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September 17, 1999

**WISCONSIN  
HOUSING AND  
ECONOMIC  
DEVELOPMENT  
AUTHORITY**

Honorable Brian B. Burke  
Co-Chair, Joint Committee on Finance  
Room 316 South  
State Capitol  
Madison, Wisconsin 53707

Honorable John Gard  
Co-Chair, Joint Committee on Finance  
Room 315 North  
State Capitol  
Madison, Wisconsin 53708

Tommy G. Thompson  
Governor

Edwin J. Zagzebski  
Chairman

Fritz Ruf  
Executive Director

Re: Wisconsin Development Reserve Fund

Dear Chairmen Burke and Gard:

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, 1999
2. Attachment 1: Calculation of June 30, 1999 WDRF Balance
3. Projected WDRF Balance Transfer on June 30, 2000
4. Projected WDRF Balance Transfer on June 30, 2001

201 West Washington Avenue  
Suite 700  
PO Box 1728  
Madison, WI 53701-1728  
tel 608/266-7884  
fax 608/267-1099

Please note that the June 30, 2000 projection is based in part upon provisions contained in the pending state budget.

Should you have any questions or comments on the reports, please feel free to call me or Jim Langdon at 266-3529.

Sincerely,



Fritz Ruf  
Executive Director

101 West Pleasant Street  
Suite 100  
Milwaukee, WI 53212-3962  
tel 414/227-4039  
fax 414/227-4704

[www.wheda.state.wi.us](http://www.wheda.state.wi.us)  
[wheda@mail.state.wi.us](mailto:wheda@mail.state.wi.us)

cc: Secretary George Lightbourn, DOA  
Mr. Robert Lang, Legislative Fiscal Bureau

WHEDA supports equal  
housing opportunities for  
all persons



Enclosures

Wisconsin Housing and Economic Development Authority (WHEDA)

Balance Transfer: Wisconsin Development Reserve Fund (WDRF)  
June 30, 1999

Calculation

1	<b>WDRF Balance (1)</b>		\$16,154,527	
	<b>Outstanding Claims (2)</b>			
2	Agribusiness	0		
3	Brownfields	0		
4	CROP/FARM	0		
5	Drought	0		
6	Recycling	0		
7	Small Business Guarantee	0		
8	Target Area	387,700		
9	Tourism	0		
10	<b>Total</b>		<b>387,700</b>	Sum lines 2-9
	<b>Principal and Outstanding Guarantees (3)</b>			
11	Agribusiness	4,000,000		5,000,000 times 80% guarantee
12	Brownfields	18,000,000		22,500,000 times 80% guarantee
13	CROP/FARM	27,000,000		30,000,000 times 90% guarantee
14	Drought	0		No authority available
15	Recycling	117,263		Actual exposure
16	Small Business Guarantee	7,920,000		9,900,000 times 80% guarantee
17	Target Area	5,159,648		Actual Exposure
18	Tourism	2,734,611		Actual Exposure
19	<b>Total</b>	<b>64,931,522</b>		Sum lines 11-18
20	<b>4.5:1 reserve calculation (3)</b>		<b>14,429,227</b>	Line 19 divided by 4.5
	<b>Principal and Outstanding Guarantees (4)</b>			
21	Taliesin	7,200,000		8,000,000 times 90% guarantee
22	<b>4.0:1 reserve calculation (4)</b>		<b>1,800,000</b>	Line 21 divided by 4
23	<b>Total Deductions from WDRF Balance</b>		<b>16,616,927</b>	Sum lines 10, 20 and 22
24	<b>Calculation of Amount Available for Transfer</b>		<b>(462,400)</b>	Line 1 less line 23
25	<b>Transfer to General Fund</b>		<b>0</b>	Line 24 or zero if line 24 less than zero

(1) Please see Attachment 1 for calculation of fiscal 1999 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, except for the program under s. 234.935, at a ratio of \$1 of reserve funding to \$4.50 of total outstanding principal and outstanding guaranteed principal that the authority may guarantee under all of those programs." Each line (except Recycling, Target Area and Tourism) includes 80% or 90% of all performing loans and remaining outstanding guaranteed principal the Authority may guarantee on June 30, 1999, less amount of claims under (1) above. Recycling, Target Area and Tourism represent actual remaining guarantee exposure.

(4) 234.93(4)(a)3, Wis. Stats.: Amounts sufficient "to fund guarantees under the program under s. 234.935 at a ratio of \$1 of reserve funding to \$4 of total principal and outstanding guaranteed principal that the authority may guarantee under that program."

**Balance Transfer: Wisconsin Development Reserve Fund (WDRF)**  
**June 30, 2000 Projection**

		Calculation
1	<b>Actual WDRF Balance 6/30/99</b>	16,154,527
<b>Fiscal 2000 Projections</b>		
2	Appropriations to WDRF (1)	5,845,215
3	Investment Income	693,971
4	Fee Income	241,000
5	Guarantee Payment Recoveries	0
6	Required Lapses to State General Fund (1)	(4,000,000)
7	Guarantee Payments (Claims)	(6,410,215)
8	Interest Subsidy Payments (CROP & Tourism)	(40,000)
9	Admin. Expense Reimbursement to WHEDA General Fund	<u>(802,296)</u>
10	<b>Total</b>	<u>(4,472,325)</u> <span style="float: right;">Sum lines 2-9</span>
11	<b>Projected WDRF Balance 6/30/2000</b>	11,682,202 <span style="float: right;">Sum lines 1 and 10</span>
<b>Principal and Outstanding Guarantees</b>		
12	Agribusiness	4,000,000 <span style="float: right;">5,000,000 times 80% guarantee</span>
13	Brownfields (1)	0 <span style="float: right;">No authority available</span>
14	CROP/FARM	27,000,000 <span style="float: right;">30,000,000 times 90% guarantee</span>
15	Drought	0 <span style="float: right;">No authority available</span>
16	Recycling	117,263 <span style="float: right;">Actual exposure</span>
17	Small Business Guarantee	7,920,000 <span style="float: right;">9,900,000 times 80% guarantee</span>
18	Target Area	5,159,648 <span style="float: right;">Actual Exposure</span>
19	Tourism	2,734,611 <span style="float: right;">Actual Exposure</span>
20	<b>Total</b>	46,931,522 <span style="float: right;">Sum lines 12-19</span>
21	<b>4.5:1 reserve calculation</b>	10,429,227 <span style="float: right;">Line 20 divided by 4.5</span>
<b>Principal and Outstanding Guarantees</b>		
22	Taliesin (1)	1,088,887 <span style="float: right;">Actual Exposure</span>
23	<b>4.0:1 reserve calculation</b>	<u>272,222</u> <span style="float: right;">Line 22 divided by 4.0</span>
24	<b>Aggregate reserve calculation</b>	10,701,449 <span style="float: right;">Sum lines 21 &amp; 23</span>
25	<b>Calculation of Amount Available for Transfer</b>	980,753 <span style="float: right;">Line 11 less line 24</span>
26	<b>Transfer to General Fund</b>	980,753 <span style="float: right;">Line 25 or zero if line 25 less than zero</span>

(1) Includes transfers proposed in the pending state budget.

**Balance Transfer: Wisconsin Development Reserve Fund (WDRF)  
June 30, 2001 Projection**

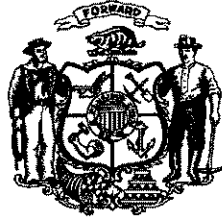
		Calculation
1	<b>Projected WDRF Balance 6/30/2000</b>	11,682,202
<b>Fiscal 2001 Projections</b>		
2	Appropriations to WDRF	0
3	Investment Income	804,446
4	Fee Income	241,000
5	Guarantee Payment Recoveries	0
6	Required Lapses to State General Fund (1)	(980,753)
7	Guarantee Payments (Claims)	(565,000)
8	Interest Subsidy Payments (CROP & Tourism)	(40,000)
9	Admin. Expense Reimbursement to WHEDA General Fund	<u>(818,342)</u>
10	<b>Total</b>	<b>(1,358,649)</b> <span style="float: right;">Sum lines 2-9</span>
11	<b>Projected WDRF Balance 6/30/2001</b>	<b>10,323,553</b> <span style="float: right;">Sum lines 1 and 10</span>
<b>Principal and Outstanding Guarantees</b>		
12	Agribusiness	4,000,000 <span style="float: right;">5,000,000 times 80% guarantee</span>
13	Brownfields	0 <span style="float: right;">No authority available</span>
14	CROP/FARM	27,000,000 <span style="float: right;">30,000,000 times 90% guarantee</span>
15	Drought	0 <span style="float: right;">No authority available</span>
16	Recycling	117,263 <span style="float: right;">Actual exposure</span>
17	Small Business Guarantee	7,920,000 <span style="float: right;">9,900,000 times 80% guarantee</span>
18	Target Area	5,159,648 <span style="float: right;">Actual Exposure</span>
19	Tourism	<u>2,734,611</u> <span style="float: right;">Actual Exposure</span>
20	<b>Total</b>	<b>46,931,522</b> <span style="float: right;">Sum lines 12-19</span>
21	<b>4.5:1 reserve calculation</b>	<b>10,429,227</b> <span style="float: right;">Line 20 divided by 4.5</span>
<b>Principal and Outstanding Guarantees</b>		
22	Taliesin	1,088,887 <span style="float: right;">Actual Exposure</span>
23	<b>4.0:1 reserve calculation</b>	<b><u>272,222</u></b> <span style="float: right;">Line 22 divided by 4.0</span>
24	<b>Aggregate reserve calculation</b>	<b>10,701,449</b> <span style="float: right;">Sum lines 21 &amp; 23</span>
25	<b>Calculation of Amount Available for Transfer</b>	<b>(377,896)</b> <span style="float: right;">Line 11 less line 24</span>
26	<b>Transfer to General Fund</b>	<b>0</b> <span style="float: right;">Line 25 or zero if line 25 less than zero</span>

(1) Includes projected transfer to State General Fund under 234.93(4)(a) on June 30, 2000.

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

316-S Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-8535



ASSEMBLY CHAIR  
**JOHN GARD**

315-N Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Brian Burke  
Representative John Gard

Date: October 7, 1999

Attached is a copy of a report from the Wisconsin Housing and Economic Development Authority, pursuant to s. 234.93(4), Stats. The report provides information on the Wisconsin Development Reserve Fund.

This report replaces one received previously from WHEDA.

The report is being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

Attachment

BB:JG:dh



**WISCONSIN  
HOUSING AND  
ECONOMIC  
DEVELOPMENT  
AUTHORITY**

Tommy G. Thompson  
Governor

Edwin J. Zagzebski  
Chairman

Fritz Ruf  
Executive Director

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WHEDA supports equal  
housing opportunities for  
all persons



September 27, 1999

Honorable Brian B. Burke  
Co-Chair, Joint Committee on Finance  
Room 316 South  
State Capitol  
Madison, Wisconsin 53707

Honorable John Gard  
Co-Chair, Joint Committee on Finance  
Room 315 North  
State Capitol  
Madison, Wisconsin 53708

Re: Wisconsin Development Reserve Fund

Dear Chairmen Burke and Gard:

The enclosed reports, made pursuant to Wisconsin Statute 234.93(4), replace those submitted by this office on September 17, 1999 and reflect recommendations made by the Legislative Fiscal Bureau.

Should you have any questions or comments on the reports, please feel free to call me or Jim Langdon at 266-3529.

Sincerely,

Fritz Ruf  
Executive Director

cc: Secretary George Lightbourn, DOA  
Mr. Robert Lang, Legislative Fiscal Bureau

Enclosures

Wisconsin Housing and Economic Development Authority (WHEDA)

Balance Transfer: Wisconsin Development Reserve Fund (WDRF)  
June 30, 1999

Calculation

1	<b>WDRF Balance (1)</b>		\$16,154,527	
	<b>Outstanding Claims (2)</b>			
2	Agribusiness	0		
3	Brownfields	0		
4	CROP/FARM	0		
5	Drought	0		
6	Recycling	0		
7	Small Business Guarantee	0		
8	Target Area	387,700		
9	Tourism	0		
10	<b>Total</b>		<b>387,700</b>	Sum lines 2-9
	<b>Principal and Outstanding Guarantees (3)</b>			
11	Agribusiness	5,000,000		Guarantee limit under 234.907(3)(b)
12	Brownfields	18,000,000		Guarantee limit under 234.88(3)(b)
13	CROP/FARM	27,000,000		Guarantee limit under 234.90(4)
14	Drought	0		No authority available
15	Recycling	117,263		Actual exposure
16	Small Business Guarantee	9,900,000		Guarantee limit under 234.83(4)(b)
17	Target Area	5,159,648		Actual Exposure
18	Tourism	2,734,611		Actual Exposure
19	<b>Total</b>	<b>67,911,522</b>		Sum lines 11-18
20	<b>4.5:1 reserve calculation (3)</b>		<b>15,091,449</b>	Line 19 divided by 4.5
	<b>Principal and Outstanding Guarantees (4)</b>			
21	Taliesin	7,200,000		8,000,000 times 90% guarantee
22	<b>4.0:1 reserve calculation (4)</b>		<b>1,800,000</b>	Line 21 divided by 4
23	<b>Total Deductions from WDRF Balance</b>		<b>17,279,149</b>	Sum lines 10, 20 and 22
24	<b>Calculation of Amount Available for Transfer</b>		<b>(1,124,622)</b>	Line 1 less line 23
25	<b>Transfer to General Fund</b>		<b>0</b>	Line 24 or zero if line 24 less than zero

(1) Please see Attachment 1 for calculation of fiscal 1999 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, except for the program under s. 234.935, at a ratio of \$1 of reserve funding to \$4.50 of total outstanding principal and outstanding guaranteed principal that the authority may guarantee under all of those programs." Each line (except Recycling, Target Area and Tourism) includes 80% or 90% of all performing loans and remaining outstanding guaranteed principal the Authority may guarantee on June 30, 1999, less amount of claims under (1) above. Recycling, Target Area and Tourism represent actual remaining guarantee exposure.

(4) 234.93(4)(a)3, Wis. Stats.: Amounts sufficient "to fund guarantees under the program under s. 234.935 at a ratio of \$1 of reserve funding to \$4 of total principal and outstanding guaranteed principal that the authority may guarantee under that program."

09/27/1999

Wisconsin Housing and Economic Development Authority (WHEDA)

Attachment 1

Calculation of June 30, 1999 Wisconsin Development Reserve Fund (WDRF) Balance

1	<b>WDRF Balance 6/30/98</b>		16,492,575	
2	Appropriations to WDRF		0	
3	Investment Income	778,946		
4	Fee Income	182,606		
5	Guarantee Payment Recoveries	63,270		
6	Required Lapses to State General Fund	0		
7	Guarantee Payments (Claims)	(410,294)		
8	Interest Subsidy Payments (CROP & Tourism)	(82,993)		
9	Admin. Expense Reimbursement to WHEDA General Fund	(869,583)		
10	<b>Total</b>		<b>(338,048)</b>	Sum lines 2-9
11	<b>WDRF Balance 6/30/99</b>		<b>16,154,527</b>	Sum lines 1 and 10



**Balance Transfer: Wisconsin Development Reserve Fund (WDRF)**  
**June 30, 2000 Projection**

			Calculation
1	<b>Actual WDRF Balance 6/30/99</b>	16,154,527	
<b>Fiscal 2000 Projections</b>			
2	Appropriations to WDRF (1)	5,845,215	
3	Investment Income	693,971	
4	Fee Income	241,000	
5	Guarantee Payment Recoveries	0	
6	Required Lapses to State General Fund (1)	(4,000,000)	
7	Guarantee Payments (Claims)	(6,410,215)	
8	Interest Subsidy Payments (CROP & Tourism)	(40,000)	
9	Admin. Expense Reimbursement to WHEDA General Fund	(802,296)	
10	<b>Total</b>	<u>(4,472,325)</u>	Sum lines 2-9
11	<b>Projected WDRF Balance 6/30/2000</b>	11,682,202	Sum lines 1 and 10
<b>Principal and Outstanding Guarantees</b>			
12	Agribusiness	5,000,000	Guarantee limit under 234.907(3)(b)
13	Brownfields (1)	0	Guarantee limit under 234.88(3)(b)
14	CROP/FARM	27,000,000	Guarantee limit under 234.90(4)
15	Drought	0	No authority available
16	Recycling	117,263	Actual exposure
17	Small Business Guarantee	9,900,000	Guarantee limit under 234.83(4)(b)
18	Target Area	5,159,648	Actual Exposure
19	Tourism	2,734,611	Actual Exposure
20	<b>Total</b>	49,911,522	Sum lines 12-19
21	<b>4.5:1 reserve calculation</b>	11,091,449	Line 20 divided by 4.5
<b>Principal and Outstanding Guarantees</b>			
22	Taliesin (1)	1,088,887	Actual Exposure
23	<b>4.0:1 reserve calculation</b>	<u>272,222</u>	Line 22 divided by 4.0
24	<b>Aggregate reserve calculation</b>	11,363,671	Sum lines 21 & 23
25	<b>Calculation of Amount Available for Transfer</b>	318,531	Line 11 less line 24
26	<b>Transfer to General Fund</b>	318,531	Line 25 or zero if line 25 less than zero

(1) Includes transfers proposed in the pending state budget.

**Balance Transfer: Wisconsin Development Reserve Fund (WDRF)**  
**June 30, 2001 Projection**

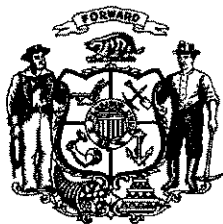
		Calculation
1	<b>Projected WDRF Balance 6/30/2000</b>	11,682,202
<b>Fiscal 2001 Projections</b>		
2	Appropriations to WDRF	0
3	Investment Income	804,446
4	Fee Income	241,000
5	Guarantee Payment Recoveries	0
6	Required Lapses to State General Fund (1)	(318,531)
7	Guarantee Payments (Claims)	(565,000)
8	Interest Subsidy Payments (CROP & Tourism)	(40,000)
9	Admin. Expense Reimbursement to WHEDA General Fund	<u>(818,342)</u>
10	<b>Total</b>	<u>(696,427)</u> <span style="float: right;">Sum lines 2-9</span>
11	<b>Projected WDRF Balance 6/30/2001</b>	10,985,775 <span style="float: right;">Sum lines 1 and 10</span>
<b>Principal and Outstanding Guarantees</b>		
12	Agribusiness	5,000,000 <span style="float: right;">Guarantee limit under 234.907(3)(b)</span>
13	Brownfields	0 <span style="float: right;">Guarantee limit under 234.88(3)(b)</span>
14	CROP/FARM	27,000,000 <span style="float: right;">Guarantee limit under 234.90(4)</span>
15	Drought	0 <span style="float: right;">No authority available</span>
16	Recycling	117,263 <span style="float: right;">Actual exposure</span>
17	Small Business Guarantee	9,900,000 <span style="float: right;">Guarantee limit under 234.83(4)(b)</span>
18	Target Area	5,159,648 <span style="float: right;">Actual Exposure</span>
19	Tourism	<u>2,734,611</u> <span style="float: right;">Actual Exposure</span>
20	<b>Total</b>	49,911,522 <span style="float: right;">Sum lines 12-19</span>
21	<b>4.5:1 reserve calculation</b>	11,091,449 <span style="float: right;">Line 20 divided by 4.5</span>
<b>Principal and Outstanding Guarantees</b>		
22	Taliesin	1,088,887 <span style="float: right;">Actual Exposure</span>
23	<b>4.0:1 reserve calculation</b>	<u>272,222</u> <span style="float: right;">Line 22 divided by 4.0</span>
24	<b>Aggregate reserve calculation</b>	11,363,671 <span style="float: right;">Sum lines 21 &amp; 23</span>
25	<b>Calculation of Amount Available for Transfer</b>	(377,896) <span style="float: right;">Line 11 less line 24</span>
26	<b>Transfer to General Fund</b>	0 <span style="float: right;">Line 25 or zero if line 25 less than zero</span>

(1) Includes projected transfer to State General Fund under 234.93(4)(a) on June 30, 2000.

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

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Phone: (608) 266-8535



ASSEMBLY CHAIR  
**JOHN GARD**

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P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members, Joint Committee on Finance

From: Senator Brian Burke  
Representative John Gard  
Co-Chairs, Joint Committee on Finance

Date: December 7, 1999

Re: Attached WHEDA Report

Attached please find a copy of a report prepared by the Wisconsin Housing and Economic Development Authority (WHEDA). Pursuant to s. 234.93(5), the Authority must report to the Committee regarding the number of guarantees, total dollar amount of guarantees and default rates for each of the programs supported by the Wisconsin Development Reserve Fund.

This report is provided for your information only. No formal action by the Committee is necessary. Please contact us if you have any questions or concerns.

BB:JG:js



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HOUSING AND  
ECONOMIC  
DEVELOPMENT  
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Executive Director

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[www.wheda.state.wi.us](http://www.wheda.state.wi.us)  
[wheda@mail.state.wi.us](mailto:wheda@mail.state.wi.us)

WHEDA supports equal  
housing opportunities for  
all persons



November 30, 1999

Honorable Brian B. Burke  
316 South, State Capitol  
Madison, Wisconsin 53707

Honorable John Gard  
315 North, State Capitol  
Madison, Wisconsin 53708

Mr. Donald J. Schneider, Senate Chief Clerk  
1 East Main Street  
Madison, Wisconsin 53707

Mr. Charles R. Sanders, Assembly Chief Clerk  
1 East Main Street  
Madison, Wisconsin 53707

Gentlemen:

Pursuant to Wisconsin Statute 234.93(5), please find enclosed a report on the number of guarantees, total dollar amount of guarantees and default rates for each of the programs supported by the Wisconsin Development Reserve Fund. The report also includes Wisconsin Development Reserve Fund program activity in fiscal 1999.

Finally, the report provides information relating to jobs created/retained through the Agribusiness and Small Business Guarantee Funds during fiscal 1999, by county.

Please feel free to contact me or Jim Langdon at 266-3529 with any questions.

Sincerely,

Fritz Ruf  
Executive Director

cc: Legislative Fiscal Bureau  
Department of Administration, State Budget Office

**Wisconsin Development Reserve Fund**

Active Loans, Outstanding Guarantee Amounts and Default Rates as of June 30, 1999

<u>Program</u>	<u>Active Loans</u>	<u>Outstanding Guarantees</u>	<u>Default Rates</u>
Agribusiness Fund	6	\$2,197,740	5.20%
CROP Fund *	747	\$12,400,334	1.81% **
FARM Fund	51	\$1,768,117	1.30%
Nonpoint Source Pollution Fund	2	\$20,082	0.00%
Recycling Fund	1	\$117,263	23.30%
Small Business Guarantee	49	\$4,424,035	0.00%
Taliesin	1	\$6,825,206	0.00%
Target Area Fund	64	\$5,503,637	4.70%
Tourism Fund	64	\$2,678,195	.70%
Total	985	\$35,934,609	

\* CROP data is compiled from January 1, 1993 to present

\*\* CROP default rate goes through CROP year ending 12/31/98

**Wisconsin Development Reserve Fund**

Applications Closed from July 1, 1998 to June 30, 1999

<u>Program</u>	<u>Total Closed</u>	<u>Guarantee Amount</u>
Agribusiness Fund	2	\$1,200,000
CROP	873	\$13,000,864
FARM	13	\$563,530
Small Business Guarantee	25	\$2,448,841
Total	913	\$17,213,235

**Wisconsin Development Reserve Fund**

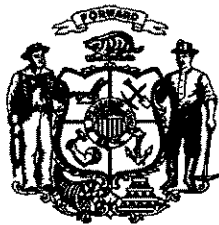
Jobs Created/Retained through the Agribusiness and Small Business Guarantee Funds Closed from July 1, 1998 to June 30, 1999, by County

<u>County</u>	<u>Jobs Certified</u>	<u>County</u>	<u>Jobs Certified</u>
Barron	1	Lincoln	13
Columbia	5	Milwaukee	13
Crawford	10	Outagamie	2
Dane	2	Polk	3
Dodge	53	Sauk	10
Fond Du Lac	60	Sheboygan	9
Grant	9	Vernon	97
Iowa	1	Washburn	2
Iron	12	Waupaca	2
La Crosse	38		
		Total	341

# THE STATE OF WISCONSIN

**SENATE CHAIR  
BRIAN BURKE**

316-S Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-8535



**ASSEMBLY CHAIR  
JOHN GARD**

315-N Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-2343

## **JOINT COMMITTEE ON FINANCE**

### MEMORANDUM

To: Members, Joint Committee on Finance

From: Senator Brian Burke  
Representative John Gard  
Co-Chairs, Joint Committee on Finance

Date: December 7, 1999

Re: Attached WHEDA Report

Attached please find a copy of a report prepared by the Wisconsin Housing and Economic Development Authority (WHEDA). Pursuant to s. 234.93(5), the Authority must report to the Committee regarding the number of guarantees, total dollar amount of guarantees and default rates for each of the programs supported by the Wisconsin Development Reserve Fund.

This report is provided for your information only. No formal action by the Committee is necessary. Please contact us if you have any questions or concerns.

BB:JG:js



November 30, 1999

Honorable Brian B. Burke  
316 South, State Capitol  
Madison, Wisconsin 53707

Honorable John Gard  
315 North, State Capitol  
Madison, Wisconsin 53708

Mr. Donald J. Schneider, Senate Chief Clerk  
1 East Main Street  
Madison, Wisconsin 53707

Mr. Charles R. Sanders, Assembly Chief Clerk  
1 East Main Street  
Madison, Wisconsin 53707

Tommy G. Thompson  
Governor

Edwin J. Zagzebski  
Chairman

Fritz Ruf  
Executive Director

Gentlemen:

Pursuant to Wisconsin Statute 234.93(5), please find enclosed a report on the number of guarantees, total dollar amount of guarantees and default rates for each of the programs supported by the Wisconsin Development Reserve Fund. The report also includes Wisconsin Development Reserve Fund program activity in fiscal 1999.

Finally, the report provides information relating to jobs created/retained through the Agribusiness and Small Business Guarantee Funds during fiscal 1999, by county.

Please feel free to contact me or Jim Langdon at 266-3529 with any questions.

Sincerely,

Fritz Ruf  
Executive Director

cc: Legislative Fiscal Bureau  
Department of Administration, State Budget Office

201 West Washington Avenue  
Suite 700  
PO Box 1728  
Madison, WI 53701-1728  
tel 608/266-7884  
fax 608/267-1099

101 West Pleasant Street  
Suite 100  
Milwaukee, WI 53212-3962  
tel 414/227-4039  
fax 414/227-4704

[www.wheda.state.wi.us](http://www.wheda.state.wi.us)  
[wheda@mail.state.wi.us](mailto:wheda@mail.state.wi.us)

WHEDA supports equal  
housing opportunities for  
all persons



**Wisconsin Development Reserve Fund**

Active Loans, Outstanding Guarantee Amounts and Default Rates as of June 30, 1999

<u>Program</u>	<u>Active Loans</u>	<u>Outstanding Guarantees</u>	<u>Default Rates</u>
Agribusiness Fund	6	\$2,197,740	5.20%
CROP Fund *	747	\$12,400,334	1.81% **
FARM Fund	51	\$1,768,117	1.30%
Nonpoint Source Pollution Fund	2	\$20,082	0.00%
Recycling Fund	1	\$117,263	23.30%
Small Business Guarantee	49	\$4,424,035	0.00%
Taliesin	1	\$6,825,206	0.00%
Target Area Fund	64	\$5,503,637	4.70%
Tourism Fund	<u>64</u>	<u>\$2,678,195</u>	.70%
Total	985	\$35,934,609	

\* CROP data is compiled from January 1, 1993 to present

\*\* CROP default rate goes through CROP year ending 12/31/98

**Wisconsin Development Reserve Fund**

Applications Closed from July 1, 1998 to June 30, 1999

<u>Program</u>	<u>Total Closed</u>	<u>Guarantee Amount</u>
Agribusiness Fund	2	\$1,200,000
CROP	873	\$13,000,864
FARM	13	\$563,530
Small Business Guarantee	<u>25</u>	<u>\$2,448,841</u>
Total	913	\$17,213,235

**Wisconsin Development Reserve Fund**

Jobs Created/Retained through the Agribusiness and Small Business Guarantee Funds Closed from July 1, 1998 to June 30, 1999, by County

<u>County</u>	<u>Jobs Certified</u>	<u>County</u>	<u>Jobs Certified</u>
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Fond Du Lac	60	Sheboygan	9
Grant	9	Vernon	97
Iowa	1	Washburn	2
Iron	12	Waupaca	<u>2</u>
La Crosse	38	Total	341





January 14, 2000

**WISCONSIN  
HOUSING AND  
ECONOMIC  
DEVELOPMENT  
AUTHORITY**

Honorable Tommy G. Thompson, Governor  
Honorable Brian Burke, Co-Chair, Joint Committee on Finance  
Honorable John Gard, Co-Chair, Joint Committee on Finance  
Honorable Robert Wirsch, Chair, Senate Committee on Economic Development, Housing and  
Government Operations  
Honorable Tom Sykora, Chair, Assembly Committee on Housing  
State Capitol  
Madison, Wisconsin 53708

Mr. George Lightbourn, Secretary  
Wisconsin Department of Administration  
101 East Wilson Street  
Madison, Wisconsin 53702

Dear Governor Thompson, Legislators and Secretary Lightbourn:

Tommy G. Thompson  
Governor

Edwin J. Zagzebski  
Chairman

Fritz Ruf  
Executive Director

Pursuant to section 234.25, Wisconsin Statutes, the following is the Fiscal 1999 annual report of the Wisconsin Housing and Economic Development Authority (WHEDA). Please note that each of the housing programs described in the following pages are consistent with the goals, policies and objectives of the state housing plan. In addition, the report reflects Calendar 1999 data for those programs operating on a calendar year basis. The report contains the following information:

- Fiscal 1999 Program Activity
- Job Creation Report
- Fiscal 2000 Strategic Plan
- Calendar 1998 Annual Report
- June 30, 1999 Financial Statement

201 West Washington Avenue  
Suite 700  
PO Box 1728  
Madison, WI 53701-1728  
tel 608/266-7884  
fax 608/267-1099

Should you have any questions or comments on this report, please call me or Jim Langdon at 266-3529. Thank you for your interest in WHEDA.

Sincerely,

Fritz Ruf  
Executive Director

101 West Pleasant Street  
Suite 100  
Milwaukee, WI 53212-3962  
tel 414/227-4039  
fax 414/227-4704

cc: Legislative WHEDA Board Members  
Senate Chief Clerk  
Assembly Chief Clerk  
Legislative Fiscal Bureau  
Legislative Reference Bureau  
Legislative Audit Bureau

[www.wheda.state.wi.us](http://www.wheda.state.wi.us)  
[wheda@mail.state.wi.us](mailto:wheda@mail.state.wi.us)

WHEDA supports equal  
housing opportunities for  
all persons



## Fiscal 1999 Program Activity

### Single Family Housing

The **HOME Loan** is a low interest, fixed rate, long term mortgage for the purchase of homes by low and moderate income individuals and families. HOME Loans are limited to first time home buyers and those purchasing in areas of the state that have been specially "targeted" as in need of revitalization or economic stimulation. Income and purchase price limits apply. In Fiscal 1999, WHEDA produced the following statewide HOME Loan activity:

**Number of HOME Loans: 3,978**  
**Amount of HOME Loans: \$258,583,727**

The **Home Improvement Loan** enables low and moderate income home owners to make non-luxury or energy conserving improvements to their homes. To qualify, borrowers must meet income eligibility criteria, and must use the funds for eligible improvements. In Fiscal 1999, WHEDA produced the following statewide Home Improvement Program activity:

**Number of Home Improvement Program Loans: 120**  
**Amount of Home Improvement Program Loans: \$1,148,537**

The **Property Tax Deferral Loan (PTDL) Program** was created by the Legislature to help elderly Wisconsin resident home owners pay their property tax bills. The PTDL Program operates on a calendar year basis. In Calendar 1999, WHEDA produced the following statewide PTDL activity:

**Number of Property Tax Deferral Loans: 242**  
**Amount of Property Tax Deferral Loans: \$473,079**

### Multifamily Housing

The **Affordable Housing Tax Credit** provides a credit against federal tax liability as an incentive for the development, acquisition, and rehabilitation of affordable rental housing. In general, the program serves households with income not exceeding 60 percent of county median income. WHEDA has been designated by the Governor as the Wisconsin administrator of the program.

The Affordable Housing Tax Credit Program operates on a calendar year basis. In Calendar 1999, WHEDA produced the following statewide Affordable Housing Tax Credit Program activity:

**Number of Tax Credit Projects: 32**  
**Number of Units:**  
    **Total: 1,530**  
    **Low-Income Units Only: 1,364**  
**Amount of Tax Credits Allocated: \$6,992,234**

## Fiscal 1999 Program Activity

The **Multifamily Mortgage Program** provides construction and permanent financing for the development of multifamily rental housing through the sale of (1) federally tax exempt mortgage revenue bonds under WHEDA's general bonding authority or (2) taxable bonds or alternate methods of financing. Financing is subject to federal requirements including limitations on the availability of tax exempt bonding, project eligibility, and rent and occupancy restrictions. In Fiscal 1999, WHEDA closed the following statewide Multifamily Mortgage Program loans:

**Number of Multifamily Projects: 29**  
**Number of Units: 675 units, 15 beds**  
**Amount of Firm Financing Commitments: \$ 39,375,034**

The **WHEDA Foundation Housing Grant Program** helps nonprofit organizations, local units of government and Indian tribes meet the housing needs of homeless persons, alcohol or drug dependent persons, domestic abuse victims, developmentally disabled persons, low income or frail elderly persons, chronically mentally ill persons, physically impaired or disabled persons, and/or persons who lack access to traditional permanent housing. Provided through WHEDA reserves, grants are awarded annually on a statewide competitive basis. Single awards are made in amounts up to \$25,000. In Fiscal 1999, WHEDA produced the following statewide WHEDA Foundation Housing Grant Program activity:

**Number of WHEDA Foundation Grants: 24**  
**Amount of WHEDA Foundation Grants: \$500,000**

## Agricultural Development

**Beginning Farmer Bonds** provide federally tax-exempt financing for first-time farmers. Loans of up to \$250,000 are available for the purchase of land, equipment, buildings and livestock. Local lenders back Beginning Farmer Bonds with a letter of credit. In Fiscal 1999, WHEDA produced the following Beginning Farmer Bond activity:

**Number of Beginning Farmer Bonds: 4**  
**Amount of Beginning Farmer Bonds: \$821,099**

The **Credit Relief Outreach Program (CROP)** is a loan guarantee and interest rate reduction program for Wisconsin farmers. The program helps farmers obtain agricultural production loans of up to \$20,000 through local lenders. In Fiscal 1999, WHEDA produced the following statewide CROP activity:

**Number of CROP Guarantees: 873**  
**Amount of CROP Guarantees: \$13,000,864**

The **FARM Fund** is a loan guarantee program for the expansion and modernization of Wisconsin farms. The program provides loan guarantees for land, equipment, buildings and livestock. In Fiscal 1999, WHEDA produced the following statewide FARM Fund activity:

**Number of FARM Fund Guarantees: 13**  
**Amount of FARM Fund Guarantees: \$563,530**

## Fiscal 1999 Program Activity

### Small Business Development

The **WHEDA Small Business Guarantee** assists in the creation and retention of jobs in small businesses. The WHEDA Small Business Guarantee has been available since December 1997. In Fiscal 1999, WHEDA produced the following statewide WHEDA Small Business Guarantee activity:

**Number of WHEDA Small Business Guarantees: 25**  
**Amount Guaranteed: \$2,448,841**

The **Linked Deposit Loan (LiDL) Subsidy** reduces the cost of borrowing for small businesses that are more than 50 percent owned and controlled by women or minority group members. Loans may be used for the purchase or rehabilitation of land, buildings, and business equipment. The project undertaken must result in the creation or retention of jobs. In Fiscal 1999, WHEDA produced the following statewide Linked Deposit Loan Program activity:

**Number of Linked Deposit Loans Closed: 34**  
**Amount Committed: \$1,688,811**

The **Agribusiness Fund** provides loan guarantees of up to \$675,000 for projects that result in the development of new or more viable methods for processing or marketing a Wisconsin grown commodity. In Fiscal 1999, WHEDA produced the following statewide Agribusiness Fund activity:

**Number of Agribusiness Fund Guarantees: 2**  
**Amount Guaranteed: \$1,200,000**

## Job Creation Report

### Wisconsin Development Reserve Fund

Jobs Created/Retained through the Agribusiness and Small Business Guarantee Funds Closed during Fiscal 1999, by County

<u>County</u>	<u>Jobs Certified</u>	<u>County</u>	<u>Jobs Certified</u>
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Iowa	1	Washburn	2
Iron	12	Waupaca	2
La Crosse	38		
		Total	341

## Strategic Plan

WHEDA developed a plan outlining its strategic focus for the 18-month period beginning July 1, 1998. The plan achieved results in the following areas:

**Saving Housing for Wisconsin** The plan encouraged advances in preserving existing affordable multifamily housing, and in fostering ideas and relationships to increase rental housing. The performance of WHEDA's multifamily housing business was improved by strengthening customer relations, streamlining internal processes, increasing productivity, and making faster loan decisions. In addition, WHEDA was awarded special status by the U.S. Department of Housing and Urban Development (HUD) to develop solutions for preserving Section 8 rental housing. Finally, WHEDA became the first HFA in the country to become a special delegated lender for Fannie Mae.

**Organizational and Industry Leadership** The plan encouraged the development of a highly skilled, efficient and motivated workforce. Management dedicated substantive energy to the learning and growth of staff. WHEDA reaffirmed its commitment to being an industry leader by developing innovative and unique solutions to affordable housing, economic development and agricultural issues.

**Y2K Compliance** The plan called for WHEDA to address Y2K concerns by providing fully functional business tools, ensuring a safe and fully functional workplace, paying employees and maintaining full benefits coverage, developing contingency plans, managing risk and liability, and communicating WHEDA's plan to the public. WHEDA experienced no Y2K problems.

WHEDA is developing a new strategic plan that will be effective for the balance of Fiscal 2000 and through Fiscal 2001. Subject to revision, the main objectives of the new plan are expected to be the following:

**eWHEDA** The plan will encourage WHEDA to extend its programs more widely by implementing new ways to do business using the Net. In addition, WHEDA will ensure the alignment of its Information Technology strategy to the strategic plan.

**Build the Organization for the Future** The plan will encourage creating effective customer strategies, developing successful teams, forming new partnerships, and becoming a more responsive, adaptable organization.

**1998** ANNUAL REPORT

in our customers' words

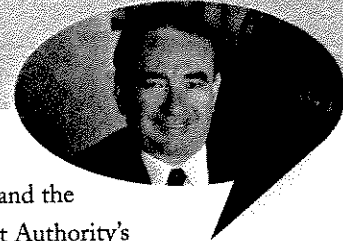
**mission statement**

The Wisconsin Housing and Economic Development Authority serves Wisconsin residents and communities by working with others to provide creative financial and technical resources to stimulate and preserve affordable housing, small businesses, and agriculture.

**contents**

Governor's Letter	1	10	1999 and Beyond
Homeownership	2	11	1998 Investments
Multifamily	4	16	Members of the Authority
Small Business & Agriculture	6		WHEDA Staff
Special Grants	9		
		Inside back cover	

# in our governor's words



Wisconsin continues to lead the nation through the strength of our communities and the quality of life of our people. The Wisconsin Housing and Economic Development Authority's (WHEDA) contributions help make Wisconsin second to none.

WHEDA's programs for homebuyers are restoring vitality to old neighborhoods. WHEDA implemented initiatives to create new homes on vacant lots in central communities. Families are purchasing new homes close to jobs, and underutilized lots are going back on the tax rolls. This is truly a win-win for communities and the state.

WHEDA continues to be a leader in multifamily development. Recently, WHEDA became the first housing finance agency in the nation to be granted special lending status by Fannie Mae. It is expected this will create up to \$100 million of multifamily lending to benefit low income seniors, families and persons with disabilities.

WHEDA's small business programs are creating jobs in every corner of Wisconsin. I am especially pleased that recent process improvements have streamlined programs and cut administrative costs by as much as one-third. The savings will secure the benefits of these programs for many years to come.

Wisconsin farmers continue to turn to WHEDA for affordably priced financing. The CROP Fund, FARM Fund and Beginning Farmer Bond Program leverage vitally needed capital for our agriculture industry. I ask WHEDA to find ways to do even more for Wisconsin farmers in the months ahead.

Sometimes the greatest help comes from the smallest programs. In 1998, WHEDA provided urgently needed funds to two communities hit by natural disasters. Grants with no red tape were used to house disaster victims in their hour of highest need. Wisconsin is grateful to WHEDA for its responsiveness to those who lost homes in floods and tornadoes in 1998.

While much has been accomplished, more work lies ahead. I look to WHEDA to provide leadership in creating safe, decent housing and jobs for all Wisconsin citizens.

A handwritten signature in cursive script, reading "Tommy G. Thompson", is centered on the page below the main body of text.

Tommy G. Thompson  
Governor



## homeownership

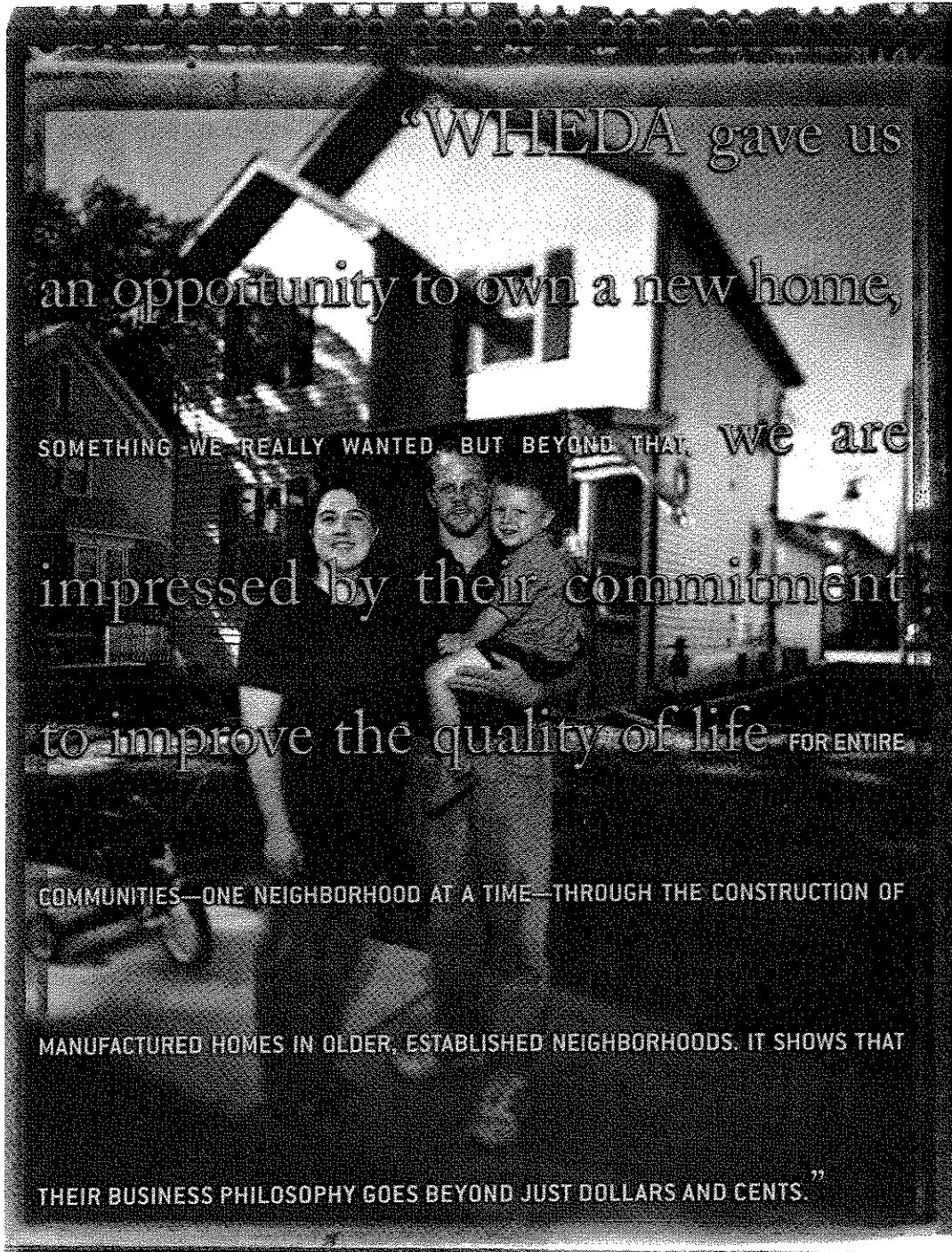
**New Homes in Old Neighborhoods.** For many first-time buyers, finding a suitable home is a daunting challenge. It must be in a good location, well constructed, and above all, affordable. WHEDA is assisting these buyers through an initiative to construct homes in old, established neighborhoods. Manufactured homes are used because they combine good quality with affordable prices, and use designs that are architecturally similar to other properties in the neighborhood. WHEDA has promoted this type of development through pilot programs in Green Bay, Superior and Milwaukee. Similar initiatives are now under way in much smaller communities throughout the state where manufactured homes are breathing new life into old neighborhoods.

**Paint and Fix-Up Grants.** Chipped paint here. A broken porch railing there. Neighborhoods don't decay overnight. They instead fall victim to years of neglect. WHEDA is turning around declining neighborhoods with an innovative grant program to spruce up the exteriors of residential properties. Paint and Fix-Up is providing property owners grants of as much as \$600 to put on a new coat of paint or replace windows. The program is stimulating private investment to expand work started with the grant. And neighborhoods are being restored to their former glory. One coat of paint at a time.

**Private Activity Bonds.** An increase in the private activity bond program would extend the benefits of homeownership to thousands of Wisconsin families. Up to 1,000 more families per year could purchase first homes if the federal cap on bonds is increased to \$75 per capita. Please join us in calling on Congress to support an increase in the private activity bond program.

*Geof and Andra Siedsma with their son, Noah, in front of their new home in Green Bay. WHEDA designated very low interest mortgage money for in-fill construction of manufactured homes on vacant lots identified by the city of Green Bay.*

145 Home Improvement Loans totaling \$1,376,213 276 Property Tax Deferral Loans totaling \$498,459



“WHEDA gave us  
an opportunity to own a new home,  
SOMETHING WE REALLY WANTED BUT BEYOND THAT, we are  
impressed by their commitment  
to improve the quality of life FOR ENTIRE  
COMMUNITIES—ONE NEIGHBORHOOD AT A TIME—THROUGH THE CONSTRUCTION OF  
MANUFACTURED HOMES IN OLDER, ESTABLISHED NEIGHBORHOODS. IT SHOWS THAT  
THEIR BUSINESS PHILOSOPHY GOES BEYOND JUST DOLLARS AND CENTS.”

"I really appreciate  
being able to live in well-designed  
and well-managed senior housing.  
THIS SETTING GIVES ME A SENSE OF COMMUNITY AND WELL BEING,  
AND I NEVER FEEL ALONE OR ISOLATED IN ANY WAY. **WHEDA**  
deserves a lot of credit FOR HELPING TO CREATE  
RENTAL HOUSING FOR OLDER ADULTS WITH MODEST MEANS."

## multifamily housing

**Housing Credit Program Refined.** A housing credit advisory committee was formed in 1998 to make the allocation process more efficient and enhance the overall performance of this important program. Developers, local officials, accountants, and equity syndicators weigh in on issues great and small. Great progress was made on scoring policies, market analyses, and quality issues. The committee will continue to meet in 1999 and beyond to ensure the housing credit is maximized for the benefit of Wisconsin renters and communities.

**30/30/30 Goals.** WHEDA's low cost financing attracts multifamily developers. But exceptional customer service keeps them coming back. In 1998, the 30/30/30 goals initiative was established to provide service that is second to none. WHEDA will attract 30% more multifamily business, cut operational costs by 30%, and close loans within 30 days of receiving a complete application. By meeting these aggressive objectives, WHEDA will continue to be the lender of choice for multifamily developers.

**Developers Talk Housing.** WHEDA sponsored its first-ever Developer's Conference at Monona Terrace Conference Center in Madison. More than 125 real estate professionals engaged in a candid dialogue on the rental housing business. As a result, developers now participate regularly in process improvements for all WHEDA multifamily programs.

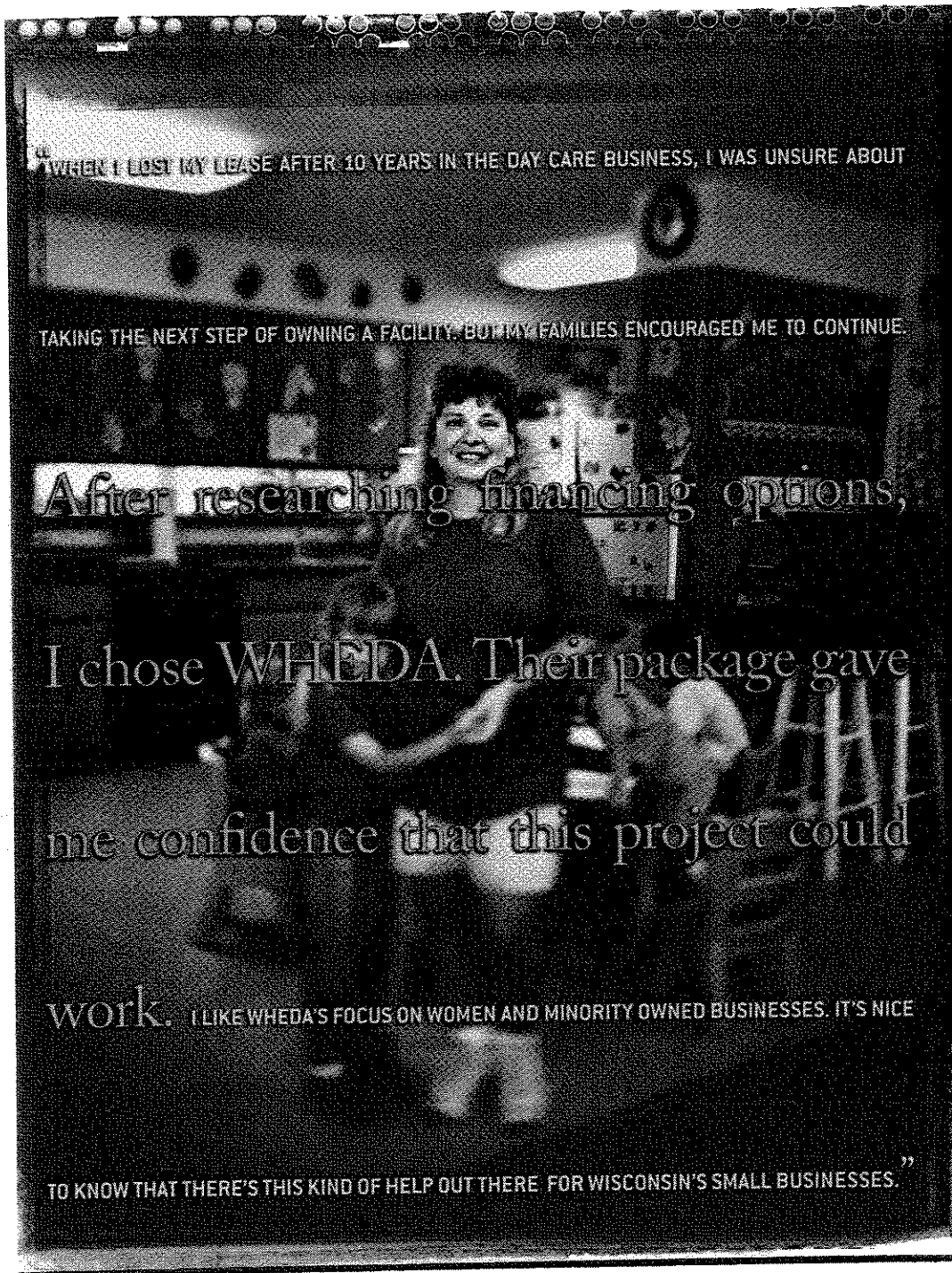
**Housing Credit Legislation.** Federal tax credits are Wisconsin's premier resource for creating affordable rental housing. Unfortunately, the federal cap on the program has not been increased in more than a decade, and the purchasing power of the credit has eroded by 50%. Bills in Congress seek to increase the housing tax credit cap and enable Wisconsin to produce the affordable rental housing needed by our seniors and families. Please ask Congress to increase the housing credit program.

*Delores Johnson enjoys the lifestyle at Ridgeview Highlands V in Grand Chute. Developed by United Financial Group, Inc., this phase of the senior community received tax-exempt permanent financing and tax credits. United Financial's president, Jon Mc Murtrie, says his company's relationship with WHEDA has enabled it to address the need for high-quality, affordable rental housing in Wisconsin.*

## small business & agriculture

WHEDA Small Business Guarantee. In 1997, WHEDA improved its small business guarantee programs by focusing on the customer: programs were streamlined and eligibility was expanded. Improvements made in 1998 may be invisible to the consumer, but they are no less important. The cost of operating the WHEDA Small Business Guarantee was cut by one-third through internal process improvements and more targeted marketing. The results bode well for the program. Volume was maintained at strong levels, and the financial health of the program was improved. These accomplishments will ensure the program remains robust for years to come. Linked Deposit Loan Subsidy. Women- and minority-owned businesses are a growing segment of Wisconsin's economy. The Linked Deposit Loan helps these firms by lowering the cost of borrowing on new bank loans for a period of two years. In 1998, 40 businesses used Linked Deposit to expand their operations. Linked Deposit is working for Wisconsin. Agriculture. WHEDA served Wisconsin farmers with a suite of programs that focus resources on production, modernization and startups. The long-standing CROP Fund guaranteed loans to 1,158 farmers for planting and harvesting agricultural products. Bank loans of more than \$300 million have been secured by CROP since 1985. The FARM Fund leveraged \$1,578,000 of private investment to ensure Wisconsin farmers can compete in the 21st century global market. And Beginning Farmer Bonds were used by eight young agriculturists to start their own farming operations. From dairy farmers to aquaculturists, WHEDA salutes Wisconsin farmers for producing the highest quality agricultural products in the world.

*Beth Shapiro takes a break from activities at her Storybook Child Care Center in Wyocena. Built with help from WHEDA's Small Business Guarantee and Linked Deposit Loan, Ms. Shapiro credits WHEDA small business financing with taking her business to the next level.*

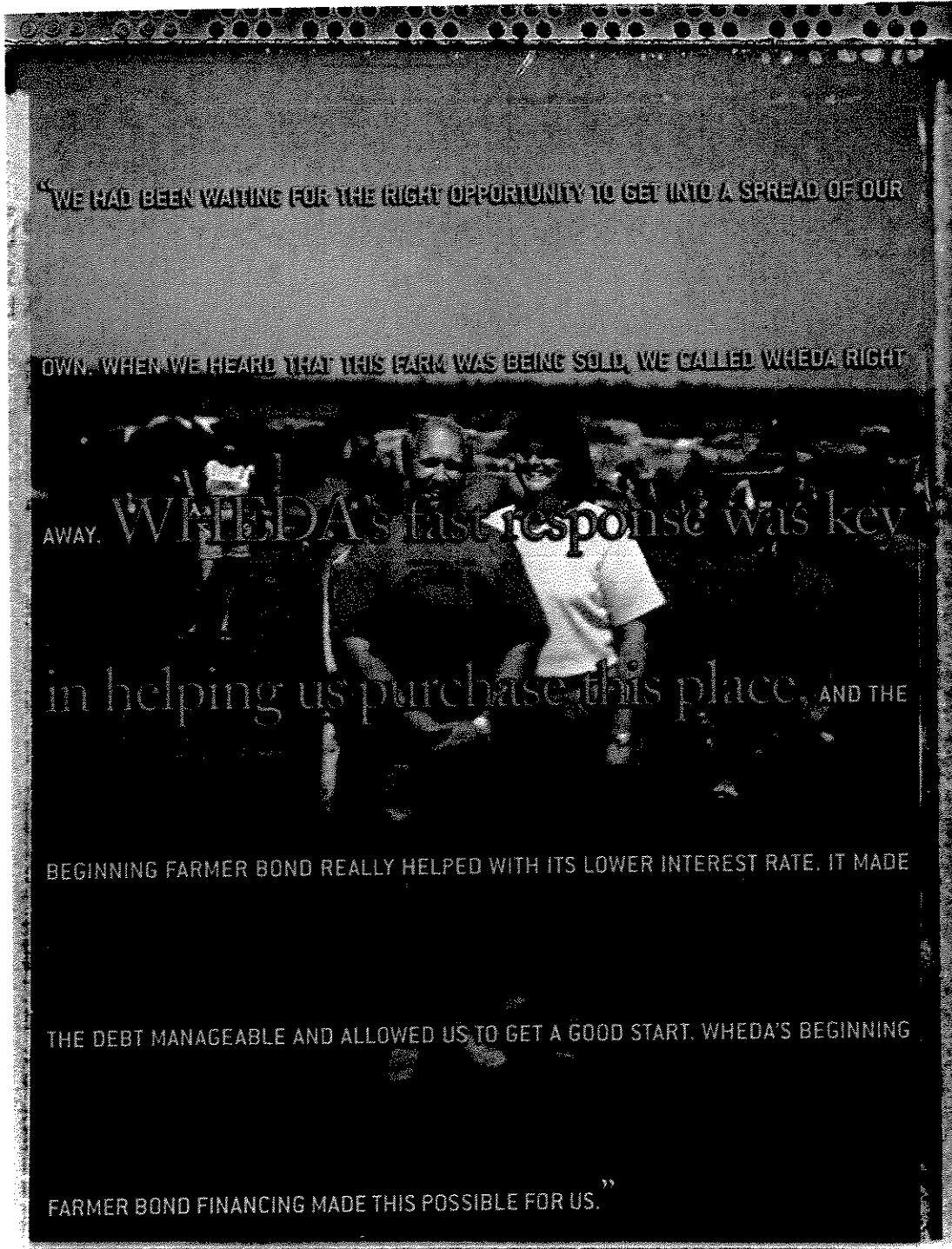


WHEN I LOST MY LEASE AFTER 10 YEARS IN THE DAY CARE BUSINESS, I WAS UNSURE ABOUT  
TAKING THE NEXT STEP OF OWNING A FACILITY. BUT MY FAMILIES ENCOURAGED ME TO CONTINUE.

After researching financing options,  
I chose WHEEDA. Their package gave  
me confidence that this project could  
work. I LIKE WHEEDA'S FOCUS ON WOMEN AND MINORITY OWNED BUSINESSES. IT'S NICE  
TO KNOW THAT THERE'S THIS KIND OF HELP OUT THERE FOR WISCONSIN'S SMALL BUSINESSES."

1998 RESULTS: **1,158** CROP Loans totaling \$17,353,949

**10** FARM Fund Loans totaling \$1,578,000  
**8** Beginning Farmer Bonds totaling \$1,236,669

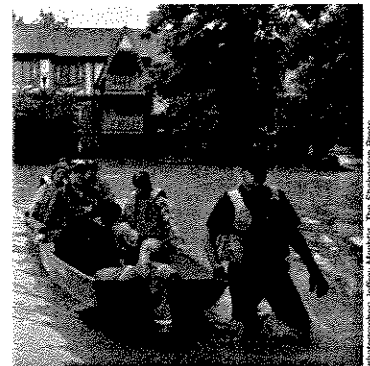


“WE HAD BEEN WAITING FOR THE RIGHT OPPORTUNITY TO GET INTO A SPREAD OF OUR OWN. WHEN WE HEARD THAT THIS FARM WAS BEING SOLD, WE CALLED WHEEDA RIGHT AWAY. WHEEDA'S fast response was key in helping us purchase this place, AND THE BEGINNING FARMER BOND REALLY HELPED WITH ITS LOWER INTEREST RATE. IT MADE THE DEBT MANAGEABLE AND ALLOWED US TO GET A GOOD START. WHEEDA'S BEGINNING FARMER BOND FINANCING MADE THIS POSSIBLE FOR US.”

## special grants

WHEDA Foundation Housing Grants. Affordable financing is often the right resource for homebuyers and renters. But in special situations, only a grant will do. And for the 16th consecutive year, the WHEDA Foundation Grant program helped persons-in-crisis lead better lives. WHEDA Foundation grants are given to nonprofit and public organizations to create and improve special needs housing. In 1998, the program awarded \$500,000 to help 25 organizations provide safe, secure housing for homeless families, domestic abuse

victims, persons with disabilities, and others with special housing needs. Because sometimes only a grant will do. Disaster Relief Grants. One minute, the skies are blue. The next, a home is swept away in a torrent of water or a blast of wind. Is assistance available to help families find temporary shelter? Yes. WHEDA inaugurated a special program to help disaster victims get the emergency shelter they need. Grants are awarded to local governments or disaster relief agencies to provide temporary housing for persons displaced by natural and other disasters. In 1998, awards were made to house flood victims in Sheboygan and tornado victims in Door County. WHEDA is uniquely positioned to meet this need because it can make funds available with virtually no red tape. And that is especially welcome when all you have is the shirt on your back.



photographer: Jeffrey Meachig, The Sheboygan Press

*Left photo: Jeff and Judy London milk 63 cows at their dairy farm in Clinton. They also grow hay and corn to feed their herd. After years of farming with Judy's dad, the Londons finally got a farm of their own through WHEDA's Beginning Farmer Bond.*



## 1999 and beyond

**Fannie Mae Partnership.** In 1999, Fannie Mae approved WHEDA to originate up to \$100 million of its multifamily housing products. WHEDA is the first housing finance agency in the nation to be granted this special status. This financing will help WHEDA and Fannie Mae expand affordable rental housing for lower income families, seniors, and persons with disabilities.

**Emergency Agriculture Program.** Wisconsin pork producers began 1999 faced with the lowest commodity prices since Reconstruction. WHEDA was called upon by the Governor and Legislature to develop a financing program to help hog farmers through this period of economic crisis. CROP-HOG was created as an emergency loan guarantee program and has already leveraged more than \$1 million for struggling producers.

**Senior Housing.** An echo of the baby boom will soon increase Wisconsin's senior population to historically high levels. WHEDA is developing financing models that will create special multifamily housing for this market. Low-cost mortgages, housing credits, subsidies and operational moneys will be packaged to finance assisted living housing as an alternative to nursing care.

**Rural Development.** WHEDA has made impressive progress in creating housing opportunities in central city neighborhoods. However, rural Wisconsin continues to have housing needs that are as acute as any found in urban areas. In 1999, WHEDA will examine and adapt its products to ensure they are well suited to rural areas. From Abbotsford to Yuba, and Elroy to Leland, all Wisconsin families deserve a safe, comfortable place to call home.

**Web Site Expansion.** WHEDA's presence on the World Wide Web - wheda.com - will receive a major makeover in 1999. A growing library of information and interactive features help customers more easily access programs. In addition, an internal intranet links WHEDA's workforce with important news and resources.

# 1998 INVESTMENTS

## home loans

COUNTY	LOANS	AMOUNT	COUNTY	LOANS	AMOUNT	COUNTY	LOANS	AMOUNT
Adams	12	551,625	Iowa	8	376,713	Polk	6	372,785
Ashland	23	1,159,479	Iron	4	175,100	Portage	89	4,991,975
Barron	85	4,395,891	Jackson	14	642,135	Price	3	137,000
Bayfield	18	848,415	Jefferson	53	3,984,665	Racine	151	9,705,937
Brown	169	11,494,730	Juneau	50	2,462,211	Richland	12	480,157
Buffalo	1	50,825	Kenosha	65	4,869,190	Rock	90	5,114,649
Burnett	2	62,590	Kewaunee	6	206,067	Rusk	18	723,456
Calumet	24	1,472,790	La Crosse	189	10,821,237	St. Croix	21	1,582,300
Chippewa	54	2,908,346	Lafayette	9	420,184	Sauk	12	782,578
Clark	22	941,256	Langlade	6	239,013	Sawyer	15	768,941
Columbia	29	2,073,679	Lincoln	3	144,500	Shawano	18	900,603
Crawford	16	823,087	Manitowoc	67	3,508,502	Sheboygan	127	8,093,943
Dane	364	31,659,135	Marathon	96	5,771,528	Taylor	0	0
Dodge	32	2,045,985	Marinette	59	2,632,184	Trempealeau	38	1,925,987
Door	12	731,987	Marquette	10	512,295	Vernon	8	293,790
Douglas	44	1,982,588	Menominee	0	0	Vilas	1	61,950
Dunn	12	545,425	Milwaukee	1,310	85,588,888	Walworth	41	3,221,770
Eau Claire	116	6,323,657	Monroe	4	185,765	Washburn	8	312,575
Florence	1	46,470	Oconto	31	1,495,422	Washington	66	5,241,517
Fond Du Lac	81	4,901,994	Oneida	10	577,677	Waukesha	149	12,335,354
Forest	0	0	Outagamie	124	7,967,467	Waupaca	16	833,217
Grant	31	1,342,343	Ozaukee	30	2,665,943	Waushara	8	356,568
Green	14	840,986	Pepin	5	207,645	Winnebago	167	10,320,856
Green Lake	12	705,957	Pierce	18	1,293,085	Wood	99	4,630,787
						<b>TOTAL</b>	<b>4,508</b>	<b>\$287,845,350</b>

1998 INVESTMENTS

# rental housing financing commitments

PROJECT	COMMUNITY	AMOUNT	UNITS	PROJECT	COMMUNITY	AMOUNT	UNITS
Village Apartments	Bowler	141,000	6	Fairmont	Madison	70,000	2
Nicolet Highlands Senior Apartments	De Pere	7,632,000	144	School Street Apartments, Phase II	Marshall	675,000	24
Geneveu Apartments	Fond du Lac	2,330,104	80	Meaux Park Apartments	Milwaukee	4,443,048	83
Mutual Housing Association of Brown County	Green Bay	467,000	15	Main Street Gardens	Milwaukee	424,625	25
Rural Housing Preservation Association	Holmen	898,770	68	Parkwest Townhouses, Phase II	Milwaukee	722,000	34
First Senior Apartments	Janesville	2,147,500	36	School House Apartments	Mineral Point	560,000	11
Pada Transitional Housing	Johnson Creek	33,000	2	Birchrock LLC Apartments	Mukwonago	2,447,000	48
Hallmark Place	Kimberly	3,527,533	71	Gateway Village Apartments	New London	970,000	24
East Point	La Crosse	3,475,000	68	The Cornerstone of Oak Creek	Oak Creek	2,280,000	36
Lakeshore Village	La Crosse	1,490,000	24	Prairie Ridge Senior Campus	Pleasant Prairie	4,756,650	120
8th Street Apartments	La Crosse	362,200	8	Sunset Terrace	Racine	2,042,539	120
Trillium Homes	Madison	2,725,000	51	Turtle Lake Villas	Turtle Lake	430,000	24
Brandie Road Homes	Madison	50,000	2	Woodland Lake Estates	Woodruff	50,000	22
Cleveland Terrace Apartments	Madison	383,422	23	<b>TOTAL</b>		<b>\$45,533,391</b>	<b>1,171</b>

# wheda foundation housing grant awards

SPONSOR	COMMUNITY	AWARD	SPONSOR	COMMUNITY	AWARD
Violence Intervention Project, Inc.	Algoma	25,000	North Central Community Action Program, Inc.	Marshfield	25,000
Northwest Homes of Wisconsin, Inc.	Amery	25,000	Housing Authority of the City of Milwaukee	Milwaukee	25,000
Impact Seven, Inc.	Ashland	25,000	National Association for Black Veterans, Inc.	Milwaukee	17,244
Community Action of Rock & Walworth	Beloit	25,000	Social Development Commission	Milwaukee	21,305
Housing Authority of the County of Bayfield	Cable	25,000	South Community Organization, Inc.	Milwaukee	17,896
Lad Lake, Inc.	Dousman	25,000	Southside Milwaukee Emergency Shelter, Inc.	Milwaukee	25,000
Bolton Refuge House, Inc.	Eau Claire	24,340	Walker's Point Youth and Family Center	Milwaukee	25,000
New Community Shelter, Inc.	Green Bay	\$21,993	Family Advocates, Inc.	Platteville	6,775
Greater Fox Cities Area Habitat for Humanity	Harrison	6,500	Tri-County Council on Domestic Violence	Rhineland	12,240
New Horizons Shelter & Womens Center	La Crosse	14,310	Sinsinawa Dominicans, Inc.	Sinsinawa	17,897
Habitat for Humanity of Dane County, Inc.	Madison	17,707	Northwest Wis. Community Services Agency	Superior	25,000
Society of St. Vincent de Paul	Madison	\$15,000	St. Camillus Ministries, Inc.	Wauwatosa	16,793
Lakeshore CAP, Inc.	Manitowoc	15,000	<b>TOTAL</b>		<b>\$500,000</b>

# affordable housing tax credits

PROJECT NAME	COMMUNITY	ALLOCATION	UNITS	PROJECT NAME	COMMUNITY	ALLOCATION	UNITS
Robert Holmes Villa	Ashland	\$82,849	17	Carmen Court Apartments	Milwaukee	427,846	95
School House Apartments, Phase II	Bear Creek	14,080	4	Project Restore	Milwaukee	\$327,572	49
Olympian Hill Senior Apartments	Beloit	38,329	46	Meaux Park	Milwaukee	345,065	83
Lincolnwood Glen Senior Apartments	Brockway	114,106	21	School House Apartments	Mineral Point	12,921	11
Brooklane Apartments	Brown Deer	472,610	277	Woods Road Senior Apartments	Muskego	147,015	24
Cedarburg Seniors Apartments, Phase II	Cedarburg	260,078	46	Gateway Village Apartments	New London	41,916	23
Willowbrook Family Apartments	Cuba City	46,103	8	Rosewood Glen Senior Community	New London	181,678	36
Maplewood Glen Sr Living Community	Cuba City	113,207	21	Deer Path Townhomes I	New Richmond	170,061	23
Edgewood Glen Sr Living Community	Edgerton	124,001	21	Cherry Creek View Apartments	Oak Creek	185,117	104
Housing Horizon Chapel Valley II	Fitchburg	216,932	56	Oregon Senior Housing Ltd.	Oregon	44,715	24
Deneveu Apartments	Fond Du Lac	147,277	80	Irving Place Apartments	Oshkosh	76,437	23
Southlake Senior Cottages	Fond Du Lac	128,100	24	Prairie Ridge Senior Campus	Pleasant Prairie	681,298	119
Blackhawk Ridge Senior Community	Fort Atkinson	166,790	36	Berkshire Apartments	Plymouth	88,086	40
Parkside Commons	Glendale	587,020	99	Courtyard Apartments	Racine	62,889	95
Ridgeview Highlands Apartments V	Grand Chute	17,955	60	Whitetail Ridge	Rice Lake	128,234	24
NHS Of Green Bay LLC	Green Bay	30,097	21	Waterview Apartments, Phase II	Sheboygan	148,821	23
NHS Of Green Bay	Green Bay	139,618	20	Riverwalk Apartments Homes, Phase II	Sheboygan	183,004	20
Aspen Square Apartments	Hudson	223,296	44	Somerset Villas	Somerset	8,515	24
Middle Village	Keshena	173,090	19	The Pines Apartments	Spooner	43,384	19
Pleasant Valley Apartments	Lodi	148,803	24	Clark Way Place	Thorp	14,313	12
Monona Shores Redevelopment	Madison	512,297	104	Turtle Lake Villas	Turtle Lake	153,052	24
Single Family Rent To Own	Madison	20,593	4	The Silver Nail	Waukesha	483,862	90
Jolly-Aire Apartments	Menomonee Falls	27,406	83	River Bend Senior Apartments	West Bend	322,084	51
James Anderson Senior Housing	Milwaukee	179,603	24	<b>TOTAL</b>		<b>\$8,262,125</b>	<b>2,195</b>

# rental housing financing commitments

PROJECT	COMMUNITY	AMOUNT	UNITS	PROJECT	COMMUNITY	AMOUNT	UNITS
Village Apartments	Bowler	141,000	6	Fairmont	Madison	70,000	2
Nicolet Highlands Senior Apartments	De Pere	7,632,000	144	School Street Apartments, Phase II	Marshall	675,000	24
Deneveu Apartments	Fond du Lac	2,330,104	80	Meaux Park Apartments	Milwaukee	4,443,048	83
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East Point	La Crosse	3,475,000	68	The Cornerstone of Oak Creek	Oak Creek	2,280,000	36
Lakeshore Village	La Crosse	1,490,000	24	Prairie Ridge Senior Campus	Pleasant Prairie	4,756,650	120
8th Street Apartments	La Crosse	362,200	8	Sunset Terrace	Racine	2,042,539	120
Trillium Homes	Madison	2,725,000	51	Turtle Lake Villas	Turtle Lake	430,000	24
Brandie Road Homes	Madison	50,000	2	Woodland Lake Estates	Woodruff	50,000	22
Cleveland Terrace Apartments	Madison	383,422	23	<b>TOTAL</b>		<b>\$45,533,391</b>	<b>1,171</b>

# wheda foundation housing grant awards

SPONSOR	COMMUNITY	AWARD	SPONSOR	COMMUNITY	AWARD
Violence Intervention Project, Inc.	Algoma	25,000	North Central Community Action Program, Inc.	Marshfield	25,000
Northwest Homes of Wisconsin, Inc.	Amery	25,000	Housing Authority of the City of Milwaukee	Milwaukee	25,000
Impact Seven, Inc.	Ashland	25,000	National Association for Black Veterans, Inc.	Milwaukee	17,244
Community Action of Rock & Walworth	Beloit	25,000	Social Development Commission	Milwaukee	21,305
Housing Authority of the County of Bayfield	Cable	25,000	South Community Organization, Inc.	Milwaukee	17,896
Lad Lake, Inc.	Dousman	25,000	Southside Milwaukee Emergency Shelter, Inc.	Milwaukee	25,000
Bolton Refuge House, Inc.	Eau Claire	24,340	Walker's Point Youth and Family Center	Milwaukee	25,000
New Community Shelter, Inc.	Green Bay	\$21,993	Family Advocates, Inc.	Platteville	6,775
Greater Fox Cities Area Habitat for Humanity	Harrison	6,500	Tri-County Council on Domestic Violence	Rhineland	12,240
New Horizons Shelter & Womens Center	La Crosse	14,310	Sinsinawa Dominicans, Inc.	Sinsinawa	17,897
Habitat for Humanity of Dane County, Inc.	Madison	17,707	Northwest Wis. Community Services Agency	Superior	25,000
Society of St. Vincent de Paul	Madison	\$15,000	St. Camillus Ministries, Inc.	Wauwatosa	16,793
Lakeshore CAP, Inc.	Manitowoc	15,000	<b>TOTAL</b>		<b>\$500,000</b>

1998 INVESTMENTS

CROP fund

COUNTY	LOANS	AMOUNT	COUNTY	LOANS	AMOUNT	COUNTY	LOANS	AMOUNT
Adams	3	48,000	Iowa	35	565,011	Polk	12	183,591
Ashland	1	7,000	Iron	0	0	Portage	7	135,000
Barron	22	320,780	Jackson	15	236,945	Price	0	0
Bayfield	1	9,600	Jefferson	12	188,000	Racine	0	0
Brown	16	249,060	Juneau	14	171,930	Richland	11	168,726
Buffalo	16	238,958	Kenosha	0	0	Rock	13	227,970
Burnett	2	32,000	Kewaunee	17	264,060	Rusk	17	247,020
Calumet	18	300,300	La Crosse	12	177,947	St. Croix	35	545,509
Chippewa	29	450,044	Lafayette	57	993,475	Sauk	18	275,100
Clark	78	1,018,705	Langlade	10	162,081	Sawyer	1	5,035
Columbia	17	268,200	Lincoln	3	28,500	Shawano	14	178,237
Crawford	42	506,352	Manitowoc	16	249,396	Sheboygan	17	299,511
Dane	33	548,636	Marathon	33	401,506	Taylor	29	402,104
Dodge	31	503,665	Marinette	3	55,045	Trempealeau	22	344,478
Door	4	49,500	Marquette	9	118,400	Vernon	45	544,887
Douglas	1	20,000	Menominee	0	0	Vilas	0	0
Dunn	30	408,600	Milwaukee	0	0	Walworth	4	67,469
Eau Claire	21	322,847	Monroe	20	251,316	Washburn	2	21,808
Florence	1	20,000	Oconto	16	200,325	Washington	2	35,000
Fond Du Lac	31	547,863	Oneida	2	22,245	Waukesha	0	0
Forest	1	10,320	Outagamie	12	176,158	Waupaca	12	188,187
Grant	100	1,502,875	Ozaukee	3	59,173	Waushara	2	40,000
Green	20	328,431	Pepin	21	316,950	Winnebago	8	125,110
Green Lake	16	292,000	Pierce	25	404,831	Wood	18	272,178
						<b>TOTAL</b>	<b>1,158</b>	<b>17,353,949</b>

## small business financing

BUSINESS	COMMUNITY	LOAN TOTAL	PRODUCT	BUSINESS	COMMUNITY	LOAN TOTAL	PRODUCT
Almond Village Market, Inc.	Almond	100,000	WSBG	Hiller's True Value Hardware Inc.	Marshfield	250,000	WSBG
Nutshell	Antigo	109,450	WSBG	Pet Clips And More	Menomonie	47,600	WSBG
The Lunch Truck	Appleton	50,000	LiDL	Buffalo Spirit Village, LLC	Merrill	233,000	WSBG
Carly Enterprises, Inc.	Appleton	45,300	LiDL	Heidi's House Child Devel Center	Merrimac	23,100	WSBG
Cafe Molly's	Appleton	20,000	LiDL	Heidi's House Child Devel Center	Merrimac	22,550	LiDL
Ice Cream Unlimited, Inc.	Appleton	99,000	LiDL	Milwaukee School Of Massage	Milwaukee	55,000	LiDL
I J Millan Lumber Co. Inc.	Armstrong Creek	46,000	WSBG	Beauty, Inc.	Milwaukee	90,000	WSBG
Blair Press	Blair	99,000	WSBG	America's Black Holocaust Museum	Milwaukee	25,000	WSBG
Michael Benedict Hardware Store	Blair	170,000	WSBG	Li'l Pee Wee Day Care Center	Milwaukee	35,000	LiDL
Brions Fairway Foods	Cameron	96,435	WSBG	Brewery Creek Brewing Company	Mineral Point	99,000	LiDL
Sleepers To Sneakers Child Care	Chippewa Falls	85,000	LiDL	Brewery Creek Brewing Company	Mineral Point	100,000	WSBG
Pine Creek Pallet	Dodge	42,200	WSBG	Point Of Entry Wild Rivers	Osceola	25,000	LiDL
Amandas TLC, Inc.	Eau Claire	26,107	LiDL	River Valley Farms, Inc.	Osceola	50,000	LiDL
J & B Superior Landscaping	Elkhart Lake	141,500	WSBG	Julie's Touch Of Silver, Ltd.	Oshkosh	50,000	LiDL
Elkhart Lake Carriage Club Gifts	Elkhart Lake	16,000	LiDL	Great River Roasters, Inc.	Pepin	72,000	WSBG
Bow Wow, LLC	Fond Du Lac	25,000	WSBG	Great River Roasters, Inc.	Pepin	72,000	LiDL
Bow Wow, LLC	Fond Du Lac	10,000	LiDL	SCC Of Plymouth	Plymouth	250,000	WSBG
Park Cheese Company, Inc.	Fond Du Lac	750,000	Agribus	Making Waves	Prairie Du Sac	27,000	LiDL
Sanopelo	Fond Du Lac	45,000	LiDL	Reconciliation Ministries Church, Inc.	Racine	120,000	WSBG
Bagel Meister	Fond Du Lac	86,000	WSBG	Reconciliation Ministries Church, Inc.	Racine	75,000	LiDL
Rose Garden Floral & Greenhouse	Frederic	90,600	LiDL	Treasures In The Bakery	Richland Center	30,000	LiDL
Rose Garden Floral & Greenhouse	Frederic	90,600	WSBG	Ricky's Bar & Bowl	Rudolph	25,000	LiDL
Brightside Pet Clinic	Ft Atkinson	60,000	LiDL	Alure Innovation In Beauty, Inc.	Sauk City	99,000	LiDL
Little Tikes Day Care	Gays Mills	25,000	LiDL	City Streets Antiques, Inc.	Sheboygan	20,000	LiDL
Buchholz Oil	Gillett	250,000	WSBG	Becky's Food & Spirits	Shell Lake	40,000	WSBG
Kids World Day Care	Greenville	50,000	LiDL	East End Bakery	Superior	75,000	WSBG
Huong's Little Wok	Hayward	123,000	WSBG	Wizards	Three Lakes	27,400	LiDL
Huong's Little Wok	Hayward	60,000	LiDL	Pleasant Knoll Motel, Inc.	Trempealeau	180,000	WSBG
Bark Point Inn B&B	Herbster	42,000	LiDL	Patrick's New Frontier	Turtle Lake	150,000	WSBG
Hurley Coffee Company	Hurley	67,000	LiDL	Rising Sun Animal Wellness Center	Viroqua	35,000	LiDL
Olde Towne Antique Mall	Kewaunee	132,000	WSBG	Rising Sun Animal Wellness Center	Viroqua	75,000	WSBG
Olde Towne Antique Mall	Kewaunee	40,000	LiDL	Rustic Woods Campground	Waupaca	550,000	WSBG
Our Town, IGA	La Crosse	364,500	WSBG	Paper Trail	Wausau	34,000	LiDL
Logan Bear Embroidery	Loganville	24,750	LiDL	Card 'N' All, Inc.	West Bend	50,000	LiDL
Specialty Cheese Company, Inc.	Lowell	150,000	WSBG	Little VIP, LLC	Wind Lake	99,000	LiDL
Osorio Investments, LLC	Madison	250,000	WSBG	Janfre Inc, Inc.	Woodruff	55,000	LiDL
Dietz Service, Inc.	Manitowish Waters	250,000	WSBG	Storybook Child Care Center	Wycocena	117,000	WSBG
Dietz Service, Inc.	Manitowish Waters	100,000	WSBG	Storybook Child Care Center	Wycocena	75,000	LiDL
Meadow Lanes West	Manitowoc	70,000	LiDL	<b>TOTAL</b>		<b>\$7,759,092</b>	

## members of the authority

edwin j. zagzebski, chairman  
CHAIRMAN OF THE BOARD, AMERICAN COMMUNITY BANKSHARES, INC.—SCHOFIELD



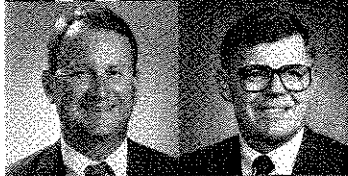
john petersen III, vice chairman  
PRESIDENT, INLAND INVESTMENT COMPANY, INC.—MADISON

l. duane weed, treasurer  
PRESIDENT, THE NEEDEDAN BANK—NECEDAN



lorri j. kieff, secretary  
OWNER, BAY AREA CONSULTANTS, INC.—GREEN BAY

jeffrey m. petersen  
REALTOR, THE REAL ESTATE GROUP—WAUPACA



e. james ladwig  
INVESTMENT BROKER, ROBERT W. BAIRD & CO. INCORPORATED—RACINE

margaret farrow  
WISCONSIN STATE SENATOR—PEWAUKEE



gwendolynne moore  
WISCONSIN STATE SENATOR—MILWAUKEE

tom sykora  
WISCONSIN STATE REPRESENTATIVE—CHIPPEWA FALLS



johnnie morris-tatum  
WISCONSIN STATE REPRESENTATIVE—MILWAUKEE

mark d. bugher  
SECRETARY, WISCONSIN DEPARTMENT OF ADMINISTRATION—MADISON



brenda blanchard  
SECRETARY, WISCONSIN DEPARTMENT OF COMMERCE—MADISON



fritz ruf  
WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY, EXECUTIVE DIRECTOR



## wheda staff

debra adams kenijean addison stephen aguilera  
debra amos bryan antony tamra armstrong  
michael ash josephine bambrough janice barr  
nancy barry wanda beard kati becker c. siobain beedow  
evelyn belscamper gail beyer elisabete blaese  
donna boyes-sevan breeze phyllis briscoe maureen brufan  
nora bryan e. michelle buckner-kazee robert cadigan  
james caldwell rodney campbell dorothy carey-ruff  
christine cheevers allan christianson george edges  
mike garra faith conrardy melissa craig melissa cuming  
ellen cuthbert-wollin roger daly donald dees  
noelle delaine shannon dougherty joseph drow  
ann eaves annette eberlein susan elbe stefanie elder  
carolyn elert debra elliot peggy ellis susan falch  
june fargo geboran flork louise flury paul fons  
richard frueh linda gawner-eleanor gerber david ginger  
heidi gordon jerry grechenberg amy grinnell  
kathie gross john habeck susan haberborn vivian hancock  
j. louise hartung virginia harvey gregory hellenbrand  
jane hight stephen jacobs cindy jenson jim jordan  
karen keller karyn knaak kathleen kober korey kopp  
marjorie kozich james langdon christopher laurent  
dawn lee sandra lark darlene lerum gary levandoski  
thomas lind susanne linton david litchy mary litviak  
kenneth long david luedcke wanda luras mary macaskill  
jasa macdonald jamie malliet jerrilyn malliet  
joshua malin david manthe robert mappes  
cari mastaglio helen matthews rita mccain mary ann mccoshen  
dyanne mcdermott scott messner julie miller laura morris  
michael morris patricia multerer esther nakagaki  
carmen nordness john norris brian nowicki daniel o'connell  
diane o'hara diane packard rae ellen packard  
everly pasch mariene pauls debbie paxson  
cynthia pierick sherry pohlman polyn poon michael porath  
terard porter terri preston-koenie constance pukaite  
sharon rambaut john ritchie misabel rivera  
katherine robbina bonnie robertson james rogers  
rafi rodriguez medellin joyce rogers frtiz ruf  
jessica ryan arlene scalzo stephen schammel  
tom schrader john schultz jean schwab pamela sharpe  
martin skotzke ronald slade beverly smith gary sutenko  
douglas stockstad janet stonecipher deanna teschler  
michelle thompson bob thornhill joseph tuschi  
john unertl kristine urban kim uselman joyce waldrup  
maria watts gene wettenhiller ann wetley  
susan wilberding constance willemsen gerald williams  
sandra winch wyman winston tamera wurms mary wright  
lori zander cynthia zandow mary zins

in memory of our colleague, bill taylor, 1947-1999

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MILWAUKEE, WISCONSIN 53212  
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**WHEDA**



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**FINANCIAL STATEMENTS OF THE AUTHORITY - ALL PROGRAMS**

**WISCONSIN HOUSING AND ECONOMIC  
DEVELOPMENT AUTHORITY**

**Combined Financial Statements - All  
Programs for the Year Ended June 30,  
1999 and Independent Auditors' Report**

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined balance sheet - all programs of the Wisconsin Housing and Economic Development Authority (the "Authority") as of June 30, 1999 and the related combined statements of income and expenses and changes in fund balance - all programs and cash flows - all programs for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The year 2000 supplementary information on page 14 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the unprecedented nature of the year 2000 issue and its effects, and the fact that authoritative measurement criteria regarding the status of remediation efforts have not been established. In addition, we do not provide assurance that the Authority is or will become year 2000 compliant, that the Authority's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Authority does business are or will become year 2000 compliant.

In our opinion, such combined financial statements - all programs referred to above present fairly, in all material respects, the financial position of the Wisconsin Housing and Economic Development Authority as of June 30, 1999, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 10, 1999 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

DELOITTE & TOUCHE LLP  
Milwaukee, Wisconsin  
September 10, 1999

# WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

## Combined Balance Sheet -- All Programs

**June 30, 1999**  
with comparative totals for June 30, 1998

(Thousands of Dollars)

### assets

	HOME OWNERSHIP REVENUE BOND RESOLUTIONS			Housing Revenue Bonds	State of Wisconsin Programs	General Fund	Combined Authority (Memorandum Only)	
	1987	1988	All Other				6/30/99	6/30/98
Cash & cash equivalents (Notes 2&4)	24,523	61,342	47,319	156,851	16,083	73,108	379,226	271,955
Investments (Notes 2&4)	51,903	94,225	86,825	71,228	13,792	8,005	325,978	381,455
Mortgage loans receivable (Notes 2&5)	371,118	675,487	231,498	392,770	7,569	85,766	1,764,208	1,784,553
Accrued interest receivable	2,972	5,562	2,147	1,652	1,073	1,026	14,432	16,062
Deferred debt financing costs	3,396	6,413	2,156	3,792	80	--	15,837	16,176
Other assets	1,896	71,012	(3,029)	(4,678)	(173)	38,760	103,788	102,983
<b>Total Assets</b>	<b>455,808</b>	<b>914,041</b>	<b>366,916</b>	<b>621,615</b>	<b>38,424</b>	<b>206,665</b>	<b>2,603,469</b>	<b>2,573,184</b>

### liabilities and fund balance

Bonds & notes payable (Note 6)	429,617	860,020	329,024	436,978	6,125	73,229	2,134,993	2,124,531
Accrued interest payable (Note 6)	8,618	19,608	18,976	4,324	75	660	52,261	57,133
Escrow deposits (Notes 2&4)	2,057	3,500	1,637	109,557	(8)	7,928	124,671	124,492
Other liabilities	94	418	894	378	13,173	12,297	27,254	29,711
<b>Total Liabilities</b>	<b>440,386</b>	<b>883,546</b>	<b>350,531</b>	<b>551,237</b>	<b>19,365</b>	<b>94,114</b>	<b>2,339,179</b>	<b>2,335,867</b>
<b>Fund Balance (Note 7)</b>	<b>15,422</b>	<b>30,495</b>	<b>16,385</b>	<b>70,378</b>	<b>19,059</b>	<b>112,551</b>	<b>264,290</b>	<b>237,317</b>
<b>Total Liabilities and Fund Balance</b>	<b>455,808</b>	<b>914,041</b>	<b>366,916</b>	<b>621,615</b>	<b>38,424</b>	<b>206,665</b>	<b>2,603,469</b>	<b>2,573,184</b>

The accompanying footnotes are an integral part of the combined financial statements.

# WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

## Combined Statement of Income and Expenses And Changes in Fund Balance -- All Programs

**For the year ended June 30, 1999  
with comparative totals for June 30, 1998**

(Thousands of Dollars)

	HOME OWNERSHIP REVENUE BOND RESOLUTIONS			Housing Revenue Bonds	State of Wisconsin Programs	General Fund	Combined Authority (Memorandum Only)	
	1987	1988	All Other				6/30/99	6/30/98
Mortgage income	28,121	50,411	15,836	33,575	726	5,968	134,637	139,554
Investment interest (Notes 2&4)	4,391	8,968	7,103	12,955	1,725	3,440	38,582	35,552
Net (decrease) increase in fair value of investments (Note 2)	(358)	(159)	(95)	(76)	(293)	(156)	(1,137)	11,690
Less: Interest expense and debt financing costs (Notes 2&4)	28,416	51,577	20,873	33,048	499	3,161	137,574	143,086
Net Investment Income	3,738	7,643	1,971	13,406	1,659	6,091	34,508	43,710
Mortgage service fees	--	--	--	1,687	--	1,770	3,457	3,468
Pass-through grant revenue	--	--	--	50,815	23	4,822	55,660	57,201
Other income (loss)-net	(3)	8	(27)	53	184	11,363	11,578	1,808
Net investment and other income	3,735	7,651	1,944	65,961	1,866	24,046	105,203	106,187
Direct loan program expense	1,407	2,498	957	1,288	83	831	7,064	9,351
Pass-through grant expense	--	--	--	50,815	23	4,822	55,660	57,201
Grants and services	--	--	--	--	--	1,049	1,049	1,033
General and administrative expense	845	1,580	1,660	2,923	1,028	6,342	14,378	14,117
Total Expenses	2,252	4,078	2,617	55,026	1,134	13,044	78,151	81,702
Income (loss) before extraordinary losses	1,483	3,573	(673)	10,935	732	11,002	27,052	24,485
Extraordinary losses (Note 9)	--	--	--	(66)	(13)	--	(79)	(126)
Net Income (Loss)	1,483	3,573	(673)	10,869	719	11,002	26,973	24,359
Fund Balance, beginning of year	13,939	26,929	16,221	68,819	18,341	93,068	237,317	212,958
Transfers between programs (Note 7)	--	(7)	837	(9,310)	(1)	8,481	--	--
Fund Balance, end of year	15,422	30,495	16,385	70,378	19,059	112,551	264,290	237,317

The accompanying footnotes are an integral part of the combined financial statements.

# WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

## Combined Statement of Cash Flows -- All Programs For the year ended June 30, 1999 with comparative totals for the year ended June 30, 1998

(Thousands of Dollars)

	Home Ownership Revenue Bond Resolutions			Housing Revenue Bonds	State of Wisconsin Programs	General Fund	Combined Authority (Memorandum Only)	
	1987	1988	All Other				06/30/99	06/30/98
<b>Cash flows from operating activities:</b>								
Net Income (Loss)	1,483	3,573	(673)	10,869	719	11,002	26,973	24,359
Adjustments to reconcile net income to net cash provided by (used in) operating activities:								
Extraordinary losses (Note 9)	--	--	--	66	13	--	79	126
Net increase (decrease) in fair value of investments (Note 2)	358	159	95	76	293	156	1,137	(11,690)
Interest expense	27,665	49,947	20,404	32,698	484	3,162	134,360	139,879
Income on investments	(4,391)	(8,968)	(7,103)	(12,955)	(1,725)	(3,440)	(38,582)	(35,552)
Depreciation and amortization	671	1,568	404	351	15	1,135	4,144	4,111
Loan origination fee amortization	699	1,059	436	--	--	(568)	1,626	1,007
(Increase) decrease in mortgage loans receivable and real estate held	(38,179)	69,865	(36,336)	(5,737)	2,549	28,709	20,871	(39,338)
Other	(1,623)	(2,150)	1,924	(7,548)	(252)	3,054	(6,595)	4,102
<b>Net cash provided by (used in) operating activities</b>	<b>(13,317)</b>	<b>115,053</b>	<b>(20,849)</b>	<b>17,820</b>	<b>2,096</b>	<b>43,210</b>	<b>144,013</b>	<b>87,004</b>
<b>Cash flows from non-capital financing activities:</b>								
Proceeds from issuance of bonds and notes	115,000	90,000	260,639	--	--	144,016	609,655	568,110
Repayments on bonds and notes	(66,300)	(179,785)	(150,270)	(18,448)	(1,465)	(183,068)	(599,336)	(453,739)
Interest paid on bonds, notes and escrows	(27,075)	(51,556)	(23,956)	(31,336)	(501)	(3,082)	(137,506)	(134,359)
Cost of bond issuance and redemption	(1,086)	(875)	(1,006)	(1)	--	--	(2,968)	(3,328)
<b>Net cash (used in) provided by non-capital financing activities</b>	<b>20,539</b>	<b>(142,216)</b>	<b>85,407</b>	<b>(49,785)</b>	<b>(1,966)</b>	<b>(42,134)</b>	<b>(130,155)</b>	<b>(23,316)</b>
<b>Cash flows from investing activities:</b>								
Proceeds from sales and maturities of investments	139,846	308,899	217,605	158,192	8,615	9,868	843,025	471,382
Investment interest received	4,215	9,533	6,461	12,475	1,736	2,284	36,704	35,862
Purchases of investments	(144,875)	(282,294)	(251,862)	(94,344)	(10,282)	(1,780)	(785,437)	(456,706)
<b>Net cash provided by (used in) investing activities</b>	<b>(814)</b>	<b>36,138</b>	<b>(27,796)</b>	<b>76,323</b>	<b>69</b>	<b>10,372</b>	<b>94,292</b>	<b>50,538</b>
<b>Cash flows used in capital financing activities:</b>								
Purchases of fixed assets	--	--	--	--	--	(879)	(879)	(6,915)
<b>Increase in cash and cash equivalents</b>	<b>6,408</b>	<b>8,975</b>	<b>36,762</b>	<b>44,358</b>	<b>199</b>	<b>10,569</b>	<b>107,271</b>	<b>107,311</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>18,115</b>	<b>52,367</b>	<b>10,557</b>	<b>112,493</b>	<b>15,884</b>	<b>62,539</b>	<b>271,955</b>	<b>164,644</b>
<b>Cash and cash equivalents, end of year</b>	<b>24,523</b>	<b>61,342</b>	<b>47,319</b>	<b>156,851</b>	<b>16,083</b>	<b>73,108</b>	<b>379,226</b>	<b>271,955</b>

The accompanying footnotes are an integral part of the combined financial statements.

# WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

## Notes to Combined Financial Statements – All Programs

For the year ended June 30, 1999  
with comparative information for the year ended June 30, 1998

### 1. authorizing legislation and funds

The Wisconsin Housing and Economic Development Authority (the "Authority") was created in 1972 by an act ("the 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 to fulfill its corporate purposes up to an aggregate amount of \$625 million, excluding those being used to refund outstanding obligations and those issued under the programs described below. 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's mission has been expanded since 1972 through legislation authorizing the following:

A Home Ownership Loan Program, funded by revenue bonds of \$3.8 billion and \$3.5 billion through June 30, 1999 and 1998, respectively, of which approximately \$1.5 billion and \$1.6 billion are outstanding at June 30, 1999 and 1998, respectively;

A Community Housing Alternatives Program ("CHAP"), funded by bonds of up to \$99.4 million, to finance loans for residential facilities for the elderly or chronically disabled. Housing Revenue Bonds totaling \$4.7 million have been issued, of which approximately \$1.7 million and \$2.8 million are outstanding at June 30, 1999 and 1998, respectively;

A Housing Rehabilitation Program and Home Improvement Loan Program, funded by revenue bonds outstanding at any time of up to \$100 million, to finance below-market-rate loans for home rehabilitation. Revenue bonds totaling approximately \$97.6 million have been issued, of which approximately \$6.1 million and \$7.6 million are outstanding at June 30, 1999 and 1998, respectively;

The Wisconsin Development Reserve Fund represents State of Wisconsin funds appropriated to subsidize interest and provide guarantees of principal balances of qualifying loans. At June 30, 1999 and 1998, outstanding loan guarantees totaled \$40.7 million and \$38.7 million, respectively;

A Business Development Bond Program, funded by revenue bonds of up to \$200 million, to enhance economic growth and the well being of Wisconsin residents. As of June 30, 1999 and 1998, outstanding bonds carrying the Authority's general obligation totaled \$37 million and \$46.1 million, respectively. In addition, under the Business Development Bond Program, other revenue bonds are issued which do not constitute indebtedness of the Authority within the meaning of any provision or limitation of the Constitution or Statutes of the State of Wisconsin. They do not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit. They are payable solely out of the revenues derived pursuant to the loan agreement or, in the event of default of the loan agreement, out of any revenues derived from the sale, releasing or other disposition of the mortgaged property. Based on the above, the bonds are not reflected in the financial statements of the Authority. As of June 30, 1999 and 1998, the Authority had issued 80 series, of such Business Development Bonds in an aggregate principal amount of \$67 million, for economic development projects in Wisconsin; and

A Beginning Farmer Program, funded by revenue bonds of up to \$10 million, to assist beginning farmers to purchase agricultural land, agricultural improvements and depreciable agricultural property. These revenue bonds do not constitute indebtedness of the Authority within the meaning of any provision or limitation of the Constitution or Statutes of the State of Wisconsin. They do not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit. They are payable solely out of the revenues derived pursuant to the loan agreement or, in the event of default of the loan agreement, out of any revenues derived from the sale, releasing or other disposition of the mortgaged property. Based on the above, the bonds are not reflected in the financial statements of the Authority. As of June 30, 1999 and 1998, the Authority had issued 45 and 41 series, respectively, of Beginning Farmer Revenue Bonds in an aggregate principal amount of \$6.5 million and \$5.7 million, respectively.

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 balance.



## 2. summary of significant accounting policies

**Accounting Principles:** The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. With respect to proprietary activities, the Authority has adopted GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting". The Authority has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Authority has a June 30 fiscal year end.

**Authority Programs:** The Authority accounts for each bond resolution as a separate accounting entity, each with its own assets, liabilities, fund balance, income and expense. The entities are then grouped according to type as they relate to single family (Home Ownership Revenue Bond Resolutions), multifamily (Housing Revenue 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 (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 in the fair value of investments includes both realized and unrealized gains and losses (Note 4).

**Mortgage Loans and Real Estate Held:** Mortgage loans are carried at their unpaid principal balance less an allowance for possible loan losses. Loan origination fees and associated direct costs are deferred and recognized as income or expense over the life of the loan using the effective interest method. Real estate held is carried at the lower of cost or estimated net realizable value and is generally subject to mortgage pool insurance coverage.

**Allowance for Possible Loan Losses:** Provisions for possible loan losses are made through charges to expenses based on a periodic evaluation of the loan portfolios. Actual losses that may occur will be charged against such valuation allowances (Note 5).

**Deferred Debt Financing Costs:** Debt issuance costs, premiums and discounts are amortized ratably over the estimated life of the obligations to which they relate. Amortization of \$23,000 of bond discounts and \$10,000 of bond premiums for the year ended June 30, 1999 and \$35,000 of bond discounts and \$11,000 of bond premiums for the year ended June 30, 1998 are included in interest expense in the Combined Statement of Income and Expenses and Changes in Fund Balance -- All Programs.

**Other Assets:** Interfund activity between programs is reported in other assets. Negative amounts represent payables between programs and net to zero. In addition, other assets include bond proceeds receivable (\$68.2 million) and an office building (\$20.5 million) as of June 30, 1999. As of June 30, 1998, other assets included bond proceeds receivable (\$68.2 million) and an office building (\$21.4 million).

**Interest Expense and Debt Financing Costs:** Investment income earned on escrow deposits is allocated to the mortgages based upon investment results. Interest expense and debt financing costs include \$5,313,000 and \$10,103,000 of investment income allocated to mortgage escrow deposits for the year ended June 30, 1999 and 1998, respectively.

**Pass-through Grant Revenue and Expense:** In accordance with Government Accounting Standards Board 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. During the year ended June 30, 1999 and 1998, the Authority received grants on behalf of secondary recipients for various purposes including Section 8 rent subsidies (\$50.6 million and \$52.6 million), voucher assistance (\$4 million and \$3.2 million), Section 236 rent subsidies (\$0.9 million and \$0.9 million) and other miscellaneous grant programs (\$0.1 million and \$0.4 million), respectively.

**Combined Authority Totals:** The total columns reflect the totals of the similar accounts of all programs. Since the assets and revenues of certain programs are restricted by the related bond resolutions, the memorandum totals are for illustrative purposes only and do not indicate that the combined assets are available for other than the provisions set forth in the separate bond resolutions of the individual programs.

**Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles 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 reporting period. Actual results could differ from those estimates.

### 3. description of programs

Home Ownership Revenue Bond Resolutions include all bonds secured by single family mortgage loans. 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). Home Ownership Revenue Bond resolutions dated 1987 and 1988 are reported separately while resolutions dated 1985, 1986, 1989, 1991, 1992, and 1998 are combined.

Housing Revenue Bonds include the 1974 and 1993 Housing Revenue Bond Resolutions. 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.

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 provides loans for eligible borrowers to make improvements to owner-occupied properties. Although no bonds have been issued since 1992, loans continue to be originated from excess funds in the program. After repayment of the bonds, any remaining fund balances must be paid to the State of Wisconsin General Fund. The Wisconsin Development Reserve Fund administered for the State of Wisconsin includes the Credit Relief Outreach Program (CROP), the Agribusiness Fund, the WHEDA Small Business Guarantee Program (which replaces the Tourism Fund, the Contract Fund, the Target Area Fund, the Nonpoint Source Pollution Abatement Program, the Clean Air Fund, the Ozone Fund, the Agricultural Chemical Spill Loan Guarantee Program), and the Farm Assets Reinvestment Management Program, all of which provide loan guarantees and interest rate subsidies on loans.

The General Fund includes the Business Development Bond Program as well as all income and operating expenses, which are not allocated to other programs or funds. The Business Development Bonds (Note 6) carry the general obligation of the Authority and are issued to enhance the economic growth in Wisconsin.

### 4. cash, cash equivalents and investments

The Authority is required by statute to invest at least 50% of the General Fund funds in obligations of the state, of the U.S., or of agencies or instrumentalities of the U.S., or obligations, the principal and interest of which are guaranteed by the U.S. or agencies or instrumentalities of the U.S. Each bond resolution specifies what constitutes a permitted investment and such investments may include obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper; bankers' acceptances; and repurchase agreements and investment agreements.

The Authority also enters into collateralized investment contracts with various financial institutions. These investment contracts are generally collateralized by obligations of the United States government.

The Authority is also authorized to invest its funds in the State Investment Fund. The Authority has established a Master Repurchase Agreement with its banking institutions to govern the purchase of repurchase agreements. This agreement requires the institution to take possession of collateral having a market value of at least 103% of the cost of the repurchase agreement. The underlying collateral must be maintained at this level at all times.

Categorized in accordance with GASB Statement No. 3, the Authority's investments in uncollateralized investment contracts are a Category 3 level of risk which include uninsured or unregistered investments and uncollateralized securities held by the Authority's agent or trustee in the Authority's name. All other investments and cash equivalents are a Category 1 level of risk, representing investments that are insured or registered, or collateralized with securities that are held by the Authority's agent or trustee in the Authority's name.

Cash and Cash Equivalents: At June 30, 1999 and 1998, the Authority had cash balances totaling \$3,539,000 and \$5,327,000, respectively. Of the balances at June 30, 1999 and 1998, \$500,000 was covered by federal or state depository insurance.

The carrying amounts of cash and cash equivalents, which approximate fair value, at June 30, 1999 and 1998 are as follows (in thousands of dollars):

	<u>6/30/99</u>	<u>6/30/98</u>
Cash .....	3,539	5,327
Money Market Funds .....	350,925	240,791
Short-term Investment Agreements .....	<u>24,762</u>	<u>25,837</u>
Total Cash and Cash Equivalents .....	<u>379,226</u>	<u>271,955</u>

## 4. cash, cash equivalents and investments (continued)

Investments: The investments at June 30, 1999 and 1998 are as follows (in thousands of dollars):

	6/30/99		6/30/98	
	Fair (Carrying Value)	Cost	Fair (Carrying Value)	Cost
Certificates of Deposit.....	4,660	4,662	5,374	5,375
U.S. Government Securities .....	13,869	13,681	14,660	13,698
U.S. Agency Securities .....	14,973	14,822	51,899	51,239
Municipal Bonds.....	11,506	11,506	11,903	11,904
Corporate Notes.....	9,531	9,594	6,178	6,181
Uncollateralized Investment Agreements .....	99,021	99,021	64,133	64,133
Collateralized Investment Contracts .....	172,418	172,418	194,300	194,300
Mortgage-Backed Securities.....	--	--	33,008	36,514
<b>Total Investments .....</b>	<b><u>325,978</u></b>	<b><u>325,704</u></b>	<b><u>381,455</u></b>	<b><u>383,344</u></b>

In accordance with provisions of certain escrow agreements related to mortgages outstanding under the Housing Revenue Bonds Program and the General Fund, 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 \$5,313,000 and \$10,103,000 was allocated to the mortgage escrow deposits for the years ended June 30, 1999 and 1998, respectively, and is included in interest expense and debt financing costs in the Combined Statement of Income and Expenses and Changes in Fund Balance -- All Programs.

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, 1999 and 1998 are as follows (in thousands of dollars):

	6/30/99	6/30/98
Home Ownership Revenue Bond Resolutions:		
1987.....	8,300	8,698
1988.....	18,235	17,324
All Other .....	91,359	17,737
Housing Revenue Bonds.....	40,457	41,395
State of Wisconsin Programs.....	<u>260</u>	<u>329</u>
<b>Total Cash and Cash Equivalents .....</b>	<b><u>158,611</u></b>	<b><u>85,483</u></b>

Cash, cash equivalents and investments of the funds at June 30, 1999 and 1998 met or exceeded the liquidity requirements of the bond resolutions and note agreements.

## 5. mortgage loans receivable

Relevant mortgage information at June 30, 1999 and 1998 is as follows (in thousands of dollars):

	Allowance for Possible Loan Losses		Unamortized Loan Origination Costs/(Income)		Real Estate Held	
	6/30/99	6/30/98	6/30/99	6/30/98	6/30/99	6/30/98
Home Ownership Revenue Bond Resolutions:						
1987.....	227	227	3,241	3,029	194	111
1988.....	--	--	5,261	5,348	295	226
All Other.....	--	--	1,819	1,242	157	186
Housing Revenue Bonds.....	6,601	6,602	--	--	2,026	98
State of Wisconsin Programs.....	41	40	--	--	--	--
General Fund.....	<u>1,146</u>	<u>1,147</u>	<u>(1,039)</u>	<u>(861)</u>	<u>166</u>	<u>170</u>
	<u>8,015</u>	<u>8,016</u>	<u>9,282</u>	<u>8,758</u>	<u>2,838</u>	<u>791</u>

Home Ownership Revenue Bonds and Housing Revenue Bonds are collateralized by first mortgage liens. 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 loans include Business Development loans which are collateralized by security interests and Letters of Credit on the projects.

Home Ownership Revenue Bonds are insured by Mortgage Pool Insurance with one exception; the 1987 Series A and 1987 Series D&E bonds are self-insured. State of Wisconsin Programs are insured by FHA insurance.

Provision for possible loan losses were \$83,950 and \$0 and actual loan charge offs were \$84,587 and \$294,000 for the years ended June 30, 1999 and 1998, respectively.

## 6. bonds and notes payable

Bonds and notes payable at June 30, 1999 and 1998 of the Authority consist of the following (in thousands of dollars):

	6/30/99	6/30/98
General obligation bonds and notes.....	1,829,622	1,949,958
Special and subordinated obligation bonds.....	306,412	175,757
Less: Deferred amount on refunding.....	<u>(1,041)</u>	<u>(1,184)</u>
Total Bonds and Notes Payable.....	<u>2,134,993</u>	<u>2,124,531</u>

Interest on outstanding general and special obligation bonds is payable either monthly, every 35 days, quarterly or semiannually except for interest on accrual bonds which is payable at maturity. At June 30, 1999 and 1998, interest on accrual bonds was \$16,111,000 and \$20,490,000, respectively.

The Authority's general obligation bonds and notes are collateralized by the revenues and assets of the Authority, subject to the provisions 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 at prices ranging from 100% to 103% of par value. The notes can be prepaid in part or in full at any time and the interest rate, which is reset periodically, is variable based upon an index.

## 6. bonds and notes payable (continued)

General Obligation Bonds and Notes Payable (in thousands of dollars):

Program/Bond Resolution		Interest Rates*	Dated**	Maturities*	6/30/99	6/30/98
<b>Housing Revenue Bonds:</b>						
1974	1986 Series A and B .....	7.625% - 8.500%	09/01/86	1999-2017	2,440	2,495
	1988 Series A and B .....	7.250% - 8.250%	02/01/88	1999-2018	5,100	9,870
	1989 Series A, B and C .....	7.100% - 7.850%	09/01/89	1999-2020	13,270	13,510
	1992 Series A .....	5.800% - 6.850%	01/01/92	1999-2012	58,665	61,270
	1992 Series B, C and D .....	6.400% - 7.200%	04/01/92	1999-2022	69,135	70,120
	1993 Series A and B .....	4.500% - 5.650%	10/01/93	1999-2023	65,130	67,915
	1993 Series C .....	4.650% - 5.875%	12/01/93	1999-2019	126,010	130,790
	1995 Series A and B .....	4.700% - 6.500%	07/01/95	1999-2026	47,550	49,060
	1998 Series A, B and C .....	4.400% - 6.880%	02/01/98	1999-2032	39,555	39,895
					<u>426,855</u>	<u>444,925</u>
<b>Home Ownership Revenue Bonds:</b>						
1985	1985 Issue I .....	9.700% - 10.375%	06/01/85	1999-2016	4,430	6,725
	1985 Issue III .....		12/01/85		--	664
					<u>4,430</u>	<u>7,389</u>
1987	1987 Series B and C .....	7.375% - 7.850%	08/01/87	1999-2016	3,180	11,645
	1992 Series A and B .....	6.100% - 7.100%	03/01/92	1999-2023	53,495	68,170
	1994 Series A and B .....	5.000% - 6.750%	04/15/94	1999-2025	64,745	71,080
	1995 Series C, D and E .....	4.950% - 6.300%	05/15/95	1999-2026	73,130	90,290
	1995 Series F, G and H .....	4.750% - 7.875%	09/01/95	1999-2026	47,630	65,010
	1997 Series G, H and I .....	4.200% - 7.390%	11/01/97	1999-2028	73,140	75,000
	1998 Series D and E .....	3.850% - 6.040%	06/15/98	1999-2028	114,575	--
					<u>429,895</u>	<u>381,195</u>
1988	1988 Series A and B .....		06/01/88		--	2,050
	1988 Series C .....		08/16/88		--	1,085
	1988 Series D .....	7.400% - 7.700%	10/01/88	1999-2005	945	15,120
	1989 Series A .....	7.100% - 7.500%	05/01/89	1999-2017	16,355	18,775
	1989 Series B and C .....	7.300% - 7.850%	10/15/89	1999-2021	51,688	56,073
	1990 Series A and B .....		05/01/90		--	24,115
	1990 Series D and E .....	7.200% - 8.000%	09/01/90	1999-2021	495	23,400
	1991 Series A and B .....	6.950% - 7.250%	12/01/90	1999-2024	2,105	56,010
	1992 Series 1 and 2 .....	6.050% - 6.875%	06/01/92	1999-2024	60,525	70,345
	1995 Series A and B .....	5.900% - 7.100%	01/01/95	1999-2025	98,670	102,960
	1996 Series A and B .....	4.550% - 6.150%	03/15/96	1999-2027	66,705	72,230
	1996 Series C and D .....	4.750% - 6.450%	07/01/96	1999-2027	67,315	73,510
	1996 Series E and F .....	4.350% - 6.200%	11/15/96	1999-2027	53,720	59,545
	1997 Series A, B and C .....	4.400% - 8.360%	04/01/97	1999-2028	71,025	85,000
	1997 Series D and E .....	4.050% - 6.000%	06/01/97	1999-2028	83,975	85,000
	1997 Series F .....	Variable	07/29/97	1999-2007	6,645	10,000
	1998 Series A, B and C .....	4.750% - 6.300%	04/15/98	1999-2028	122,050	126,785
	1999 Series A and B .....	5.300% - 5.800%	08/03/99	2000-2021	68,215	68,215
	1999 Series C, D and E .....	3.400% - 7.290%	04/01/99	2000-2029	90,000	--
					<u>860,433</u>	<u>950,218</u>
1989	1989 Series A (Taxable) .....	9.800%	07/01/89	1999-2019	1,070	1,860
1991	1991 Series 1, 2 and 3 .....	6.600% - 7.200%	07/01/91	1999-2022	33,710	52,090

## 6. bonds and notes payable (continued)

General Obligation Bonds and Notes Payable (in thousands of dollars):

Program/Bond Resolution	Interest Rates*	Dated**	Maturities*	6/30/99	6/30/98
<b>Business Development Revenue Bonds:</b>					
1988 Series 4-5 .....		Various		--	640
1989 Series 3, 6, 8, 11-12, 17, 19, 28 .....	7.250% - 7.750%	Various	1999-2014	7,010	9,995
1990 Series 4, 6 .....	7.200% - 7.500%	Various	1999-2010	2,250	2,610
1991 Series 4, 6 .....	6.100% - 7.050%	Various	1999-2006	3,545	6,665
1994 Series 1-4 .....	Variable	Various	1999-2014	7,995	8,775
1995 Series 1-2, 4-9 .....	Variable	Various	1999-2015	16,240	17,385
				<u>37,040</u>	<u>46,070</u>
<b>Notes Payable:</b>					
Commercial Paper - Other .....	Various	Various	1999	7,583	7,605
Commercial Paper - Office Building .....	Various	Various	1999	23,606	23,606
Line of Credit - Temporary					
Mortgage Financing .....	Variable	04/25/95	1999	5,000	35,000
				<u>36,189</u>	<u>66,211</u>
				<u>1,829,622</u>	<u>1,949,958</u>
<b>Total General Obligation Bonds and Notes***</b> .....					

Both commercial paper obligations are issued for terms of one to 270 days. These obligations bear interest at various rates, which ranged from 3.25%-3.55% and 3.48-3.85% at June 30, 1999 and 1998, respectively. Each obligation is backed by a line of credit agreement which is renewable annually and bears interest at variable rates, based on indices defined in the agreements. The line of credit agreement used for temporary mortgage financing is renewable annually and bears interest at the 30 day LIBOR rate plus 45 basis points, which was 5.66% and 6.11% at June 30, 1999 and 1998, respectively.

Special and Subordinated Obligation Bonds are special limited obligations of the Authority and are collateralized by the assets of each bond resolution. They are payable solely from the assets and revenues pledged.

Special and Subordinate Obligation Bonds (in thousands of dollars):

Program/Bond Resolution	Interest Rates*	Dated**	Maturities*	6/30/99	6/30/98
<b>Special Housing Revenue Bonds:</b>					
1993 1994 Series .....	8.319% - 9.250%	01/01/94	2017	10,473	10,851
<b>Home Improvement Revenue Bonds:</b>					
1988 1988 Series A .....	7.300% - 7.750%	11/01/88	1999-2006	3,775	4,090
1990 Series A and B .....		04/01/90		--	1,005
1992 Series A and B .....	6.100% - 7.000%	05/01/92	1999	2,350	2,495
				<u>6,125</u>	<u>7,590</u>
<b>Home Ownership Revenue Bonds:</b>					
1992 1993 Series A .....	5.00% - 6.500%	06/01/92	1999-2025	79,225	80,825
1993 Series B .....	7.400%	04/01/93	2015-2017	--	10,721
1994 Series C and D .....	5.200% - 6.650%	08/01/94	1999-2025	37,000	42,345
1994 Series E and F .....	6.100% - 7.550%	12/01/94	1999-2026	4,040	23,425
1998 Series F and G .....	3.700% - 6.700%	10/15/98	2000-2029	95,000	--
				<u>215,265</u>	<u>157,316</u>
<b>Single Family Drawdown Revenue Bonds:****</b>					
1998 1998 Series 1 .....	Variable	08/31/98	1999-2001	74,549	--
				<u>306,412</u>	<u>175,757</u>
<b>Total Special and Subordinated Obligation Bonds .....</b>					

\* Interest rates and maturities are as of June 30, 1999.

\*\* Accrual Bonds, Select Auction Variable Rate Securities (SAVRS), Residual Interest Bonds (RIBS) and Taxable Floating Rate Bonds are dated the date of delivery. The Authority committed to the issue of the 1999 Series A and B Bonds as of June 30, 1998 for delivery on August 3, 1999.

\*\*\* In 1990 the Authority defeased \$48,390,000 of Insured Mortgage Revenue Bonds and as of June 30, 1999, the remaining outstanding defeased debt was \$36,780,000.

\*\*\*\* The Single Family Drawdown Revenue Bonds are issued for the purpose of the replacement refunding of existing bond issues to provide funds for the purchase of new single family loans. These bonds are subject to periodic conversion to long-term bonds.

## 6. bonds and notes payable (concluded)

Scheduled debt maturities in the five fiscal years subsequent to June 30, 1999 are as follows (in thousands of dollars):

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Thereafter</u>
Home Ownership Revenue Bond Resolutions:						
1987.....	5,735	7,715	8,170	8,655	9,200	390,420
1988.....	13,830	15,195	17,430	17,830	17,805	778,343
All Others.....	9,365	5,745	6,080	6,435	6,795	220,055
Single Family Drawdown Revenue Bonds	52,636	21,913				
Housing Revenue Bonds.....	15,026	15,853	16,788	17,742	20,539	351,381
State of Wisconsin Programs.....	490	530	605	660	720	3,120
General Fund.....	<u>39,439</u>	<u>3,025</u>	<u>3,125</u>	<u>3,315</u>	<u>3,060</u>	<u>21,264</u>
	<u>136,521</u>	<u>69,976</u>	<u>52,198</u>	<u>54,637</u>	<u>58,119</u>	<u>1,764,583</u>

## 7. fund balance restrictions

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. 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. As of June 30, 1999, approximately \$100.9 million of the General Fund fund balance was restricted for various purposes including credit enhancements, loan programs, operating expenses, collateral for note agreements, and property replacement.

The Authority is required to make payments to the United States Department of Housing and Urban Development aggregating \$1.2 million per year through June 2012, from the Housing Revenue Bonds Programs for savings associated with the refinancing of certain revenue bonds in 1992.

## 8. retirement benefits

All eligible Authority employees participate in the Wisconsin Retirement System ('System'), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Covered employees are required by statute to contribute 6.2% of their salary to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for Authority employees covered by the System for the year ended June 30, 1999 was \$7,665,000; the Authority's total payroll for year ended June 30, 1999 was \$7,725,000. The total required contribution for the year ended June 30, 1999 was \$1,127,000, or 15.2% of covered payroll from July 1, 1998 through December 31, 1998 and 14.2% from January 1, 1999 through June 30, 1999, all of which was contributed by the Authority. Total contributions for the years ended June 30, 1998 and 1997, were \$1,166,000 and \$1,006,000, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 are entitled to receive a retirement benefit. Employees may retire at age 55 and receive actuarially reduced benefits. Retirement benefits are calculated as 1.6% of final average earnings for each year of creditable service. Final average earnings is the average of the employees' three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation 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 are immediately vested.

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of the State Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, Wisconsin 53707-7931.

No amounts have been recorded on the financial statements of the Authority for pension-related debt because the information was not available from the System. The System does not segregate the pension-related debt of the Authority from the other State of Wisconsin agencies because such debt would become a liability of the remaining agencies or Authority upon the dissolution of any one agency or Authority. The State of Wisconsin's pension-related debt for all agencies was \$661.5 million as of December 31, 1998.

## 9. extraordinary losses

During the year ended June 30, 1999 and 1998, respectively, the Authority redeemed various outstanding bonds early according to the redemption provisions in the bond resolutions. Certain of these redemptions resulted in extraordinary losses due to the write-off of remaining unamortized deferred debt financing costs. A summary of all early redemptions follows (in thousands of dollars):

	Redemptions		Extraordinary Losses	
	1999	1998	1999	1998
Home Ownership Revenue Bond Resolutions:				
1987.....	61,015	19,240	--	--
1988.....	163,465	40,735	--	126
All Other.....	54,970	45,752	--	--
Single Family Drawdown Revenue Bonds.....	91,090	--	--	--
Housing Revenue Bonds.....	4,640	--	66	--
State of Wisconsin Programs.....	875	--	13	--
General Funds.....	<u>4,605</u>	<u>3,705</u>	<u>--</u>	<u>--</u>
Total.....	<u>380,660</u>	<u>109,432</u>	<u>79</u>	<u>126</u>

\* \* \* \* \*



**SUPPLEMENTAL INFORMATION FURNISHED  
PURSUANT TO  
GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

# WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

## Year 2000 Compliance Status (Unaudited)

The Year 2000 (Y2K) issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Authority's operations.

The Authority has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and has identified the following systems as mission-critical:

- n Payroll--including the systems and services used to process payroll and all employee benefits
- n Financial Systems--including the general ledger and accounts payable applications and the related SQL server
- n Fund Transfer Systems--including systems used to send and receive wire transfers for payments and loan fundings
- n Loan Origination Systems--including systems used to underwrite loans, fund loans, and lock mortgage rates
- n Loan Servicing Systems--including systems used to monitor activity for both single family and multifamily loans
- n Housing and Urban Development (HUD) Reporting Systems--including systems that receive information from HUD Section 8 owners and agents, send information to HUD, and determine funds owned to projects
- n Building Systems--including the fire protection, security, and heating/cooling systems

As of August 31, 1999, the Authority has completed implementation of its Y2K compliance plan. The Authority has completed a four-stage process for each group of systems that included an awareness, assessment, remediation and validation/testing stage. After inventorying all systems and individual components, the mission critical systems listed above were identified. Those systems were modified or replaced and then tested to ensure Year 2000 compliance. During testing, all transactions were processed free of Y2K errors and contingency plans are in place to respond to possible Y2K incidents.

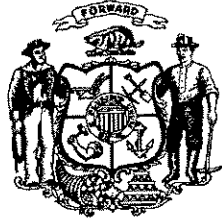
Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the Authority is or will be Year 2000 ready, that the remediation efforts will be successful in whole or in part, or that parties with whom the Authority does business will be Year 2000 ready.

\* \* \* \* \*

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

316-S Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-8535



ASSEMBLY CHAIR  
**JOHN GARD**

315-N Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

To: Members  
Joint Committee on Finance

From: Senator Brian Burke  
Representative John Gard  
Co-Chairs, Joint Committee on Finance

Date: September 11, 2000

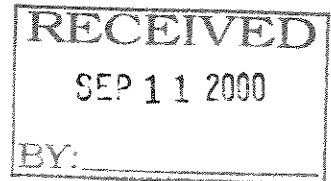
Re: Wisconsin Development Reserve Fund Annual Report

Attached please find a copy of a statement from the Executive Director of the Wisconsin Housing and Economic Development Authority (WHEDA) regarding the Wisconsin Development Reserve Fund. In accordance with s. 234.93(4)(b), Stats., this report is submitted annually to the members of the Joint Committee on Finance on August 31.

This report is being submitted for your information only. No formal action is required by the Committee.

Please call us if you have any questions.

BB/JG/js



August 31, 2000

Direct Telephone: (608) 266-2893  
Electronic Mail: Fritz.Ruf@wheda.com

**WISCONSIN  
HOUSING AND  
ECONOMIC  
DEVELOPMENT  
AUTHORITY**

Honorable Brian B. Burke  
Co-Chair, Joint Committee on Finance  
Room 316 South  
State Capitol  
Madison, Wisconsin 53707

Honorable John Gard  
Co-Chair, Joint Committee on Finance  
Room 315 North  
State Capitol  
Madison, Wisconsin 53708

Tommy G. Thompson  
Governor

Edwin J. Zagzebski  
Chairman

Fritz Ruf  
Executive Director

Re: Wisconsin Development Reserve Fund

Dear Chairmen Burke and Gard:

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, 2000
2. Attachment 1: Calculation of June 30, 2000 WDRF Balance
3. Projected WDRF Balance Transfer on June 30, 2001
4. Projected WDRF Balance Transfer on June 30, 2002

Should you have any questions or comments on the reports, please feel free to call me or Jim Langdon at 266-3529.

Sincerely,

Fritz Ruf  
Executive Director

201 West Washington Avenue  
Suite 700  
P.O. Box 1728  
Madison, WI 53701-1728  
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101 West Pleasant Street  
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www.wheda.com  
info@wheda.com

cc: Secretary George Lightbourn, DOA  
Mr. Robert Lang, Legislative Fiscal Bureau

Enclosures

WHEDA supports equal  
housing opportunities for  
all persons



Wisconsin Housing and Economic Development Authority (WHEDA)

Balance Transfer: Wisconsin Development Reserve Fund (WDRF)  
June 30, 2000

		Calculation	
1	<b>WDRF Balance (1)</b>	\$12,067,618	
	<b>Outstanding Claims (2)</b>		
2	Agribusiness	0	
3	CROP/FARM	0	
4	Drought	0	
5	Recycling	0	
6	Small Business Guarantee	0	
7	Target Area	100,000	
8	Tourism	<u>0</u>	
9	<b>Total</b>	<b>100,000</b>	Sum lines 2-8
	<b>Principal and Outstanding Guarantees (3)</b>		
10	Agribusiness	5,000,000	Guarantee limit under 234.907(3)(b)
11	CROP/FARM	27,000,000	Guarantee limit under 234.90(4)
12	Drought	0	No authority available
13	Recycling	106,586	Actual exposure
14	Small Business Guarantee	14,270,000	Guarantee limit under 234.83(4)(b)
15	Target Area	4,611,380	Actual Exposure
16	Tourism	<u>2,231,903</u>	Actual Exposure
17	<b>Total</b>	<b>53,219,869</b>	Sum lines 11-16
18	<b>4.5:1 reserve calculation (3)</b>	<b>11,826,638</b>	Line 17 divided by 4.5
	<b>Principal and Outstanding Guarantees (4)</b>		
19	Taliesin	954,900	1,061,000 times 90% guarantee
20	<b>4.0:1 reserve calculation (4)</b>	<b>238,725</b>	Line 19 divided by 4
21	<b>Total Deductions from WDRF Balance</b>	<b><u>12,165,363</u></b>	Sum lines 9, 18 and 20
22	<b>Calculation of Amount Available for Transfer</b>	<b>(97,745)</b>	Line 1 less line 21
23	<b>Transfer to General Fund</b>	<b>0</b>	Line 22 or zero if line 22 less than zero

(1) Please see Attachment 1 for calculation of fiscal 2000 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, except for the program under s. 234.935, at a ratio of \$1 of reserve funding to \$4.50 of total outstanding principal and outstanding guaranteed principal that the authority may guarantee under all of those programs." Each line (except Recycling, Target Area and Tourism) includes 80% or 90% of all performing loans and remaining outstanding guaranteed principal the Authority may guarantee on June 30, 2000, less amount of claims under (1) above. Recycling, Target Area and Tourism represent actual remaining guarantee exposure.

(4) 234.93(4)(a)3, Wis. Stats.: Amounts sufficient "to fund guarantees under the program under s. 234.935 at a ratio of \$1 of reserve funding to \$4 of total principal and outstanding guaranteed principal that the authority may guarantee under that program."

Wisconsin Housing and Economic Development Authority (WHEDA)

Attachment 1

Calculation of June 30, 2000 Wisconsin Development Reserve Fund (WDRF) Balance

1	<b>WDRF Balance 6/30/99</b>		16,154,527	
2	Appropriations to WDRF		0	
3	Investment Income	663,936		
4	Fee Income	223,865		
5	Guarantee Payment Recoveries	83,339		
6	Required Lapses to State General Fund	(4,000,000)		
7	Guarantee Payments (Claims)	(226,748)		
8	Interest Subsidy Payments (Tourism)	(73,147)		
9	Admin. Expense Reimbursement to WHEDA General Fund	<u>(758,154)</u>		
10	Total		<u>(4,086,909)</u>	Sum lines 2-9
11	<b>WDRF Balance 6/30/00</b>		12,067,618	Sum lines 1 and 10

**Balance Transfer: Wisconsin Development Reserve Fund (WDRF)**  
**June 30, 2001 Projection**

		Calculation
1	<b>Actual WDRF Balance 6/30/2000</b>	12,067,618
<b>Fiscal 2001 Projections</b>		
2	Appropriations to WDRF	0
3	Investment Income	719,496
4	Fee Income	273,500
5	Guarantee Payment Recoveries	0
6	Required Lapses to State General Fund	0
7	Guarantee Payments (Claims)	(425,000)
8	Interest Subsidy Payments (Tourism)	(45,000)
9	Admin. Expense Reimbursement to WHEDA General Fund	<u>(781,149)</u>
10	<b>Total</b>	<u>(258,153)</u> <span style="float: right;">Sum lines 2-9</span>
11	<b>Projected WDRF Balance 6/30/2001</b>	11,809,465 <span style="float: right;">Sum lines 1 and 10</span>
<b>Principal and Outstanding Guarantees</b>		
12	Agribusiness	5,000,000 <span style="float: right;">Guarantee limit under 234.907(3)(b)</span>
13	CROP/FARM	27,000,000 <span style="float: right;">Guarantee limit under 234.90(4)</span>
14	Drought	0 <span style="float: right;">No authority available</span>
15	Recycling	0 <span style="float: right;">Actual exposure</span>
16	Small Business Guarantee	14,270,000 <span style="float: right;">Guarantee limit under 234.83(4)(b)</span>
17	Target Area	4,250,000 <span style="float: right;">Actual Exposure</span>
18	Tourism	<u>1,800,000</u> <span style="float: right;">Actual Exposure</span>
19	<b>Total</b>	<u>52,320,000</u> <span style="float: right;">Sum lines 12-18</span>
20	<b>4.5:1 reserve calculation</b>	11,626,667 <span style="float: right;">Line 19 divided by 4.5</span>
<b>Principal and Outstanding Guarantees</b>		
21	Taliesin	929,899 <span style="float: right;">Actual Exposure</span>
22	<b>4.0:1 reserve calculation</b>	<u>232,475</u> <span style="float: right;">Line 21 divided by 4.0</span>
23	<b>Aggregate reserve calculation</b>	11,859,141 <span style="float: right;">Sum lines 20 &amp; 22</span>
24	<b>Calculation of Amount Available for Transfer</b>	(49,676) <span style="float: right;">Line 11 less line 23</span>
25	<b>Transfer to General Fund</b>	0 <span style="float: right;">Line 24 or zero if line 24 less than zero</span>

**Balance Transfer: Wisconsin Development Reserve Fund (WDRF)**  
**June 30, 2002 Projection**

Calculation

1	<b>Projected WDRF Balance 6/30/2001</b>		11,809,465	
	<b>Fiscal 2001 Projections</b>			
2	Appropriations to WDRF		0	
3	Investment Income		709,583	
4	Fee Income		273,500	
5	Guarantee Payment Recoveries		0	
6	Required Lapses to State General Fund		0	
7	Guarantee Payments (Claims)		(425,000)	
8	Interest Subsidy Payments (Tourism)		(35,000)	
9	Admin. Expense Reimbursement to WHEDA General Fund		(804,583)	
10	<b>Total</b>		<u>(281,500)</u>	Sum lines 2-9
11	<b>Projected WDRF Balance 6/30/2002</b>		11,527,965	Sum lines 1 and 10
	<b>Principal and Outstanding Guarantees</b>			
12	Agribusiness	5,000,000		Guarantee limit under 234.907(3)(b)
13	CROP/FARM	27,000,000		Guarantee limit under 234.90(4)
14	Drought	0		No authority available
15	Recycling	0		Actual exposure
16	Small Business Guarantee	14,270,000		Guarantee limit under 234.83(4)(b)
17	Target Area	3,800,000		Actual Exposure
18	Tourism	1,400,000		Actual Exposure
19	<b>Total</b>	<u>51,470,000</u>		Sum lines 12-18
20	<b>4.5:1 reserve calculation</b>		11,437,778	Line 19 divided by 4.5
	<b>Principal and Outstanding Guarantees</b>			
21	Taliesin	894,900		Actual Exposure
22	<b>4.0:1 reserve calculation</b>		<u>223,725</u>	Line 22 divided by 4.0
23	<b>Aggregate reserve calculation</b>		11,661,503	Sum lines 20 & 21
24	<b>Calculation of Amount Available for Transfer</b>		(133,538)	Line 11 less line 23
25	<b>Transfer to General Fund</b>		0	Line 24 or zero if line 24 less than zero