

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

FINANCIAL REPORT

June 30, 2019

and

June 30, 2018

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CONTENTS

Independent Auditor’s Report on the Financial Statements	1
Required Supplementary Information	
Management’s discussion and analysis (Unaudited)	4
Financial Statements	
Balance sheets	11
Statements of revenues, expenses and changes in fund position	14
Statements of cash flows	15
Notes to basic financial statements	17
Required Supplementary Information	
Schedule of changes in net pension liability and related ratios (Unaudited)	47
Schedule of pension contributions (Unaudited)	49
Schedule of authority’s proportionate share of the net OPEB liability (Unaudited)	51
Schedule of authority’s OPEB contributions (Unaudited)	51
Other Supplementary Information	
Detailed balance sheet as of June 30, 2019	55
Detailed balance sheet as of June 30, 2018	57
Detailed schedule of revenues, expenses and changes in net position for the year ended June 30, 2019	59
Detailed schedule of revenues, expenses and changes in net position for the year ended June 30, 2018	61

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wyoming Community Development Authority
Casper, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the Wyoming Community Development Authority, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Wyoming Community Development Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Wyoming Community Development Authority, as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-9) and the required supplementary information, changes in net pension liability and related ratios, schedule of pension contributions, schedule of authority's proportionate share of the net OPEB liability, and schedule authority's OPEB contributions (pages 47-52) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Wyoming Community Development Authority's basic financial statements. The detailed balance sheets, and the detailed schedules of revenues, expenses and changes in net position, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The detailed balance sheets, the detailed schedules of revenues, expenses and changes in net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the detailed balance sheets and detailed schedules of revenues, expenses and changes in net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

September 26, 2019

Casper, Wyoming

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WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2019 and 2018

This section of the Wyoming Community Development Authority's (the Authority) annual financial report presents our discussion and analysis of financial activities for the fiscal years ended June 30, 2019 and 2018. The selected data presented was derived from the Authority's financial statements, which were audited by Porter, Muirhead, Cornia & Howard, Certified Public Accountants. The authority is a self-supporting entity and follows enterprise fund reporting in accordance with accounting principles generally accepted in the United States of America; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting as prescribed by the Governmental Accounting Standards Board (GASB). Enterprise fund statement offer short-term and long-term financial information about the Authority's activities. The Independent Auditor's Report, audited financial statements and accompanying notes, and supplementary information should be read in conjunction with the following discussion.

Overview of the Financial Statements

The basic financial statements consist of the Balance Sheets, the Statements of Revenues, Expenses and Changes in Net Position, the Statements of Cash Flows and the notes thereto. The financial statements offer information about the Authority's activities and operations.

The Balance Sheets include all of the Authority's assets and liabilities, presented in order of liquidity, along with deferred outflows and deferred inflows, which represent deferrals of resources related to future periods. The resulting net position present in these statements is displayed as net investment in capital assets, restricted or unrestricted. Net position is restricted when its use is subject to external limits such as bond indentures, legal agreements or statutes.

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

The final required financial statements are the Statements of Cash Flows. The primary purpose of these statements is to provide information about the Authority's cash receipts and cash payments during the reporting period. These statements report cash receipts, cash payments and net changes in cash resulting from operating, noncapital financing, capital and related financing and investing activities. These statements also provide information regarding the sources and uses of cash and the change in the cash balance during the reporting period.

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

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

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2019 and 2018

Financial Position Analysis

The following table is a summary of the Authority's net position at June 30, 2019, 2018 and 2017.

	2019	<i>Change</i>		2018	<i>Change</i>		(As Restated) 2017
Cash and cash equivalents	\$ 154,913,757	\$ (15,057,426)	-8.86%	\$ 169,971,183	\$ 64,411,613	61.02%	\$ 105,559,570
Investments	146,483,931	4,762,524	3.36%	141,721,407	(36,316,252)	-20.40%	178,037,659
Other current assets	2,171,473	211,587	10.80%	1,959,886	402,982	25.88%	1,556,904
Mortgage loans receivable	865,573,247	85,786,889	11.00%	779,786,358	46,675,525	6.37%	733,110,833
Other noncurrent assets	32,751,550	2,587,034	8.58%	30,164,516	(1,636,268)	-5.15%	31,800,784
Total assets	1,201,893,958	78,290,608	6.97%	1,123,603,350	73,537,600	7.00%	1,050,065,750
Deferred outflow of resources	6,101,718	5,066,582	489.46%	1,035,136	(474,350)	-31.42%	1,509,486
Other current liabilities	3,377,047	143,656	4.44%	3,233,391	404,800	14.31%	2,828,591
Bonds payable	786,907,039	58,847,776	8.08%	728,059,263	70,944,654	10.80%	657,114,609
Other long-term liabilities	12,838,343	5,840,767	83.47%	6,997,576	(607,478)	-7.99%	7,605,054
Total liabilities	803,122,429	64,832,199	8.78%	738,290,230	70,741,976	10.60%	667,548,254
Deferred inflow of resources	872,429	(1,568,698)	-64.26%	2,441,127	1,838,504	305.08%	602,623
Net investment in capital assets	2,228,452	(109,613)	-4.69%	2,338,065	(328,905)	-12.33%	2,666,970
Restricted	262,487,040	21,475,751	8.91%	241,011,289	(1,808,631)	-0.74%	242,819,920
Unrestricted	139,285,326	(5,023,027)	-3.48%	144,308,353	6,370,884	4.62%	137,937,469
Total net position	\$ 404,000,818	\$ 16,343,111	4.22%	\$ 387,657,707	\$ 4,233,348	1.10%	\$ 383,424,359

The net investment in capital assets, which is the net book value of capital assets (e.g. land, buildings, and equipment) less related debt, is \$2,228,452, \$2,338,065, and \$2,66,970 for the years ended June 30, 2019, 2018, and 2017, respectively. The Authority uses these capital assets to provide services to borrowers; consequently, these assets are not available for future spending. The Authority currently has no debt associated with its capital assets; however, other sources would need to be identified to finance future capital asset purchases. An additional portion of the Authority's net position, \$262,487,040, \$241,011,289, and \$242,819,920 for the years ended June 30, 2019, 2018, and 2017, respectively, represents resources that are subject to external restriction on how they may be used. These restrictions include bond covenants associated with the 1994 and 2009 Indentures, as well as federal grant agreements associated with the activity of the Affordable Housing Development Department.

The net position of the Authority increased \$16.3 million from June 30, 2018 to June 30, 2019 and \$4.2 million from June 30, 2017 to June 30, 2018. While the Authority has seen some continuous growth in its loan volume over the last two fiscal years, the increase in net position as of June 30, 2019 is largely attributable to the net effect of a \$14.7 million favorable swing in the net change in fair value of investments as compared to the balance as of June 30, 2018, expensing approximately \$7.6 million of excess deferred service release premiums in the current year to reflect the change in prepayment speeds, and a \$4.7 million increase in nonoperating income. With the Authority having investments in excess of \$140 million, adjustments for fair value can have a substantial impact on net income from one year to the next.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2019 and 2018

Financial Position Analysis (Continued)

Cash and cash equivalents decreased by \$15.1 million and investments increased by \$4.8 million for a combined decrease in funds of \$10.3 million during the year ended June 30, 2019. Cash and cash equivalents increased by \$64.4 million and investments decreased by \$36.3 million for a combined increase in funds of \$28.1 million during the year ended June 30, 2018. The changes were due to the following:

	2019	2018
Net (increase) decrease in other assets	\$ 2,520,655	\$ (2,517,292)
Net (increase) in mortgage loans receivable	(85,786,889)	(46,675,526)
Net increase in other current liabilities	143,656	404,800
Net increase in other liabilities	5,840,767	1,231,026
Net increase in bonds payable	58,847,776	70,944,654
Funds provided by operations	8,139,133	4,707,699
	<u> </u>	<u> </u>
Net increase (decrease) in cash and cash equivalents, and investments	<u>\$ (10,294,902)</u>	<u>\$ 28,095,361</u>

Mortgage loans receivable increased by \$85.8 million during the year ended June 30, 2019 and \$46.7 million during the year ended June 30, 2018 due to the following:

	2019	2018
Prepayments	\$(142,703,067)	\$(127,740,236)
Curtailments and scheduled payments	(34,313,784)	(43,236,526)
Increase in loan loss reserves	166,671	890,396
Mortgage loan purchases	263,789,921	220,231,571
Gain (loss) posted on foreclosed loans	(317,367)	86,295
Reclassified to real estate held for sale	(835,485)	(3,555,974)
	<u> </u>	<u> </u>
Net increase in mortgage loans receivable	<u>\$ 85,786,889</u>	<u>\$ 46,675,526</u>

Total assets increased by \$74.5 million during the year ended June 30, 2019, and \$77.3 million during the year ended June 30, 2018 due to the following:

	2019	2018
Increase (decrease) in cash, cash equivalents and investments (discussed previously)	\$ (10,294,902)	\$ 28,095,361
Increase in mortgage and investment interest receivable	224,645	129,601
Increase (decrease) in accounts receivable and other assets	6,057,002	(3,080,624)
Increase in mortgage loans receivable (discussed previously)	85,786,889	46,675,526
Increase in real estate held for sale	1,067,230	3,913,751
Increase (decrease) in deferred hedging cost of fixed-rate swaps	(1,449,369)	1,397,268
Increase (decrease) in deferred servicing costs	(6,741,852)	486,200
(Decrease) in property and equipment	(109,613)	(328,905)
	<u> </u>	<u> </u>
Increase in total assets	<u>\$ 74,540,030</u>	<u>\$ 77,288,178</u>

Deferred outflows of resources increased by \$5.1 million for the year ended June 30, 2019 and decreased \$0.5 million during the year ended June 30, 2018 due to the following:

	2019	2018
Increase (decrease) in pension contributions and change in earnings	\$ 638,780	\$ (300,541)
Increase (decrease) in deferred outflows from other postemployment benefits	429,687	(11,140)
Increase (decrease) in accumulated change in fair value of hedged derivative	3,998,115	(162,669)
	<u> </u>	<u> </u>
Increase (decrease) in total deferred outflows of resources	<u>\$ 5,066,582</u>	<u>\$ (474,350)</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2019 and 2018

Financial Position Analysis (Continued)

Other current liabilities increased \$0.1 million for the year ended June 30, 2019, and \$0.4 million for the year ended June 30, 2018 due to the following:

	2019	2018
Increase in accrued interest payable	\$ 98,826	\$ 223,014
Increase in accounts payable and other liabilities	44,830	181,786
Increase in other current liabilities	<u>\$ 143,656</u>	<u>\$ 404,800</u>

Bonds payable increased \$58.8 million during the year ended June 30, 2019 and \$70.9 million during the year ended June 30, 2018 due to the following:

	2019	2018
Redemptions, refundings and maturities	\$(105,990,000)	\$(74,585,000)
Amortization of bond premiums	(1,160,760)	(549,330)
Bond issuances	162,800,000	143,710,000
Premiums on bond issuances	3,198,536	2,368,983
Increase in bonds payable	<u>\$ 58,847,776</u>	<u>\$ 70,944,653</u>

See Note 8 for additional information on bonds payable.

Total liabilities increased by \$64.8 million during the year ended June 30, 2019 and \$70.7 million during the year ended June 30, 2018 due to the following:

	2019	2018
Increase in bonds payable (discussed previously)	\$ 58,847,776	\$ 70,944,653
Increase in other current liabilities (discussed previously)	143,656	404,800
Increase (decrease) in other noncurrent liabilities	5,840,767	(607,478)
Increase in total liabilities	<u>\$ 64,832,199</u>	<u>\$ 70,741,975</u>

Deferred inflows of resources decreased by \$1.6 million during the year ended June 30, 2019 and increased \$1.8 million during the year ended June 30, 2018 due to the following:

	2019	2018
Increase (decrease) in differences between expected and actual pension experience	\$ (88,714)	\$ 440,168
(Decrease) in deferred inflows from other postemployment benefits	(6,194)	(39,926)
Increase (decrease) in accumulated change in fair value of hedged derivatives	(1,473,790)	1,438,262
Increase (decrease) in deferred inflows of resources	<u>\$ (1,568,698)</u>	<u>\$ 1,838,504</u>

See Note 15 for additional information on the change in pension experience and Note 16 for additional information on the change in other postemployment benefits.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2019 and 2018

Results of Operations Analysis

The following table is a condensed summary of changes in net position for the years ended June 30, 2019, 2018 and 2017:

	2019	Change		2018	Change		2017
Operating revenue							
Mortgage interest	\$ 31,210,515	\$ 3,184,625	11.36%	\$ 28,025,890	\$ (632,040)	-2.21%	\$ 28,657,930
Investment income	16,316,872	16,387,981	-23046.28%	(71,109)	4,270,810	-98.36%	(4,341,919)
Other income	4,305,310	156,174	3.76%	4,149,136	33,752	0.82%	4,115,384
Total operating revenues	<u>51,832,697</u>	<u>19,728,780</u>	<u>61.45%</u>	<u>32,103,917</u>	<u>3,672,522</u>	<u>12.92%</u>	<u>28,431,395</u>
Operating expenses							
Interest expense	22,701,447	3,301,601	17.02%	19,399,846	1,259,970	6.95%	18,139,876
Other operating expenses	20,634,875	9,052,289	78.15%	11,582,586	(23,769)	-0.20%	11,606,355
Total operating expenses	<u>43,336,322</u>	<u>12,353,890</u>	<u>39.87%</u>	<u>30,982,432</u>	<u>1,236,201</u>	<u>4.16%</u>	<u>29,746,231</u>
Operating income (loss)	8,496,375	7,374,890	657.60%	1,121,485	2,436,321	-185.29%	(1,314,836)
Nonoperating income	7,846,736	4,734,873	152.16%	3,111,863	1,403,246	82.13%	1,708,617
Net income	16,343,111	12,109,763	286.06%	4,233,348	3,839,567	975.05%	393,781
Beginning net position	387,657,707	4,233,348	1.10%	383,424,359	393,781	0.10%	383,030,578
Ending net position	<u>\$ 404,000,818</u>	<u>\$ 16,343,111</u>	<u>4.22%</u>	<u>\$ 387,657,707</u>	<u>\$ 4,233,348</u>	<u>1.10%</u>	<u>\$ 383,424,359</u>

The operating income for the year increased by \$7.4 million when compared to fiscal year 2018. This increase is attributed primarily to the net impact of the change in fair value of investments and the expensing of excess deferred service release premiums.

Non-operating income represents the activities associated with the Affordable Housing Development Department. During the year ended June 30, 2019, the Affordable Housing Development Department received an increase in funding associated with the National Housing Trust Fund of \$2.2 million, which helped contribute to the overall increase in nonoperating income of \$4.7 million.

Capital Asset and Debt Administration

The Authority's capital assets include land, buildings, furniture and equipment. Capital assets are presented in the financial statements as follows:

	2019	Change	2018	Change	2017
Property and equipment, net	<u>\$ 2,228,452</u>	<u>\$ (109,613)</u>	<u>\$ 2,338,065</u>	<u>\$ (328,905)</u>	<u>\$ 2,666,970</u>

Typically, the change in capital assets in any given year is immaterial to the overall operation of the Authority.

In the 1994 Indenture, the Authority issued \$162.8 million in bonds during the year ended June 30, 2019, and \$143.7 million in bonds during the year ended June 30, 2018. Due to maturities, redemptions and refundings, bonds outstanding were reduced by \$106.0 million during the year ended June 30, 2019 and \$74.6 million during the year ended June 30, 2018. See Note 8 for additional information.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2019 and 2018

Economic Factors

The primary business activities of the Authority are funding the purchase and servicing of single-family mortgages, and the administration of the federal affordable housing programs. The Authority's mortgage financing activities are sensitive to the current interest rates, the spread between the rate at which the Authority is able to purchase loans, the rate available in the conventional mortgage markets, and also the availability of affordable housing in Wyoming. The availability of Federal National Mortgage Association (FNMA) and Government National Mortgage Association (GNMA) to purchase loans or guarantee loan securities; the availability of the Federal Housing Administration (FHA), the Veterans Administration (VA), and the Department of Agriculture's Office of Rural Development (RD) to guarantee loans; the continuation of servicing relationships with banks in Wyoming; and the availability of long-term, tax-exempt financing on favorable terms are key elements of providing the resources necessary for the Authority to continue its mortgage financing and servicing activities. In addition, the funding of the Authority's federal affordable housing program activities is dependent on budget appropriations from the U.S. Department of Housing and Urban Development (HUD), as contained in the federal budget.

Requests for Information

This financial report is designed to provide a general overview of the activities of the Authority. If you have questions about the report or need additional financial information, please contact the Director of Finance & Administration, Wyoming Community Development Authority, P.O. Box 634, Casper, Wyoming 82602, or go to our website at www.wyomingcda.com.

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WYOMING COMMUNITY DEVELOPMENT AUTHORITY

BALANCE SHEETS
June 30, 2019 and 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2019	2018
	<u> </u>	<u> </u>
Current Assets		
Cash and cash equivalents	\$ 47,818,292	\$ 56,802,839
Investments	65,849,688	63,492,861
Interest receivable		
Mortgage loans	88,736	52,885
Investments	604,530	318,877
Accounts receivable and other assets	1,478,207	1,588,124
Total currents assets	<u>115,839,453</u>	<u>122,255,586</u>
Noncurrent Assets		
Restricted cash and cash equivalents	107,095,465	113,168,344
Restricted investments	80,634,243	78,228,546
Restricted mortgage loans receivable, net	848,138,508	765,481,062
Restricted real estate held for sale	4,455,447	3,750,578
Restricted interest receivable		
Mortgage loans	2,894,827	2,684,993
Investments	942,580	1,249,273
Restricted accounts receivable and other assets	14,143,434	7,976,515
Mortgage loans receivable, net	17,434,739	14,305,296
Real estate held for sale	525,534	163,173
Deferred hedging costs of fixed-rate swaps	-	1,449,369
Deferred servicing costs, net	7,561,276	14,303,128
Property and equipment, net	2,228,452	2,338,065
Total noncurrent assets	<u>1,086,054,505</u>	<u>1,005,098,342</u>
Total assets	<u>1,201,893,958</u>	<u>1,127,353,928</u>
Deferred Outflows of Resources		
Pension contributions and change in earnings	1,217,502	578,722
Deferred outflows from other postemployment benefits	560,202	130,515
Accumulated decrease in fair value of hedged derivative	4,324,014	325,899
Total deferred outflows of resources	<u>6,101,718</u>	<u>1,035,136</u>
Total assets and deferred outflows of resources	<u>\$ 1,207,995,676</u>	<u>\$ 1,128,389,064</u>

See notes to the basic financial statements

LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION

	<u>2019</u>	<u>2018</u>
Current Liabilities		
Bonds payable	\$ 26,930,000	\$ 24,915,000
Accrued interest payable	2,013,163	1,914,337
Accounts payable and other liabilities	1,363,884	1,319,054
Total currents liabilities	<u>30,307,047</u>	<u>28,148,391</u>
Noncurrent Liabilities		
Bonds payable	759,977,039	703,144,263
Other deferred credits	1,147,967	1,246,955
Pension liability	4,886,765	3,488,138
Other postemployment benefit liabilities	2,479,597	1,936,584
Hedging liabilities	4,324,014	325,899
Total noncurrent liabilities	<u>772,815,382</u>	<u>710,141,839</u>
Total liabilities	<u>803,122,429</u>	<u>738,290,230</u>
Deferred Inflows of Resources		
Differences between expected and actual pension experience	442,142	530,856
Deferred inflows from other postemployment benefits	317,206	323,400
Accumulated increase in fair value of hedged derivatives	113,081	1,586,871
Total deferred inflows of resources	<u>872,429</u>	<u>2,441,127</u>
Net Position		
Net investment in capital assets	2,228,452	2,338,065
Restricted	262,487,040	241,011,289
Unrestricted	139,285,326	144,308,353
Total net position	<u>404,000,818</u>	<u>387,657,707</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 1,207,995,676</u>	 <u>\$ 1,128,389,064</u>

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WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Mortgage interest	\$ 31,210,515	\$ 28,025,890
Investment interest income	8,572,512	6,884,649
Net increase (decrease) in the fair value of investments	7,744,360	(6,955,758)
Fees and other income	4,305,310	4,149,136
Total operating revenue	<u>51,832,697</u>	<u>32,103,917</u>
 Operating Expenses		
Interest expense	22,701,447	19,399,846
Servicer fees	41,061	54,232
Amortization of deferred servicing costs	10,027,827	2,160,000
Cost of issuance and other financing costs	2,108,913	1,915,732
Provision for (recapture of) loan losses	379,770	(669,596)
General and administrative	8,077,304	8,122,218
Total operating expenses	<u>43,336,322</u>	<u>30,982,432</u>
 Operating income	<u>8,496,375</u>	<u>1,121,485</u>
 Non-operating Revenue (Expenses)		
Federal program income	8,504,461	5,022,146
Federal program expense	(657,725)	(1,910,283)
Non-operating income	<u>7,846,736</u>	<u>3,111,863</u>
 Net income	16,343,111	4,233,348
 Net position, beginning of year	<u>387,657,707</u>	<u>383,424,359</u>
 Net position, end of year	<u>\$ 404,000,818</u>	<u>\$ 387,657,707</u>

See notes to the basic financial statements

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Cash receipts for services	\$ 4,305,310	\$ 4,149,136
Interest income on mortgage loans	30,782,487	28,068,779
Principal received on mortgage loans	174,758,655	168,476,790
Cash payments to purchase mortgage loans	(262,347,817)	(213,780,666)
Cash payments to servicers	(41,061)	(54,232)
Cash payments to suppliers	(6,421,382)	(6,104,294)
Cash payments to employees	(3,127,357)	(3,120,400)
Net cash used in operating activities	<u>(62,091,165)</u>	<u>(22,364,887)</u>
 Cash Flows from Noncapital Financing Activities		
Federal revenue	8,504,461	5,022,146
Federal expenses	(845,200)	(1,797,496)
Federal program notes issued	(7,153,742)	(4,034,444)
Federal program note payments received	2,258,196	2,499,972
Proceeds from bonds	165,998,537	146,078,983
Principal paid on bonds	(105,990,000)	(74,585,000)
Interest paid on bonds	(23,763,382)	(19,726,161)
Proceeds from notes payable	31,737,000	49,399,000
Payments on note payable	(31,737,000)	(49,399,000)
Net cash provided by noncapital financing activities	<u>39,008,870</u>	<u>53,458,000</u>
 Cash Flows from Capital and Related Financing Activities		
Purchase of fixed assets	(264,544)	(84,546)
Purchase of mortgage servicing rights	(3,285,975)	(2,646,200)
Net cash used in capital and related financing activities	<u>(3,550,519)</u>	<u>(2,730,746)</u>
 Cash Flows from Investing Activities		
Interest received from investments	8,721,449	6,739,000
Purchase of investments	-	(800,000)
Proceeds from sales and maturities of investments	2,853,939	30,110,246
Net cash provided by investing activities	<u>11,575,388</u>	<u>36,049,246</u>
 Increase (decrease) in cash and cash equivalents	(15,057,426)	64,411,613
 Cash and cash equivalents, beginning of year	<u>169,971,183</u>	<u>105,559,570</u>
Cash and cash equivalents, end of year	<u>\$ 154,913,757</u>	<u>\$ 169,971,183</u>

See notes to the basic financial statements

	<u>2019</u>	<u>2018</u>
Reconciliation of ending cash and cash equivalents		
Current cash and cash equivalents	\$ 47,818,292	\$ 56,802,839
Noncurrent restricted cash and cash equivalents	<u>107,095,465</u>	<u>113,168,344</u>
Cash and cash equivalents, end of year	<u>\$ 154,913,757</u>	<u>\$ 169,971,183</u>
Reconciliation of operating income to net cash used in operating activities		
Operating income	\$ 8,496,375	\$ 1,121,485
Adjustments to reconcile operating income to net cash used in operating activities		
Interest on bonds	22,701,447	19,399,846
Net change in fair value of investments	(7,744,360)	6,955,758
Interest from investments	(8,572,512)	(6,884,649)
Mortgage loan principal repayments		
Scheduled	32,773,672	41,755,593
Prepaid	141,984,983	126,721,197
Purchase of mortgage loans	(262,347,817)	(213,780,666)
Change in deferred inflows and outflows related to postemployment benefits other than retirement	(435,881)	(28,786)
Amortization of deferred servicing costs	10,027,827	2,160,000
Change in provision for loan losses	338,170	(1,089,477)
Net change in other assets and liabilities	<u>686,931</u>	<u>1,304,812</u>
Net cash used in operating activities	<u>\$ (62,091,165)</u>	<u>\$ (22,364,887)</u>
Supplemental Cash Flow Information		
Noncash noncapital financing activity		
Federal program notes rolled into mortgages	\$ 1,011,650	\$ 6,450,905

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 1. Authority Legislation

The Wyoming Community Development Authority (the “Authority”) was created in 1975 by the Wyoming Community Development Authority Act to provide financing for housing needs within the State of Wyoming (the “State”). The Authority is a component unit of the State and is reported as an enterprise fund.

In March 2002, the Authority was authorized by the Legislature of the State of Wyoming to issue additional bonds. In addition to the bonds presently outstanding, any bonds authorized for care facility projects, bonds that may be issued to refund bonds, and bonds the Authority may issue from time to time as private activity bonds exempt from federal income taxation under Section 146 of the Internal Revenue Code of 1986, as amended, the Authority may issue and have outstanding additional bonds in the aggregate amount of up to \$400,000,000. In addition, the Authority may issue and have outstanding additional bonds for care facility projects in an aggregate amount of up to \$250,000,000. Amounts so issued shall not be deemed to constitute a debt of the State or any political subdivision thereof.

Note 2. Significant Accounting Policies

Fund Accounting and Generally Accepted Accounting Principles

Basis of Presentation – The Authority’s financial statements have been prepared on the basis of the proprietary-fund concept which pertains to financial activities that operate in a manner similar to private business enterprises and are financed through fees and charges assessed primarily to the users of the services.

The financial activities of the Authority are recorded in funds established under various bond indentures (program funds) and in funds established for the administration of the Authority’s programs. The Authority uses the accrual method of accounting. The Authority’s program funds and other funds have been presented on a combined basis, as the Authority is considered a single enterprise fund for financial reporting purposes. All interfund balances and transactions have been eliminated in the financial statements.

Further description of the Funds established by the Authority is as follows:

Single Family Program Funds

These funds, established under the Housing Revenue Bonds 1994 Indenture and the Homeownership Mortgage Revenue Bonds 2009 Indenture are to account for the proceeds from the sale of Single Family Mortgage Bonds and the debt service requirements of the bond indebtedness. Activities of these funds are, in general, limited to the purchase of mortgage loans collateralized by eligible mortgages on single family residential housing. Assets in these funds are classified as restricted because their use is limited by applicable bond covenants. The trust indentures have various insurance, guaranty and reserve provisions as set forth in those trust indentures.

The Authority also has funds that had been established under past indentures and the bonds related to those indentures have been completely redeemed. Assets in the Single Family Mortgage Warehousing Fund and the Multi-Family Fund are reported as unrestricted since no bonds are outstanding in those funds.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 2. Significant Accounting Policies (Continued)

Affordable Housing Development Fund

This fund was established for the purpose of receiving and disbursing funds relating to projects funded by the U.S. Department of Housing and Urban Development's HOME Investment Partnership, Neighborhood Stabilization Program, National Housing Trust Fund, Tax Credit Assistance Program and other federal programs, including the Department of Treasury's Tax Credit Exchange Program. These funds are restricted by federal law to specific purposes.

Housing Trust Fund

This fund was established to provide direct funding of approved housing or housing projects within the State of Wyoming.

Mortgage Guaranty Fund

This fund is used to provide guarantees on mortgage loans, leases, or other credit agreements purchased by the Authority. Claims made against the Mortgage Guaranty Fund are not a debt or liability of the State nor a general obligation of the Authority. The Authority has committed \$342,651 to guarantee mortgage and project loans with principal balances outstanding of \$699,984 as of June 30, 2019. The Authority has also committed \$250,000 to guarantee second mortgages with principal balances outstanding of \$16,434,994. Initial recovery of second mortgage losses will come from other available sources.

General Fund

This fund is utilized to account for all of the operating activities of the Authority, including mortgage-servicing activities and all other activities, which are not required to be accounted for in other specific funds.

Interfund Activity

As a general rule, the effect of interfund activity has been eliminated from the Authority's basic financial statements.

Cash and Cash Equivalents

For purposes of reporting the statements of cash flows, the Authority considers all cash, money market investments, and obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government with initial maturities of three months or less to be cash equivalents.

Restricted Assets

Certain proceeds of the Authority's bonds, as well as certain resources set aside for their repayment are classified as restricted assets because they are maintained in separate accounts and their use is limited by bond covenants. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as needed.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 2. Significant Accounting Policies (Continued)

Investments

The trust indentures, State statutes and the Authority's investment policy authorize the types of investment in which the Authority invests. Among these authorized investments are certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts, mutual funds and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government. All investments are reported at fair value as determined by financial services providers.

Mortgage Loans Receivable

Mortgage loans receivable are reported net of the loan loss reserve. The loan loss reserve for mortgages is increased by provisions charged and decreased by recoveries credited to operations based on a periodic evaluation of the loan portfolio and actual losses that occur. Loans receivable are carried at the lower of historical cost and fair value. The cost is approximately equal to fair value. Deferred commitment fees on mortgages are amortized to earnings over the estimated life of the mortgages by a method which approximates the interest method. Interest income on delinquent loans is accrued up to one year, after which time the loan is classified as a non-accrual loan.

Accounts Receivable and Other Assets

Accounts receivable and other assets include prepaid expenses, general accounts receivable and accounts receivable related to servicing activities. Short-term notes receivable related to the acquisition and rehabilitation of properties through federal programs are also reported here.

Real Estate Held for Sale

Real estate held for sale arises from foreclosures or other mortgage default-related actions on properties pledged as collateral on mortgage loans. The Authority considers property to be real estate held for sale at the time of a sheriff's sale. Real estate held for sale is recorded at the unpaid principal balance plus accrued interest on the loans as of the date the loans become real estate owned, plus subsequent expenses incurred less any insurance or other loan-related payments received. Since a number of loans covered by mortgage insurance have reached maximum reimbursements allowable for loss claims and other loans in the portfolio are uninsured, it is anticipated that proceeds arising from the sale of such property and certain insurance proceeds may not fully cover any losses experienced. Actual losses are recorded against the loan loss reserve established by the Authority, see Note 5. As of June 30, 2019 and 2018, the Authority had 42 and 30 properties, respectively, in real estate held for sale totaling \$4,980,981 and \$3,913,751, respectively.

Deferred Servicing Costs

Deferred servicing costs are the costs of acquiring mortgage loan servicing rights. These costs are amortized over the period of estimated net servicing revenue. The balance is adjusted to reflect actual prepayment speeds when necessary.

Property and Equipment

Property and equipment, including rehabilitations of single-family dwellings, is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the following estimated useful lives:

Furniture and equipment	3 – 15 years
Buildings and improvements	15 – 40 years

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 2. Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System (WRS) plans and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms and their investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State of Wyoming Employee Group Insurance (EGI) plans and additions to/deductions from EGI's fiduciary net position have been determined on the same basis as they are reported by EGI. For this purpose, EGI recognizes benefit payments when due and payable in accordance with the benefit terms and their investments are reported at fair value.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the balance sheets may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a decrease of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority reports deferred outflows and inflows as follows:

Fair Value of Hedged Derivatives – In the balance sheets, a deferred outflow or deferred inflow of resources is reported for changes in the fair value of derivatives used for hedging activities. A deferred outflow is reported for accumulated decreases in fair value, while a deferred inflow is reported for accumulated increases in fair value.

Pension Plan and OPEB Items – In the balance sheets, a deferred outflow or deferred inflow of resources is reported for the unrecognized items not yet charged to pension or OPEB expense related to the net pension and net OPEB liabilities. This includes the unamortized portion of the net difference between projected and actual earnings on pension plan or OPEB investments and other differences between expected and actual experience. Deferred outflows for the net difference between projected and actual investment earnings are recognized over a period of five years, while the deferred outflows or deferred inflows for the differences between expected and actual experience for economic/demographic assumptions are recognized over the remaining service life for all active and inactive members.

Arbitrage Rebate Payable, Deferred Arbitrage Rebate and Other Deferred Credits

As a result of applicable federal income tax rules, the Authority is limited in the investment yield which it may retain for its own use on the non-mortgage investments of most of its bond issues. For bond issues after 1988, excess arbitrage yields must be rebated to the federal government not less than every five years pursuant to applicable federal tax regulations. The Authority has deferred \$147,933 and \$191,348 at June 30, 2019 and 2018, respectively, for arbitrage rebates. There is no arbitrage due at June 30, 2019 and 2018.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 2. Significant Accounting Policies (Continued)

Arbitrage Rebate Payable, Deferred Arbitrage Rebate and Other Deferred Credits (Continued)

The Authority could also incur arbitrage rebates related to excess yields collected on mortgage receivables funded with bond proceeds; management monitors whether excess yields are accumulating in a given series. The Authority would defer recognizing interest income from excess yields. The Authority has recorded no deferred interest income at June 30, 2019 and 2018. As of June 30, 2019 and 2018, the Authority deferred \$61,762 and \$93,294, respectively, of interest income related to the HOME Run loan program.

Additionally, the authority has deferred \$938,272 and \$962,313 as of June 30, 2019 and 2018, respectively, in unamortized commitment fees received. These fees are being amortized over the estimated life of the related mortgages by a method which approximates the interest method.

Indentures and Reporting Requirements

The Authority is subject to a number of limitations and restrictions contained in various indentures. Such limitations and covenants include: continued collection of pledged revenues, segregation of pledged revenues, maintaining specified levels of bond and mortgage reserve funds, permissible investment of bond proceeds and pledged revenues, and ongoing disclosure to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12. The Authority is in compliance with all significant covenants.

Components of Net Position

The Authority's net position is reported in three components: net investment in capital assets, restricted and unrestricted. Restricted net position includes amounts restricted under terms of an award, contract or law. Unrestricted net position includes all other equity components not meeting the criteria above.

Revenue and Expense Recognition

The Authority records all revenues derived from mortgages, investments, servicing and financing as operating revenues since these revenues are generated from the Authority's daily operations needed to carry out its statutory purpose. The Authority considers revenues and expenses related to federal programs to be non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates and assumptions in these financial statements that require the exercise of management judgement include, though are not limited to, the allowance for loan losses, the fair value of investments, amortization of deferred servicing costs, pension liability, and OPEB liability. Due to the inherent uncertainty involved in making estimates, actual results in future periods could differ from those estimates. The estimates of fair value of investments, allowance for loan losses, amortization of deferred servicing costs, pension liabilities, and OPEB liabilities are specifically significant to the Authority. It is reasonably possible that these estimates will change within one year of the date of the financial statement due to one or more future events. The effect of the change could be material to the financial statements and could result in a loss.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 2. Significant Accounting Policies (Continued)

Reclassification

Certain balances on the balance sheets have been reclassified to conform to the current year presentation with no changes to net assets or net income.

Note 3. Cash and Cash Equivalents and Investments

Deposits are placed with various financial institutions and are carried at cost. At June 30, 2019 and 2018, the carrying amount of the Authority's bank deposits was \$5,525,746 and \$7,129,046, respectively, and the bank balance was \$7,525,396 and \$9,430,166, respectively. The difference between the carrying amount and the bank balance is a result of transactions in transit. All bank deposits at June 30, 2019 and 2018 were covered by insurance or collateral held in joint custody with the financial institution. In addition, the Authority had \$147,190,382 and \$162,840,437 in cash and cash equivalents held in trust investment accounts as of June 30, 2019 and 2018, respectively. As of June 30, 2019 and 2018, the Authority has transactions in transit for the trust investment accounts of \$2,195,929 and \$2,322,141.

The components of the Authority's investment portfolio are as follows:

	2019	2018
Investments		
U.S. Government and agency securities	\$ 146,483,931	\$ 141,721,407
Total	<u>\$ 146,483,931</u>	<u>\$ 141,721,407</u>

Investments are reported in the following classifications:

	2019	2018
Current	\$ 65,849,688	\$ 63,492,861
Noncurrent - restricted by bond indentures or contracts	80,634,243	78,228,546
Total	<u>\$ 146,483,931</u>	<u>\$ 141,721,407</u>

The net change in fair value of investments considers all changes in fair value that occurred during the year. Fair value for individual investments fluctuates based on changes in the market interest rates available to investors. At June 30, 2019 and 2018, the Authority had unrealized investment gains (losses) of \$245,101 and (\$7,499,260) respectively, in its investment portfolio. The change unrealized gains (losses) of \$7,744,360 and (\$6,955,758) for the years ended June 30, 2019 and 2018, respectively, as well as the effects of any realized gains and losses, which may have been partially or fully recognized in prior years, are included in the net change in fair value of investments as reported.

The Authority had the following investments and maturities:

			June 30, 2019			
Investment Type	Interest Rates	Fair Value	Investment Maturities			
			Prior to June 30, 2020	From July 1, 2020 to June 30, 2025	From July 1, 2025 to June 30, 2030	July 1, 2030 and thereafter
U.S. governmental and agency securities	2.57% - 8.5%	\$ 146,483,931	\$ 39,850	\$ 17,239,615	\$ 12,441,266	\$ 116,763,200
Total		<u>\$ 146,483,931</u>	<u>\$ 39,850</u>	<u>\$ 17,239,615</u>	<u>\$ 12,441,266</u>	<u>\$ 116,763,200</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 3. Cash and Cash Equivalents and Investments (Continued)

June 30, 2018

Investment Type	Interest Rates	Fair Value	Investment Maturities			
			Prior to June 30, 2019	From July 1, 2019 to June 30, 2024	From July 1, 2024 to June 30, 2029	July 1, 2029 and thereafter
U.S. governmental and agency securities	2.57% - 8.931%	\$ 141,721,407	\$ 1,300,825	\$ 15,634,647	\$ 13,732,386	\$ 111,053,549
Total		<u>\$ 141,721,407</u>	<u>\$ 1,300,825</u>	<u>\$ 15,634,647</u>	<u>\$ 13,732,386</u>	<u>\$ 111,053,549</u>

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy attempts to match its investment maturities to the expected call date of its bonds or needs for purchasing mortgages. With this investment focus, investments would be expected to reach maturity with limited realized gains or losses.

Credit Risk

As mentioned in Note 2, State statutes limit the types of investments available to the Authority. Investments, including the underlying securities for repurchase agreements, are held by the Authority's trustees in the Authority's name.

Concentration of Credit Risk

As noted in the table above, the Authority has 100% of its total investments invested in the obligations of the United States and its agencies.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Substantially all of the Authority's investments are held in the name of the Authority by a trustee.

Reserve Requirements

The 1994 and 2009 Indentures require the Authority to place a portion of bond proceeds in bond, mortgage and special reserve accounts. As of June 30, 2019, the Authority has investments with a market value of \$68,930,088 in these reserve accounts which exceeds the reserve requirements contained in the applicable trust indentures of \$44,430,466. The amounts reserved in these accounts are as follows:

	1994 Indenture	2009 Indenture
Bond reserve requirement	\$ 20,825,850	\$ 2,560,200
Mortgage reserve requirement	12,497,176	1,619,159
Restricted special reserve requirement	6,928,081	-
Total required reserves	<u>\$ 40,251,107</u>	<u>\$ 4,179,359</u>
Total market value of cash and investments held for reserves	<u>\$ 55,002,687</u>	<u>\$ 13,927,401</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 4. Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2019:

U.S. Treasury securities: Valued at the closing price reported in the active market in which the individual securities are traded.

U.S. government obligations and U.S. government agency mortgage backed securities: Valued using quoted priced for identical or similar assets in active markets.

The following tables sets forth by level, within the fair value hierarchy, the Authority's investments at fair value:

	Investments at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
U.S. Treasury securities	\$ 24,846,124	\$ -	\$ -	\$ 24,846,124
U.S. government agency obligations	-	116,622,496	-	116,622,496
U.S. government agency mortgage backed securities	-	5,015,311	-	5,015,311
Total investments at fair value	\$ 24,846,124	\$ 121,637,807	\$ -	\$ 146,483,931

	Investments at Fair Value as of June 30, 2018			
	Level 1	Level 2	Level 3	Total
U.S. Treasury securities	\$ 25,925,417	\$ -	\$ -	\$ 25,925,417
U.S. government agency obligations	-	110,859,738	-	110,859,738
U.S. government agency mortgage backed securities	-	4,936,252	-	4,936,252
Total investments at fair value	\$ 25,925,417	\$ 115,795,990	\$ -	\$ 141,721,407

As of June 30, 2019 and 2018, the Authority's investment portfolio includes the following investments that have fair values highly sensitive to interest rate changes:

Mortgage-backed securities – when interest rates fall, mortgages are refinanced and paid off early. The reduced stream of future interest payments diminishes the value of the investment.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 5. Mortgage Loans Receivable, Net

	2019	2018
	<u> </u>	<u> </u>
Housing Revenue Bonds 1994 Indenture fund, bearing interest at 0% to 8.9%, 25-30 year term, FHA or private mortgage company insured, or guaranteed by RD, VA or mortgage guaranty fund	\$ 720,366,737	\$ 621,542,875
Less: Reserve for loss on loans	(9,972,309)	(10,009,931)
	<u>710,394,428</u>	<u>611,532,944</u>
Single Family Mortgage Warehousing Bond fund, bearing interest at 0% to 4.5%, 30 year term, FHA insured, or guaranteed by RD or VA	6,619,001	3,404,604
Less: Reserve for losses on loans	-	-
	<u>6,619,001</u>	<u>3,404,604</u>
Homeownership Mortgage Revenue Bonds 2009 Indenture Fund bearing interest at 3% to 7.25%, 30 year term, FHA insured, or guaranteed by RD or VA	80,905,499	96,306,154
Less: Reserve for losses on loans	(909,619)	(1,351,212)
	<u>79,995,880</u>	<u>94,954,942</u>
Affordable Housing Development Fund with various terms, including deferred payments and bearing interest at 0% to 5.19%, 10 to 30 year term	61,405,040	62,837,491
Less: Reserve for losses on loans	(3,656,840)	(3,844,315)
	<u>57,748,200</u>	<u>58,993,176</u>
Housing Trust Fund, bearing interest at 0% to 7.625%, 1 to 30 year term, FHA or private mortgage company insured, or guaranteed by VA or mortgage guaranty fund	12,732,346	12,317,281
Less: Reserve for losses on loans	(1,916,608)	(1,416,589)
	<u>10,815,738</u>	<u>10,900,692</u>
 Total mortgage loans receivable, net	 <u>\$ 865,573,247</u>	 <u>\$ 779,786,358</u>
	<u>2019</u>	<u>2018</u>
Reported in the following classifications		
Restricted mortgage loans receivable, net	\$ 848,138,508	\$ 765,481,062
Mortgage loans receivable, net	17,434,739	14,305,296
	<u>\$ 865,573,247</u>	<u>\$ 779,786,358</u>

The Authority estimates loan loss reserves using a risk-based approach applied to specific identified risks in its portfolio. Total loan loss reserves for mortgage loans receivable established by the Authority as of June 30, 2019 and 2018 were \$16,455,376 and \$16,622,047, respectively.

As of June 30, 2019 and 2018, the Authority had 101 and 107 loans, respectively, delinquent for 90 days or more from the population of 9,745 and 8,806 loans, respectively. The outstanding balance of mortgages delinquent for 90 days or more was \$10,484,232 and \$10,050,870 as of June 30, 2019 and 2018, respectively.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 6. Affordable Housing Development Fund

The Authority receives funds to provide housing assistance to low income families in Wyoming through various federal programs. Programs provide grants to individuals or organizations for the purchase, construction, and rehabilitation of single and multi-family residential properties. Revenue is recognized as expenses are incurred under these programs.

Affordable Housing Development Fund's funds are also received for the purpose of making low interest loans to qualified borrowers. As these loans are collected, the funds must be re-loaned under the same program restrictions. These funds, net of any allowance for losses on loans, are included in net income when received and remain in retained earnings, subject to the program use restrictions, as long as the program is available under federal regulations.

Note 7. Noncurrent Liabilities

The changes on noncurrent liabilities for the year ended June 30, 2019 were as follows:

	Balance at June 30, 2018	Additions	Reductions	Balance at June 30, 2019	Amount Due Within 1 Year
Bonds payable, principal	\$ 722,725,000	\$ 162,800,000	\$ 105,990,000	\$ 779,535,000	\$ 26,930,000
Adjustments for premiums, discounts and appreciation	5,334,263	3,198,536	1,160,760	7,372,039	-
Bonds payable	728,059,263	165,998,536	107,150,760	786,907,039	26,930,000
Other deferred costs	1,246,955	430,453	529,441	1,147,967	-
Pension liability	3,488,138	1,398,627	-	4,886,765	-
Other postemployment benefit liabilities	1,936,584	543,013	-	2,479,597	-
Hedging liabilities	325,899	3,998,115	-	4,324,014	-
	<u>\$ 735,056,839</u>	<u>\$ 172,368,744</u>	<u>\$ 107,680,201</u>	<u>\$ 799,745,382</u>	<u>\$ 26,930,000</u>

Note 8. Bonds Payable

Bonds are generally payable in scheduled annual and semiannual installments and are subject to mandatory sinking fund requirements in scheduled amounts. Redemption is optional after various dates at par.

The bonds of the 1994 and 2009 Indentures are special obligations of the Authority, payable solely from the income and receipts of these indentures. All of the bonds are secured by mortgage loans and other assets of the respective indentures. Interest on outstanding bonds is generally payable either monthly or semi-annually. Certain of the variable rate debt reprices weekly or monthly based on market interest rates.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 8. Bonds Payable (Continued)

	Balance at June 30, 2018	Issued	Retired	Balance at June 30, 2019	Amount Due Within 1 Year
Housing Revenue Bonds 1994 Indenture Fund					
2007 Series 5 & 6, 2019 to 2037, interest at 1.95%, original amount issued \$70,000,000	\$ 12,175,000	\$ -	\$ 2,430,000	\$ 9,745,000	\$ 325,000
2007 Series 7, 8 & 9, 2019 to 2038, interest at 1.95%, original amount issued \$60,000,000	9,955,000	-	2,110,000	7,845,000	235,000
2007 Series 10, 11 & 12, 2019 to 2038, interest at 1.95%, original amount issued \$60,000,000	11,540,000	-	2,020,000	9,520,000	270,000
2012 Series 1 & 2, 2020 to 2037, interest at 2.95% to 4.25%, original amount issued \$49,665,000 at premium of \$177,508	9,545,000	-	2,665,000	6,880,000	1,000,000
2013 Series 1, 2 & 3, 2019 to 2038, interest at 2.40% to 4.05%, original amount issued \$87,315,000	54,155,000	-	6,070,000	48,085,000	3,115,000
2014 Series 1, 2, 3, 4 & 5, 2019 to 2044, interest at 2.10% to 4.125%, original amount issued \$138,225,000	35,890,000	-	9,120,000	26,770,000	3,720,000
2015 Series 1, 2 & 3, 2019 to 2044, interest at 2.00% to 3.70%, original amount issued \$77,130,000	67,620,000	-	3,625,000	63,995,000	1,515,000
2015 Series 4, 6, 7 & 8, 2019 to 2045, interest at 2.00% to 4.0%, original amount issued \$138,375,000	98,790,000	-	37,200,000	61,590,000	2,900,000
2016 Series 1, 2, & 3, 2019 to 2046, interest at 1.30% to 3.50%, original amount issued \$99,485,000 at premium of \$1,472,304	91,390,000	-	15,935,000	75,455,000	2,365,000 (Continued)

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 8. Bonds Payable (Continued)

	Balance at June 30, 2018	Issued	Retired	Balance at June 30, 2019	Amount Due Within 1 Year
2017 Series 1, 2, 3 & 4, 2019 to 2047, interest at 1.65% to 3.75%, original amount issued \$87,270,000	\$ 85,265,000	\$ -	\$ 1,670,000	\$ 83,595,000	\$ 1,740,000
2017 Series 5, 2019 to 2046, interest at 1.375% to 4.00%, original amount issued \$60,385,000 at premium of \$1,697,088	59,905,000	-	2,555,000	57,350,000	1,330,000
2017 Series 6, 2046 to 2047, interest at 1.90%, original amount issued \$6,000,000	6,000,000	-	-	6,000,000	-
2018 Series 1 & 2, 2019 to 2048, interest at 1.90% to 4.00%, original amount issued \$77,325,000 at premium of \$671,895	77,325,000	-	1,530,000	75,795,000	1,515,000
2018 Series 3 & 4, 2019 to 2048, interest at 1.70% to 4.00%, original amount issued \$74,640,000 at premium of \$1,362,101	-	74,640,000	1,050,000	73,590,000	1,395,000
2019 Series 1 & 2, 2019 to 2049, interest at 1.60% to 4.00%, original amount issued \$88,160,000 at premium of \$1,836,435	-	88,160,000	180,000	87,980,000	1,530,000
Principal amounts of bonds outstanding 1994 Indenture Fund	619,555,000	162,800,000	88,160,000	694,195,000	22,955,000
Adjustment for premiums, discounts and appreciation	5,342,026	3,198,536	1,163,933	7,376,629	-
Carrying value of bonds outstanding 1994 Indenture Fund	624,897,026	165,998,536	89,323,933	701,571,629	22,955,000

Homeownership Mortgage Revenue Bonds 2009 Indenture Fund

Homeownership Mortgage Revenue Bonds Series 2010 A and 2009 A-1, 2019 to 2040, interest at 3.05% to 4.00%, original amount issued \$70,000,000 at premium of \$92,240	21,250,000	-	2,675,000	18,575,000	955,000 (Continued)
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WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 8. Bonds Payable (Continued)

	Balance at June 30, 2018	Issued	Retired	Balance at June 30, 2019	Amount Due Within 1 Year
Homeownership Mortgage Revenue Bonds Series 2011 A and 2009 A-2 and A-3, 2019 to 2041, interest at 2.92% to 3.375%, original amount issued \$87,000,000 at discount of \$62,141	\$ 24,405,000	\$ -	\$ 5,990,000	\$ 18,415,000	\$ 575,000
Homeownership Mortgage Revenue Bonds Series 2011 B and 2009 A-4 and A-5, 2019 to 2041, interest at 2.47% to 3.60%, original amount issued \$80,000,000 at discount of \$54,964	30,515,000	-	5,005,000	25,510,000	1,755,000
Homeownership Mortgage Revenue Bonds Series 2009 A-6, 2019 to 2041, interest at 2.67%, original amount issued \$50,900,000	27,000,000	-	4,160,000	22,840,000	690,000
Principal amounts of bonds outstanding 2009 Indenture Fund	103,170,000	-	17,830,000	85,340,000	3,975,000
Adjustment for premiums, discounts and appreciation	(7,763)	-	(3,173)	(4,590)	-
Carrying value of bonds outstanding 2009 Indenture Fund	103,162,237	-	17,826,827	85,335,410	3,975,000
Total bonds payable	<u>\$ 728,059,263</u>	<u>\$ 165,998,536</u>	<u>\$ 107,150,760</u>	<u>\$ 786,907,039</u>	<u>\$ 26,930,000</u>

Schedule bond principal and sinking fund requirements in each indenture for the five fiscal years subsequent to June 30, 2019, which includes in each of the respective years the bonds to be remarketed are as follows:

	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Totals
2020	\$ 22,955,000	\$ 3,975,000	\$ 26,930,000
2021	24,995,000	2,785,000	27,780,000
2022	26,680,000	1,895,000	28,575,000
2023	27,910,000	760,000	28,670,000
2024	26,425,000	800,000	27,225,000

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 8. Bonds Payable (Continued)

Annual debt service requirements for the five fiscal years subsequent to June 30, 2019, and for each five-year segment thereafter, including the bonds to be remarketed or expected to be refunded, are as follows:

	Principal	Interest	Total Debt Service
2020	\$ 26,930,000	\$ 23,674,311	\$ 50,604,311
2021	27,780,000	23,073,619	50,853,619
2022	28,575,000	22,390,094	50,965,094
2023	28,670,000	21,653,795	50,323,795
2024	27,225,000	20,901,061	48,126,061
5 years ending 2029	120,705,000	95,112,665	215,817,665
5 years ending 2034	174,090,000	71,875,885	245,965,885
5 years ending 2039	139,355,000	44,798,516	184,153,516
5 years ending 2044	120,175,000	22,287,031	142,462,031
5 years ending 2049	86,030,000	4,822,576	90,852,576
	<u>\$ 779,535,000</u>	<u>\$ 350,589,552</u>	<u>\$ 1,130,124,552</u>

The balances above do not include net premiums or discounts in the amount of \$7,372,039 that are reported as components of bonds payable.

Hedging Derivative Instrument Payments and Hedged Debt

Using rates as of June 30, 2019 and giving effect to scheduled reductions in the notional amount of the hedging derivative instruments, debt service requirements of the Authority's outstanding variable rate debt in 2007 Series 6, 2007 Series 11, 2016 Series 3, 2017 Series 4, 2017 Series 6, 2018 Series 2, 2018 Series 4, and 2019 Series 2 and net swap payments are as follows. As rates vary, variable-rate bond interest payments and net receipts or payments on the hedging derivative instruments vary.

	Variable Rate Bonds		Interest Rate	Total
	Principal	Interest	Swaps (net)	
2020	\$ 460,710	\$ 2,060,361	\$ 614,505	\$ 3,135,576
2021	483,293	2,058,038	622,681	3,164,012
2022	503,548	2,050,467	622,681	3,176,696
2023	543,515	2,040,476	622,681	3,206,672
2024	561,171	2,035,728	621,699	3,218,598
5 years ending 2029	3,387,279	9,965,450	3,105,251	16,457,980
5 years ending 2034	4,466,081	9,593,856	3,093,713	17,153,650
5 years ending 2039	6,275,182	9,108,734	2,202,518	17,586,434
5 years ending 2044	26,150,722	7,664,083	465,835	34,280,640
5 years ending 2049	50,223,167	2,581,333	99,135	52,903,635
	<u>\$ 93,054,668</u>	<u>\$ 49,158,526</u>	<u>\$ 12,070,699</u>	<u>\$ 154,283,893</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 9. Note Payable

The Authority has a line of credit agreement with a financial institution, secured by specific collateral. This agreement allows the Authority to borrow approximately 84% of the fair market value of the collateral. As of June 30, 2019, the Authority had investments held as collateral with a fair value of \$34,548,411 on deposit with this financial institution and no advances were outstanding. This agreement expires on December 31, 2019.

Note 10. Conduit Debt Obligations

From time to time, the Authority has issued Multi-Family Housing Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of low-income multi-family housing deemed to be in the public interest. The bonds are secured by the revenues from the property financed. Neither the Authority, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2019, there were three such series of Multi-Family Housing Revenue bonds outstanding, with an aggregate outstanding principal amount payable of \$20,639,878.

Note 11. Interest Rate Swaps

Swap Objectives

The Authority has entered into interest rate swap agreements in connection with specific series of variable-rate bonds as a technique to lower the cost of long-term debt. The objective of the swaps is to effectively change the variable interest rate on the bonds to a synthetic fixed rate.

Swap Terms and Values

June 30, 2019								
Bond Series	Swap Contractual		Fixed Rate			Termination Date	Fair Value	Counterparty Credit Rating
	Dates	Notional Amount	Paid	Variable Rate Received				
2016 Series 3	9/1/2015	\$ 10,000,000	2.4125%	70% of LIBOR	6/1/2036	\$ (130,156)	AA-/Aa2	
2007 Series 6	9/1/2015	12,000,000	2.4125%	70% of LIBOR	6/1/2036	(156,187)	AA-/Aa2	
2019 Series 2	9/1/2015	10,000,000	2.4125%	70% of LIBOR	6/1/2036	(130,156)	AA-/Aa2	
2007 Series 11	1/15/2016	6,000,000	2.0130%	70% of LIBOR	12/1/2045	(115,009)	AA-/Aa2	
2017 Series 6	1/15/2016	3,000,000	2.0130%	70% of LIBOR	12/1/2045	(57,505)	AA-/Aa2	
2018 Series 2	1/15/2016	3,000,000	2.0130%	70% of LIBOR	12/1/2045	(57,505)	AA-/Aa2	
2017 Series 4	7/1/2017	22,000,000	2.2650%	70% of LIBOR	12/1/2047	(990,497)	A/A2	
2018 Series 2	6/5/2018	16,500,000	2.5230%	70% of LIBOR	6/1/2038	(1,443,940)	A+/Aa2	
2018 Series 4	9/13/2018	14,000,000	2.5850%	70% of LIBOR	12/1/2038	(1,290,068)	A+/Aa2	
		<u>\$ 96,500,000</u>				<u>\$ (4,371,023)</u>		

June 30, 2018								
Bond Series	Swap Contractual		Fixed Rate			Termination Date	Fair Value	Counterparty Credit Rating
	Dates	Notional Amount	Paid	Variable Rate Received				
2016 Series 3	9/1/2015	\$ 20,000,000	2.4125%	70% of LIBOR	6/1/2036	\$ 361,023	AA-/A1	
2007 Series 6	9/1/2015	12,000,000	2.4125%	70% of LIBOR	6/1/2036	216,614	AA-/A1	
2015 Series 7	1/15/2016	6,000,000	2.0130%	70% of LIBOR	12/1/2045	231,278	AA-/A1	
2017 Series 6	1/15/2016	3,000,000	2.0130%	70% of LIBOR	12/1/2045	115,639	AA-/A1	
2018 Series 2	1/15/2016	3,000,000	2.0130%	70% of LIBOR	12/1/2045	115,639	AA-/A1	
2017 Series 4	7/1/2017	22,000,000	2.2650%	70% of LIBOR	12/1/2047	362,824	A/A2	
2018 Series 2	6/5/2018	16,500,000	2.5230%	70% of LIBOR	6/1/2038	(338,216)	A+/Aa3	
		<u>\$ 82,500,000</u>				<u>\$ 1,064,801</u>		

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 11. Interest Rate Swaps (Continued)

Swap Terms and Values (Continued)

As of June 30, 2019 and 2018, the Authority's swap agreements had a net fair value of (\$4,371,023) and \$1,064,801, respectively. If negative, the fair value of the swaps may be offset by reductions in total interest payments required under the related variable-rate bond, creating lower synthetic rates. The net fair value reported above as of June 30, 2019 and 2018 is inclusive of accrued interest of \$47,009 and \$58,670, respectively. Accrued interest is separately reported on the Authority's balance sheet. The resultant change in gross fair value was (\$5,447,485). Because the coupons on the related variable-rate bonds adjust to the changing interest rates, the bonds do not have a corresponding fair value increase. The fair value amounts, obtained from an independent third-party, represent mid-market valuations that approximate the current economic value using prices and rates at the average of the estimated bid and offer amounts.

Swap Risks

Credit Risk – As of June 30, 2019, the Authority was exposed to credit risk on swaps which could have a positive fair value. The positive fair value of any one swap would represent the Authority's exposure to the potential failure of a single counterparty. Should the counterparty to this transaction fail to perform according to the swap contract, the Authority would face a maximum possible loss equivalent to the swap's fair value. As of June 30, 2019, the swap counterparties were rated AA-, A and A+ by S&P Global Ratings and Aa2, A2 and Aa2 by Moody's Investors Service. The Authority's policy to manage credit risk would require the Authority to seek credit enhancements should the counterparty's ratings be below A or A3.

Interest Rate Risk – The Authority is exposed to interest rate risk on its interest rate swap. On its pay-fixed, receive-variable interest rate swap, as LIBOR or the SIFMA swap index decreases, the Authority's net payment of the swap increases.

Basis Risk – Basis risk is the potential mismatch between the variable interest rate paid on the underlying bonds and the variable rate payments received by the Authority pursuant to the swap. The Authority's variable rate bond interest payments should correspond to the SIFMA Index (formerly the BMA Index), while the payments the Authority receives pursuant to the swap are for the most part 70 percent of LIBOR. The Authority is exposed to basis risk should LIBOR and SIFMA Index rates converge. If a change occurs that results in the rates moving to convergence (that is, the SIFMA Index exceeding 70 percent of LIBOR), the value to the Authority of the hedge from the swap is diminished. As of June 30, 2019 and 2018, the SIFMA Index rate was 1.90 and 1.51, while 70 percent of LIBOR (the swap rate) was 1.68 and 1.45 percent, respectively.

Termination Risk – The Authority or the counterparty may terminate the swaps if the other party fails to perform under the terms of the swap contracts. The swaps may be terminated by the Authority at its discretion with a maximum of ten days' notice. If a swap was terminated, the variable-rate bonds would no longer carry a synthetic fixed rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 11. Interest Rate Swaps (Continued)

Swap Risks (Continued)

Rollover Risk – The Authority is exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated bonds. When these hedging derivative instruments terminate or are terminated by either party, the Authority will not realize the synthetic fixed rate offered by the swaps on the underlying bond issues. The following bond series are exposed to rollover risk:

June 30, 2019		
Associated Bond Issuance	Bond Maturity Date	Swap Termination Date
2007 Series 6	December 1, 2037	June 1, 2036
2016 Series 3	December 1, 2046	June 1, 2036
2019 Series 2	June 1, 2049	June 1, 2036
2018 Series 2	December 1, 2048	June 1, 2038
2018 Series 4	December 1, 2048	December 1, 2038
2007 Series 11	December 1, 2038	December 1, 2045
2017 Series 6	December 1, 2047	December 1, 2045
2018 Series 2	December 1, 2048	December 1, 2045
2017 Series 4	December 1, 2047	December 1, 2047

Note 12. Net Position

Below is a summary of net position as of June 30, 2019 and 2018:

	2019	2018
Net investment in capital assets	\$ 2,228,452	\$ 2,338,065
Restricted		
Restricted by bond indentures	179,300,213	165,562,543
Restricted by grants	83,186,827	75,448,746
	<u>262,487,040</u>	<u>241,011,289</u>
Unrestricted		
Designated for the Housing Revenue Bond 1994 Indenture Fund	42,140,028	45,732,450
Designated for the Single Family Mortgage Warehousing Fund	4,864,393	4,627,793
Designated for the Multi-Family Fund	2,337,968	2,228,480
Designated for the Housing Trust Fund	62,748,920	58,654,440
Designated for the Mortgage Guaranty Fund	23,856,847	21,931,584
Designated for non-current assets and operations	3,337,170	11,133,606
	<u>139,285,326</u>	<u>144,308,353</u>
Total net position	<u>\$ 404,000,818</u>	<u>\$ 387,657,707</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 12. Net Position (Continued)

The terms of the various bond indentures for the single-family program generally restrict the assets of the respective trust indenture by requiring their retention in the trust to satisfy debt service obligations of the applicable trust indenture. Monies can be withdrawn from a trust indenture with a cash flow certificate which demonstrates the Authority's ability to pay program expenses and debt service when due, in each bond year. In addition, some series in the 1994 Indenture may be subject to over-parity tests.

Should the Authority fail to comply with terms of the general obligation bonds and the line of credit, the holders of such general obligations would have recourse to the Authority's unrestricted net position.

Note 13. Mortgage Loan Servicing

The Authority's mortgage servicing department services loans for its own portfolio and for others. The details of the loans serviced and servicing purchased during the year is shown below.

Type of Loans by Investor	2019		
	Servicing Rights	Loans	Principal Balance
	Capitalized in 2019	Serviced	
WCDA Single Family Loans - first mortgages	\$ 2,119,893	6,669	\$ 874,465,506
WCDA Single Family Loans - second mortgages	-	2,933	16,434,994
GNMA Advantage	464,420	17	3,861,216
GNMA Pooled	-	509	96,806,452
FNMA Single Family Loans	701,662	3,901	567,977,228
Total	<u>\$ 3,285,975</u>	<u>14,029</u>	<u>\$ 1,559,545,396</u>

Type of Loans by Investor	2018		
	Servicing Rights	Loans	Principal Balance
	Capitalized in 2018	Serviced	
WCDA Single Family Loans - first mortgages	\$ 1,749,064	6,324	\$ 791,607,649
WCDA Single Family Loans - second mortgages	-	2,228	11,407,383
GNMA Advantage	366,266	18	3,404,603
GNMA Pooled	-	366	67,620,764
FNMA Single Family Loans	530,870	3,990	589,389,617
Total	<u>\$ 2,646,200</u>	<u>12,926</u>	<u>\$ 1,463,430,016</u>

Escrow and related servicing balances for these loans were \$10,458,289 and \$8,310,535 at June 30, 2019 and 2018, respectively. These balances are not included in the accompanying combined financial statements.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 14. Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan, accounted for by the State of Wyoming and available to all of the Authority's full-time employees, permits employees to defer a portion of their salary until future years. Compensation deferred under this plan is not available until termination, retirement, death or unforeseeable emergency. All deferred compensation and earnings are held in trust or custodial accounts for the exclusive benefit of individual program participants and their beneficiaries. Investments are managed and controlled by the deferred compensation plan's trustee, not the Authority, under various investment options as directed by the employee. These investments and the related liability to the employees are not included in the Authority's financial statements.

As a part of the employee benefit package, the Authority matches up to \$50 per month for employees with less than three years of service and up to \$100 per month for employees with over three years of service for all eligible employees who elect to contribute to the deferred compensation plan. Employees hired by the Authority prior to June 30, 2015 participating in the deferred compensation plan were grandfathered into the prior contribution plan which allowed for a 20% match for employees with less than two years of service, with annual increases for each year of service of 20% up to a 100% match for employees with over five years of service.

Note 15. Pension Plan

Public Employees' Pension Plan

The Authority participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer defined benefit, contributory retirement plan administered by the State of Wyoming Retirement System Board. All full-time employees of the Authority are eligible to participate.

PEPP members are required to contribute 8.50% of their annual covered salary and the Authority is required to contribute 8.62% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The Authority currently pays 7.25% of the required employees' contribution and the employees pay 1.25%. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The Authority's contributions of the PEPP for the years ended June 30, 2019, 2018, and 2017 were \$460,899, \$440,812 and \$425,145, respectively, equal to the required contributions for each year. The employees' contributions were \$34,048, \$20,849, and \$20,660, respectively. Effective July 1, 2019, the required employee and employer contribution rates will increase by 0.25% from 8.50% to 8.75% and 8.62% to 8.87%, respectively. As the Authority has elected to cap its coverage of the employees' portion to 7.25%, the combined total 0.50% increase will be paid by the employees, resulting in an employee contribution rate of 1.75%.

Through legislation passed during the 2014 legislative session, two tiers of benefits were established for participants of this plan. For Tier 1 (first contribution before 9/1/2012), the Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60. For Tier 2 (first contribution on or after 9/1/2012), the Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65. All employees may also retire upon normal retirement on the bases that the sum of the member's age and service is at least 85.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 15. Pension Plan (Continued)

Public Employees' Pension Plan (Continued)

Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The PEPP provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost of living adjustment provided to retirees must be granted by the State Legislature. In addition, a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for unreduced retirement benefits at age 60 (Tier 1 employee) or 65 (Tier 2 employee).

Pension Plan Fiduciary Net Position

The Wyoming Retirement System issues a publicly available financial report which includes audited financial statements and required supplementary information for each plan. Detailed information about the pension plans' fiduciary net position is available in the separately issued Wyoming Retirement System financial report. The report may be obtained from the Wyoming Retirement System website at <http://retirement.state.wy.us>.

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

At June 30, 2019 and 2018, the Authority reported a total liability of \$4,886,765 and \$3,488,138, respectively, for its proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of December 31, 2018, applied to all prior periods included in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covering the five-year period ending December 31, 2016. The net pension liability as of December 31, 2018 is based on the results of an actuarial valuation as of January 1, 2018, rolled forward to a measurement date of December 31, 2018, and taking into consideration information from the recent experience study.

The schedule below shows the Authority's proportionate share of the net pension liability at June 30, 2019, the proportionate portion at the measurement date of December, 31 2018, and the change in the proportion from the previous measurement date.

Pension liability at June 30, 2019	\$4,886,765
Proportion at December 31, 2018	0.1604696%
Increase (decrease) from December 31, 2017	0.0074368%

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 15. Pension Plan (Continued)

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

For the years ended June 30, 2019 and 2018, the Authority recognized total pension expense of \$1,132,033 and \$1,322,117, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 729,457	\$ -	\$ -	\$ 163,031
Difference between actual and expected experience	-	118,375	-	117,140
Assumption changes	232,839	-	338,930	-
Change in employer's proportion	-	323,767	-	250,685
Amortizing deferred outflows and deferred inflows	962,296	442,142	338,930	530,856
Authority contributions subsequent to the measurement date	255,206	-	239,792	-
Total	\$ 1,217,502	\$ 442,142	\$ 578,722	\$ 530,856

The Authority reported \$255,206 as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 380,270	\$ 175,271
2021	216,980	173,218
2022	121,703	89,971
2023	243,343	3,682
	\$ 962,296	\$ 442,142

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 15. Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2018 and December 31, 2017 measurement dates were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Actuarial Assumptions and Methods	
	2018	2017
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.25%	3.25%
Salary increases (includes inflation)	4.75% to 8.75%	4.25% to 6.00%
Payroll growth rate	2.50%	4.25%
Cost of living increase	0.00%	0.00%
Investment net rate of return	7.00%	7.75%
Post-Retirement mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational	RP-2000 Combined Mortality Table, fully generational
Pre-Retirement mortality	RP-2014 Employee Mortality Table, fully generational	RP-2000 Combined Mortality Table, fully generational

The assumed rate of investment return was adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in the WRS actuarial valuation report as of January 1, 2018. In addition, an experience study was conducted covering the five-year period ending December 31, 2016 and information from this study was considered in measuring the pension liability at December 31, 2018. The assumed rate of investment return of 7.00% (real return net of inflation of 3.52%) falls within a reasonable range of the long-term expected rate of return.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of January 1, 2018 and 2017, these best estimates are summarized in the following table:

Asset Class	Target Allocation	2018		2017	
		Long-Term Expected	Long-Term Expected	Long-Term Expected	Long-Term Expected
		Geometric Real Rate of Return	Arithmetic Real Rate of Return	Geometric Real Rate of Return	Arithmetic Real Rate of Return
Cash	0.00%	0.30%	0.30%	0.40%	0.40%
Fixed Income	20.00%	1.50%	2.00%	1.25%	1.77%
Equity	49.00%	6.00%	7.40%	4.96%	6.88%
Marketable Alternatives	19.00%	3.10%	3.50%	2.79%	3.30%
Private Markets	12.00%	5.20%	7.00%	5.06%	7.11%
	100.00%	4.40%	5.50%	3.85%	5.27%

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 15. Pension Plan (Continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

Authority's proportionate share of the net pension liability

1% Decrease (6%)	\$6,777,286
Current Discount Rate (7%)	4,886,765
1% Increase (8%)	3,309,145

Payables to the pension plan

At June 30, 2019, the Authority had no amounts as payable to the pension plan.

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent for the years ended December 31, 2018 and 2017. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits using a 100 year analysis) and 2) tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Note 16. Postemployment Benefits Other Than Pensions (OPEB)

On July 1, 2017, the Authority implemented GASB Statement No. 85, *Omnibus 2017*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and GASB Statement No. 57, *OPEB Measurement by Agent Employers and Agent Multiple-Employer Plans*. Specifically, Statements No. 85 and No. 75 recognize the long-term obligation for health and life insurance benefits offered to retirees and clarifies the timing of the measurement of pension and OPEB liabilities. Data needed to fully implement these standards for all periods presented are not available for the periods prior to July 1, 2017, and have, therefore, been estimated.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 16. Postemployment Benefits Other Than Pensions (OPEB)

State of Wyoming Employee Group Insurance Retiree Health Plan

The Authority participates in a multiple-employer defined benefit postemployment healthcare plan, the Retiree Health Insurance Plan, authorized by Wyoming Statute 9-3-202. The Legislature has the authority for establishing and amending the plan. This plan does not issue a separate report.

Any employee of a participating agency is eligible for retiree coverage under the group insurance plan at premium rates established by Employee Group Insurance (EGI), provided that:

1. The employee had coverage in effect under the plan for at least one year just prior to termination; and
2. The employee is eligible to receive a retirement benefit under the Wyoming Retirement System; and either:
 - a. Has attained age 50 with at least 4 years of service credit as an employee of one of the employing entities participating in the plan.
 - b. Has at least 20 years of service credit as an employee of one of the employing entities participating in the plan.

Required Monthly Contributions

Contributions are required for both retiree and dependent coverage. EGI provides a monthly subsidy based on employee's years of service up to a maximum of 30 years of service. The current contribution amounts are as follows:

<u>Non-Medicare</u>	<u>Medicare Eligible</u>
\$11.50 per month per year of credited service	\$5.75 per month per year of credited service

For the plan year ending June 30, 2019, there were 14,339 fully eligible active participants and 3,305 retirees and beneficiaries. The retiree's benefit description provides eligible retirees receive health care through one of three medical plans. All plans are available to those under age 65, while the Health Savings Plan is not available to those 65 and older. The actuarial valuation identified a dental benefit which is available, but does not believe there is an OPEB liability associated with this benefit since the benefit is full-contributory and there is no implicit subsidy.

Funding Policy

The Authority finances the program on a "pay-as-you-go" basis. The Legislature has the authority for establishing and amending the funding policy. For fiscal year 2019, the Authority's post-retirement plan is considered an unfunded plan. While the Legislature has established a fund to account for retiree health insurance contributions, to pay explicit subsidies, for purposes of this latest actuarial evaluation the plan is considered unfunded and these dollars are not treated as an asset for this analysis.

Total OPEB Liability

The Authority's total OPEB liabilities of \$2,479,597 and \$1,936,584 as of June 30, 2019 and 2018, respectively, were measured as of July 1, 2018 and 2017, respectively, and were determined by actuarial valuations as of those dates, respectively.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 16. Postemployment Benefits Other Than Pensions (OPEB)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	3.00%
Discount rate	3.58% per annum (July 1, 2017) and 3.87% per annum (July 1, 2018) based on Bond Buyer General Obligation 20-Bond Municipal Bond Index
Healthcare cost trend rates	7.60% for pre-Medicare medical and 8.10% for post-65 medical; both decreasing 0.30% - 0.50% per year until reaching the Ultimate trend rate of 4.50%
Mortality	RP-2014 Generational Mortality Tab projected using Scale MP-2017, applied on a gender-specific basis.

In general, demographic assumptions are based on the December 31, 2016 actuarial experience study for the Wyoming Retirement System and have not been assessed for reasonability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

<u>Authority's proportionate share of the total OPEB liability</u>	
1% Decrease (2.87%)	\$3,030,121
Current Discount Rate (3.87%)	2,479,597
1% Increase (4.87%)	2,056,814

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (6.6% decreasing to 3.5%) or 1-percentage-point higher (8.6% decreasing to 5.5%) than the current healthcare cost trend rates:

<u>Authority's proportionate share of the total OPEB liability</u>	
1% Decrease (from 6.6% to 3.5% over 10 years)	\$2,051,010
Current Discount Rate (from 7.6% to 4.5% over 10 years)	2,479,597
1% Increase (from 8.6% to 5.5% over 10 years)	3,061,365

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 16. Postemployment Benefits Other Than Pensions (OPEB)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2019 and 2018, the Authority recognized OPEB expense of \$107,132 and \$112,262, respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 506,993	\$ -
Changes in assumptions or other inputs	-	317,206
Change in employer's proportion	10,675	-
Amortizing deferred outflows and deferred inflows	517,668	317,206
Authority contributions subsequent to the measurement date	42,534	-
Total	<u>\$ 560,202</u>	<u>\$ 317,206</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 90,230	\$ -
Changes in assumptions or other inputs	-	323,400
Change in employer's proportion	-	-
Amortizing deferred outflows and deferred inflows	90,230	323,400
Authority contributions subsequent to the measurement date	40,285	-
Total	<u>\$ 130,515</u>	<u>\$ 323,400</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 65,285	\$ 44,090
2021	65,285	44,090
2022	65,285	44,090
2023	65,285	44,090
2024	65,285	44,090
Thereafter	191,243	96,756
	<u>\$ 517,668</u>	<u>\$ 317,206</u>

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 17. Commitments, Concentrations and Contingencies

At June 30, 2019, the Authority was committed to purchase single-family mortgages aggregating approximately \$39.3 million under the Warehouse Indenture, \$2.8 million under various Affordable Housing Development Department Programs, \$0.5 million under the Housing Trust Fund, \$10.8 million under the FNMA HFA Program and \$6.6 million under the GNMA Advantage Program.

The Authority has variable rate bonds outstanding in the 1994 Indenture of \$122.61 million.

As of June 30, 2019, the Authority had \$70.61 million of variable rate debt in the 1994 Indenture. These bonds are subject to tender at par for repurchase by the Authority at the option of the bondholders; however, the Authority may remarket these bonds if they are tendered by the bondholders. These bonds were subject to a repurchase commitment, assumed by the Federal Home Loan Bank.

Under these agreements, the provider will purchase any bonds tendered by bondholders and not successfully remarketed by the settlement date, and will adjust the interest rate associated with any unremarketed bonds to a bank rate. As of June 30, 2019, no variable rate bonds were held as unremarketed bank bonds under the terms of a standby bond purchase agreement.

In addition, WCDA has \$52.00 million in floating rate notes outstanding at June 30, 2019.

The Authority uses a number of insurers for its mortgage receivables as noted in Note 5. The Authority requires private mortgage insurance (PMI) on some mortgages with coverage ranging from 30% to 50% of the outstanding balances. Approximately 4% of the Authority's outstanding mortgage receivable balances were covered by PMI from Radian and approximately 4% from Genworth, as of June 30, 2019.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 18. Forward Commitments

The Authority sells forward commitments to deliver Government National Mortgage Association (GNMA) guaranteed mortgage-backed securities. Commitments are sold as mortgage loan reservations are taken to hedge against market fluctuations prior to loan origination and securitization. The Authority is subject to market value fluctuations prior to loan origination and securitization, in the event that mortgage loans are not originated as expected and the committed securities cannot be delivered.

A net increase in fair value of \$36,342 on the outstanding forward commitments, classified as investment derivative instruments, has been recorded in investment income in the Single Family Mortgage Warehousing Fund for the year ended June 30, 2019. In addition, \$203,020 of forward commitments is recorded on the balance sheet as other current assets at June 30, 2019.

The Authority is subject to credit risk with respect to counterparties to the forward commitment contracts, summarized by counterparty at June 30, 2019 as follows:

June 30, 2019						
Counterparty	Count	Commitments at Par	Fair Value	Exposure by Counterparty	Purchased	Counterparty Rating (S&P/Moodys)
Bank of New York Mellon	5	\$ 3,700,000	\$ 3,810,560	40%	\$ 3,037,100	AA-/Aa2
Bank of Oklahoma	2	1,900,000	1,951,940	20%	-	BBB+/A3
Daiwa Capital Markets	4	3,200,000	3,296,420	34%	792,886	unknown
Piper Jaffray	1	500,000	513,850	6%	188,738	unknown
		<u>\$ 9,300,000</u>	<u>9,572,770</u>	<u>100%</u>	<u>\$ 4,018,724</u>	
Adjustment to fair value for related fees and funding risk			<u>46,260</u>			
Adjusted fair value			<u>\$ 9,619,030</u>			

June 30, 2018						
Counterparty	Count	Commitments at Par	Fair Value	Exposure by Counterparty	Purchased	Counterparty Rating (S&P/Moodys)
Bank of New York Mellon	4	\$ 3,865,386	\$ 3,974,685	38%	\$ 1,688,779	AA-/Aa2
Bank of Oklahoma	3	2,900,000	2,979,310	29%	-	BBB+/A3
Daiwa Capital Markets	1	800,000	819,760	8%	818,750	unknown
ED&F Man Capital Markets	3	2,500,000	2,560,470	25%	958,944	unknown
		<u>\$ 10,065,386</u>	<u>10,334,225</u>	<u>100%</u>	<u>\$ 3,466,473</u>	
Adjustment to fair value for related fees and funding risk			<u>(14,628)</u>			
Adjusted fair value			<u>\$ 10,319,597</u>			

The Authority has also recorded a deferred inflow of resources for the accumulated increase in fair value of hedged derivatives of \$113,081 for its aggregate liability should it fail to fulfill these forward commitments. This expense has been netted in investment income.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 19. Risk Management

The Authority carries commercial insurance for risks of loss related to wrongful acts, general liability protection, and theft of, damage to, or destruction of real and personal property. Settled claims resulting from these risks have not exceeded the commercial insurance coverage.

The Authority manages its risks in respect to the mortgages it acquires by obtaining insurance or guarantees from various sources. None of the insurance or guarantees cover 100% of potential losses on the mortgage portfolio. The Authority has established loan loss reserves for additional coverage of potential losses that exist in its mortgage portfolio.

The Authority participates in the State of Wyoming self-insured employee medical, life and dental insurance program. This group medical insurance program is co-administered with a third-party health provider/claim service company. The State self-insures medical costs and assumes all the risk for claims incurred by plan participants. The employee life insurance and dental insurance plans are administered solely by insurance providers. The State does not retain any risk of loss for the life or dental insurance plans as the insurance providers assume all the risk for claims incurred by the participants. The Authority contributes the insurance premiums for each covered employee and a portion of each covered employee's dependents for these plans.

The State's group insurance fund, which includes medical, life and dental, was solvent at June 30, 2019 and the Authority expects to incur no liability in connection with the group insurance program. Group insurance premiums paid by the Authority during the years ended June 30, 2019 and 2018 were \$957,946 and \$800,613, respectively.

Note 20. Standards Issued But Not Implemented

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. The requirements of the Statement are effective for reporting periods beginning after December 15, 2018. Management has not completed its assessment of the effects of implementing this standard.

Note 21. Standards Issued and Early Implemented

GASB Statement No. 91, *Conduit Debt Obligations*, clarifies the existing definition of a conduit debt obligation and establishes standards for accounting and financial reporting. The requirements of the Statement are effective for reporting periods beginning after December 15, 2020. Management has elected to early implement this standard.

Note 22. Subsequent Events

On July 29, 2019, the Authority instructed its trustee to call on September 1, 2019, bonds in the amount of \$20,155,000 from the 1994 Indenture.

On July 29, 2019, the Authority instructed its trustee to call on September 1, 2019, bonds in the amount of \$4,305,000 from the 2009 Indenture.

On September 25, 2019, the Authority expects to issue \$88,775,000 of bonds under the 1994 Indenture.

REQUIRED SUPPLEMENTARY INFORMATION

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years
(Unaudited)

	2019	2018	2017	2016
Authority's proportion of the net pension liability (asset)	0.1604696%	0.1530328%	0.1384712%	0.1414056%
Authority's proportionate share of the net pension liability (asset)	\$ 4,886,765	\$ 3,488,138	\$ 3,347,541	\$ 3,293,828
Authority's covered-employee payroll	\$ 2,794,345	\$ 2,718,440	\$ 2,468,810	\$ 2,466,218
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	174.88%	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	69.17%	76.35%	73.42%	73.40%

The amounts presented for each fiscal year were determined as of December 31.

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

2015	2014	2013	2012	2011	2010
13.8354600%	*	*	*	*	*
\$ 2,441,532	*	*	*	*	*
\$ 2,365,050	*	*	*	*	*
103.23%	*	*	*	*	*
79.08%	*	*	*	*	*

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

SCHEDULE OF PENSION CONTRIBUTIONS
 Last 10 Fiscal Years
 (Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 494,947	\$ 461,661	\$ 445,805	\$ 410,819
Contributions in relations to the contractually required contribution	<u>(494,947)</u>	<u>(461,661)</u>	<u>(445,805)</u>	<u>(410,819)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 2,891,046	\$ 2,777,744	\$ 2,759,184	\$ 2,471,835
Contributions as a percentage of covered-employee payroll	17.12%	16.62%	16.62%	16.62%

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 366,743	*	*	*	*	*
<u>(366,743)</u>	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
\$ 2,310,920	*	*	*	*	*
15.87%	*	*	*	*	*

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Last 10 Fiscal Years

(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net OPEB liability	0.24323%	0.24483%	*	*
Authority's proportionate share of the new OPEB liability (asset)	\$ 2,479,597	\$ 1,936,584	*	*
Authority's covered-employee payroll	\$ 1,976,074	\$ 1,989,073	*	*
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	125.48%	97.36%	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	*	*

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

SCHEDULE OF AUTHORITY'S OPEB CONTRIBUTIONS

Last 10 Fiscal Years

(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required OPEB contributions	\$ 42,534	\$ 40,285	*	*
OPEB contributions in relation to contractually required contributions	<u>(42,534)</u>	<u>(40,285)</u>	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*	*
Authority's covered payroll (OPEB)	\$ 1,976,074	\$ 1,989,073	*	*
OPEB contributions as a percentage of covered payroll	2.15245%	2.02532%	*	*

The amounts presented for each fiscal year were determined as of July 1 of the previous year.

There have been no changes of benefit terms.

Changes in assumptions or other inputs reflect the effects of changes in the discount rate for each period.

* Information for years prior to 2018 is not available; the schedule will be completed as information becomes available.

2015	2014	2013	2012	2011	2010
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*

2015	2014	2013	2012	2011	2010
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*

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OTHER SUPPLEMENTARY INFORMATION

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED BALANCE SHEET

June 30, 2019

(See Independent Auditor's Report)

	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Single Family Mortgage Warehousing Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets			
Cash and cash equivalents	\$ 13,715,636	\$ -	\$ 6,507,309
Investments	28,159,612	-	39,850
Interest receivable: Mortgage loans	-	-	19,415
Investments	264,780	-	8,216
Due from other funds	-	10,158,613	-
Accounts receivable and other assets	-	-	222,897
Total current assets	42,140,028	10,158,613	6,797,687
Noncurrent Assets			
Restricted cash and cash equivalents	83,685,421	6,805,529	-
Restricted investments	66,916,142	13,718,101	-
Restricted mortgage loans receivable, net	710,394,428	79,995,880	-
Restricted real estate held for sale	4,190,627	67,720	-
Restricted interest receivable: Mortgage loans	2,607,204	286,870	-
Investments	774,863	146,427	-
Restricted accounts receivable and other assets	56,067	2,847	-
Mortgage loans receivable, net	-	-	6,619,001
Real estate held for sale	-	-	-
Deferred servicing costs, net	-	-	-
Property and equipment, net	-	-	-
Total noncurrent assets	868,624,752	101,023,374	6,619,001
Total assets	910,764,780	111,181,987	13,416,688
Deferred Outflows of Resources			
Pension contributions and change in earnings	-	-	-
Deferred outflows from other postemployment benefits	-	-	-
Accumulated decrease in fair value of hedged derivative	4,324,014	-	-
Total deferred outflows of resources	4,324,014	-	-
Total assets and deferred outflows of resources	\$ 915,088,794	\$ 111,181,987	\$ 13,416,688
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current Liabilities			
Bonds payable	\$ 22,955,000	\$ 3,975,000	\$ -
Accrued interest payable	1,811,944	201,219	-
Due to other funds	10,158,613	-	8,420,500
Accounts payable and other liabilities	255,750	23,994	18,714
Total current liabilities	35,181,307	4,200,213	8,439,214
Noncurrent liabilities			
Bonds payable	678,616,629	81,360,410	-
Other deferred credits	1,101,311	46,656	-
Pension liabilities	-	-	-
Other postemployment benefit liabilities	-	-	-
Hedging liabilities	4,324,014	-	-
Total noncurrent liabilities	684,041,954	81,407,066	-
Total liabilities	719,223,261	85,607,279	8,439,214
Deferred Inflows of Resources			
Differences between expected and actual pension experience	-	-	-
Deferred inflows from other postemployment benefits	-	-	-
Accumulated increase in fair value of hedged derivative	-	-	113,081
Total deferred inflows of resources	-	-	113,081
Net Position			
Invested in capital assets	-	-	-
Restricted	153,725,505	25,574,708	-
Unrestricted	42,140,028	-	4,864,393
Total net position	195,865,533	25,574,708	4,864,393
Total liabilities, deferred inflows of resources and net position	\$ 915,088,794	\$ 111,181,987	\$ 13,416,688

Multi-Family Fund	Affordable Housing Development Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ 911,490	\$ -	\$ 24,563,524	\$ 258,238	\$ 1,862,095	\$ -	\$ 47,818,292
1,409,057	-	17,953,078	18,053,091	235,000	-	65,849,688
-	-	69,321	-	-	-	88,736
17,421	-	183,223	130,890	-	-	604,530
-	-	8,420,500	-	-	(18,579,113)	-
-	-	211,222	-	1,044,088	-	1,478,207
2,337,968	-	51,400,868	18,442,219	3,141,183	(18,579,113)	115,839,453
-	11,189,887	-	5,414,628	-	-	107,095,465
-	-	-	-	-	-	80,634,243
-	57,748,200	-	-	-	-	848,138,508
-	197,100	-	-	-	-	4,455,447
-	753	-	-	-	-	2,894,827
-	21,290	-	-	-	-	942,580
-	14,347,990	9,151	-	-	(272,621)	14,143,434
-	-	10,815,738	-	-	-	17,434,739
-	-	525,534	-	-	-	525,534
-	-	-	-	7,561,276	-	7,561,276
-	-	-	-	2,228,452	-	2,228,452
-	83,505,220	11,350,423	5,414,628	9,789,728	(272,621)	1,086,054,505
2,337,968	83,505,220	62,751,291	23,856,847	12,930,911	(18,851,734)	1,201,893,958
-	-	-	-	1,217,502	-	1,217,502
-	-	-	-	560,202	-	560,202
-	-	-	-	-	-	4,324,014
-	-	-	-	1,777,704	-	6,101,718
\$ 2,337,968	\$ 83,505,220	\$ 62,751,291	\$ 23,856,847	\$ 14,708,615	\$ (18,851,734)	\$ 1,207,995,676
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,930,000
-	-	-	-	-	-	2,013,163
-	-	-	-	-	(18,579,113)	-
-	318,393	2,371	-	1,017,283	(272,621)	1,363,884
-	318,393	2,371	-	1,017,283	(18,851,734)	30,307,047
-	-	-	-	-	-	759,977,039
-	-	-	-	-	-	1,147,967
-	-	-	-	4,886,765	-	4,886,765
-	-	-	-	2,479,597	-	2,479,597
-	-	-	-	-	-	4,324,014
-	-	-	-	7,366,362	-	772,815,382
-	318,393	2,371	-	8,383,645	(18,851,734)	803,122,429
-	-	-	-	442,142	-	442,142
-	-	-	-	317,206	-	317,206
-	-	-	-	-	-	113,081
-	-	-	-	759,348	-	872,429
-	-	-	-	2,228,452	-	2,228,452
-	83,186,827	-	-	-	-	262,487,040
2,337,968	-	62,748,920	23,856,847	3,337,170	-	139,285,326
2,337,968	83,186,827	62,748,920	23,856,847	5,565,622	-	404,000,818
\$ 2,337,968	\$ 83,505,220	\$ 62,751,291	\$ 23,856,847	\$ 14,708,615	\$ (18,851,734)	\$ 1,207,995,676

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED BALANCE SHEET

June 30, 2018

(See Independent Auditor's Report)

	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Single Family Mortgage Warehousing Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets			
Cash and cash equivalents	\$ 17,385,169	\$ -	\$ 6,795,034
Investments	28,325,927	-	-
Interest receivable: Mortgage loans	-	-	22,670
Investments	21,354	-	4,465
Due from other funds	-	10,158,613	-
Accounts receivable and other assets	-	-	166,678
Total current assets	<u>45,732,450</u>	<u>10,158,613</u>	<u>6,988,847</u>
Noncurrent Assets			
Restricted cash and cash equivalents	98,569,337	6,309,579	-
Restricted investments	65,204,315	13,024,231	-
Restricted mortgage loans receivable, net	611,532,944	94,954,942	-
Restricted real estate held for sale	3,561,474	189,104	-
Restricted interest receivable: Mortgage loans	2,307,362	377,631	-
Investments	1,067,012	171,369	-
Restricted accounts receivable and other assets	(175,061)	(25,316)	-
Mortgage loans receivable, net	-	-	3,404,604
Real estate held for sale	-	-	-
Deferred hedging costs of fixed-rate swaps	1,449,369	-	-
Deferred servicing costs, net	-	-	-
Property and equipment, net	-	-	-
Total noncurrent assets	<u>783,516,752</u>	<u>115,001,540</u>	<u>3,404,604</u>
Total assets	<u>829,249,202</u>	<u>125,160,153</u>	<u>10,393,451</u>
Deferred Outflows of Resources			
Pension contributions and change in earnings	-	-	-
Deferred outflows from other postemployment benefits	-	-	-
Accumulated decrease in fair value of hedged derivative	325,899	-	-
Total deferred outflows of resources	<u>325,899</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 829,575,101</u>	<u>\$ 125,160,153</u>	<u>\$ 10,393,451</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current Liabilities			
Bonds payable	\$ 19,440,000	\$ 5,475,000	\$ -
Accrued interest payable	1,669,625	244,712	-
Due to other funds	10,158,613	-	5,625,500
Accounts payable and other liabilities	257,547	28,278	2,656
Total current liabilities	<u>31,525,785</u>	<u>5,747,990</u>	<u>5,628,156</u>
Noncurrent liabilities			
Bonds payable	605,457,026	97,687,237	-
Other deferred credits	1,136,861	110,094	-
Pension liabilities	-	-	-
Other postemployment benefit liabilities	-	-	-
Hedging liabilities	325,899	-	-
Total noncurrent liabilities	<u>606,919,786</u>	<u>97,797,331</u>	<u>-</u>
Total liabilities	<u>638,445,571</u>	<u>103,545,321</u>	<u>5,628,156</u>
Deferred Inflows of Resources			
Differences between expected and actual pension experience	-	-	-
Deferred inflows from other postemployment benefits	-	-	-
Accumulated increase in fair value of hedged derivative	1,449,369	-	137,502
Total deferred inflows of resources	<u>1,449,369</u>	<u>-</u>	<u>137,502</u>
Net Position			
Invested in capital assets	-	-	-
Restricted	143,947,711	21,614,832	-
Unrestricted	45,732,450	-	4,627,793
Total net position	<u>189,680,161</u>	<u>21,614,832</u>	<u>4,627,793</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 829,575,101</u>	<u>\$ 125,160,153</u>	<u>\$ 10,393,451</u>

Multi-Family Fund	Affordable Housing Development Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ 831,734	\$ -	\$ 24,880,700	\$ 5,032,855	\$ 1,877,347	\$ -	\$ 56,802,839
1,367,015	-	16,792,978	16,771,941	235,000	-	63,492,861
-	-	30,215	-	-	-	52,885
16,784	-	149,486	126,788	-	-	318,877
-	-	5,625,500	-	-	(15,784,113)	-
12,947	-	91,869	-	1,316,630	-	1,588,124
2,228,480	-	47,570,748	21,931,584	3,428,977	(15,784,113)	122,255,586
-	8,289,428	-	-	-	-	113,168,344
-	-	-	-	-	-	78,228,546
-	58,993,176	-	-	-	-	765,481,062
-	-	-	-	-	-	3,750,578
-	-	-	-	-	-	2,684,993
-	10,892	-	-	-	-	1,249,273
-	8,205,956	21,642	-	-	(50,706)	7,976,515
-	-	10,900,692	-	-	-	14,305,296
-	-	163,173	-	-	-	163,173
-	-	-	-	-	-	1,449,369
-	-	-	-	14,303,128	-	14,303,128
-	-	-	-	2,338,065	-	2,338,065
-	75,499,452	11,085,507	-	16,641,193	(50,706)	1,005,098,342
2,228,480	75,499,452	58,656,255	21,931,584	20,070,170	(15,834,819)	1,127,353,928
-	-	-	-	578,722	-	578,722
-	-	-	-	130,515	-	130,515
-	-	-	-	-	-	325,899
-	-	-	-	709,237	-	1,035,136
\$ 2,228,480	\$ 75,499,452	\$ 58,656,255	\$ 21,931,584	\$ 20,779,407	\$ (15,834,819)	\$ 1,128,389,064
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,915,000
-	-	-	-	-	-	1,914,337
-	-	-	-	-	(15,784,113)	-
-	50,706	1,815	-	1,028,758	(50,706)	1,319,054
-	50,706	1,815	-	1,028,758	(15,834,819)	28,148,391
-	-	-	-	-	-	703,144,263
-	-	-	-	-	-	1,246,955
-	-	-	-	3,488,138	-	3,488,138
-	-	-	-	1,936,584	-	1,936,584
-	-	-	-	-	-	325,899
-	-	-	-	5,424,722	-	710,141,839
-	50,706	1,815	-	6,453,480	(15,834,819)	738,290,230
-	-	-	-	530,856	-	530,856
-	-	-	-	323,400	-	323,400
-	-	-	-	-	-	1,586,871
-	-	-	-	854,256	-	2,441,127
-	-	-	-	2,338,065	-	2,338,065
-	75,448,746	-	-	-	-	241,011,289
2,228,480	-	58,654,440	21,931,584	11,133,606	-	144,308,353
2,228,480	75,448,746	58,654,440	21,931,584	13,471,671	-	387,657,707
\$ 2,228,480	\$ 75,499,452	\$ 58,656,255	\$ 21,931,584	\$ 20,779,407	\$ (15,834,819)	\$ 1,128,389,064

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2019

(See Independent Auditor's Report)

	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Single Family Mortgage Warehousing Fund
Operating Revenues			
Mortgage interest	\$ 27,083,293	\$ 3,562,947	\$ 410,909
Investment interest income	6,209,220	521,610	204,945
Net change in fair value of investments	4,305,404	886,356	39,850
Fees and other income	-	-	1,555,788
Total operating revenue	<u>37,597,917</u>	<u>4,970,913</u>	<u>2,211,492</u>
Operating Expenses			
Interest expense	19,970,782	2,670,457	343,035
Services fees	2,468,407	316,358	22,333
Amortization of deferred servicing costs	-	-	-
Cost of issuance and other financing costs	2,099,741	9,172	-
Provision for (recapture of) loan losses	234,860	(460,122)	-
General and administrative	304,312	15,173	209,524
Total operating expenses	<u>25,078,102</u>	<u>2,551,038</u>	<u>574,892</u>
Operating income (loss)	<u>12,519,815</u>	<u>2,419,875</u>	<u>1,636,600</u>
Non-operating Revenue (Expenses)			
Federal program income	-	-	-
Federal program expense	-	-	-
Non-operating income	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers	12,519,815	2,419,875	1,636,600
Transfers in (out)	<u>(6,334,443)</u>	<u>1,540,001</u>	<u>(1,400,000)</u>
Net income (loss)	6,185,372	3,959,876	236,600
Net position, beginning of year	<u>189,680,161</u>	<u>21,614,832</u>	<u>4,627,793</u>
Net position, end of year	<u>\$ 195,865,533</u>	<u>\$ 25,574,708</u>	<u>\$ 4,864,393</u>

Multi-Family Fund	Affordable Housing Development Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 153,366	\$ -	\$ -	\$ -	\$ 31,210,515
67,358	-	1,217,216	629,896	6,548	(284,281)	8,572,512
42,130	-	1,174,378	1,296,242	-	-	7,744,360
-	-	59,700	-	5,484,766	(2,794,944)	4,305,310
109,488	-	2,604,660	1,926,138	5,491,314	(3,079,225)	51,832,697
-	-	579	875	-	(284,281)	22,701,447
-	-	28,907	-	-	(2,794,944)	41,061
-	-	-	-	10,027,827	-	10,027,827
-	-	-	-	-	-	2,108,913
-	-	605,032	-	-	-	379,770
-	-	50	-	7,548,245	-	8,077,304
-	-	634,568	875	17,576,072	(3,079,225)	43,336,322
109,488	-	1,970,092	1,925,263	(12,084,758)	-	8,496,375
-	8,504,461	-	-	-	-	8,504,461
-	(657,725)	-	-	-	-	(657,725)
-	7,846,736	-	-	-	-	7,846,736
109,488	7,846,736	1,970,092	1,925,263	(12,084,758)	-	16,343,111
-	(108,655)	2,124,388	-	4,178,709	-	-
109,488	7,738,081	4,094,480	1,925,263	(7,906,049)	-	16,343,111
2,228,480	75,448,746	58,654,440	21,931,584	13,471,671	-	387,657,707
\$ 2,337,968	\$ 83,186,827	\$ 62,748,920	\$ 23,856,847	\$ 5,565,622	\$ -	\$ 404,000,818

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2018

(See Independent Auditor's Report)

	Housing Revenue Bonds 1994 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund	Single Family Mortgage Warehousing Fund
Operating Revenues			
Mortgage interest	\$ 23,071,415	\$ 4,224,867	\$ 505,573
Investment interest income	4,916,372	529,565	107,341
Net change in fair value of investments	(4,191,774)	(497,008)	-
Fees and other income	-	-	1,209,612
Total operating revenue	<u>23,796,013</u>	<u>4,257,424</u>	<u>1,822,526</u>
Operating Expenses			
Interest expense	16,015,037	3,283,077	500,338
Services fees	2,084,945	372,723	47,976
Amortization of deferred servicing costs	-	-	-
Cost of issuance and other financing costs	1,898,822	16,910	-
Provision for (recapture of) loan losses	(748,119)	(512,524)	-
General and administrative	557,944	60,401	235,293
Total operating expenses	<u>19,808,629</u>	<u>3,220,587</u>	<u>783,607</u>
Operating income (loss)	<u>3,987,384</u>	<u>1,036,837</u>	<u>1,038,919</u>
Non-operating Revenue (Expenses)			
Federal program income	-	-	-
Federal program expense	-	-	-
Non-operating income	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers	3,987,384	1,036,837	1,038,919
Transfers in (out)	<u>(4,498,257)</u>	<u>(2,501,743)</u>	<u>-</u>
Net income (loss)	(510,873)	(1,464,906)	1,038,919
Net position, beginning of year	<u>190,191,034</u>	<u>23,079,738</u>	<u>3,588,874</u>
Net position, end of year	<u>\$ 189,680,161</u>	<u>\$ 21,614,832</u>	<u>\$ 4,627,793</u>

Multi-Family Fund	Federal Program Fund	Housing Trust Fund	Mortgage Guaranty Fund	General Fund	Eliminations	Total
\$ -	\$ -	\$ 224,035	\$ -	\$ -	\$ -	\$ 28,025,890
69,288	-	1,081,860	573,926	6,132	(399,835)	6,884,649
(71,496)	-	(1,201,566)	(993,914)	-	-	(6,955,758)
-	-	48,958	-	5,364,023	(2,473,457)	4,149,136
(2,208)	-	153,287	(419,988)	5,370,155	(2,873,292)	32,103,917
-	-	522	707	-	(399,835)	19,399,846
-	-	22,045	-	-	(2,473,457)	54,232
-	-	-	-	2,160,000	-	2,160,000
-	-	-	-	-	-	1,915,732
-	-	591,047	-	-	-	(669,596)
863	-	8,350	863	7,258,504	-	8,122,218
863	-	621,964	1,570	9,418,504	(2,873,292)	30,982,432
(3,071)	-	(468,677)	(421,558)	(4,048,349)	-	1,121,485
-	5,022,146	-	-	-	-	5,022,146
-	(1,910,283)	-	-	-	-	(1,910,283)
-	3,111,863	-	-	-	-	3,111,863
(3,071)	3,111,863	(468,677)	(421,558)	(4,048,349)	-	4,233,348
-	115,834	4,884,166	-	2,000,000	-	-
(3,071)	3,227,697	4,415,489	(421,558)	(2,048,349)	-	4,233,348
2,231,551	72,221,049	54,238,951	22,353,142	15,520,020	-	383,424,359
\$ 2,228,480	\$ 75,448,746	\$ 58,654,440	\$ 21,931,584	\$ 13,471,671	\$ -	\$ 387,657,707