



WISCONSIN HOUSING & ECONOMIC DEVELOPMENT AUTHORITY

Fritz Ruf
Executive Director

Tommy G. Thompson
Governor

Edwin J. Zagzebski
Chairman

September 20, 1996

Honorable Ben Brancel
Joint Committee on Finance
P.O. Box 8952
Madison, Wisconsin 53708

Honorable Brian Burke
Joint Committee on Finance
P.O. Box 7882
Madison, Wisconsin 53707

Re: Wisconsin Development Reserve Fund

Dear Chairmen Brancel and Burke:

Pursuant to Wisconsin Statute 234.93(4), enclosed please find the following reports relating to the Wisconsin Development Reserve Fund:

1. WDRF Balance Transfer on June 30, 1996
2. Attachment 1: Calculation of June 30, 1996 WDRF Balance
3. Projected WDRF Balance Transfer on June 30, 1997
4. Projected WDRF Balance Transfer on June 30, 1998

You will note these reports are provided in a revised format. We thank Terry Rhodes of the Legislative Fiscal Bureau for his guidance in making this information more understandable and meaningful.

Thank you also for allowing us time to produce these reports based upon actual year-end information. In the past we have produced reports by June 30 based on projected fund balances. We recommend amending the statutes to allow us to file our report by August 30 to give our auditors and staff time to produce actual figures. We believe these reports are more meaningful when based upon factual information, and would appreciate your help in making that revision.

Should you have any questions or comments on the reports, please feel free to call me.

Sincerely,



Fritz Ruf
Executive Director

cc: Secretary James R. Klauser
Robert Lang, Legislative Fiscal Bureau

Wisconsin Housing and Economic Development Authority (WHEDA)

**Balance Transfer: Wisconsin Development Reserve Fund (WDRF)
June 30, 1996**

Calculation

1	WDRF Balance (1)		\$14,188,016	
	Outstanding Claims (2)			
2	Ag Chem Clean Up		0	
3	Agribusiness	565,725		
4	Clean Air		0	
5	Contract		0	
6	CROP		0	
7	Drought		0	
8	Non-point Source		0	
9	Recycling	571,068		
10	Stratospheric Ozone		0	
11	Taliesin		0	
12	Target Area	455,363		
13	Tourism		0	
14	Total		1,592,156	Sum lines 2-13
	Principal and Outstanding Guarantees (3)			
15	Ag Chem Clean Up	585,000		650,000 times 90% guarantee
16	Agribusiness	4,500,000		5,000,000 times 90% guarantee
17	Clean Air	900,000		1,000,000 times 90% guarantee
18	Contract	1,800,000		2,000,000 times 90% guarantee
19	CROP	27,000,000		30,000,000 times 90% guarantee
20	Drought	0		No authority available
21	Non-point Source	765,000		850,000 times 90% guarantee
22	Recycling	146,382		Actual exposure less line 9
23	Stratospheric Ozone	450,000		500,000 times 90% guarantee
24	Taliesin	7,200,000		8,000,000 times 90% guarantee
25	Target Area	9,000,000		10,000,000 times 90% guarantee
26	Tourism	<u>7,200,000</u>		8,000,000 times 90% guarantee
27	Total	59,546,382		Sum lines 15-26
28	4:1 reserve calculation		14,886,596	Line 27 divided by 4
29	Total Deductions from WDRF Balance		<u>16,478,752</u>	add lines 14 and 28
30	Calculation of Amount Available for Transfer		(2,290,736)	Line 1 less line 29
31	Transfer to General Fund		0	Line 30 or zero if line 30 less than zero

(1) Please see attachment 1 for calculation of fiscal 1996 WDRF balance

(2) 234.93(4)(a)1, Wis. Stats.: "amounts sufficient to pay all outstanding claims under the programs guaranteed by funds from the Wisconsin development reserve fund." Includes pending claims against the WDRF and total guarantee amount of all nonperforming loans.

(3) 234.93(4)(a)2, Wis. Stats.: "amounts sufficient to fund guarantees under all of the programs guaranteed by funds from the Wisconsin development reserve fund at a ratio of \$1 of reserve funding to \$4 of total principal and outstanding guaranteed principal that the authority may guarantee under all of the programs." Each line (except Recycling) includes 90% of all performing loans and remaining outstanding guaranteed principal the Authority may guarantee on June 30, 1996, less amount of claims under (1) above. Recycling represents actual remaining guarantee exposure (\$717,450) less amount of claims at line 9 above.

Wisconsin Housing and Economic Development Authority (WHEDA)

**Balance Transfer: Wisconsin Development Reserve Fund (WDRF)
June 30, 1997 Projection**

Calculation

1	Actual WDRF Balance 6/30/96		14,188,016	
	Fiscal 1997 Projections			
2	Appropriations to WDRF	0		
3	Investment Income	814,311		
4	Fee Income	90,000		
5	Guarantee Payment Recoveries	0		
6	Required Lapses to State General Fund	0		
7	Guarantee Payments (Claims)	(754,280)		
8	Interest Subsidy Payments (CROP & Tourism)	(90,002)		
9	Admin. Expense Reimbursement to WHEDA General Fund	(1,287,329)		
10	Total		(1,227,300)	Sum lines 2-9
11	Projected WDRF Balance 6/30/97		12,960,716	Line 1 plus line 10
	Principal and Outstanding Guarantees			
12	Ag Chem Clean Up	585,000		650,000 times 90% guarantee
13	Agribusiness	4,500,000		5,000,000 times 90% guarantee
14	Clean Air	900,000		1,000,000 times 90% guarantee
15	Contract	1,800,000		2,000,000 times 90% guarantee
16	CROP	27,000,000		30,000,000 times 90% guarantee
17	Drought	90,002		No authority available
18	Non-point Source	765,000		850,000 times 90% guarantee
19	Recycling	146,382		Projected exposure
20	Stratospheric Ozone	450,000		500,000 times 90% guarantee
21	Taliesin	7,200,000		8,000,000 times 90% guarantee
22	Target Area	9,000,000		10,000,000 times 90% guarantee
23	Tourism	<u>7,200,000</u>		8,000,000 times 90% guarantee
24	Total	59,636,384		Sum lines 12-23
25	4:1 reserve calculation		14,909,096	Line 24 divided by 4
27	Calculation of Amount Available for Transfer		(1,948,380)	Line 11 less line 25
28	Transfer to General Fund		0	Line 27 or zero if line 27 less than zero

Wisconsin Housing and Economic Development Authority (WHEDA)

**Balance Transfer: Wisconsin Development Reserve Fund (WDRF)
June 30, 1998 Projection**

Calculation

1	Projected WDRF Balance 6/30/97		12,960,716	
	Fiscal 1998 Projections			
2	Appropriations to WDRF	0		
3	Investment Income	814,311		
4	Fee Income	90,000		
5	Guarantee Payment Recoveries	0		
6	Required Lapses to State General Fund	0		
7	Guarantee Payments (Claims)	(754,280)		
8	Interest Subsidy Payments (CROP & Tourism)	(90,002)		
9	Admin. Expense Reimbursement to WHEDA General Fund	(1,287,329)		
10	Total		(1,227,300)	Sum lines 2-9
11	Projected WDRF Balance 6/30/98		11,733,416	Line 1 plus line 10
	Principal and Outstanding Guarantees			
12	Ag Chem Clean Up	585,000		650,000 times 90% guarantee
13	Agribusiness	4,500,000		5,000,000 times 90% guarantee
14	Clean Air	900,000		1,000,000 times 90% guarantee
15	Contract	1,800,000		2,000,000 times 90% guarantee
16	CROP	27,000,000		30,000,000 times 90% guarantee
17	Drought	90,002		No authority available
18	Non-point Source	765,000		850,000 times 90% guarantee
19	Recycling	146,382		Projected exposure
20	Stratospheric Ozone	450,000		500,000 times 90% guarantee
21	Taliesin	7,200,000		8,000,000 times 90% guarantee
22	Target Area	9,000,000		10,000,000 times 90% guarantee
23	Tourism	<u>7,200,000</u>		8,000,000 times 90% guarantee
24	Total	59,636,384		Sum lines 12-23
25	4:1 reserve calculation		14,909,096	Line 24 divided by 4
27	Calculation of Amount Available for Transfer		(3,175,680)	Line 11 less line 25
28	Transfer to General Fund		0	Line 27 or zero if line 27 less than zero

Wisconsin Housing and Economic Development Authority (WHEDA)

Attachment 1

Calculation of June 30, 1996 Wisconsin Development Reserve Fund (WDRF) Balance

1	WDRF Balance 6/30/95		15,163,482	
2	Appropriations to WDRF	0		
3	Investment Income	932,910		
4	Fee Income	34,350		
5	Guarantee Payment Recoveries	63,350		
6	Required Lapses to State General Fund	(240,900)		
7	Guarantee Payments (Claims)	(374,828)		
8	Interest Subsidy Payments (CROP & Tourism)	(272,351)		
9	Admin. Expense Reimbursement to WHEDA General Fund	(1,117,997)		
10	Total		(975,466)	Sum lines 2-9
11	WDRF Balance 6/30/96		14,188,016	Sum lines 1 and 10