

## Statements of Net Position - Comparative Fiscal Year 2025

The following condensed statements of net position show a summary of changes, in dollars and percentages, between fiscal years ended June 30, 2025 and 2024. The Authority reported a change in net position of \$169.9 million for the year ended June 30, 2025.

### Wisconsin Housing and Economic Development Authority Statements of Net Position June 30, 2025 and 2024 (Millions of Dollars)

	2025	2024	Increase / (Decrease)	
			Amount	%
Cash and cash equivalents	\$1,253.6	\$1,264.2	(\$10.6)	(0.8)
Mortgage loans and interest receivable	1,354.2	1,319.9	34.3	2.6
Mortgage-backed securities investments and interest receivable	1,764.3	1,380.2	384.1	27.8
Investments and interest receivable	31.2	128.1	(96.9)	(75.6)
Other assets	64.1	67.7	(3.6)	(5.3)
<b>Total Assets</b>	<b>4,467.4</b>	<b>4,160.1</b>	<b>307.3</b>	<b>7.4</b>
Accumulated decrease in fair value of hedging	0.9	0.7	0.2	28.6
Deferred outflow of resources – pension	6.8	9.3	(2.5)	(26.9)
Deferred outflow of resources – OPEB	1.3	1.6	(0.3)	(18.8)
<b>Total Deferred Outflow of Resources</b>	<b>9.0</b>	<b>11.6</b>	<b>(2.6)</b>	<b>(22.4)</b>
Accrued interest payable	24.4	19.3	5.1	26.4
Bonds and notes payable	2,584.1	2,431.7	152.4	6.3
Interest Rate Swap Agreements	0.9	0.7	0.2	28.6
Net Pension liability	1.2	1.1	0.1	9.1
Net OPEB liability	2.2	2.4	(0.2)	(8.3)
Other liabilities	703.5	718.8	(15.3)	(2.1)
<b>Total Liabilities</b>	<b>3,316.3</b>	<b>3,174.0</b>	<b>142.3</b>	<b>4.5</b>
Accumulated change in fair value of hedging derivatives	20.7	26.1	(5.4)	(20.7)
Deferred inflow of resources – pension	3.6	5.8	(2.2)	(37.9)
Deferred inflow of resources – OPEB	1.7	1.6	0.1	6.2
<b>Total Deferred Inflow of Resources</b>	<b>26.0</b>	<b>33.5</b>	<b>(7.5)</b>	<b>(22.4)</b>
Net investment in capital assets	17.5	17.3	0.2	1.2
Restricted by bond resolutions	615.8	539.4	76.4	14.2
Restricted by contractual agreements	475.6	384.5	91.1	23.7
Unrestricted	25.2	23.0	2.2	9.6
<b>Total Net Position</b>	<b>\$1,134.1</b>	<b>\$964.2</b>	<b>\$169.9</b>	<b>17.6</b>

Schedule may not foot due to rounding.

The Authority's total asset balance rose \$307.3 million during fiscal year 2025, to end the year at \$4.5 billion. Both the mortgage-backed securities and mortgage portfolios continued to grow during the year as well. Single Family fundings decreased by \$103.9 million or 17.8% and, prepayments increased by \$25.8 million or 31.5%. However, fiscal year 2024 was a record year of lending so even though volume tapered off in fiscal year 2025, it was still a very strong lending year. Multifamily fundings increased \$15.0 million (7.5%) and prepayments dropped by \$6.6 million.

The Mortgage loans and interest receivable portfolio ended the fiscal year at \$1.4 billion which was a \$34.3 million or 2.6% increase over fiscal year 2024. Mortgage-backed securities investments and interest receivable grew \$384.1 million to end the year at \$1.8 billion. The combined portfolio balance of \$3.2 billion reflects an increase of \$418.4 million (15.5%).

Liabilities ended the year at \$3.3 billion, a \$142.3 million increase over fiscal 2024. The increase resulted primarily from the issuance of new bonds to finance both Single Family First Time Home Buyer (FTHB) mortgages and Multifamily loans as well as an increase in various lines of credit. There was one Single Family bond issue in fiscal year 2025 totaling \$214.9 million. In the Multifamily program, \$93.8 million in new bonds were issued.

Overall, net position increased \$169.9 million during fiscal year 2025. The various lending programs and investments within the Authority's business segments generated the change in net position. The business segment contributions for fiscal year 2025 are as follows: \$54.6 million in Single Family bond resolutions, \$21.9 million in Multifamily Bond and Housing Revenue bond resolutions, \$46.3 million in the General Fund (including subsidiary change in net position) and \$47.1 in State of Wisconsin Programs.

## Statements of Revenues, Expenses and Change in Net Position – Comparative Fiscal Year 2025

The Authority reported a change in net position of \$169.9 million for the fiscal year ended June 30, 2025. The following table summarizes the Statements of Revenues, Expenses and Change in Net Position of the Authority for the fiscal years ended June 30, 2025 and 2024.

### Wisconsin Housing and Economic Development Authority Statements of Revenues, Expenses and Change in Net Position For the Fiscal Years Ended June 30, 2025 and 2024 (Millions of Dollars)

	2025	2024	Favorable/ (Unfavorable)	
			Amount	%
Mortgage income	\$71.2	\$73.8	(\$2.6)	(3.5)
Mortgage-backed securities investment income (net)	102.2	21.0	81.2	386.7
Investment income (net)	57.9	55.4	2.5	4.5
Interest expense and debt financing costs	(92.4)	(74.7)	(17.7)	(23.7)
<b>Net Interest Income</b>	<b>138.9</b>	<b>75.5</b>	<b>63.4</b>	<b>84.0</b>
Mortgage service fees	10.6	9.7	0.9	9.3
Pass-through subsidy revenue	252.9	229.0	23.9	10.4
Grant Income	47.2	18.0	29.2	162.2
Other	20.2	20.0	0.2	1.0
<b>Net Interest And Other Income</b>	<b>469.8</b>	<b>352.2</b>	<b>117.6</b>	<b>33.4</b>
Direct loan program expense	12.1	18.5	6.4	34.6
Pass-through subsidy expense	252.9	229.0	(23.9)	(10.4)
Grants and services	4.4	3.1	(1.3)	(41.9)
General and administrative expenses	30.4	27.4	(3.0)	(10.9)
Other expense	0.1	0.1	0.0	0.0
<b>Change in Net Position</b>	<b>169.9</b>	<b>74.1</b>	<b>95.8</b>	<b>129.3</b>
<b>Net Position, Beginning of Year</b>	<b>964.2</b>	<b>890.1</b>	<b>74.1</b>	<b>8.3</b>
<b>Net Position, End of Year</b>	<b>\$1,134.1</b>	<b>\$964.2</b>	<b>\$169.9</b>	<b>17.6</b>

Schedule may not foot due to rounding

Net Interest Income increased 84.0% or \$63.4 million during fiscal 2025, ending the year at \$138.9 million. Both the mortgage-backed securities and traditional mortgage portfolios grew during the year. Prepayment levels increased modestly due to fluctuating interest rates. *Accounting Standard Board Statement No. 31* requires that the Authority periodically adjust the investments to reflect current market value. The cumulative adjustment for fiscal year 2025 was a write-up of \$31.2 million which when compared to the write-down of \$25.9 million in the prior fiscal year explains much of the change in net income. While the Authority doesn't intend to actually realize these gains or losses, the adjustment can lead to significant swings in the recorded value of the portfolio.

Direct loan program expense decreased by 34.6% or \$6.4 million during 2025. A decrease in the allowance for loan loss related to the Participation Lending program was the primary reason for the reduction in this category of expenses during the year.

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