	301,606	565,505	121,892	989,003	696,120
Mortgage loans receivable, net (Notes 1 & 5)	148,979	187,446	-	336,425	390,868
Other assets (Note 1)	-	-	-	-	-
Total Noncurrent Assets	450,585	753,097	121,892	1,325,574	1,087,372
Total Assets	514,737	840,258	123,084	1,478,079	1,210,179
Deferred Outflow of Resources					
Accumulated decrease in fair value of hedging derivatives (Notes 1 & 7)	4,201	7,874	-	12,075	468
Liabilities					
Current Liabilities:					
Bonds and notes payable (Notes 1 & 6)	15,646	16,849	927	33,422	26,245
Accrued interest payable	3,812	5,802	383	9,997	7,750
Total Current Liabilities	19,458	22,651	1,310	43,419	33,995
Noncurrent Liabilities:					
Bonds and notes payable (Notes 1 & 6)	375,327	621,824	108,007	1,105,158	904,098
Escrow deposits (Notes 1 & 4)	-	-	-	-	-
Derivative instrument - interest rate swaps (Notes 1 & 7)	4,201	7,874	-	12,075	468
Other liabilities	231	348	-	579	330
Total Noncurrent Liabilities	379,759	630,046	108,007	1,117,812	907,896
Total Liabilities	399,217	652,697	109,317	1,161,231	938,891
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions (Note 8)	119,721	195,435	13,767	328,923	271,756
Restricted by contractual agreements (Note 8)	-	-	-	-	-
Unrestricted (Note 8)	-	-	-	-	-
Total Net Position	119,721	195,435	13,767	328,923	271,756

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, 2019 with comparative totals for the year ended June 30, 2018

(Thousands of Dollars)

	Single Family Bonds			Total	
	1987	1988	2009	2019	2018
Mortgage income (Note 1)	9,798	12,382	-	22,180	26,458
Investment interest (Note 1)	1,146	1,466	82	2,694	1,655
Net decrease in fair value of investments	(2)	(6)	-	(8)	(25)
Mortgage-backed securities investment income	9,093	13,444	4,063	26,600	17,578
Net decrease in fair value of mortgage-backed securities	13,560	21,336	4,705	39,601	(19,281)
Interest expense (Note 1)	(10,213)	(10,852)	(3,185)	(24,250)	(21,567)
Debt financing costs	(1)	(2,235)	-	(2,236)	(2,207)
Net Investment Income	23,381	35,535	5,665	64,581	2,611
Mortgage service fees	-	-	-	-	17
Pass-through subsidy revenue (Note 1)	-	-	-	-	-
Other income (Note 1)	269	289	136	694	417
Net Investment and Other Income	23,650	35,824	5,801	65,275	3,045
Direct loan program expense	1,271	1,758	6	3,035	3,282
Pass-through subsidy expense (Note 1)	-	-	-	-	-
Grants and services	-	-	-	-	-
General and administrative expenses	2,356	2,481	236	5,073	4,581
Total Expenses	3,627	4,239	242	8,108	7,863
Change in Net Position	20,023	31,585	5,559	57,167	(4,818)
Net Position, Beginning of Year	99,641	164,726	7,389	271,756	276,556
Transfers between programs (Note 1)	57	(876)	819	-	18
Net Position, End of Year	119,721	195,435	13,767	328,923	271,756

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Cash Flows - Home Ownership Mortgage Loan Program
For the Year Ended June 30, 2019
with comparative totals for the year ended June 30, 2018
(Thousands of Dollars)

	Single Family Bonds			Total	
	1987	1988	2009	2019	2018
Cash Flows from Operating Activities:					
Cash received from interest on mortgage loans	10,002	12,624	-	22,626	27,410
Cash received from mortgage payments	24,849	29,798	-	54,647	84,668
Cash received from other fees and other income	329	312	153	794	344
Cash payments to purchase mortgage loans	1,008	(597)	-	411	(2,855)
Cash from escrow deposits, net	-	-	-	-	-
Cash payments to employees	(1,885)	(1,985)	(189)	(4,059)	(3,666)
Cash payments to vendors	(1,632)	(2,115)	(70)	(3,817)	(3,931)
Transfers between programs and change in interfunds	40	(825)	1,014	229	170
Net Cash Provided by Operating Activities	32,711	37,212	908	70,831	102,140
Cash Flows from Non-Capital Financing Activities:					
Proceeds from issuance of bonds and notes	-	297,394	-	297,394	242,891
Repayments on bonds and notes	(38,545)	(33,275)	(12,367)	(84,187)	(129,436)
Interest paid on bonds, notes and escrows	(12,010)	(11,690)	(3,275)	(26,975)	(23,137)
Bond issuance costs	(1)	(2,235)	-	(2,236)	(2,208)
Net Cash (Used in) Provided by Non-Capital Financing Activities	(50,556)	250,194	(15,642)	183,996	88,110
Cash Flows from Investing Activities:					
Purchases of investments	(11,039)	(303,852)	-	(314,891)	(285,277)
Proceeds from sales and maturities of investments	24,440	27,736	10,335	62,511	58,375
Investment interest received	10,247	13,940	4,176	28,363	18,566
Net Cash Provided by (Used in) Investing Activities	23,648	(262,176)	14,511	(224,017)	(208,336)
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	5,803	25,230	(223)	30,810	(18,086)
Cash and Cash Equivalents, Beginning of Year	52,681	52,885	5,036	110,602	128,688
Cash and Cash Equivalents, End of Year	58,484	78,115	4,813	141,412	110,602

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Cash Flows - Home Ownership Mortgage Loan Program
For the Year Ended June 30, 2019
with comparative totals for the year ended June 30, 2018
(Thousands of Dollars)

	Single Family Bonds			Total	
	1987	1988	2009	2019	2018
Reconciliation of Change in Net Position to Net Cash Provided by					
Operating Activities:					
Change in Net Position	20,023	31,585	5,559	57,167	(4,818)
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	(13,558)	(21,330)	(4,705)	(39,593)	19,306
Provision for loan loss	1	23	-	24	472
Interest expense	10,213	10,852	3,185	24,250	21,567
Income on investments and mortgage backed securities	(10,239)	(14,910)	(4,145)	(29,294)	(19,242)
Depreciation and amortization	-	-	-	-	-
Decrease in mortgage loans					
receivable and real estate held	25,856	29,178	-	55,034	81,341
Other	415	1,814	1,014	3,243	3,514
Net Cash Provided by (Used in) Operating Activities	32,711	37,212	908	70,831	102,140