

**WISCONSIN HOUSING AND ECONOMIC
DEVELOPMENT AUTHORITY**

**Financial Statements
For the Years Ended
June 30, 2026 and 2025
and Independent Auditors' Report**

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS	
Statements of Net Position, June 30, 2026 and 2025	11
Statements of Revenues, Expenses and Change in Net Position, For the Years Ended June 30, 2026 and 2025	12
Statements of Cash Flows, For the Years Ended June 30, 2026 and 2025	13
Notes to Financial Statements, For the Years Ended June 30, 2026 and 2025	15
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Authority's Proportionate Share of the Net Pension Liability (Asset) And Schedule of Authority's Pension Contributions	50
Schedule of Authority's Proportionate Share of the Net OPEB Liability And Schedule of Authority's OPEB Contributions	54
SUPPLEMENTARY INFORMATION	
Combining Statements of Net Position, June 30, 2026 with comparative totals for June 30, 2025	60
Combining Statements of Revenues, Expenses and Change in Net Position, For the Year Ended June 30, 2026 with comparative totals for the year ended June 30, 2025	61
Combining Statements of Cash Flows, For the Year Ended June 30, 2026 with comparative totals for the year ended June 30, 2025	62
Combining Statements of Net Position - Home Ownership Mortgage Loan Program, June 30, 2026 with comparative totals for June 30, 2025	64
Combining Statements of Revenues, Expenses and Change in Net Position - Home Ownership Mortgage Loan Program, For the Year Ended June 30, 2026 with comparative totals for the year ended June 30, 2025	65
Combining Statements of Cash Flows - Home Ownership Mortgage Loan Program, For the Year Ended June 30, 2026 with comparative totals for the year ended June 30, 2025	66



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Members
Wisconsin Housing and Economic Development Authority
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Wisconsin Housing and Economic Development Authority, a component unit of the state of Wisconsin as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Wisconsin Housing and Economic Development Authority's basic financial statements, and have issued our report thereon dated October 19, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wisconsin Housing and Economic Development Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wisconsin Housing and Economic Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Wisconsin Housing and Economic Development Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

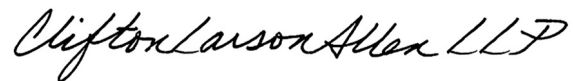
To the Members
Wisconsin Housing and Economic Development Authority

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wisconsin Housing and Economic Development Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
October 19, 2026

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY
(A Component Unit of the State of Wisconsin)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Wisconsin Housing and Economic Development Authority (Authority), created in 1972 by an act of the Wisconsin Legislature, facilitates the purchase, construction, and rehabilitation of housing for families of low and moderate-income by providing or participating in the origination of mortgage loans and housing tax credits, as well as providing economic development financing guarantees and loans. The Authority's two largest programs are the Home Ownership Mortgage Loan Program (Single Family) and the Multifamily Mortgage Loan Program (Multifamily). Among the additional programs that the Authority administers are the Housing Tax Credit Programs, the State Small Business Credit Initiative Program, the Capital Magnet Fund Program, the Housing Trust Fund Program, the Participation Lending Program, the Restore Main Street Loan Program, the Vacancy to Vitality Loan Program, the Infrastructure Access Loan Program, the More Like Home Loan Program, the Home Improvement Loan Program, and the Wisconsin Development Reserve Fund guarantee programs.

The various loan program activities are all considered proprietary and are accounted for in a manner similar to businesses operating in the private sector. Funding has primarily arisen through the issuance of bonds, both tax-exempt and taxable, the proceeds of which are used to make loans to finance the purchase or development of housing available to low and moderate-income families. The Net Position of these programs represents accumulated earnings since their inception and is generally restricted for program purposes.

This section of the Authority's annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2026 compared to the fiscal years that ended on June 30, 2025 and 2024. It should be read in conjunction with the Authority's financial statements, which follow this section.

Financial Highlights – Fiscal Year 2026

Authority earnings were lower than fiscal year 2026 budget expectations. Net Income before the adjustment for a change in the market value of investments was \$119.2 million, compared to budgeted earnings of \$134.6 million. Fiscal year 2026 loan fundings were down 18.5% from 2025 levels, while prepayments levels were stable.

The following are financial highlights for fiscal year 2026:

- Consolidated net income after the adjustment for the market value of investments was \$146.3 million. The aggregate market value adjustment for the year was a positive \$27.2 million.
- Mortgage and Mortgage-Backed Securities (MBS) Investment earnings before the adjustment for a change in the market value of investments increased by \$15.5 million to \$157.7 million during 2026. The combined mortgage loan and MBS investment portfolio increased by \$229.9 million, or 7.4%. The growth of the portfolio was due to continued strong loan fundings and stable prepayment levels.
- Bonds and Notes Payable outstanding at year end climbed \$176.5 million to end fiscal year 2026 at \$2.8 billion. Combined interest expense and debt financing costs rose \$11.2 million or 12.1%. The overall level of bonding was lower than in the previous fiscal year due to decreased lending volume.
- The Authority's long-term Issuer's Credit Rating (ICR) and bond resolution ratings were stable in 2026. The Authority has an ICR from Moody's Investors Services (Moody's) of Aa3 and from Standard and Poor's (S&P) of AA. All individual bond resolutions have credit ratings equal to or better than the Authority's ICR.

Financial Highlights – Fiscal Year 2025

Authority earnings were very close to fiscal year 2025 budget expectations. Net Income before the adjustment for a change in the market value of investments was \$138.7 million, compared to budgeted earnings of \$138.1 million. Fiscal year 2025 loan fundings were down 11.3% from 2024 levels, and prepayments increased by \$19.2 million or 9.8%.

The following are financial highlights for fiscal year 2025:

- Consolidated net income after the adjustment for the market value of investments was \$169.9 million. The aggregate market value adjustment for the year was a positive \$31.2 million.
- Mortgage and Mortgage-Backed Securities (MBS) Investment earnings before the adjustment for a change in the market value of investments increased by \$21.4 million to \$142.2 million during 2025. The combined mortgage loan and MBS investment portfolio increased by \$418.4 million, or 15.5%. The growth of the portfolio was due to continued strong loan fundings and a modest increase in prepayment levels.
- Bonds and Notes Payable outstanding at year end climbed \$152.4 million to end fiscal year 2025 at \$2.6 billion. Combined interest expense and debt financing costs rose \$17.7 million or 23.7%. The overall level of bonding was lower than in the previous fiscal year due to both decreased lending volume and the late timing of fiscal 2024 bond issues.
- The Authority's long-term Issuer's Credit Rating (ICR) and bond resolution ratings were stable in 2025. The Authority has an ICR from Moody's Investors Services (Moody's) of Aa3 and from Standard and Poor's (S&P) of AA. All individual bond resolutions have credit ratings equal to or better than the Authority's ICR.

Authority earnings were slightly higher than fiscal year 2024 budget expectations. Net Income before the adjustment for a change in the market value of investments was \$100.0 million, compared to budgeted earnings of \$97.8 million. Fiscal year 2024 loan fundings were higher than 2023 levels, and prepayments increased by \$16.4 million or 9.1%.

Statements of Net Position - Comparative Fiscal Year 2026

The following condensed statements of net position show a summary of changes, in dollars and percentages, between fiscal years ended June 30, 2026 and 2025. The Authority reported a change in net position of \$146.3 million for the year ended June 30, 2026.

Wisconsin Housing and Economic Development Authority Statements of Net Position June 30, 2026 and 2025 (Millions of Dollars)

	2026	2025	Increase / (Decrease)	
			Amount	%
Cash and cash equivalents	\$1,372.2	\$1,253.6	\$118.6	9.5
Mortgage loans and interest receivable	1,376.9	1,354.2	22.7	1.7
Mortgage-backed securities investments and interest receivable	1,971.5	1,764.3	207.2	11.7
Investments and interest receivable	6.4	31.2	(24.8)	(79.5)
Net pension asset	1.8	--	1.8	100.0
Other assets	67.0	64.1	2.9	4.5
Total Assets	4,795.8	4,467.4	328.4	7.4
Accumulated decrease in fair value of hedging	--	0.9	(0.9)	(100.0)
Deferred outflow of resources – pension	7.2	6.8	0.4	5.9
Deferred outflow of resources – OPEB	0.8	1.3	(0.5)	(38.5)
Total Deferred Outflow of Resources	8.0	9.0	(1.0)	(11.1)
Accrued interest payable	28.7	24.4	4.3	17.6
Bonds and notes payable	2,760.6	2,584.1	176.5	6.8
Interest Rate Swap Agreements	0.0	0.9	(0.9)	(100.0)
Net Pension liability	--	1.2	(1.2)	(100.0)
Net OPEB liability	1.9	2.2	(0.3)	(13.6)
Other liabilities	701.2	703.5	(2.3)	(0.3)
Total Liabilities	3,492.4	3,316.3	176.1	5.3
Accumulated change in fair value of hedging derivatives	22.2	20.7	1.5	7.2
Deferred inflow of resources – pension	7.1	3.6	3.5	97.2
Deferred inflow of resources – OPEB	1.7	1.7	0.0	0.0
Total Deferred Inflow of Resources	31.0	26.0	5.0	19.2
Net investment in capital assets	17.4	17.5	(0.1)	(0.6)
Restricted by bond resolutions	692.4	615.8	76.6	12.4
Restricted by contractual agreements	546.8	475.6	71.2	15.0
Unrestricted	23.8	25.2	(1.4)	(5.6)
Total Net Position	\$1,280.4	\$1,134.1	\$146.3	12.9

Schedule may not foot due to rounding.

The Authority's total asset balance rose \$328.4 million during fiscal year 2026, to end the year at \$4.8 billion. Both the mortgage-backed securities and mortgage portfolios continued to grow during the year as well. Single Family fundings decreased by \$126.0 million or 26.1% and, prepayments increased by \$34.1 million or 34.1%. Fiscal years 2024 was a record year of lending so even though volume tapered off in fiscal years 2025 and 2026, they were still very strong lending years. Multifamily fundings decreased \$3.3 million (1.5%) and prepayments dropped by \$36.4 million.

The Mortgage loans and interest receivable portfolio ended the fiscal year at \$1.4 billion which was \$22.7 million or 1.7% more than fiscal year 2025. Mortgage-backed securities investments and interest receivable grew \$207.2 million to end the year at \$2.0 billion. The combined portfolio balance of \$3.3 billion reflects an increase of \$229.9 million (7.4%).

Liabilities ended the year at \$3.5 billion, a \$176.1 million increase over fiscal 2025. 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 were two Single Family bond issues in fiscal year 2026 totaling \$388.4 million. In the Multifamily program, \$115.1 million in new bonds were issued.

Overall, net position increased \$146.3 million during fiscal year 2026. 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 2026 are as follows: \$54.0 million in Single Family bond resolutions, \$22.7 million in Multifamily Bond and Housing Revenue bond resolutions, \$42.3 million in the General Fund (including subsidiary change in net position) and \$27.3 million in State of Wisconsin Programs.

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)
Total Assets	4,467.4	4,160.1	307.3	7.4
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)
Total Deferred Outflow of Resources	9.0	11.6	(2.6)	(22.4)
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)
Total Liabilities	3,316.3	3,174.0	142.3	4.5
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
Total Deferred Inflow of Resources	26.0	33.5	(7.5)	(22.4)
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
Total Net Position	\$1,134.1	\$964.2	\$169.9	17.6

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 million in State of Wisconsin Programs.

Statements of Revenues, Expenses and Change in Net Position – Comparative Fiscal Year 2026

The Authority reported a change in net position of \$146.3 million for the fiscal year ended June 30, 2026. The following table summarizes the Statements of Revenues, Expenses and Change in Net Position of the Authority for the fiscal years ended June 30, 2026 and 2025.

Wisconsin Housing and Economic Development Authority
Statements of Revenues, Expenses and Change in Net Position
For the Fiscal Years Ended June 30, 2026 and 2025
(Millions of Dollars)

	<u>2026</u>	<u>2025</u>	<u>Favorable/ (Unfavorable)</u>	
			<u>Amount</u>	<u>%</u>
Operating Revenues				
Mortgage Income	\$71.4	\$71.2	\$0.2	0.3
Mortgage servicing fees	10.9	10.6	0.3	2.8
Other income	26.5	20.2	6.3	31.2
Total Operating Revenues	<u>108.8</u>	<u>102.0</u>	<u>6.8</u>	<u>6.7</u>
Operating Expenses				
Direct Loan Program Expense	12.4	12.1	(0.3)	(2.5)
General and Administrative Expenses	32.2	30.4	(1.8)	(5.9)
Other Expense	0.1	0.1	0.0	0.0
Total Operating Expenses	<u>44.7</u>	<u>42.6</u>	<u>2.1</u>	<u>(4.9)</u>
Operating Income	<u>64.1</u>	<u>59.4</u>	<u>4.7</u>	<u>7.9</u>
Noncapital Subsidies				
Pass-through subsidy revenue	273.2	252.9	20.3	8.0
Grant income	29.9	47.2	(17.3)	(36.7)
Pass-through subsidy expense	(273.2)	(252.9)	(20.3)	(8.0)
Grants and Services	(8.2)	(4.4)	(3.8)	(86.4)
Operating Income (Loss) and Noncapital Subsidies	<u>85.8</u>	<u>102.2</u>	<u>(16.4)</u>	<u>(16.0)</u>
Other Nonoperating Revenues and Expenses				
Investment Income	50.6	58.0	(7.4)	(12.8)
Mortgage-backed securities investment income	86.3	71.0	15.3	21.5
Net increase (decrease) in fair value of mortgage-backed securities	27.2	31.2	(4.0)	(12.8)
Interest expense	(99.6)	(89.5)	(10.1)	(11.3)
Debt financing Costs	(4.0)	(3.0)	(1.0)	(33.3)
Total Other Nonoperating Revenues and Expenses	<u>60.5</u>	<u>67.7</u>	<u>(7.2)</u>	<u>(10.6)</u>
Change in Net Position	<u>146.3</u>	<u>169.9</u>	<u>(23.6)</u>	<u>(13.9)</u>
Net Position, Beginning of Year	<u>1,134.1</u>	<u>964.2</u>	<u>169.9</u>	<u>17.6</u>
Net Position, End of Year	<u>\$1,280.4</u>	<u>\$1,134.1</u>	<u>\$143.3</u>	<u>12.9</u>

Schedule may not foot due to rounding

Net Income was down \$23.6 million or 13.9% in fiscal year 2026, ending the year at \$146.3 million. Both the mortgage-backed securities and traditional mortgage portfolios grew during the year, and repayment levels were stable. Grant income dropped by \$17.3 million or 36.7% as funds in several programs reached full deployment. *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 2026 was a write-up of \$27.2 million which when compared to a write-up of \$31.2 million in the prior

fiscal year which further explains 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 increased by 2.5% or \$0.3 million during 2026. A significant decrease in the allowance for loan loss related to the Participation Lending program in the prior fiscal year resulted in a much lower than average expense causing the fiscal year 2026 expense to appear to have increased when it was actually lower than expected.

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

Statements of Revenues, Expenses and Change in Net Position – Comparative Fiscal Year 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	%
Operating Revenues				
Mortgage Income	\$71.2	\$73.8	(\$2.6)	(3.5)
Mortgage servicing fees	10.6	9.7	0.9	9.3
Other income	20.2	20.0	0.2	1.0
Total Operating Revenues	<u>102.0</u>	<u>103.5</u>	<u>(1.5)</u>	<u>(1.4)</u>
Operating Expenses				
Direct Loan Program Expense	12.1	18.6	6.5	34.9
General and Administrative Expenses	30.4	27.4	(3.0)	(10.9)
Other Expense	0.1	0.1	0.0	0.0
Total Operating Expenses	<u>42.6</u>	<u>46.1</u>	<u>3.5</u>	<u>(7.6)</u>
Operating Income	<u>59.4</u>	<u>57.4</u>	<u>2.0</u>	<u>3.5</u>
Noncapital Subsidies				
Pass-through subsidy revenue	252.9	229.0	23.9	10.4
Grant income	47.2	18.0	29.2	162.2
Pass-through subsidy expense	(252.9)	(229.0)	(23.9)	(10.4)
Grants and Services	(4.4)	(3.1)	(1.3)	(41.9)
Operating Income (Loss) and Noncapital Subsidies	<u>102.2</u>	<u>72.3</u>	<u>29.9</u>	<u>41.4</u>
Other Nonoperating Revenues and Expenses				
Investment Income	58.0	55.4	2.6	4.7
Mortgage-backed securities investment income	71.0	47.0	24.0	51.1
Net increase (decrease) in fair value of mortgage-backed securities	31.2	(25.9)	57.1	220.5
Interest expense	(89.5)	(68.9)	(20.6)	29.9
Debt financing Costs	(3.0)	(5.8)	2.8	48.3
Total Other Nonoperating Revenues and Expenses	<u>67.7</u>	<u>1.8</u>	<u>65.9</u>	<u>3,661.1</u>
Change in Net Position	<u>169.9</u>	<u>74.1</u>	<u>95.8</u>	<u>129.3</u>
Net Position, Beginning of Year	<u>964.2</u>	<u>890.1</u>	<u>74.1</u>	<u>8.3</u>
Net Position, End of Year	<u>\$1,134.1</u>	<u>\$964.2</u>	<u>\$169.9</u>	<u>17.6</u>

Schedule may not foot due to rounding

Net Income increased 129.3% or \$95.8 million during fiscal 2025, ending the year at \$169.9 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 34.9% or \$6.5 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.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

**Statements of Net Position
June 30, 2026 and 2025**

(Thousands of Dollars)

Assets	2026	2025
Current Assets:		
Cash and cash equivalents (Notes 1 & 4)	\$1,372,201	\$1,253,587
Investments (Notes 1 & 4)	2,110	20,274
Investment interest receivable	3,296	3,818
Mortgage-backed securities investment interest receivable	7,589	6,631
Mortgage loans receivable, net (Notes 1 & 5)	132,046	160,577
Mortgage interest receivable	9,105	8,127
Accounts receivable	10,022	7,768
Prepaid expense	54	64
Total Current Assets	<u>1,536,423</u>	<u>1,460,846</u>
Noncurrent Assets:		
Investments (Notes 1 & 4)	1,004	7,120
Mortgage-backed securities (Notes 1 & 4)	1,963,884	1,757,678
Mortgage loans receivable, net (Notes 1 & 5)	1,235,776	1,185,532
Derivative instrument - interest rate swaps (Notes 1 & 7)	22,205	20,659
Net pension asset (Note 9)	1,786	-
Other assets (Note 1)	34,707	35,530
Total Noncurrent Assets	<u>3,259,362</u>	<u>3,006,519</u>
Total Assets	<u>4,795,785</u>	<u>4,467,365</u>
Deferred Outflow of Resources		
Accumulated change in fair value of hedging derivatives (Notes 1 & 7)	33	887
Deferred outflow of resources - pension (Note 9)	7,199	6,798
Deferred outflow of resources - OPEB (Note 9)	805	1,263
Total Deferred Outflow of Resources	<u>8,037</u>	<u>8,948</u>
Liabilities		
Current Liabilities:		
Bonds and notes payable (Notes 1 & 6)	173,688	204,443
Accrued interest payable	28,714	24,406
Compensated absences	561	546
Total Current Liabilities	<u>202,963</u>	<u>229,395</u>
Noncurrent Liabilities:		
Bonds and notes payable (Notes 1 & 6)	2,586,874	2,379,686
Escrow deposits (Notes 1 & 4)	149,439	141,374
Derivative instrument - interest rate swaps (Notes 1 & 7)	33	887
Net pension liability (Note 9)	-	1,236
Net OPEB liability (Note 9)	1,857	2,191
Compensated absences	589	627
Other liabilities	550,757	560,908
Total Noncurrent Liabilities	<u>3,289,549</u>	<u>3,086,909</u>
Total Liabilities	<u>3,492,512</u>	<u>3,316,304</u>
Deferred Inflow of Resources		
Accumulated change in fair value of hedging derivatives (Notes 1 & 7)	22,205	20,659
Deferred inflow of resources - pension (Note 9)	7,126	3,615
Deferred inflow of resources - OPEB (Note 9)	1,620	1,677
Total Deferred Inflow of Resources	<u>30,951</u>	<u>25,951</u>
Net Position		
Net investment in capital assets	17,414	17,444
Restricted by bond resolutions (Note 8)	692,424	615,806
Restricted by contractual agreements (Note 8)	546,815	475,596
Unrestricted (Note 8)	23,706	25,212
Total Net Position	<u>\$1,280,359</u>	<u>\$1,134,058</u>

The accompanying notes are an integral part of the financial statements.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Statements of Revenues, Expenses And Change in Net Position For the Years Ended June 30, 2026 and 2025 (Thousands of Dollars)

	<u>2026</u>	<u>2025</u>
Operating Revenues		
Mortgage income (Note 1)	\$71,354	\$71,186
Mortgage service fees	10,903	10,628
Other income (Note 1)	<u>26,534</u>	<u>20,207</u>
Total Operating Revenues	<u>108,791</u>	<u>102,021</u>
Operating Expenses		
Direct loan program expense	12,358	12,141
General and administrative expenses	32,287	30,400
Other expense (Note 1)	<u>68</u>	<u>59</u>
Total Operating Expenses	<u>44,713</u>	<u>42,600</u>
Operating Income (Loss)	<u>64,078</u>	<u>59,421</u>
Noncapital Subsidies		
Pass-through subsidy revenue (Note 1)	273,234	252,911
Grant income	29,910	47,204
Pass-through subsidy expense (Note 1)	(273,234)	(252,911)
Grants and services	<u>(8,152)</u>	<u>(4,436)</u>
Operating Income (Loss) and Noncapital Subsidies	<u>85,836</u>	<u>102,189</u>
Other Nonoperating Revenues and Expenses		
Investment Income (Note 1)	50,549	57,950
Mortgage-backed securities investment income	86,343	71,014
Net increase (decrease) in fair value of mortgage-backed securities	27,185	31,156
Net decrease in fair value of investments	-	-
Interest expense (Note 1)	(99,639)	(89,494)
Debt financing costs	<u>(3,973)</u>	<u>(2,954)</u>
Total Other Nonoperating Revenues and Expenses	<u>60,465</u>	<u>67,672</u>
Change in Net Position	146,301	169,861
Net Position, Beginning of Year	1,134,058	964,197
Net Position, End of Year	<u><u>\$1,280,359</u></u>	<u><u>\$1,134,058</u></u>

The accompanying notes are an integral part of the financial statements.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Statements of Cash Flows For the Years Ended June 30, 2026 and 2025 (Thousands of Dollars)

	<u>2026</u>	<u>2025</u>
Cash Flows from Operating Activities:		
Cash received from interest on mortgage loans	\$70,376	\$71,307
Cash received from mortgage payments	198,730	210,959
Cash received from other fees and other income	65,592	73,921
Cash paid to purchase mortgage loans	(220,443)	(244,300)
Cash received from escrow and other agency deposits, net	8,065	14,048
Cash paid to employees	(25,783)	(24,344)
Cash paid to vendors	(36,651)	(51,521)
Net Cash Provided by Operating Activities	<u>59,886</u>	<u>50,070</u>
Cash Flows from Non-Capital Financing Activities:		
Proceeds from issuance of bonds and notes	732,567	549,885
Repayments on bonds and notes	(549,089)	(391,670)
Interest paid on bonds, notes and escrows	(102,367)	(88,530)
Bond issuance costs	(3,973)	(2,954)
Net Cash Provided by Non-Capital Financing Activities	<u>77,138</u>	<u>66,731</u>
Cash Flows from Investing Activities:		
Purchases of investments	(669,480)	(627,753)
Proceeds from sales and maturities of investments	514,739	371,845
Investment interest received	136,454	128,780
Net Cash Used in Investing Activities	<u>(18,287)</u>	<u>(127,128)</u>
Cash Flows from Capital Financing Activities:		
Purchase of capital assets	(123)	(327)
Sale of capital assets	-	-
Net Cash Used in Capital Financing Activities	<u>(123)</u>	<u>(327)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	118,614	(10,654)
Cash and Cash Equivalents, Beginning of Year	<u>1,253,587</u>	<u>1,264,241</u>
Cash and Cash Equivalents, End of Year	<u><u>\$1,372,201</u></u>	<u><u>\$1,253,587</u></u>

The accompanying notes are an integral part of the financial statements.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Statements of Cash Flows For the Years Ended June 30, 2026 and 2025

(Thousands of Dollars)

	<u>2026</u>	<u>2025</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in)		
Operating Activities:		
Operating Income (Loss)	\$64,078	\$59,421
Adjustments to Reconcile Operating Income to Net Cash Provided by		
Operating Activities:		
Provision for loan loss	\$925	(\$2,724)
Depreciation and amortization	\$3,786	\$3,537
Decrease (Increase) in mortgage loans	-	-
receivable and real estate held	(22,636)	(\$30,615)
Increase in escrows	\$8,065	\$14,048
Other	<u>\$5,668</u>	<u>\$6,403</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$59,886</u></u>	<u><u>\$50,070</u></u>

The accompanying notes are an integral part of the financial statements.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

For the Years Ended June 30, 2026 and 2025

1. Summary of Significant Accounting Policies

Accounting Principles: The financial statements of the Wisconsin Housing and Economic Development Authority (Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Accordingly, the Authority reports all activities within a single proprietary enterprise fund using the accrual basis of accounting and the economic resources measurement focus.

Blended Component Unit: The reporting entity for the Authority consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of, the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Discretely presented component units would be reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Authority. This report does not contain any discretely presented component units. Badger Capital Services, LLC (Badger Capital) is a Wisconsin limited liability company that is a wholly owned subsidiary of the Authority and is reported as a blended component unit. The primary purpose of Badger Capital is to provide mortgage servicing. Greater Wisconsin Opportunities Fund (GWOFF) and Lift Wisconsin are Wisconsin non stock corporations that are wholly owned subsidiaries of the Authority and are reported as blended component units. GWOFF and Lift Wisconsin are registered with the United States Department of the Treasury's Community Development Financial Institutions (CDFI) Fund as Community Development Entities (CDE), created primarily for the purpose of participation in the New Markets Tax Credit (NMTC) program. The WHEDA Foundation, Inc. was established by WHEDA in 1983. The Foundation administers the Housing Grant Program and is responsible for receiving and administering housing grant funds on behalf of the Authority.

All material intercompany transactions and balances have been eliminated.

Authority Programs: The Authority accounts for each bond resolution as a separate accounting entity, each with its own assets, liabilities, net position, income and expense. The entities are then grouped according to type as they relate to Single Family (Home Ownership Revenue Bond and Home Ownership Mortgage Revenue Bonds), Housing Revenue Bonds, Multifamily Housing Bonds, State of Wisconsin and General Fund programs for presentation in the financial statements (Note 3).

Cash and Cash Equivalents: Cash and cash equivalents include short-term, highly liquid investments which are readily convertible to cash and typically have original maturities to the Authority of three months or less when acquired (Note 4).

Investments: Investments are carried at fair value based on quoted market prices. The collateralized and uncollateralized investment agreements are not transferable and are considered nonparticipating contracts. As such, both types of investment agreements are carried at contract value. The net increase (decrease) in the fair value of investments includes both realized and unrealized gains and losses (Note 4).

Mortgage-Backed Securities (MBS): The Authority participates in the Fannie Mae and Ginnie Mae MBS program. Through the MBS program, Fannie Mae and Ginnie Mae guarantee securities that are backed by pools of mortgage loans originated by the Authority (Note 4). The Authority purchases the securities and receives service fees for the pass-through of principal and interest payments on the pool of mortgage loans, less amounts required to cover guaranty fees.

Mortgage Loans Receivable and Mortgage Income: Mortgage loans held by the Authority are carried at their unpaid principal balance, net of the allowance for loan losses and real estate held. Loan origination fees and associated direct costs are recognized as income or expense at the time of the loan closing.

The allowance for loan losses associated with mortgage loan receivable is increased by charges to expense and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on the Authority's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions. Mortgage income includes interest earned on the mortgages and the recognized loan origination fees. Mortgage interest income is calculated monthly using the 30/360-day interest calculation (Note 5).

1. Summary of Significant Accounting Policies (continued)

Other Assets: At June 30, 2026, other capital assets total \$52.0 million, at cost, less accumulated depreciation of \$17.6 million. There were additional assets of \$123,000 added in 2026. At June 30, 2025, other capital assets total \$51.9 million, at cost, less accumulated depreciation of \$16.5 million. There were additional assets of \$327,000 added in 2025. Depreciation expense totaled \$1.2 million and \$1.2 million for the years ended June 30, 2026 and 2025, respectively. The assets are being depreciated on a straight-line basis, with half year convention, over the estimated useful life of the assets (40 years for office building and between two and ten years for the other capital assets). The Authority capitalizes assets with an original cost of \$5,000 or more and an estimated useful life of greater than 1 year.

Bonds and Notes Payable: Bonds and notes payable include the general and special obligation bonds and notes collateralized by the revenues and assets of the Authority, subject to the provisions of the applicable resolutions and agreements (Note 6).

Debt Premiums and Discounts: Debt premiums and discounts are amortized ratably over the estimated life of the obligations to which they relate. Amortization of \$0 of bond discount and \$7.0 million of bond premium for the year ended June 30, 2026; and \$0 of bond discount and \$5.8 million of bond premium for the year ended June 30, 2025 are included in interest expense in the Statements of Revenues, Expenses and Change in Net Position.

Escrow Deposits: Escrow deposits include the amounts held for single family and multifamily borrowers for the costs of taxes and insurance. Also included in escrow deposits are residual receipts, replacement reserves, capital needs assessments and other funds held on behalf of multifamily projects of the Authority (Note 4).

Investment Interest Income and Interest Expense: Investment income earned on escrow deposits is allocated to borrowers based upon investment results. Interest expense includes \$3.7 million and \$4.1 million of investment income allocated to mortgage escrow deposits for the years ended June 30, 2026 and 2025, respectively (Note 4).

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

	2026	2025
HUD Contract Administration	\$9.6 million	\$9.2 million
Federal Tax Credit Program	\$8.8 million	\$4.9 million
New Market Tax Credit (NMTC)	\$27,000	\$146,000
TCAP Repayments	\$2.1 million	\$21,000
Prepayment Premium - Multifamily Deals	\$28,000	\$228,000

Grant Income: The authority was selected to administer Capital Magnet Funds in the amount of \$25.3 million of which \$3.7 million and \$3.6 million was utilized in the years ended June 30, 2026, and 2025, respectively. The Authority was selected to administer Housing Trust Funds in the amount of \$54.8 million of which \$10.9 million and \$9.6 million was utilized in the years ended June 30, 2026, and 2025, respectively. The Authority was selected to administer American Rescue Plan Act funds in the amount of \$26.0 million of which \$3.2 million and \$8.6 million was utilized in the year ended June 30, 2026, and 2025, respectively. The Authority was also selected to administer a Federal Home Loan Bank grant in the amount of \$2.4 million and \$3.0 million of which \$1.9 million and \$1.2 million was utilized in the years ended June 30, 2026, and 2025, respectively. The Authority received \$525.0 million in funding for affordable housing development programs from the State of Wisconsin of which \$9.8 million and \$23.3 million was utilized in the years ended June 30, 2026 and 2025, respectively.

Pensions: The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (Note 9).

Other Post-Employment Benefits (OPEB). The fiduciary net position of the State Retiree Life Insurance Fund (SRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, and
- OPEB Expense (Revenue)

Information about the fiduciary net position of the SRLIF and additions to/deductions from SRLIF's fiduciary net position have been determined on the same basis as they are reported by SRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (Note 9).

1. Summary of Significant Accounting Policies (concluded)

The fiduciary net position of the Supplemental Health Insurance Conversion Credit Program (SHICC) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, and
- OPEB Expense (Revenue)

Information about the fiduciary net position of the SHICC and additions to/deductions from SHICCs fiduciary net position have been determined on the same basis as they are reported by the SHICC. Benefits and refunds are recognized when due and payable in accordance with the terms of the program. Investments are reported at fair value (Note 9).

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

The Authority implemented the provisions of GASB Statement No. 103, Financial Reporting Model Improvements, as of July 1, 2025. The Statement introduces changes to the governmental financial reporting model, including requirements related to management's discussion and analysis, the presentation of unusual or infrequent items, proprietary fund operating and nonoperating revenue and expense classifications, and subsidy reporting. Adoption of the Statement did not result in a restatement of beginning net position and did not affect the measurement of the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position. The primary impact was related to the categorization of operating and nonoperating revenues and expenses and segregating noncapital subsidies from other nonoperating revenues (expenses) within the Statement of Revenues, Expenses, and Changes in Net Position.

The Authority implemented the provisions of GASB Statement No. 104, Disclosure of Certain Capital Assets, as of July 1, 2025. This Statement enhances capital asset note disclosures by requiring lease assets, subscription assets, intangible right-to-use assets, and other intangible assets to be disclosed separately by major class of underlying asset. The adoption of this Statement had no effect on beginning net position, change in net position, or the measurement and recognition of capital assets. In addition, the Authority evaluated its capital assets for held-for-sale classification as of June 30, 2026. No assets met the criteria for classification as held for sale.

2. Authorizing Legislation and Funds

The Wisconsin Housing and Economic Development Authority, created in 1972 by an act of the Wisconsin Legislature, facilitates the purchase, construction and rehabilitation of housing for families of low and moderate-income by providing or participating in the origination of mortgage loans and housing tax credits, as well as providing economic development financing guarantees and loans. The Authority is authorized to issue bonds secured by a capital reserve fund up to an aggregate amount of \$1.0 billion, excluding those being used to refund outstanding obligations and those issued under the programs described below. Outstanding general obligation Housing Revenue Bonds total \$765.5 million and \$814.0 million at June 30, 2026 and 2025, respectively. The Authority has no taxing power. Bonds issued by the Authority do not constitute a debt of the State of Wisconsin or any political subdivision thereof. The Authority is a component unit of the State of Wisconsin for financial reporting purposes.

The Authority's mission has been expanded since 1972 through legislation authorizing the following:

A Home Ownership Mortgage Loan Program, funded by revenue bonds of \$10.5 billion through June 30, 2026 and \$9.9 billion through June 30, 2025, of which approximately \$1.8 billion and \$1.5 billion were outstanding at June 30, 2026 and 2025.

A Community Housing Alternatives Program (CHAP), funded by bonds of up to \$99.4 million, to finance loans for residential facilities for the elderly or chronically disabled. There were no Housing Revenue Bonds outstanding under this program at June 30, 2026 and 2025.

A Housing Rehabilitation Program and Home Improvement Loan Program, funded by revenue bonds outstanding at any time of up to \$100.0 million, to finance below-market-rate loans for home rehabilitation and down payment assistance. There were no revenue bonds outstanding under this program at June 30, 2026 and 2025.

A Wisconsin Development Reserve Fund Program, which represents State of Wisconsin funds appropriated to subsidize interest and provide guarantees of principal balances for qualifying loans. By Wisconsin Statute 234.93, the Authority is authorized to make loan guarantees of up to \$49.5 million with a minimum required reserve ratio of 4.5:1 (guarantee to reserve). At June 30, 2026 and 2025, outstanding loan guarantees totaled \$2.7 million and \$1.6 million, respectively. The balance of the reserve fund, restricted for purposes of the program, was \$8.7 million and \$8.4 million at June 30, 2026 and 2025, respectively.

Section 234.65 of the Statutes of the State of Wisconsin (statutes) allows the Authority to fund Economic Development activity with revenue bonds of up to \$150.0 million through June 30, 2024. The Authority was not renewed upon expiration. As of June 30, 2026 and 2025, \$42.5 million of revenue bonds were issued for economic development projects in Wisconsin which do not constitute indebtedness of the Authority within the meaning of any provision or

2. Authorizing Legislation and Funds (concluded)

limitation of the State Constitution or statutes. They are payable solely out of the revenues derived pursuant to the loan agreement or, in the event of default of the loan agreement, out of any revenues derived from the sale, releasing or other disposition of the mortgaged property. They do not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit and therefore, these bonds are not reflected in the financial statements of the Authority.

A Multifamily Housing Bond (MHB) Program, funded by the Authority's Multifamily bonds had outstanding balances of \$59.7 million and \$63.6 million as of June 30, 2026 and 2025, respectively. In addition, under the MHB program, other revenue bonds were issued which do not constitute indebtedness of the Authority within the meaning of any provision or limitation of the State Constitution or statutes. They do not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit. They are payable solely out of the revenues derived pursuant to the loan agreement or, in the event of default of the loan agreement, out of any revenues derived from the sale, releasing or other disposition of the mortgaged property. Based on the above, the bonds are not reflected in the financial statements of the Authority. As of June 30, 2026 and 2025 respectively, the Authority had issued an aggregate principal amount of \$1.1 billion and \$881.8 million of these non-general obligation credit bonds.

In May, 2018, Act 176 was signed into law establishing a Wisconsin housing tax credit program. The housing tax credit program provides a tax incentive for private investment in the development or rehabilitation of affordable rental housing. On June 3, 2026, the Authority announced an award of \$8.0 million in state housing tax credits to fund housing developments across Wisconsin. An award of \$6.9 million was announced on May 30, 2025.

On July 5, 2023, the State of Wisconsin 2023-25 Biennial Budget allocated \$525.0 million in funding for affordable housing development programs to be administered by the Authority (Note 3).

The Authority has, by resolution, established other programs to promote the fulfillment of its objectives and has financed these efforts through appropriations of its General Fund.

3. Description of Programs

Single Family Bond Programs:

Home Ownership Revenue Bond (HORB) 1987 and 1988 Resolutions include bonds secured by single family mortgage loans and MBS investments. The funds are used to purchase mortgage loans on single family residential housing units for persons and families of low and moderate-income in Wisconsin. The bond proceeds are used to purchase MBS that represent claims to cash flows from pools of single family mortgage loans that are underwritten by the Authority. The bond issues are grouped by bond resolution and each may have different covenants and requirements (Note 6).

The Home Ownership Mortgage Revenue Bond (HOMRB) 2009 Resolution is secured by MBS investments (Note 6). The bond proceeds are used to purchase MBS that represent claims to cash flows from pools of single family mortgage loans that are underwritten by the Authority. MBS in this program total \$28.2 million and \$30.6 million as of June 30, 2026 and 2025, respectively. Single Family Bonds include HORB and HOMRB Resolutions. HORB Resolutions dated 1987 and 1988, and the HOMRB Resolution dated 2009 are reported separately.

Housing Revenue Bond Programs:

Housing Revenue Bonds (HRB) include the 1974 Housing Revenue Bond Resolutions (Note 6). These funds are used to finance the construction, rehabilitation and permanent financing for multifamily rental housing developments generally designed for persons and families of low and moderate-income, the elderly, disabled or special needs persons.

Multifamily Bond Programs:

Multifamily Housing Bonds (MHB) include the 2006 and 2010 Multifamily Housing Bond Resolutions (Note 6). The funds are used to finance multifamily mortgage loans for certain eligible projects.

Multifamily Bonds include HRB and MHB Resolutions.

State of Wisconsin Programs:

State of Wisconsin programs include the Home Improvement Loan Program, the Wisconsin Development Reserve Fund, and the affordable housing development programs administered by the Authority. The Home Improvement Loan Program (HILP) provides loans for eligible borrowers to make improvements to owner-occupied properties. \$0 and \$34,000 home improvement loans were made through the program for the fiscal years ending June 30, 2026 and 2025, respectively. Outstanding HILP loans total \$177,000 and \$206,000 as of June 30, 2026 and 2025, respectively. In addition, funds may be used to fund Easy Close Advantage Loan Program for down payment assistance to single family borrowers. \$6.6 million and \$8.3 million of these down payment assistance loans were outstanding as of June 30, 2026 and 2025, respectively.

The Wisconsin Development Reserve Fund administered for the State of Wisconsin includes the Credit Relief Outreach Program (CROP), the Agribusiness Program, the WHEDA Small Business Guarantee Program (SBG), the Farm Assets Reinvestment Management Program (FARM) and Contractor Assistance, all of which provide loan guarantees. Outstanding guarantees as of June 30, 2026 and 2025 are \$130,000 and \$194,000 for CROP, \$2.0 million and \$766,000 for SBG, and \$600,000 and \$666,000 for FARM, respectively.

3. Description of Programs (continued)

The affordable housing development program allocations include the following: \$275.0 million to the Infrastructure Access Loan Program (Act 14) to cover the cost of infrastructure related to workforce housing or senior housing; \$100.0 million to the Restore Main Street Program (Act 15) for the rehabilitation of the 2nd and 3rd floor rental housing over commercial space; \$100.0 million to the Vacancy to Vitality Program (Act 18) for the purpose of converting vacant and underutilized commercial buildings into affordable housing; and \$50.0 million to the More Like Home Program (Act 17) single family housing rehabilitation loans. These programs were approved on June 22, 2023, and became effective on July 20, 2023. \$9.3 million and \$23.4 million in funds were committed to the affordable housing development programs as of June 30, 2026, and June 30, 2025, respectively.

General Fund Programs:

The General Fund includes the Neighborhood Business Revitalization Guarantee program which was approved in April 2003. This guarantee program will provide up to \$12.0 million in loan guarantees for revitalization in targeted urban commercial communities with populations greater than 35,000. As of June 30, 2026, \$0 of loan guarantees are outstanding. As of June 30, 2025, no loan guarantees were outstanding.

Property Tax Deferral Loans are made to older individuals to pay property taxes. As of June 30, 2026 and 2025, the Property Tax Deferral Loans had outstanding balances of \$628,000 and \$611,000, respectively.

In December 2004, the Authority created a loan program called Construction Plus. This program provides financing for up to 90% of the development costs of rental housing properties for families, elderly, disabled or special needs persons. As of June 30, 2026 and 2025, the outstanding balance of Construction Plus loans balances were \$20.4 million and \$33.0 million, respectively.

Easy Close Advantage is a statewide program offering loans in the amount of 6% or the lessor of the purchased price or appraisal value to be used for down payment, closing costs and annual or single paid mortgage insurance premium. As of June 30, 2026 and 2025, the Easy Close Advantage programs had an outstanding balance of \$17.3 million and \$12.2 million, respectively.

The Authority administers the IRS Federal Housing Tax Credit Program for Wisconsin. This program is part of the Tax Reform Act of 1986. The program was created to encourage production of affordable multifamily rental housing for low-to-moderate income persons. The Federal Housing Tax Credit is a dollar-for-dollar reduction of federal income taxes owed by tax credit investors in qualified projects for tenants whose incomes are at or below 60% of County Median Income (CMI) or up to 80% of CMI when the average CMI of the property does not exceed 60%. The Authority awarded \$39.8 million and \$29.7 million in federal housing tax credits in the years ended June 30, 2026 and 2025, respectively.

The Authority administers Section 8 subsidized housing programs under the U.S. Department of Housing and Urban Development. Funds administered for the Moderate Rehabilitation and Section 811 Project Rental Assistance programs totaled \$1.0 million and \$1.2 million for the years ended June 30, 2026 and 2025, respectively. The Housing Choice Voucher and Emergency Housing Voucher program funds administered were \$25.4 million and \$23.6 million for the years ended June 30, 2026 and 2025, respectively.

The Section 8 Housing Assistance Payments program passed through \$246.9 million and \$228.1 million of funds from the U.S. Department of Housing and Urban Development (HUD) to recipients for the years ended June 30, 2026 and 2025, respectively.

State Small Business Credit Initiative (SSBCI) was established with the passage of the federal American Rescue Plan Act of 2021 (ARPA) and was intended to make capital more accessible to entrepreneurs and support private financing to small businesses. The U.S. Treasury Department approved Wisconsin's application to participate in SSBCI and the allocation agreement was executed on February 8, 2023. Wisconsin was approved to receive up to \$79.1 million, \$15.0 million of which will be administered by the Authority on behalf of the Wisconsin Department of Administration for small business lending programs. Based on 10:1 match expectations, these funds were expected to support at least \$150.0 million in new lending. As of June 30, 2026 and 2025, no lending has been administered for these programs.

On June 16, 2011, a non-stock corporation, the Greater Wisconsin Opportunities Fund, Inc. (GWOFF) was created to make additional low-income community investments through the State of Wisconsin in qualified active low-income community businesses for the NMTC program. The Authority is the sole member of GWOFF. GWOFF has been awarded \$160.0 million NMTC allocation since April 2013. These awards have been fully allocated and the Authority will not seek future awards through GWOFF. On May 10, 2018, another non-stock corporation, Lift Wisconsin, Inc. (Lift) was created to make additional low-income community investments through the State of Wisconsin in qualified active low-income community businesses for the NMTC program. As of June 25, 2025, Lift was dissolved.

The Authority has established a Preservation Revolving Loan Fund (PRLF) with funding provided by the United States Department of Agriculture (USDA) Rural Development, for the preservation and revitalization of low-income multifamily rental housing throughout rural Wisconsin. The loan fund, which serves populations of 20,000 or less, allows the Authority to allocate loans to rural multifamily developments that integrate low-income rental housing for families and individuals, including elderly persons and persons with disabilities. Loans outstanding in this fund as of June 30, 2026 and 2025 total \$3.9 million, respectively.

As of June 30, 2026 and 2025, \$40.5 million was encumbered for economic development loans in partnership with financing from commercial and community lenders. Loans are restricted to businesses with less than \$35.0 million in gross sales. As of June 30, 2026 and 2025, there were outstanding loan balances of \$3.2 million and \$3.3 million in this program, respectively.

3. Description of Programs (concluded)

Since 2013, the Authority has operated the WHEDA Tax Advantage, a Mortgage Credit Certificate Program (MCC). Under this unique program, qualifying home buyers can claim a tax credit of up to \$2,000 per year against their federal income tax liability. Eligibility for the credit continues as long as home buyers remain in their home and pay down their original amount of debt. As of June 30, 2026 and June 30, 2025 respectively, \$238.2 million and \$226.6 million of loans had been issued through this program with accompanying MCC's of \$0 and \$1.8 million, respectively.

Between September 2016 and December 2022, the Authority was awarded \$25.4 million in Capital Magnet Funds. The Capital Magnet Fund helps low-income families and economically distressed communities by attracting investment for affordable housing and related economic development. The Authority is using the funds to provide down payment and closing cost assistance for single family homebuyers and subordinate financing for qualified multifamily developments. As of June 30, 2026 and June 30, 2025, there were outstanding loan balances of \$22.7 million and \$19.5 million, respectively in this program.

4. Cash, Cash Equivalents and Investments

Cash, Cash Equivalents and Investments of the Authority are comprised of six distinct investment portfolios: 1) the General Fund investment portfolio, 2) the Home Improvement Loan Program investment portfolio, 3) the Wisconsin Development Reserve Fund investment portfolio, 4) the Escrow Fund investment portfolio, 5) the Bond Program investment portfolio, and 6) the Legislative Programs investment portfolio. The Legislative Programs investment portfolio was created in fiscal year 2024 for the State of Wisconsin 2023-25 Biennial Budget allocation of \$525.0 million in funding for affordable housing development programs to be administered by the Authority. (Note 3)

Each investment portfolio has its own investment policy, which identifies the permitted investments and asset allocation guidelines. These policies are summarized under the applicable sections below. Depending on the investment portfolio, permitted investments may include (and are subject to minimum credit rating thresholds where applicable): U.S. government securities; U.S. agency securities; municipal bonds and notes; corporate bonds and notes; money market mutual funds; commercial paper; certificates of deposit; repurchase agreements; investment contracts; the State Investment Fund and equity securities within SSBCI.

Cash and Cash Equivalents: The carrying amounts of cash and cash equivalents and investments of the six investment portfolios, which approximate fair value, as of June 30, 2026 and 2025 were as follows (in thousands of dollars):

	2026		2025	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Cash	66,461	66,461	62,600	62,600
Money Market Mutual Funds	1,305,740	1,305,740	1,190,987	1,190,987
Total Cash and Cash Equivalents	<u>1,372,201</u>	<u>1,372,201</u>	<u>1,253,587</u>	<u>1,253,587</u>
Certificates of Deposit	--	--	--	--
U.S. Agency Securities	2	2	8	8
Mortgage-Backed Securities	1,963,884	2,049,711	1,757,678	1,870,690
Collateralized Investment Contracts	--	--	--	--
Non-Collateralized Investment Contracts	2,110	2,110	26,384	26,384
Equity Securities	1,002	1,002	1,002	1,002
Total Investments	<u>1,966,998</u>	<u>2,052,825</u>	<u>1,785,072</u>	<u>1,898,084</u>
Total Cash and Cash Equivalents and Investments	<u>3,339,199</u>	<u>3,425,026</u>	<u>3,038,659</u>	<u>3,151,671</u>

As of June 30, 2026 and 2025, the Authority had cash bank balances totaling \$65.8 million and \$61.5 million, respectively, of which \$250,000 was covered by depository insurance in both years, and the remaining balance was uninsured and uncollateralized. Cash deposits are not included in the investment portfolio summaries that follow. Money market mutual funds are included in the investment totals of the investment portfolio summaries that follow.

According to GASB Statement No. 72, Fair Value Measurement Application, the Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 are valued using quoted prices in active markets for identical assets; Level 2 are valued using significant other observable inputs; Level 3 are valued using significant unobservable inputs. The fair value measurements as of June 30, 2026 and 2025 were as follows (in thousands of dollars):

4. Cash, Cash Equivalents and Investments (continued)

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	2026			
Debt Securities:				
U.S. Agency Securities	2	--	2	--
Collateralized Debt Obligations	--	--	--	--
Non-Collateralized Debt Obligations	2,110	--	2,110	--
Mortgage-Backed Securities	1,963,884	194,905	1,768,979	--
Total Debt Securities	1,965,996	194,905	1,771,091	--
Equity Securities	1,002	--	--	1,002
Total Investments by Fair Value Level	1,966,998	194,905	1,771,091	1,002

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	2025			
Debt Securities:				
U.S. Agency Securities	8	--	8	--
Collateralized Debt Obligations	--	--	--	--
Non-Collateralized Debt Obligations	26,384	--	26,384	--
Mortgage-Backed Securities	1,757,678	110,960	1,646,718	--
Total Debt Securities	1,784,070	110,960	1,673,110	--
Equity Securities	1,002	--	--	1,002
Total Investments by Fair Value Level	1,785,072	110,960	1,673,110	1,002

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Equity securities classified in Level 3 of the fair value hierarchy are valued using various unobservable outputs, including but not limited to loan value, equity interest and business performance information. Venture capital investments are valued at par.

General Fund Investment Portfolio:

As of June 30, 2026, the Authority had the following investments and maturities covered by the General Fund Investment Policy (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 – 5	6 – 10	More than 10
Money Market Mutual Funds	248,199	248,199	--	--	--
Mortgage-Backed Securities	42,696	--	--	--	42,696
Corporate Securities:					
Equity	1,002	--	--	1,002	--
General Fund Investments	291,897	248,199	--	1,002	42,696

As of June 30, 2025, the Authority had the following investments and maturities covered by the General Fund Investment Policy (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 – 5	6 – 10	More than 10
Money Market Mutual Funds	199,006	199,006	--	--	--
Mortgage-Backed Securities	90,540	--	--	--	90,540
Corporate Securities:					
Equity	1,002	--	--	1,002	--
General Fund Investments	290,548	199,006	--	1,002	90,540

4. Cash, Cash Equivalents and Investments (continued)

Interest Rate Risk: Investment maturity and projected call dates are expected to coincide with the General Fund obligations. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the anticipated obligations. Based upon current consideration for each of these factors, investments in the General Fund portfolio may have maturities ranging up to 30 years.

Credit Risk: The Authority's policy allows investments of the General Fund in the following:

Money market mutual funds are limited to AAA rated funds and non-rated funds with portfolios restricted to only those investments specifically authorized by the investment policy. Money market mutual funds are regulated by the Securities & Exchange Commission and have a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads. The Authority invests in money market mutual funds whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund. As of June 30, 2026 and 2025, the Authority invested only in AAA rated money market mutual funds. Money market mutual funds totaled 85.0% and 68.5%, respectively, of the General Fund portfolio; which is 39.9% and 40.0%, respectively, of the entire Authority portfolio.

Certificates of Deposit (CDs) purchased as part of the Authority's minority banking participation cannot exceed \$500,000 per financial institution due to federal insurance coverage. CDs issued by financial institutions insured by the FDIC are permitted in amounts up to \$250,000. The Authority had no outstanding CD's in the General Fund as of June 30, 2026 and June 30, 2025, respectively.

U.S. Government Securities include but are not limited to Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips. As of June 30, 2026 and 2025, the U.S. Government Securities were rated AA+ by Standard and Poor's (S&P) and Aa1 and Aaa by Moody's Investors Services (Moody's), respectively.

U.S. Agency Securities include but are not limited to the following issuers: Federal Farm Credit System, Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac or FHLMC), Federal National Mortgage Association (Fannie Mae or FNMA), Federal Agricultural Mortgage Corporation (Farmer Mac) and Government National Mortgage Association (Ginnie Mae or GNMA). As of June 30, 2026 and 2025, the U.S. Agency Securities were rated AA+ by S&P and Aaa by Moody's.

Municipal Bonds and Notes are limited to obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Corporate Bonds and Notes are limited to U.S. domestic corporations having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Mortgage-Backed Securities are guaranteed by Fannie Mae and backed by pools of mortgage loans. While the securities carry the guaranty of Fannie Mae, they do not carry explicit credit ratings from S&P or Moody's.

Repurchase Agreements/Collateralized Investment Contracts are collateralized at 102% or better with a defined termination date and secured by U.S. Government Securities and U.S. Agency Securities.

Commercial Paper is limited to "prime" quality obligations with a stated maturity of 270 days or less from the date of its issuance, having at time of purchase the highest short-term program credit rating as provided for by at least one nationally recognized rating service.

Equity securities are restricted to Limited Partnerships as authorized under the SSBCI Program, agreements with the Wisconsin Department of Administration and program parameters as approved by the Members of the Authority.

Bankers Acceptances must have a stated maturity of 180 days or less from the date of issuance, have the highest short-term credit rating as provided for by at least one nationally recognized rating service, be drawn on and accepted by U.S. commercial banks and be eligible for purchase by the Federal Reserve Bank.

The Authority was in compliance with all applicable credit risk policies as of June 30, 2026 and 2025.

Concentration of Credit Risk: No less than 50% of the total portfolio value will be invested in U.S. Government Securities, U.S. Agency Securities and Money Market Mutual Funds. For funds not invested in U.S. Government Securities, U.S. Agency Securities or Money Market Mutual Funds, no more than 5% of the total portfolio market value can be invested with any issuer or secured by one guarantor. No more than 15% of the total portfolio's market value will be invested in any one municipal or industry sector. As of June 30, 2026 the portfolio was in compliance with this requirement.

Foreign Currency Risk: The General Fund Investment Policy requires investments only in securities traded in U.S. dollars.

4. Cash, Cash Equivalents and Investments (continued)

Home Improvement Loan Fund Investment Portfolio:

As of June 30, 2026, the Authority had the following investments and maturities covered by the Home Improvement Loan Fund Investment Policy, relating to the Home Improvement Loan Program (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 – 5	6 - 10
Money Market Mutual Funds	7,635	7,635	--	--
Home Improvement Loan Fund Investments	7,635	7,635	--	--

As of June 30, 2025, the Authority had the following investments and maturities covered by the Home Improvement Loan Fund Investment Policy, relating to the Home Improvement Loan Program (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 – 5	6 - 10
Money Market Mutual Funds	5,315	5,315	--	--
Home Improvement Loan Fund Investments	5,315	5,315	--	--

Interest Rate Risk: Investment maturity dates or projected call dates are expected to coincide with the cash flow obligations and matched funding analyses, associated with a five-year projection period. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the five-year projected cash flow obligations. Based upon current consideration for each of these factors, investments in the Home Improvement Loan Fund portfolio may have maturities ranging up to 10 years.

Credit Risk: It is the Authority's policy to limit investments in the Home Improvement Loan Fund to the following:

Money market mutual funds are limited to AAA rated funds and non-rated funds with portfolios restricted to only those investments specifically authorized by the policy. Money market mutual funds are regulated by the Securities & Exchange Commission and have a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads. The Authority invests in money market mutual funds whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund. As of June 30, 2026 and 2025, the Authority invested only in AAA rated money market mutual funds and 100% of the Home Improvement Loan Program portfolio was invested in money market mutual funds.

Certificates of Deposit issued by financial institutions insured by the FDIC are permitted in amounts up to \$250,000.

U.S. Government Securities include but are not limited to Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips.

U.S. Agency Securities include but are not limited to the following issuers: Federal Farm Credit System, Federal Home Loan Bank System, Freddie Mac, Fannie Mae, Farmer Mac, and Ginnie Mae.

Municipal Bonds and Notes are limited to obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Corporate Bonds and Notes are limited to U.S. domestic corporations having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Repurchase Agreements/Collateralized Investment Contracts are collateralized at 102% or better with a defined termination date and secured by U.S. Government Securities and U.S. Agency Securities.

Commercial Paper is limited to "prime" quality obligations with a stated maturity of 270 days or less from the date of its issuance, having at time of purchase the highest short-term program credit rating as provided for by at least one nationally recognized rating service.

Bankers Acceptances must have a stated maturity of 180 days or less from the date of issuance, have the highest short-term credit rating as provided for by at least one nationally recognized rating service, be drawn on and accepted by U.S. commercial banks and be eligible for purchase by the Federal Reserve Bank.

The Authority was in compliance with all applicable credit risk policies as of June 30, 2026 and 2025.

Concentration of Credit Risk: No less than 60% of the total portfolio value will be invested in U.S. Government Securities, U.S. Agency Securities and Money Market Mutual Funds. For funds not invested in U.S. Government Securities, U.S. Agency Securities or Money Market Mutual Funds, no more than \$500,000 can be invested with any issuer or secured by one guarantor. No more than 15% of the total portfolio's market value will be invested in any one municipal or industry sector. As of June 30, 2026, the portfolio was in compliance with this requirement.

4. Cash, Cash Equivalents and Investments (continued)

Foreign Currency Risk: The Home Improvement Loan Investment Policy requires investments only in securities traded in U.S. dollars.

Wisconsin Development Reserve Fund Investment Portfolio:

As of June 30, 2026, the Authority had the following investments and maturities covered by the Wisconsin Development Reserve Fund Investment Policy (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 – 5	6 - 10
Money Market Mutual Funds	8,738	8,738	--	--
Wisconsin Development Reserve Fund Investments	8,738	8,738	--	--

As of June 30, 2025, the Authority had the following investments and maturities covered by the Wisconsin Development Reserve Fund Investment Policy (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 – 5	6 - 10
Money Market Mutual Funds	8,418	8,418	--	--
Wisconsin Development Reserve Fund Investments	8,418	8,418	--	--

Interest Rate Risk: Investment maturity and projected call dates are expected to coincide with the cash flow obligations and matched funding analyses associated with a five-year projection period. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the five-year projected cash flow obligations. Based upon current consideration for each of these factors, no investment in the Wisconsin Development Reserve Fund portfolio will mature in more than 10 years.

Credit Risk: It is the Authority's policy to allow investments of the Wisconsin Development Reserve Fund in the following:

Money market mutual funds are limited to AAA rated funds and non-rated funds with portfolios restricted to only those investments specifically authorized by the policy. Money market mutual funds are regulated by the Securities & Exchange Commission and have a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads. The Authority invests in money market mutual funds whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund. As of June 30, 2026 and 2025, the Authority invested only in AAA rated money market mutual funds, 100% of the Wisconsin Development Reserve Fund portfolio was invested in money market mutual funds in both fiscal years.

Certificates of Deposit issued by financial institutions insured by the FDIC are permitted in amounts up to \$250,000.

U.S. Government Securities include but are not limited to Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips.

U.S. Agency Securities include but are not limited to the following issuers: Federal Farm Credit System, Federal Home Loan Bank System, Freddie Mac, Fannie Mae, Farmer Mac, and Ginnie Mae.

Municipal Bonds and Notes are limited to obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Corporate Bonds and Notes are limited to U.S. domestic corporations having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Repurchase Agreements/Collateralized Investment Contracts are collateralized at 102% or better with a defined termination date and secured by U.S. Government Securities and U.S. Agency Securities.

Commercial Paper is limited to "prime" quality obligations with a stated maturity of 270 days or less from the date of its issuance, having at time of purchase the highest short-term program credit rating as provided for by at least one nationally recognized rating service.

Bankers Acceptances must have a stated maturity of 180 days or less from the date of issuance, have the highest short-term credit rating as provided for by at least one nationally recognized rating service, be drawn on and accepted by U.S. commercial banks and be eligible for purchase by the Federal Reserve Bank.

The Authority was in compliance with all applicable credit risk policies as of June 30, 2026 and 2025.

4. Cash, Cash Equivalents and Investments (continued)

Concentration of Credit Risk: No less than 60% of the total portfolio value will be invested in U.S. Government Securities, U.S. Agency Securities and Money Market Mutual Funds. For funds not invested in U.S. Government Securities, U.S. Agency Securities or Money Market Mutual Funds, no more than 5% of the total portfolio market value can be invested with any issuer or secured by one guarantor. No more than 15% of the total portfolio's market value will be invested in any one municipal or industry sector. As of June 30, 2026, the portfolio was in compliance with this requirement.

Foreign Currency Risk: The Wisconsin Development Reserve Fund Investment Policy requires investments only in securities traded in U.S. dollars.

Escrow Fund Investment Portfolio:

As of June 30, 2026, the Authority had the following investments and maturities covered by the Escrow Fund Investment Policy, related to escrow deposits (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 - 5	6 – 10	More than 10
Money Market Mutual Funds	111,634	111,634	--	--	--
Escrow Fund Investments	111,634	111,634	--	--	--

As of June 30, 2025, the Authority had the following investments and maturities covered by the Escrow Fund Investment Policy, related to escrow deposits (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 - 5	6 – 10	More than 10
Money Market Mutual Funds	108,695	108,695	--	--	--
Escrow Fund Investments	108,695	108,695	--	--	--

In accordance with provisions of certain escrow agreements related to mortgages outstanding, escrow deposits are to be invested in accordance with the agreements and investment income is to be allocated to the escrow deposits based upon investment results. Investment income of \$3.7 million and \$4.1 million was allocated to the mortgage escrow deposits for the years ended June 30, 2026 and 2025, respectively, and is included in interest expense in the Statements of Revenues, Expenses and Change in Net Position.

Interest Rate Risk: Investment maturity dates or projected call dates are expected to coincide with the cash flow obligations and matched funding analyses associated with a five-year projection period. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the five-year projected cash flow obligations. Based upon current consideration for each of these factors, investments in the Escrow Fund portfolio may have maturities ranging up to 30 years.

Credit Risk: It is the Authority's policy to limit investments in the Escrow Fund to the following:

Money market mutual funds are limited to AAA rated funds and non-rated funds with portfolios restricted to only those investments specifically authorized by the policy. Money market mutual funds are regulated by the Securities & Exchange Commission and have a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads. The Authority invests in money market mutual funds whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund. As of June 30, 2026 and 2025, the Authority invested only in AAA rated money market mutual funds, and 100% of the Escrow Fund portfolio was invested in money market mutual funds.

Certificates of Deposit issued as part of the Bankers' Bank Certificate of Deposit program cannot exceed \$500,000 per financial institution and is not to exceed 25% of the total portfolio market value. All other certificates issued by financial institutions insured by the FDIC are permitted in amounts up to \$250,000. The Authority had no outstanding CD's in the General Fund as of June 30, 2026 and June 30, 2025, respectively.

U.S. Government Securities include but are not limited to Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips.

U.S. Agency Securities include but are not limited to the following issuers: Federal Farm Credit System, Federal Home Loan Bank System, Freddie Mac, Fannie Mae, Farmer Mac, and Ginnie Mae.

Municipal Bonds and Notes limited to obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Corporate Bonds and Notes are limited to U.S. domestic corporations having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

Commercial Paper is limited to "prime" quality obligations with a stated maturity of 270 days or less from the date of its issuance, having at time of purchase the highest short-term program credit rating as provided for by at least one nationally recognized rating service.

4. Cash, Cash Equivalents and Investments (continued)

Bankers Acceptances must have a stated maturity of 180 days or less from the date of issuance, have the highest short-term credit rating as provided for by at least one nationally recognized rating service, be drawn on and accepted by U.S. commercial banks and be eligible for purchase by the Federal Reserve Bank.

The Authority was in compliance with all applicable credit risk policies as of June 30, 2026 and 2025.

Concentration of Credit Risk: No less than 60% of the total portfolio value will be invested in U.S. Government Securities, U.S. Agency Securities and Money Market Mutual Funds. For funds not invested in U.S. Government Securities, U.S. Agency Securities or Money Market Mutual Funds, no more than 5% of the total portfolio market value can be invested with any issuer or secured by one guarantor. No more than 10% of the total portfolio's market value will be invested in any one municipal or industry sector, and no more than 25% of the portfolio's market value will be invested in bank certificates of deposit. As of June 30, 2026 the portfolio was in compliance with this requirement.

Foreign Currency Risk: The Escrow Fund Investment Policy requires investments only in securities traded in U.S. dollars.

Bond Programs Investment Portfolio:

As of June 30, 2026, the Authority had the following investments and maturities covered by the HORB, HRB and MHB Bond Programs Investment Policy (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 - 5	6 – 10	More than 10
Money Market Mutual Funds	375,852	375,852	--	--	--
U.S. Agency Securities	2	--	2	--	--
Mortgage-backed Securities	1,921,188	--	--	--	1,921,188
Collateralized Investment Contracts	--	--	--	--	--
Non-collateralized Investment Contracts	2,110	2,110	--	--	--
Bond Program Investments	2,299,152	377,962	2	--	1,921,188

As of June 30, 2025, the Authority had the following investments and maturities covered by the HORB, HRB and MHB Bond Programs Investment Policy (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 - 5	6 – 10	More than 10
Money Market Mutual Funds	328,593	328,593	--	--	--
U.S. Agency Securities	8	--	8	--	--
Mortgage-backed Securities	1,667,138	--	--	--	1,667,138
Collateralized Investment Contracts	--	--	--	--	--
Non-collateralized Investment Contracts	26,384	20,274	6,110	--	--
Bond Program Investments	2,022,123	348,867	6,118	--	1,667,138

Interest Rate Risk: Investment maturities will coincide with the anticipated debt service payment dates and cash flow obligations associated with the life of the bonds. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the projected cash flow obligations. No investment will mature after the final bond maturity of the issue.

Credit Risk: It is the Authority's policy to allow investments of the HORB, HRB and MHB Bond Programs which are acceptable to each rating agency currently rating the General Resolution. Such investments include but are not limited to the following:

Money market mutual funds are limited to AAA rated funds and non-rated funds with portfolios restricted to only those investments specifically authorized by the investment policy. Money market mutual funds are regulated by the Securities & Exchange Commission and have a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads. The Authority invests in money market mutual funds whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund. As of June 30, 2026 and 2025, the Authority invested only in AAA rated money market mutual funds. Money market mutual funds totaled 16.3% and 16.2%, respectively, of the Bond Programs Investment portfolio.

U.S. Government Securities include but are not limited to Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips. As of June 30, 2026 and 2025, the U.S. Government Securities were rated AA+ by S&P and Aa1 and Aaa by Moody's Investors Services (Moody's), respectively.

U.S. Agency Securities include but are not limited to the following issuers: Federal Farm Credit System, Federal Home Loan Bank System, Freddie Mac, Fannie Mae, Farmer Mac, and Ginnie Mae. As of June 30, 2026 and 2025, the U.S. Agency Securities were rated AA+ by S&P and Aaa by Moody's.

Mortgage-Backed Securities are guaranteed by Fannie Mae and backed by pools of mortgage loans issued by the Authority. While the securities carry the guaranty of Fannie Mae, they do not carry explicit credit ratings from S&P or Moody's.

4. Cash, Cash Equivalents and Investments (continued)

Repurchase Agreements/Collateralized Investment Contracts collateralized at 102% or better with a defined termination date not to exceed the maturity of the Bonds and secured by permitted investments as allowed by the General Resolution. Only contract providers acceptable to the rating agency(s) currently rating the General Resolution will be used. Individual investment contracts are not rated.

Investment Contracts/Uncollateralized Investment Contracts with uncollateralized investment contracts being limited to a defined termination date not to exceed 42 months. Only contract providers acceptable to the rating agency(s) currently rating the General Resolution will be used. Individual investment contracts are not rated.

The Authority was in compliance with all applicable credit risk policies as of June 30, 2026 and 2025.

Concentration of Credit Risk: The investment policy allows investments as outlined in the applicable general resolution. As of June 30, 2026 and 2025, the bond portfolios were in compliance with this requirement. As of June 30, 2026, 100% of mortgage-backed securities held by the Authority are issued by Fannie Mae.

Foreign Currency Risk: It is the Authority's policy to allow transactions traded in currencies acceptable to each rating agency currently rating the General Resolution.

Portions of cash, cash equivalents and investments are restricted and pledged to the payment of the principal, interest and sinking fund installments in accordance with the terms of the bond resolutions and note agreements.

Legislative Programs Investment Portfolio:

As of June 30, 2026, the Authority had the following investments and maturities covered by the Legislative Programs Investment Policy (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 – 5	6 - 10
Money Market Mutual Funds	553,682	553,682	--	--
Fund Investments.....	553,682	553,682	--	--

As of June 30, 2025, the Authority had the following investments and maturities covered by the Legislative Programs Investment Policy (in thousands of dollars):

Investment Type:	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 – 5	6 - 10
Money Market Mutual Funds	540,960	540,960	--	--
Fund Investments.....	540,960	540,960	--	--

Interest Rate Risk: Investment maturity dates or projected call dates will coincide with the cashflow obligations, funding expectations and an appropriate liquidity reserve to meet short- and intermediate-term cash needs. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds invested over a long-term time horizon. Based upon current consideration for each of these factors, no investment in the Legislative Programs Investment portfolio will mature in more than 10 years.

Credit Risk: It is the Authority's policy to allow investments of the Legislative Programs in the following:

Money market mutual funds are limited to funds with portfolios restricted to only those investments specifically authorized by this Policy, regulated by the Securities & Exchange Commission, with a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads and, whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. As of June 30, 2026, the Authority invested only in AAA rated money market mutual funds, 100% of the Legislative Programs Investment portfolio was invested in money market mutual funds.

Certificates of Deposit issued by financial institutions insured by the FDIC are permitted in amounts up to \$250,000.

U.S. Government Securities include but are not limited to Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips.

U.S. Agency Securities include but are not limited to the following issuers: Federal Farm Credit System, Federal Home Loan Bank System, Freddie Mac, Fannie Mae, Farmer Mac, and Ginnie Mae.

Municipal Bonds and Notes are limited to obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated not less than the AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms.

4. Cash, Cash Equivalents and Investments (concluded)

The State Investment Fund (SIF), The Local Government Investment Pool is combined with the excess cash of the State of Wisconsin and its Agencies and the excess cash of the retirement funds invested by the State of Wisconsin Investment Board and is managed as one fund called the State Investment Fund (SIF) by the Investment Board. The Board invests in obligations of the U.S. Treasury and its Agencies, commercial paper of financial and industrial corporations, bank certificates of deposit, banker's acceptances, asset-backed securities, mortgage-backed securities, and repurchase agreements secured by the U.S. Government or its Agencies and other instruments authorized under the State Investment Fund Investment Guidelines.

The Authority was in compliance with all applicable credit risk policies as of June 30, 2026.

Concentration of Credit Risk: No less than 60% of the total portfolio value will be invested in U.S. Government Securities, U.S. Agency Securities and Money Market Mutual Funds. For funds not invested in U.S. Government Securities, U.S. Agency Securities or Money Market Mutual Funds, no more than 5% of the total portfolio market value can be invested with any issuer or secured by one guarantor. No more than 15% of the total portfolio's market value will be invested in any one municipal or industry sector. As of June 30, 2026, the portfolio was in compliance with this requirement.

Foreign Currency Risk: The Legislative Programs Investment Policy requires investments only in securities traded in U.S. dollars.

The asset restrictions at June 30, 2026 and 2025 are as follows (in thousands of dollars):

	2026	2025
Home Ownership Revenue Bond Resolutions:		
1987	8,827	10,285
1988	26,395	19,585
Housing Revenue Bonds.....	61,339	68,113
 Total Cash, Cash Equivalents and Investments	<u>96,561</u>	<u>97,983</u>

Cash, cash equivalents and investments of the funds at June 30, 2026 and 2025 met or exceeded the liquidity requirements of the bond resolutions and note agreements.

5. Mortgage Loans

Mortgage loans provide for monthly receipts of principal and interest for terms of 10 to 30 years for Home Ownership Revenue Bonds and Home Ownership Mortgage Revenue Bonds mortgage loans (together referred to as Single Family Bonds); terms of 1 to 40 years for Housing Revenue Bonds and Multifamily Housing Bonds mortgage loans (together referred to as Multifamily Bonds); terms of 1 to 30 years for State of Wisconsin Programs' mortgage loans; and terms of 1 to 40 years for the General Fund's mortgage loans.

Home Ownership Revenue Bonds, Multifamily Housing Bonds and Housing Revenue Bonds are collateralized with a combination of first and second mortgage liens and MBS. Home Ownership Mortgage Revenue Bonds will be collateralized by only MBS guaranteed as to timely payment of principal and interest by Ginnie Mae, Fannie Mae, or Freddie Mac.

State of Wisconsin Programs are collateralized by second mortgage liens and the General Fund is collateralized primarily by first or second mortgage liens on multifamily developments and single family homes. Also, the General Fund includes Participation Lending Loans which are collateralized by subordinate liens considered on a case by case basis. The collateral coverage for these loans will be the minimum of 110% of market value and 80% of liquidation value.

Mortgages made from the proceeds from Home Ownership Revenue Bonds were initially insured by mortgage pool insurance. Once the bonds retire, mortgages may become self-insured or mortgage pool insurance is retained.

The Authority participates in the Fannie Mae and Ginnie Mae Mortgage-backed Securities (MBS) program. Through the MBS program, Fannie Mae and Ginnie Mae guarantee securities that are backed by pools of mortgage loans originated by the Authority (Note 4). The Authority purchases the securities and receives a fee for servicing the pass-through of principal and interest payments on the pool of mortgage loans, less amounts required to cover guaranty fees. As of June 30, 2026 and 2025, the Authority had \$59.0 million and \$72.4 million of loans held for sale.

Mortgage loans receivable bear interest at the following annual rates:

Home Ownership Revenue Bonds	0% - 8.25%
Multifamily Bonds.....	0% - 7.50%
State of Wisconsin Programs	0% - 8.625%
General Fund.....	0% - 9.75%

5. Mortgage Loans (concluded)

Mortgage loan information at June 30, 2026 and 2025 is as follows (in thousands of dollars):

	Mortgage Loan Balances	Allowance for Loan Losses	Real Estate Held	Net Mortgage Loan Balances
Home Ownership Revenue Bond Resolutions:				
1987	46,780	(568)	--	46,212
1988	57,940	(1,199)	11	56,752
Housing Revenue Bonds	921,790	(17,766)	--	904,024
Multifamily Housing Bonds	59,323	(3,252)	--	56,071
State of Wisconsin Programs	33,775	(548)	1	33,228
General Fund	279,028	(8,475)	982	271,535
Total as of June 30, 2026	<u>1,398,636</u>	<u>(31,808)</u>	<u>994</u>	<u>1,367,822</u>
	Mortgage Loan Balances	Allowance for Loan Losses	Real Estate Held	Net Mortgage Loan Balances
Home Ownership Revenue Bond Resolutions:				
1987	55,915	(570)	2	55,347
1988	69,516	(1,203)	99	68,412
Housing Revenue Bonds	872,909	(17,089)	--	855,820
Multifamily Housing Bonds	63,264	(3,252)	--	60,012
State of Wisconsin Programs	31,263	(413)	1	30,851
General Fund	284,224	(8,589)	32	275,667
Total as of June 30, 2025	<u>1,377,091</u>	<u>(31,116)</u>	<u>134</u>	<u>1,346,109</u>

Activity in the allowance for loan losses included provisions charged to expense of \$924,000 and a reduction to the provision of \$2.7 million for the years ended June 30, 2026 and 2025, respectively. Activity in the allowance for loan losses also included actual loan charge offs of \$232,000 and \$377,000 for the years ended June 30, 2026 and 2025, respectively.

In addition, the Authority serviced \$2.6 billion and \$2.4 billion in loans as of June 30, 2026 and 2025, respectively. These loans are serviced by the Authority for the benefit of others, for which the Authority collects a fee.

At June 30, 2026, the Authority was committed to fund mortgage loans approximating the following amounts (in millions of dollars):

Multifamily Bonds	\$22.6
State of Wisconsin Programs	\$16.7
General Fund	\$36.3

6. Bonds and Notes Payable

Bonds and notes payable of the Authority at June 30, 2026 and 2025 consist of the following (in thousands of dollars):

	2026	2025
Bonds and Notes	2,736,042	2,562,914
Premium/Discount on Bonds.....	24,520	21,215
Total Bonds and Notes Payable.....	2,760,562	2,584,129

Bonds and notes payable of the Authority increased/decreased since June 30, 2024 as follows (in thousands of dollars):

	2024	Increase	(Decrease)	2025	Increase	(Decrease)	2026
Home Ownership Revenue Bond Resolutions:							
1987.....	575,875	--	(62,145)	513,730	--	(72,815)	440,915
1988.....	802,940	215,000	(39,195)	978,745	390,000	(49,005)	1,319,740
Home Ownership Mortgage Revenue Bonds ...	31,263	--	(2,656)	28,607	--	(2,352)	26,255
Housing Revenue Bonds	868,840	93,810	(148,665)	813,985	115,115	(163,610)	765,490
Multifamily Housing Bonds	70,962	--	(7,347)	63,615	--	(3,907)	59,708
General Fund	61,147	234,747	(131,662)	164,232	217,102	(257,400)	123,934
Premium/Discount on Bonds.....	20,670	6,328	(5,783)	21,215	10,351	(7,046)	24,520
Total Bonds and Notes Payable	2,431,697	549,885	(397,453)	2,584,129	732,568	(556,135)	2,760,562

Interest on the outstanding general and special obligation bonds is payable monthly, quarterly or semiannually.

The Authority's bonds and notes are collateralized by the revenues and assets of the Authority, subject to the provision of bond resolutions and note agreements which pledge particular revenues or assets to specific bonds or notes. Any particular series may contain both term bonds, subject to mandatory sinking fund requirements, and serial bonds which mature at various dates. The bonds may be redeemed at the Authority's option at various dates. The lines of credit can be prepaid in part or in full at any time.

Bonds and Notes Payable (in thousands of dollars):

Program/Bond Resolution	Interest Rates*	Dated**	Maturities*	2026	2025
Housing Revenue Bond					
1974					
2005 Series F	Variable	12/14/05	2030	37,655	45,245
2007 Series F and G	Variable	12/19/07	2042	12,425	12,960
2009 Series A	Variable	12/30/09	2042	7,670	7,855
2012 Series A and B	Variable	01/27/12	2055	44,735	45,650
2013 Series ABC	3.90% - 4.25%	06/26/13	2030-2037	--	1,010
2015 Series ABC.....	3.125% - 4.25%	11/30/15	2026-2052	20,105	30,190
2016 Series A.....	3.125% - 4.50%	12/22/16	2026-2054	13,000	13,370
2017 Series AB	2.75% - 4.15%	12/21/17	2026-2055	63,400	67,585
2017 Series C	Variable	12/21/17	2046	11,200	11,200
2018 Series ABC.....	2.95% - 4.45%	12/20/18	2026-2057	63,535	64,265
2019 Series A.....	1.95% - 3.375%	12/04/19	2026-2057	53,485	54,315
2021 Series AB	0.85% - 2.75%	05/18/21	2026-2059	73,400	74,330
2021 Series C	1.00% - 3.00%	12/15/21	2026-2059	43,110	43,755
2022 Series AB	3.60% - 5.15%	10/26/22	2026-2050	14,245	41,525
2022 Series C	Variable	10/26/22	2060	14,000	14,000
2023 Series AB	3.30% - 4.95%	06/28/23	2026-2057	37,870	90,320
2023 Series C	Variable	06/28/23	2061	10,000	10,000
2023 Series DE	3.55% - 5.00%	12/19/23	2026-2057	39,415	82,600
2023 Series F	Variable	12/19/23	2061	10,000	10,000
2024 Series A and B	3.45% - 4.875%	11/21/24	2027-2062	81,780	93,810
2025 Series AB	2.90% - 5.15%	10/21/25	2027-2059	104,460	--
2025 Series C	Variable	10/21/25	2063	10,000	--
Total Housing Revenue Bonds 1974.....				765,490	813,985

6. Bonds and Notes Payable (continued)

<u>Program/Bond Resolution</u>	<u>Interest Rates*</u>	<u>Dated**</u>	<u>Maturities*</u>	<u>2026</u>	<u>2025</u>
Multifamily Housing Bonds					
2008 Series A and B	Variable	08/28/08	2046	10,885	11,170
2009 Series B-1	Variable	10/21/11	2041	3,570	3,730
2009 Series B-2	Variable	12/20/11	2041	25,870	27,050
2014 Series A	3.30% - 4.05%	10/30/14	2029-2049	5,850	5,985
2016 Series C	2.60% - 3.50%	06/21/16	2027-2053	8,845	9,000
2018 Series A	Variable	05/21/18	2049	4,688	6,680
Total Multifamily Housing Bonds				59,708	63,615

<u>Program/Bond Resolution</u>	<u>Interest Rates*</u>	<u>Dated**</u>	<u>Maturities*</u>	<u>2026</u>	<u>2025</u>
Home Ownership Revenue Bonds 1987					
2003 Series B	Variable	07/29/03	2034	3,075	3,870
2015 Series C	Variable	09/15/15	2031	40,575	44,205
2016 Series DE	2.45% - 3.50%	10/06/16	2026-2046	23,530	30,910
2018 Series B	2.95% - 4.00%	03/28/18	2026-2048	4,055	13,410
2018 Series C	Variable	03/28/18	2039	29,670	29,670
2019 Series C	1.65% - 4.00%	09/10/19	2026-2050	44,940	55,660
2020 Series A	1.80% - 3.50%	04/29/20	2026-2050	46,750	54,965
2021 Series A	0.85% - 3.00%	06/23/21	2026-2052	67,080	84,340
2021 Series B	Variable	06/23/21	2041	46,845	46,845
2021 Series C	1.05% - 3.00%	12/23/21	2026-2052	44,430	54,955
2021 Series D	Variable	12/23/21	2042	26,515	26,515
2022 Series A	2.75% - 5.00%	09/08/22	2026-2053	40,950	45,885
2022 Series B	Variable	09/08/22	2047	22,500	22,500
Total Home Ownership Revenue Bonds 1987				440,915	513,730

<u>Program/Bond Resolution</u>	<u>Interest Rates*</u>	<u>Dated**</u>	<u>Maturities*</u>	<u>2026</u>	<u>2025</u>
Home Ownership Revenue Bonds 1988					
2004 Series E	Variable	11/23/04	2035	4,660	5,315
2006 Series A and B	Variable	01/19/06	2037	16,695	17,105
2016 Series AB	3.50%	04/27/16	2046	--	3,310
2016 Series C	Variable	04/27/16	2038	41,840	43,385
2017 Series C	4.00%	10/24/17	2048	1,725	5,275
2017 Series D	Variable	10/24/17	2037	28,790	28,790
2018 Series D	4.00%	09/13/18	2047	8,180	12,670
2018 Series E	Variable	09/13/18	2039	22,715	22,715
2019 Series A	4.25%	03/28/19	2049	12,845	19,960
2019 Series B	Variable	03/28/19	2043	50,000	50,000
2023 Series A	3.25% - 6.00%	09/12/23	2027-2054	171,255	179,515
2024 Series A	3.25% - 6.00%	02/28/24	2027-2054	179,780	187,040
2024 Series B	3.40% - 6.00%	06/18/24	2026-2055	183,200	188,725
2024 Series C	3.20% - 6.00%	12/12/24	2026-2055	209,650	214,940
2025 Series AB	3.30% - 6.25%	07/02/25	2026-2055	143,405	--
2025 Series C	Variable	07/02/25	2050	50,000	--
2026 Series AB	2.65% - 5.782%	02/12/26	2026-2056	160,000	--
2026 Series C	Variable	02/12/26	2050	35,000	--
Total Home Ownership Revenue Bonds 1988				1,319,740	978,745

<u>Program/Bond Resolution</u>	<u>Interest Rates*</u>	<u>Dated**</u>	<u>Maturities*</u>	<u>2026</u>	<u>2025</u>
Home Ownership Mortgage Revenue Bonds					
2017 Series A	2.69%	06/28/17	2047	26,255	28,607
Total Home Ownership Mortgage Revenue Bonds				26,255	28,607

<u>Program/Bond Resolution</u>	<u>Interest Rates*</u>	<u>Dated**</u>	<u>Maturities*</u>	<u>2026</u>	<u>2025</u>
General Fund Bonds					
Facilities Bond 2022 Series A	2.988%	08/01/22	2052	17,000	18,000
Total General Fund Bonds				17,000	18,000

6. Bonds and Notes Payable (continued)

Notes Payable	Interest Rates*	Dated**	Maturities*	2026	2025
Line of Credit – Construction Plus.....	Variable	02/11/25	2027	20,400	32,165
Line of Credit – Volume Cap	Variable	02/28/25	2028	78,216	38,067
Line of Credit – Single Family Loans	Variable	07/26/24	2027	--	67,500
Rural Housing PRLF	1.00%	11/03/08	2038-2040	1,485	1,596
Rural Housing PRLF 2019	1.00%	04/10/19	2049	1,833	1,904
Line of Credit – Single Family Loans	2.00%	07/26/24	2034	1,000	1,000
Other	3.75%	01/24/01	2026	4,000	4,000
Total Notes Payable				106,934	146,232
Total Bonds and Notes				2,736,042	2,562,914

As of June 30, 2026 and 2025, the unused balances available under the Authority's lines of credit were \$19.6 million and \$7.8 million, respectively, for the Construction Plus line of credit; \$71.8 million and \$111.9 million, respectively, for the Volume Cap line of credit; and \$90 million and \$22.5 million, respectively, for the Single Family Loans line of credit.

The Authority has \$587.0 million in Variable Rate Demand Bonds (VRDB) outstanding. The interest rate on the VRDB is set on a weekly, monthly and quarterly basis. The bondholders may tender the VRDB on specified dates at a price equal to par plus accrued interest.

The Authority's remarketing agents are authorized to use their best efforts to sell the repurchased bonds at par by adjusting the interest rate. The remarketing agent determines the interest rate on each maturity of bonds.

In the event that the VRDB cannot be remarketed, they will be purchased by the counterparties based on the terms of the liquidity agreement. The liquidity agreements are Standby Bond Purchase Agreements or Letters of Credit. The Authority currently has four counterparties. The short-term ratings of the counterparties are A-1 or A-1+ by Standard and Poor's and P-1 by Moody's Investor Service ratings.

No draws under the liquidity agreements are outstanding as of June 30, 2026 and no funds were drawn between July 1, 2025 to June 30, 2026. If a draw occurs, it will accrue interest at the bank's base rate. The bank's base rate is calculated using a prime lending rate or the federal funds rate plus a spread of an agreed-upon minimum rate. If the bonds are not remarketed and a draw remains outstanding for a period of time or a default under the agreement occurs, the interest rate is increased. If the draw remains outstanding for a specified number of days, it may be amortized over a specified period of time (3 to 5 years). If interest on the draws or the required amortization of the draw is not paid, a default will occur.

Each liquidity agreement commitment includes the par amount of the bonds outstanding and accrued interest at the maximum bond rate. The Authority is required to pay an annual commitment fee on each liquidity agreement. The Authority did not pay any up-front commitment fees for the liquidity agreements. Each liquidity agreement includes provisions for extension at the option of the counterparty and the Authority. The expiration dates range from September 2026 to June 2031.

* Interest rates and maturities are as of June 30, 2026.

** Variable Rate Bonds are dated the date of delivery.

Scheduled debt maturities in the five fiscal years subsequent to June 30, 2026 and five year increments thereafter are as follows (in thousands of dollars):

	2027	2028	2029	2030	2031	2032-2036	2037-2041
Home Ownership Revenue Bond Resolutions:							
1987	27,790	31,130	32,095	32,815	32,715	107,825	69,445
1988	17,075	18,640	22,670	23,705	29,190	194,590	224,000
Home Ownership Mortgage Revenue Bonds	--	--	--	--	--	--	--
Housing Revenue Bonds	17,355	18,505	19,900	20,075	14,955	65,095	90,655
Multifamily Housing Bonds	1,725	1,780	1,850	1,920	2,010	11,275	13,355
Facilities Bond.....	1,000	1,000	1,000	1,000	1,000	1,000	--
General Fund.....	102,802	188	189	191	193	1,994	691
Totals	167,747	71,243	77,704	79,706	80,063	381,779	398,146
	2042-2046	2047-2051	2052-2056	2057-2061	2062-2066		
Home Ownership Revenue Bond Resolutions:							
1987	51,310	48,885	6,905	--	--		
1988	239,025	290,500	260,025	320	--		
Home Ownership Mortgage Revenue Bonds	--	26,255	--	--	--		
Housing Revenue Bonds	113,195	138,650	172,580	84,235	10,290		
Multifamily Housing Bonds.....	16,250	8,358	1,185	--	--		
Facilities Bond.....	--	--	11,000	--	--		
General Fund.....	422	264	--	--	--		
Totals	420,202	512,912	451,695	84,555	10,290		

6. Bonds and Notes Payable (concluded)

Using rates as of June 30, 2026, debt service requirements of the Authority's outstanding debt interest payments, assuming current interest rates remain the same for their term as follows (in thousands of dollars). As rates change, variable rate bond interest payments will vary.

	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032-2036</u>	<u>2037-2041</u>
Home Ownership Revenue Bond Resolutions:							
1987	15,278	11,033	10,334	9,606	8,823	34,863	22,845
1988	78,732	58,433	57,701	56,890	55,929	260,584	219,277
Home Ownership Mortgage Revenue Bonds	706	706	706	706	706	3,531	3,531
Housing Revenue Bonds	31,204	26,208	25,586	24,925	24,324	115,573	102,855
Multifamily Housing Bonds	1,830	1,768	1,721	1,675	1,621	7,266	5,624
Facilities Bond	613	456	426	396	366	1,651	1,644
General Fund	4,299	51	50	48	46	180	51
Totals	132,662	98,655	96,524	94,246	91,815	423,648	355,827
	<u>2042-2046</u>	<u>2047-2051</u>	<u>2052-2056</u>	<u>2057-2061</u>	<u>2062-2066</u>		
Home Ownership Revenue Bond Resolutions:							
1987	14,158	5,611	207	--	--		
1988	171,608	113,188	30,003	3	--		
Home Ownership Mortgage Revenue Bonds	3,531	765	--	--	--		
Housing Revenue Bonds	85,001	62,263	32,764	7,443	269		
Multifamily Housing Bonds	4,080	1,332	56	--	--		
Facilities Bond	1,643	1,643	411	--	--		
General Fund	26	6	--	--	--		
Totals	280,047	184,808	63,441	7,446	269		

During the years ended June 30, 2026 and 2025, the Authority redeemed various outstanding bonds early according to the redemption provisions in the bond resolutions. A summary of all early redemptions follows (in thousands of dollars):

	<u>2026</u>	<u>2025</u>
Home Ownership Revenue Bond Resolutions:		
1987	47,720	34,010
1988	34,310	26,905
Home Ownership Mortgage Revenue Bonds	2,352	2,656
Housing Revenue Bonds	147,340	132,920
Multifamily Housing Bonds	2,277	5,767
Total	233,999	202,258

No new bond proceeds were used to redeem existing bonds during the fiscal years 2026 and 2025.

On July 2, 2026, the Authority issued \$140.0 million of Home Ownership Revenue Bonds 2026 Series D. The Bonds were issued under the 1988 Home Ownership Revenue Bond Resolution and are general obligations of the Authority. The 2026 Series D Bonds are rated Aa2 by Moody's and AA+ by S&P.

7. Derivatives

The Authority has entered into various interest rate swap agreements (swap agreements). The agreements provide the Authority with synthetic fixed interest rates on a portion of its debt. During the term of the swap agreements, the Authority expects to effectively pay a fixed rate on the debt. In return, the counterparty pays interest based on a contractually agreed upon variable rate. The Authority will be exposed to variable rates on the outstanding bonds if the counterparty to the swap defaults, the swap is terminated such that the bonds outstanding is greater than the swap notional value, or the effective interest rate, determined by the remarketing agent used for bond holder payments, increases over the variable rate index used for calculating the interest received from the counterparty. All interest rate swap agreements at June 30, 2026 and 2025 were classified as effective cash flow hedges, per GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". The fair value, or swap termination market value, is reported on the Statements of Net Position of the Authority.

7. Derivatives (continued)

The following table outlines information related to agreements in place as of June 30, 2026 and 2025 (in thousands of dollars):

Program and Bond Issue	Notional Value at 6/30/26	Effective Date	Swap Termination Date	Counterparty Credit Rating	Fixed Rate Paid	Variable Rate/Index Received ⁽⁴⁾ ⁽⁵⁾⁽⁶⁾	Swap Termination Market Value at		Change in Fair Value
							06/30/26	06/30/25	
HRB⁽¹⁾									
2005 Series F	24,485	01/17/2006	11/01/2030	AA-/Aa1	5.21%	1-Month Fallback SOFR	(680)	(1,363)	683
2007 Series F&G	12,425	11/01/2025	11/01/2040	AA-/Aa1	2.62%	68% of 1-Month SOFR + 10 Basis Points	188	(49)	237
2022 Series C	14,000	10/26/2022	05/01/2060	A+/Aa2	3.36%	70% of 1-Month SOFR + 10 Basis Points	341	160	181
2023 Series C	10,000	06/28/2023	11/01/2061	A+/Aa2	3.15%	70% of 1-Month SOFR + 10 Basis Points	516	402	114
2023 Series F	10,000	12/19/2023	05/01/2061	A+/Aa2	3.26%	68% of 1-Month SOFR + 10 Basis Points	254	120	134
2025 Series C	10,000	10/21/2025	05/01/2063	AA-/Aa1	3.35%	68% of 1-Month SOFR + 10 Basis Points	195	--	195
Total HRB Swap Termination Market Value.....							814	(730)	1,544
MHB⁽²⁾									
2008 Series A	5,380	08/28/2008	10/01/2026	A+/Aa2	3.89%	SIFMA + 2 Basis Points	(17)	(79)	62
2008 Series A	3,460	08/28/2008	10/01/2026	A+/Aa2	3.89%	SIFMA + 2 Basis Points	(11)	(50)	39
2008 Series B	2,045	08/28/2008	10/01/2026	A+/Aa2	5.08%	1-Month Fallback SOFR + 7 Basis Points	(5)	(28)	23
Total HRB Swap Termination Market Value							(33)	(157)	124
1987 HORB⁽³⁾									
2003 Series B	3,075	07/29/2003	09/01/2034	AA-/Aa1	3.94%	65% of 1-Month Fallback SOFR + 25 Basis Points	(52)	(95)	43
2015 Series C	40,575	03/01/2016	03/01/2031	AA-/Aa1	1.98%	67% of 1-Month Fallback SOFR	864	917	(53)
2018 Series C	29,670	03/28/2018	03/01/2039	AA-/Aa1	2.66%	73% of 1-Month Fallback SOFR	897	819	78
2021 Series B	46,845	06/23/2021	03/01/2041	AA-/Aa1	1.57%	73% of 1-Month Fallback SOFR	5,716	5,888	(172)
2021 Series D	26,515	12/23/2021	03/01/2042	A+/Aa2	1.46%	73% of 1-Month Fallback SOFR	3,609	3,550	59
2022 Series B	22,500	09/08/2022	09/01/2047	A+/Aa2	2.56%	70% of 1-Month SOFR + 10 Basis Points	1,823	1,682	141
Total 1987 HORB Swap Termination Market Value.....							12,857	12,761	96
1988 HORB⁽³⁾									
2004 Series E	4,660	11/23/2004	09/01/2035	AA-/Aa1	3.99%	65% of 1-Month Fallback SOFR + 25 Basis Points	(87)	(148)	61
2016 Series C	41,840	04/27/2016	03/01/2038	AA-/Aa1	1.91%	67% of 1-Month Fallback SOFR	2,568	2,553	15
2017 Series D	28,790	10/24/2017	09/01/2037	AA-/Aa1	2.22%	73% of 1-Month Fallback SOFR	1,355	1,276	79
2018 Series E	22,715	09/13/2018	09/01/2039	A+/Aa2	2.80%	73% of 1-Month Fallback SOFR	800	751	49
2019 Series B	50,000	03/28/2019	03/01/2043	AA-/Aa1	2.53%	73% of 1-Month Fallback SOFR	3,609	3,466	143
2025 Series C	50,000	07/02/2025	09/01/2050	AA-/Aa1	3.36%	68% of 1-Month Daily SOFR + 10 Basis Points	77	--	77
2026 Series C	35,000	02/12/2026	03/01/2050	AA-/Aa1	3.29%	68% of 1-Month Daily SOFR + 10 Basis Points	212	--	212
Total 1988 HORB Swap Termination Market Value.....							8,534	7,898	636
Total Swap Termination Market Value							22,172	19,772	2,400

(1) Housing Revenue Bonds

(2) Multifamily Housing Bonds

(3) Home Ownership Revenue Bonds

(4) 1-Month Fallback SOFR (ICE LIBOR)

(5) SIFMA Municipal Bond IndexTM

(6) Secured Overnight Financing Rate Data (SOFR)

7. Derivatives (continued)

Swap Valuation: The swap termination market values presented above were estimated by the Authority's counterparties to the swap agreements, using proprietary valuation models based on industry valuation methodology, including the use of forward yield curves, zero curve rates, and market implied volatility assumptions. /The fair market valuation of these swap agreements is classified in Level 2 (Note 4) according to the fair value hierarchy provided by GASB No. 72 "Fair Value measurement and application". The synthetic instrument method and the regression analysis method were used to determine whether the derivative was an effective hedge based on criteria provided by GASB Statement No. 53 "Accounting and Financial Reporting for Derivative Instruments". The fair values of the swap agreements are presented in the Statements of Net Position of the Authority.

The swap termination market values in the table above represent the termination payments that would have been due had the swap agreements terminated on June 30, 2026 or June 30, 2025. A positive value represents money due to the Authority by the counterparty upon termination while a negative value represents money payable by the Authority.

Termination Risk: Counterparties to the Authority's swap agreements have ordinary termination rights that require a settlement payment by the Authority or the counterparty based on the market value of the swap agreement at the time of termination. As of June 30, 2026, no termination rights were exercised by the counterparties.

Credit Risk: The Authority is exposed to credit risk, the risk that the counterparty fails to perform according to its contractual obligations, on all swap agreements. As of June 30, 2026, the counterparties or counterparty guarantors in 76% of the outstanding swaps were rated AA-/Aa1, and the remaining counterparties are rated A+/Aa2 by S&P and Moody's, respectively. A collateral agreement has been entered into with all of the swap counterparties, to help reduce the Authority's exposure to credit risk. Collateral is required based on the counterparty's credit rating and the allowed threshold under each credit rating level.

As of June 30, 2026, there were three counterparties rated AA-/Aa1. One has collateral requirements starting at AA-/Aa2 or above and a posting threshold of \$50.0 million, the second has collateral requirements starting at A+/A1 and a posting threshold of \$15.0 million, and the third has a collateral requirement of BBB+/Baa1 and a posting threshold of \$500,000. The posting threshold at the current rating of AA-/Aa1 is \$25 million. There were two counterparties rated A+/Aa2. One has collateral requirements starting at A+/A1 and a posting threshold of \$15.0 million, and the second has collateral requirements starting at AA-/Aa3 or above and a posting threshold of \$30.0 million. The posting threshold at the current rating of A+/Aa2 is \$30.0 million. Based on the fair values as of June 30, 2026, no collateral is required from any counterparty.

Basis and Interest Rate Risk: This risk arises when the amount that is paid by the swap counterparty is different than the variable rate interest payment due to the bondholders. For the Authority, this can happen when the swap counterparty payment is based on a taxable index (for example, 1-Month Fallback SOFR or SOFR) while the underlying bonds are traded in the tax exempt market. Based on market conditions, the relationship between taxable and tax exempt rates may vary. To minimize this risk, the Authority has chosen to use the formula that best represents the relationship between the taxable index and the Authority's historical bond rates. In addition, even when the swap counterparty payment is based on a tax exempt index (SIFMA) and the underlying bonds are tax exempt, or the swap counterparty payment is based on a taxable index (1-Month Fallback SOFR or SOFR) and the underlying bonds are taxable, the Authority's variable rate bonds may be traded differently from the market indices. The Authority has not entered into any novel agreements and there was no material impact when the Authority transitioned from (LIBOR) to 1-Month Fallback SOFR (ICE LIBOR) on July 1, 2023.

Rollover Risk: The Authority is exposed to rollover risk only on swaps that mature or may be terminated at the counterparty's option prior to the maturity of the associated bond. The Authority's swap agreements have limited rollover risk. For HORB issues, the swap agreements contain scheduled reductions to the notional amounts that are expected to follow the scheduled and anticipated reductions in the associated bonds under a wide range of mortgage prepayment speeds. In the case of the HRB and MHB issues, the underlying mortgages will adjust at the swap termination date to current market conditions.

The following swaps expose the Authority to rollover risk:

<u>Associated Debt Issuance</u>	<u>Bond Maturity Date</u>	<u>Swap Termination Date</u>
1974 HRB 2007 Series F & G	05/01/2042	11/01/2040
2006 MHB 2008 Series A & B	04/01/2046	10/01/2026

7. Derivatives (concluded)

Swap Payments and Associated Debt:

Using rates as of June 30, 2026, debt service requirements of the Authority's outstanding variable rate debt and net swap payments, assuming current interest rates remain the same for their term, are as follows (in thousands of dollars). As rates vary, variable rate bond interest payments and net swap payments will vary.

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Swaps, Net</u>	<u>Total</u>
2027	20,400	13,153	(85)	33,468
2028	15,570	12,772	(276)	28,066
2029	21,025	12,204	(247)	32,982
2030 – 2034	98,090	52,547	(1,093)	149,544
2035 – 2039	138,400	36,408	1,591	176,399
2040 – 2044	72,100	21,743	4,247	98,090
2045 – 2049	69,305	12,873	3,328	85,506
2050 – 2054	19,535	5,971	1,549	27,055
2055 – 2059	14,885	4,679	1,195	20,759
2060 – 2064	24,670	1,148	302	26,120
Totals	493,980	173,498	10,511	677,989

8. Restricted Net Position

Programs that are financed by the issuance of bonds are accounted for separately in accordance with each of the bond resolutions. Program assets and revenues are pledged to bondholders. As of June 30, 2026 and 2025, approximately \$692.4 million and \$615.8 million, respectively, of the net position was restricted by bond resolutions. Revenues in excess of required amounts are available to be transferred to the General Fund. Amounts transferred to the General Fund from the bond resolutions are free and clear of any lien or pledge created by the bond resolutions and may be used for any lawful purpose.

Net Position restricted by contractual agreement for various purposes including credit enhancements, loan programs, operating expenses, collateral for note agreements and property replacement was approximately \$546.8 million and \$475.6 million as of June 30, 2026 and 2025, respectively.

The unrestricted General Fund net position of \$23.7 million as of June 30, 2026 will be used according to the 2026-2027 Dividends for Wisconsin plan.

9. Retirement and Other Benefits

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing, multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a stand-alone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

9. Retirement and Other Benefits (continued)

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

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

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0
2025	2.3	15.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

The WRS recognized \$1,257,948 and \$1,142,350 in contributions from the employer as of June 30, 2026 and 2025, respectively. Contribution rates as of June 30, 2026 and June 30, 2025 are as follows:

	2026	2026	2025	2025
Employee Category	Employee	Employer	Employee	Employer
General (including teachers, executives and elected officials)	6.95%	6.95%	6.90%	6.90%
Protective with Social Security	6.95%	14.95%	6.90%	14.30%
Protective without Social Security	6.95%	18.95%	6.90%	19.10%
Act 4 Protective County Jailers	14.95%	6.95%	14.3%	6.90%

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

At June 30, 2026, the Authority reported an (asset) of \$1,786,470 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2025, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2024 rolled forward to December 31, 2025. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Authority's proportion of the Net Pension Liability (Asset) was based on the Authority's share of contributions to the pension plan relative to contributions of all participating employers. At December 31, 2025, the Authority's proportion was .078%, which was an increase of .003% from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the Authority recognized pension expense of \$1,426,309.

9. Retirement and Other Benefits (continued)

At June 30, 2025, the Authority reported a liability of \$1,235,804 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2024, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Authority's proportion of the Net Pension Liability (Asset) was based on the Authority's share of contributions to the pension plan relative to contributions of all participating employers. At December 31, 2024, the Authority's proportion was .075%, which was an increase of .002% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Authority recognized pension expense of \$1,668,182.

At June 30, 2026 and 2025, the Authority reported Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions from the following sources (in thousands of dollars):

	2026	2026	2025	2025
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	6,283	(1,290)	3,838	(3,607)
Net differences between projected and actual earnings on pension plan investments	--	(5,830)	1,878	--
Changes in assumptions	130	--	367	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	8	(6)	16	(8)
Employer contributions subsequent to the measurement date	778	--	699	--
Total	7,199	(7,126)	6,798	(3,615)

\$778,287 and \$699,303 reported as Deferred Outflows of Resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (Asset) in each of the fiscal years ended June 30, 2027 and 2026, respectively.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension will be recognized in pension expense as follows (in thousands of dollars):

	Fiscal Year 2026
Year ended June 30:	Net Deferred Outflow and (Inflows) of Resources
2026	2,197
2027	(1,129)
2028	(675)
2029	(1,098)
Thereafter	--

	Fiscal Year 2025
Year ended June 30:	Net Deferred Outflow and (Inflows) of Resources
2025	751
2026	2,566
2027	(634)
2028	(198)
Thereafter	--

9. Retirement and Other Benefits (continued)

Actuarial assumptions. The Total Pension Liability in December 31, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2024
Measurement Date of Net Pension Liability (Asset)	December 31, 2025
Experience Study:	January 1, 2021 – December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases	
Wage Inflation:	3.0%
Seniority/Merit:	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The Total Pension Liability for December 31, 2025 is based upon a roll-forward of the liability calculated from the December 31, 2024 actuarial valuation.

Long-term expected Return on Plan Assets: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns ¹ As of December 31, 2025			
	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Core Fund Asset Class			
Public Equity	36.0%	7.4%	4.6%
Public Fixed Income	27.0	6.2	3.4
Private Equity/Debt	20.0	9.5	6.6
Inflation Sensitive	19.0	5.0	2.2
Real Estate	8.0	6.2	3.4
Leverage ³	(10.0)	3.7	1.0
Total Core Fund	100.0%	7.7%	4.9%
Variable Fund Asset			
U.S. Equities	70.0%	7.1%	4.3%
International Equities	30.0	7.8	5.0
Total Variable Fund	100.0%	7.4%	4.6%
¹ Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations ² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7% ³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 10% policy leverage is used, subject to an allowable range of up to 18%.			

9. Retirement and Other Benefits (continued)

Single Discount rate: A single discount rate of 6.80% was used to measure the Total Pension Liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.08% (Source: "20-Bond Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2025. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's proportionate share of the Net Pension Liability (Asset) to changes in the discount rate. The following presents the Authority's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 6.80 percent, as well as what the Authority's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate (in thousands of dollars):

Fiscal Year 2026	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Authority's proportionate share of the net pension liability (asset)	\$9,893	(\$1,786)	(\$10,207)

Fiscal Year 2025	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Authority's proportionate share of the net pension liability (asset)	\$11,593	\$1,236	(\$6,123)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Other Post-Employment Benefits

General Information about Other Post-Employment Benefits – State Retiree Life Insurance Fund (SRLIF)

Plan Description. The SRLIF is a single-employer defined benefit OPEB plan. SRLIF benefits and other plan provisions are established by Chapter 40 of Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report which can also be found using the link above.

Benefits provided. The SRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

9. Retirement and Other Benefits (continued)

Contribution rates as of December 31, 2025 are:

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

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2025 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2025		
Attained Age	Basic	Supplemental
Under 30	\$0.06	\$0.06
30-34	0.06	0.06
35-39	0.06	0.06
40-44	0.08	0.08
45-49	0.14	0.14
50-54	0.23	0.23
55-59	0.31	0.31
60-64	0.42	0.42
65-69	0.55	0.55
*Disabled members under age 70 receive a waiver-of-premium benefit.		

The SRLIF recognized \$8,006 and \$6,708 in contributions from the employer as of June 30, 2026 and 2025, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2026 and 2025, the Authority reported a liability (asset) of \$1,924,574 and \$2,152,967, respectively, for its proportionate share of the net OPEB Liability (Asset). The net OPEB Liability (Asset) was measured as of December 31, 2025 and the Total OPEB Liability used to calculate the Net OPEB Liability (Asset) was determined by an actuarial valuation as of January 1, 2025 rolled forward to December 31, 2025. The Authority's proportion of the Net OPEB Liability (Asset) was based on the Authority's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2025 the Authority's proportion was .296%, which was a decrease of .008% from its proportion measured as of December 31, 2024. At December 31, 2024, the Authority's proportion was .304%, which was a decrease of .017% from its proportion measured as of December 31, 2023.

For the years ended June 30, 2026 and 2025, the Authority recognized OPEB expense (revenue) of \$12,111 and \$118,047 respectively.

At June 30, 2026 and 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources (in thousands of dollars):

	2026 Deferred Outflows of Resources	2026 Deferred Inflows of Resources	2025 Deferred Outflows of Resources	2025 Deferred Inflows of Resources
Differences between expected and actual experience	11	(18)	4	(31)
Net differences between projected and actual earnings on OPEB plan investments	8	--	19	--
Changes in assumptions	197	(1,004)	382	(954)
Changes in proportion and differences between employer contributions and proportionate share of contributions	32	(235)	46	(244)
Employer contributions subsequent to the measurement date	--	--	--	--
Total	248	(1,257)	451	(1,229)

9. Retirement and Other Benefits (continued)

\$0 reported as deferred outflows related to OPEB resulting from the SRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability (Asset) in the years ended June 30, 2026 and 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows (in thousands of dollars):

	Fiscal Year 2026
Year Ended June 30:	Net Deferred Inflows and Outflows of Resources
2026	(243)
2027	(287)
2028	(202)
2029	(136)
2030	(104)
2031	(37)

	Fiscal Year 2025
Year Ended June 30:	Net Deferred Inflows and Outflows of Resources
2026	(105)
2027	(185)
2028	(229)
2029	(143)
2030	(75)
2031	(40)

Actuarial assumptions. The total OPEB liability in the January 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2025
Measurement Date of Net OPEB Liability (Asset):	December 31, 2025
Experience Study:	January 1, 2021 – December 31, 2023, Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	4.83%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.81%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond buyer GO 20-bond Municipal index.

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The Total OPEB Liability for December 31, 2025 is based upon a roll-forward of the liability calculated from the January 1, 2025 actuarial valuation.

9. Retirement and Other Benefits (continued)

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the SRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the SRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2025

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	55.00%	2.36%
US Mortgages	Bloomberg U.S. MBS	43.00%	2.65%
Emerging Markets Bonds	JPM EMBI Plus	2.0%	3.21%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount Rate. A Single discount rate of 4.81% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.09% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 4.08% as of December 31, 2024 to 4.83% as of December 31, 2025. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2033.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65. The current employer contribution schedule includes annual increases of 5% for nine years, beginning in 2020 and ending in 2029, as approved by the Group Insurance Board in August 2019.

Sensitivity of the Authority's proportionate share of the Net OPEB Liability (Asset) to changes in the discount rate. The following presents the Authority's proportionate share of the Net OPEB Liability (Asset) calculated using the discount rate of 4.81%, as well as what the Authority's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage point lower (3.81%) or 1-percentage point higher (5.81%) than the current rate (in thousands of dollars):

Fiscal Year 2026	1% Decrease to Discount Rate (3.81%)	Current Discount Rate (4.81%)	1% Increase To Discount Rate (5.81%)
Authority's proportionate share of the net OPEB liability	\$2,439	\$1,925	\$1,522

Fiscal Year 2025	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase To Discount Rate (5.09%)
Authority's proportionate share of the net OPEB liability	\$2,754	\$2,153	\$1,685

9. Retirement and Other Benefits (continued)

General Information about Other Post-Employment Benefits – State Health Insurance Conversion Credit Program (SHICC)

Plan Description. The SHICC is a single-employer defined benefit OPEB plan. The SHICC program allows members with more than 15 years of eligible service to convert unused sick leave balances into credits to pay for post-retirement health insurance premiums. The SHICC program provides a limited match of the members sick leave credits earned through the Accumulated Sick Leave Conversion Credit (ASLCC) program. ASLCC program credits are computed at the time of retirement, layoff or death by multiplying the number of hours of unused sick leave by the highest hourly pay rate at which the employee accrued sick leave that is eligible for conversion. The SHICC program also includes a provision for the restoration of 500 hours of credits upon retirement, layoff or death provided at least 500 hours of accrued sick leave were used for a single injury or illness during the three years immediately preceding the retirement, layoff or death while in state service. SHICC benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes.

All ASLCC program credits must be used before SHICC program credits. Unused ASLCC and SHICC credits have no cash value, are carried forward from year to year without interest, and when total health insurance premiums paid on behalf of the retired employee exceed the conversion credits, no further payments are made under the ASLCC and SHICC programs. ASLCC and SHICC credits may be escrowed indefinitely after retirement for participants who provide evidence of comparable health insurance coverage from another source.

The SHICC program includes the State of Wisconsin (State), the University of Wisconsin, and other component units of the State. The Wisconsin Department of Employee Trust Funds (ETF) and the ETF Board have statutory authority for program administration and oversight.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Benefits provided. The SHICC plan provides eligible members with credits that can be used to pay for post-retirement health insurance.

Contributions. The ETF Board approves contribution rates annually, based on recommendations from the actuary. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions in accordance with Wis. Stat. Section 40.05(4)(by). Employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employer Contribution rates as of December 31, 2025 are:

Employer	Rate
Beyond Vision	0.5%
Other State Employers	0.3%

For the years ended June 30, 2026 and 2025, the SHICC program recognized \$54,300 and \$33,112 in contributions from the employer, respectively.

OPEB Liabilities, OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2026, the Authority reported a liability (asset) of \$(67,466), for its proportionate share of the Net OPEB Liability (Asset). The Net OPEB Liability (Asset) was measured as of December 31, 2025, and the Total OPEB Liability used to calculate the Net OPEB Liability (Asset) was determined by an actuarial valuation as of December 31, 2025. The Authority's proportion of the Net OPEB Liability (Asset) was based on the Authority's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2025, the Authority's proportion was .267%, which was an increase of .012% from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the Authority recognized OPEB Expense (income) of \$118,251.

At June 30, 2025, the Authority reported a liability (asset) of \$38,067, for its proportionate share of the Net OPEB Liability (Asset). The Net OPEB Liability (Asset) was measured as of December 31, 2024, and the Total OPEB Liability used to calculate the Net OPEB Liability (Asset) was determined by an actuarial valuation as of December 31, 2024. The Authority's proportion of the Net OPEB Liability (Asset) was based on the Authority's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the Authority's proportion was .255%, which was an increase of .009% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Authority recognized OPEB Expense (income) of \$81,530.

9. Retirement and Other Benefits (continued)

At June 30, 2026 and 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to the following sources (in thousands of dollars):

	2026 Deferred Outflows of Resources	2026 Deferred Inflows of Resources	2025 Deferred Outflows Of Resources	2025 Deferred Inflows of Resources
Differences between expected and actual experience	295	(183)	233	(246)
Net differences between projected and actual earnings on OPEB plan investments	--	(146)	--	(180)
Changes in Assumptions	260	--	575	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	2	(34)	4	(22)
Employer contributions subsequent to the measurement date	--	--	--	--
Total	557	(363)	812	(448)

No dollars reported as deferred outflows related to OPEB resulting from the SHICC Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability (Asset) in the years ended June 30, 2027 and June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense (income) as follows (in thousands of dollars):

	Fiscal Year 2026
Year Ended June 30:	Net Deferred Inflows and Outflows of Resources
2026	85
2027	(45)
2028	(0.7)
2029	19
2030	47
Thereafter	89

	Fiscal Year 2025
Year Ended June 30:	Net Deferred Inflows and Outflows of Resources
2026	53
2027	121
2028	(3)
2029	39
2030	58
Thereafter	96

9. Retirement and Other Benefits (continued)

Actuarial Assumptions. The Total OPEB Liability (Asset) in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2025
Measurement Date	December 31, 2025
Wisconsin Sick Leave Conversion Credit Programs Experience Study:	January 1, 2021 – December 31, 2023 Published November 18, 2024
Wisconsin Retirement System Experience Study:	January 1, 2021 – December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Long-Term Expected Rate of Return:	6.80%
Discount Rate:	6.80%
Salary Increases including inflation	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.7%
Mortality*:	2020 WRS Experience Mortality Table
Healthcare Cost Trend Rate:	6.25% for the first-year grading down to an ultimate health care trend rate of 4.5% over an 19 year period
Health Care Premiums	Actual premium amounts are used for annuitants currently using sick leave credits. For all non-annuitants (active, deferred, and escrowed members), blended premiums are calculated based on non-Medicare and Medicare rates for one person and multiple person coverages.
Participation	95% of active and preserved members will begin using sick leave credits immediately upon reaching eligibility.
Usage for Escrowed Benefits:	45% of members currently in escrow status will at some point begin using their sick leave balances to pay for health care costs.
Sick Leave Accumulation:	For purposes of estimating sick leave balances at retirement, each individual was assumed to continue using sick leave at the same rate as in the past, but not more than 75% of the person's annual gross accrual rate based on the person's employer. The member can accrue at most 100% of their gross accrual rate but not less than 25% of their gross accrual rate. The assumed annual gross accrual rates used are 6.5 days for Beyond Vision, 12 days for University Hospital and Non-Staff University employees and 16.25 days for all other members.
*Note that mortality assumptions were not applied to members who currently have healthcare coverage for more than one person since the benefit may be transferred to a beneficiary upon death.	

Actuarial assumptions are based upon experience studies conducted in 2024 on the Wisconsin Retirement System (WRS) and Wisconsin Sick Leave Conversion Credit programs that covered a three-year period from January 1, 2021 to December 31, 2023.

Long-term expected Return on Plan Assets. The assets of the SHICC are commingled with assets from other benefit programs and invested in the Core Retirement Investment Trust (Core Fund). Earnings are allocated between the benefit programs based on the average balance invested for each program. The State of Wisconsin Investment Board (SWIB) manages the Core Fund with oversight by the SWIB Board of Trustees, as authorized in Wis. State. Section 25.17. The long-term expected rate of return is reviewed every three years in conjunction with the Wisconsin Retirement System experience study.

9. Retirement and Other Benefits (continued)

Best estimates of geometric real rates of return of each major asset class included in the OPEB plan's target allocation as of December 31, 2025, are summarized in the following table:

**State Supplemental Health Insurance Conversion Credit
Asset Allocation Targets and Expected Returns¹
As of December 31, 2025**

Asset Class	Asset Allocation %	Long-Term Expected Real Rate of Return % ²
Public Equity	36.0%	4.6%
Public Fixed Income	27.0	3.4
Private Equity/Debt	20.0	6.6
Inflation Sensitive Assets	19.0	2.2
Real Estate	8.0	3.4
Leverage ³	(10)	1.0
Total Core Fund	100.0%	4.9%
Long-Term Expected Rate of Return		6.8%

¹ Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 10% policy leverage is used, subject to an allowable range of up to 18%.

The long-term expected rate of return is 6.8%. The long-term expected rate of return on the OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Single Discount rate. A single discount rate of 6.8% was used to measure the Total OPEB Liability for the current and prior years. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.8%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the OPEB Liability and projections were excluded from this report.

Sensitivity of the Authority's proportionate share of the Net OPEB Liability (Asset) to changes in the discount rate. The following presents the Authority's proportionate share of the Net OPEB Liability (Asset) calculated using the discount rate of 6.8% as well as what the Authority's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate (in thousands of dollars):

Fiscal Year 2026	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase To Discount Rate (7.8%)
Authority's proportionate share of the net OPEB Liability (Asset)	\$310	(\$67)	(\$396)

Fiscal Year 2025	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase To Discount Rate (7.8%)
Authority's proportionate share of the net OPEB Liability (Asset)	\$380	\$38	(\$258)

9. Retirement and Other Benefits (concluded)

Sensitivity of the Authority's proportionate share of the Net OPEB Liability (Asset) to changes in the healthcare cost trend rate. The following presents the Authority's proportionate share of the collective Net OPEB Liability (Asset), calculated using the assumed healthcare cost trend rate as well as what the plan's net OPEB Liability (Asset) would be if it were calculated using an assumed healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate (in thousands of dollars):

Fiscal Year 2026	1% Decrease to Healthcare Cost Trend Rate (2.0%)	Current Healthcare Cost Trend Rate (3.0%)	1% Increase to Healthcare Cost Trend Rate (4.0%)
Authority's proportionate share of the net OPEB Liability (Asset)	(\$262)	(\$67)	\$114

Fiscal Year 2025	1% Decrease to Healthcare Cost Trend Rate (2.0%)	Current Healthcare Cost Trend Rate (3.0%)	1% Increase to Healthcare Cost Trend Rate (4.0%)
Authority's proportionate share of the net OPEB Liability (Asset)	(\$150)	\$38	\$212

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Required Supplementary Information

**June 30, 2026
with comparative totals for June 30, 2025**

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Wisconsin Retirement System

Last 10 Fiscal Years*

(In Thousands)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Authority's proportion of the Net Pension Liability (Asset)	.070%	.071%	.073%	.074%	.074%	.073%	.072%	.073%	.075%	.078
Authority's proportionate share of the Net Pension Liability (Asset)	\$578	(\$2,105)	\$2,600	(\$2,395)	(\$4,653)	(\$5,887)	\$3,836	\$1,084	\$1,236	(\$1,786)
Authority's covered-payroll	\$10,124	\$10,859	\$11,666	\$11,820	\$12,347	\$12,331	\$13,023	\$14,613	\$16,556	\$18,100
Authority's collective Net Pension Liability (Asset) as a percentage of the employer's covered-employee payroll	5.7%	19.38%	22.29%	20.26%	37.69%	47.74%	29.46%	7.41%	7.47%	9.87%
Plan fiduciary net position as a percentage of the Total Pension Liability (Asset)	99.12%	102.93%	96.45%	102.96%	105.26%	106.02%	95.72%	98.84%	98.79%	102.56%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year

SCHEDULE OF AUTHORITY CONTRIBUTIONS

Wisconsin Retirement System

Last 10 Fiscal Years*

(In Thousands)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Contractually required contributions	\$668	\$738	\$782	\$774	\$833	\$832	\$847	\$994	\$1,142	\$1,258
Contributions in relation to the contractually required contributions	(\$668)	(\$738)	(\$782)	(\$774)	(\$833)	(\$832)	(\$847)	(\$994)	(\$1,142)	(\$1,258)
Contribution deficiency (excess)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Authority's covered-payroll	\$10,124	\$10,859	\$11,666	\$11,820	\$12,347	\$12,331	\$13,023	\$14,613	\$16,556	\$18,100
Contributions as a percentage of covered-employee payroll	6.6%	6.8%	6.7%	6.5%	6.7%	6.7%	6.5%	6.8%	6.9%	6.9%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**Notes to Required Supplementary Information
For the Year Ended June 30, 2026**

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets)

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

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the Wisconsin 2020 Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

Significant methods and assumptions used in calculating Wisconsin Retirement Actuarially Determined Contributions:

	2016	2017	2018	2019	2020
Valuation Date:	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions Net Investment Rate of Return	5.5%	5.5%	5.5%	5.5%	5.4%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%		7.0%
Post-retirement:	5.0%	5.0%	5.0%	7.2%	5.0%
				5.0%	
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.0%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	1.9%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	2012 Mortality 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	2012 Mortality 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Significant methods and assumptions used in calculating Wisconsin Retirement Actuarially Determined Contributions (continued):

	2021	2022	2023	2024	2025
Valuation Date:	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions Net Investment Rate of Return	5.4%	5.4%	5.4%	5.4%	5.4%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	6.8%	6.8%	6.8%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.7%	0.1%-5.7%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.7%	1.7%	1.7%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

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

State Retiree Life Insurance Fund
Last 8 Fiscal Years*
(In Thousands)

	2019	2020	2021	2022	2023	2024	2025	2026
Authority's proportion of the Net OPEB Liability (Asset)	0.358%	0.344%	0.331%	0.339%	0.316%	0.321%	0.304%	0.296%
Authority's proportionate share of the Net OPEB Liability (Asset)	\$1,547	\$2,351	\$2,868	\$3,217	\$2,087	\$2,556	\$2,153	\$1,925
Authority's covered-employee payroll	\$9,361	\$9,565	\$9,728	\$10,180	\$10,919	\$11,334	\$12,484	\$13,313
Plan fiduciary net position as a percentage of the Total OPEB Liability (Asset)	44.36%	33.75%	27.79%	25.22%	31.49%	26.53%	27.77%	28.36%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year

SCHEDULE OF AUTHORITY CONTRIBUTIONS

State Retiree Life Insurance Fund
Last 8 Fiscal Years*
(In Thousands)

	2019	2020	2021	2022	2023	2024	2025	2026
Contractually required contributions	\$5	\$4	\$5	\$6	\$6	\$6	\$7	\$8
Contributions in relation to the contractually required contributions	(\$5)	(\$4)	(\$5)	(\$6)	(\$6)	(\$6)	(\$7)	(\$8)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Authority's covered-employee payroll	\$9,361	\$9,565	\$9,728	\$10,180	\$10,919	\$11,334	\$12,484	\$13,313
Contributions as a percentage of covered-employee payroll	.053%	.041%	.052%	.056%	.055%	.055%	.056%	.060%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Notes to Required Supplementary Information For the Year Ended June 30, 2026

Changes of benefit terms. There were no recent changes of benefit terms.

Changes of assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021, total OPEB liabilities, include the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018, total OPEB liabilities, include the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Supplemental Health Insurance Conversion Credit Program
Last 5 Fiscal Years*
(In Thousands)

	2022	2023	2024	2025	2026
Authority's proportion of the Net OPEB Liability (Asset)	0.236%	0.239%	0.246%	0.255%	0.267%
Authority's proportionate share of the Net OPEB Liability (Asset)	(\$777)	(\$246)	(\$154)	\$38	(\$67)
Authority's covered-employee payroll	\$12,331	\$13,023	\$14,613	\$16,556	\$18,100
Authority's collective Net OPEB Liability (Asset) as a percentage of the employer's covered employee-payroll	(6.3%)	(1.9%)	(1.06%)	.23%	(.37%)
Plan fiduciary net position as a percentage of the Total OPEB Liability (Asset)	131.55%	109.83%	105.35%	98.85%	101.81%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The tables will be built prospectively as the information becomes available.

SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
Supplemental Health Insurance Conversion Credit Program
Last 5 Fiscal Years*
(In Thousands)

	2022	2023	2024	2025	2026
Contractually required contributions	\$37	\$13	\$29	\$33	\$54
Contributions in relation to the contractually required contributions	(\$37)	(\$13)	(\$29)	(\$33)	(\$54)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Authority's covered-employee payroll	\$12,331	\$13,023	\$14,613	\$16,556	\$18,100
Contributions as a percentage of covered-employee payroll	0.30%	0.09%	0.20%	0.20%	0.30%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The tables will be built prospectively as the information becomes available.

Notes to Required Supplementary Information
For the Year Ended June 30, 2026

Changes of benefit terms. There were no recent changes in benefit terms.

Changes of assumptions. Based upon experience studies conducted in 2024 on the WRS and Wisconsin Sick Leave Conversion Credit programs that covered a three-year period from January 1, 2021 through December 31, 2023, the ETF Board adopted assumption changes that were used to measure the total OPEB liability (asset) beginning with the year-end December 31, 2024, including the following:

- The healthcare cost trend rate was changed from an increase of 6.0% for the first year and declining each future year to an ultimate trend rate of 3.5% over a 12 year period to 6.5% for the first year and declining each future year to an ultimate trend rate of 4.5% over a 10 year period.
- The escrowed benefit usage assumption decreased from 50% to 45% of escrowed members will at some point begin using their sick leave balance to pay for health care costs. The present value of future benefits will be calculated by drawing down each member's account balance using the same average premiums applicable to active members and a 45% factor applied to the present value to account for the 45% escrowed benefit usage assumption.
- The sick leave accumulation continues to assume each individual is using sick leave at their same rate as in the past (earned less used), but not more than 75% of their annual gross accrual rate based on the person's employer. The member can accrue at most 100% of their gross accrual rate but not less than 25% of their gross accrual rate. The assumed annual gross accrual rates range from 6.5 to 16.25 days depending on the employer.

Based upon a three-year experience study conducted in 2021 that covered a three-year period from January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total OPEB liability (asset), beginning with the year December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%

- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the Wisconsin 2020 WRS Experience Mortality Table.
- The healthcare cost trend rate was changed from an increase of 3.00% in each future year to 6.0% for the 1st year and declining each future year to an ultimate trend rate of 3.5% over a 12 year period.
- Health care premium assumptions were changed to reflect 1-person and 2-person coverage for non Medicare and Medicare along with an election percentage assumption of 50%. Previously, the average non Medicare and Medicare premiums were based on active annuitant data with a 10% increase applied to the average premium.
- The escrowed benefit usage assumes 50% of escrowed members will at some point begin using their sick leave balance to pay for health care costs. The present value of future benefits is now calculated by drawing down each member's account balance using the same average premiums applicable to active members and a 50% factor applied to the present value to account for the 50% escrowed benefit usage assumption. Previously, the present value of future benefits was calculated by taking the balance on deposit for escrowed annuitants multiplied by the ratio of present value of future benefits for active status annuitants to the balance on deposit for active status annuitants multiplied by 50%.
- The sick leave accumulation assumes each individual is at their same rate as in the past (earned less used), but not more than 100% of the gross earned rate based on the person's employer and not less than 25% of their gross earned rate. The assumed annual gross earned rates range from 6.4 to 16.25 days depending on the employer. Previously, each individual was assumed to continue using sick leave at the same rate as in the past but not less than 25% nor more than 75% of the person's annual accrual rate (usually 16.25 days).

Based upon a three-year experience study conducted in 2018 that covered the period from January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total OPEB liability, beginning with the year-end December 31, 2018, including the following:

- • Lowering the long-term expected rate of return from 7.2% to 7.0%.
- • Lowering the discount rate from 7.2% to 7.0%.
- • Lowering the wage inflation rate from 3.2% to 3.0%.
- • Lowering the price inflation rate from 2.7% to 2.5%.
- • Changing mortality assumptions to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.
- • Changing the healthcare cost trend rate from an increase of 3.2% in each future year to 3.0%.

Significant methods and assumptions used in calculating SHICC Actuarially Determined Contributions:

	2017	2018	2019	2020	2021
Valuation Date:	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll, (Closed)	Level Percent of Payroll, (Closed)	Level Percent of Payroll, (Closed)	Level Percent of Payroll, (Closed)	Level Percent of Payroll, (Closed)
Remaining Amortization Period:	10 years	9 years	8 years	7 years	6 years
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Salary Increases					
Wage Inflation:	2.0%	2.0%	3.2%	3.0%	3.0%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Investment Rate of Return:					
	7.2%	7.2%	7.2%	7.0%	7.0%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017
Mortality:	Fully generational mortality utilizing the WRS 2012 Mortality Table adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Fully generational mortality utilizing the WRS 2012 Mortality Table adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Fully generational mortality utilizing the WRS 2012 Mortality Table adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Fully generational mortality utilizing the WRS 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Fully generational mortality utilizing the WRS 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)
Healthcare Trend Rates:	3.2%	3.2%	3.2%	3.0%	3.0%
Other Information					
Notes:	There were no benefit changes during the year.	There were no benefit changes during the year.	There were no benefit changes during the year.	There were no benefit changes during the year.	There were no benefit changes during the year.

Significant methods and assumptions used in calculating SHICC Actuarially Determined Contributions:

	2022	2023	2024	2025
Valuation Date:	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll, (Closed)	Level Percent of Payroll, (Closed)	Level Percent of Payroll, (Closed)	Level Percent of Payroll (Closed)
Remaining Amortization Period:	5 years	5 years	5 years	5 years
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Salary Increases				
Wage Inflation:	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.7%	0.1%-5.7%
Investment Rate of Return:	7.0%	6.8%	6.8%	6.8%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020
Mortality:	Fully generational mortality utilizing the WRS 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Fully generational mortality utilizing the WRS 2020 Mortality Table adjusted for future mortality improvements using the MP-2021 fully generational improvement scale	Fully generational mortality utilizing the WRS 2020 Mortality Table adjusted for future mortality improvements using the MP-2021 fully generational improvement scale	Fully generational mortality utilizing the WRS 2020 Mortality Table adjusted for future mortality improvements using the MP-2021 fully generational improvement scale
Healthcare Trend Rates:	3.0%	Initial rate of 6.0% trending to an ultimate rate of 3.5% per year in year 12	Initial rate of 5.75% trending to an ultimate rate of 3.5% per year in year 12	Initial rate of 5.5% trending to an ultimate rate of 3.5% per year in year 10
Other Information				
Notes:	There were no benefit changes during the year.	There were no benefit changes during the year.	There were no benefit changes during the year.	There were no benefit changes during the year.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Supplementary Information

**June 30, 2026
with comparative totals for June 30, 2025**

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

**Combining Statements of Net Position
June 30, 2026
with comparative totals for June 30, 2025
(Thousands of Dollars)**

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total	
						2026	2025
Assets							
Current Assets:							
Cash and cash equivalents (Notes 1 & 4)	\$182,872	\$172,585	\$20,562	\$570,073	\$426,109	\$1,372,201	\$1,253,587
Investments (Notes 1 & 4)	-	2,110	-	-	-	2,110	20,274
Investment interest receivable	451	529	45	1,650	621	3,296	3,818
Mortgage-backed securities investment interest receivable	7,360	50	-	-	179	7,589	6,631
Mortgage loans receivable, net (Notes 1 & 5)	12,301	91,600	2,205	993	24,947	132,046	160,577
Mortgage interest receivable	519	4,117	231	73	4,165	9,105	8,127
Accounts receivable	188	-	-	6	9,828	10,022	7,768
Prepaid expense	10	13	2	-	29	54	64
Interfunds	(13,168)	(227)	(1,212)	(252)	14,859	-	-
Total Current Assets	190,533	270,777	21,833	572,543	480,737	1,536,423	1,460,846
Noncurrent Assets:							
Investments (Notes 1 & 4)	2	-	-	-	1,002	1,004	7,120
Mortgage-backed securities (Notes 1 & 4)	1,904,900	16,288	-	-	42,696	1,963,884	1,757,678
Mortgage loans receivable, net (Notes 1 & 5)	90,663	812,424	53,866	32,235	246,588	1,235,776	1,185,532
Derivative instrument - interest rate swaps (Notes 1 & 7)	21,391	814	-	-	-	22,205	20,659
Net pension asset (Note 9)	-	-	-	-	1,786	1,786	-
Other assets (Note 1)	-	-	-	-	34,707	34,707	35,530
Total Noncurrent Assets	2,016,956	829,526	53,866	32,235	326,779	3,259,362	3,006,519
Total Assets	2,207,489	1,100,303	75,699	604,778	807,516	4,795,785	4,467,365
Deferred Outflow of Resources							
Accumulated change in fair value of hedging derivatives (Notes 1 & 7)	-	-	33	-	-	33	887
Deferred outflow of resources - pension (Note 9)	-	-	-	-	7,199	7,199	6,798
Deferred outflow of resources - OPEB (Note 9)	-	-	-	-	805	805	1,263
Total Deferred Outflow of Resources	-	-	33	-	8,004	8,037	8,948
Liabilities							
Current Liabilities:							
Bonds and notes payable (Notes 1 & 6)	50,806	17,355	1,725	-	103,802	173,688	204,443
Accrued interest payable	23,211	4,546	367	-	590	28,714	24,406
Compensated absences	-	-	-	-	561	561	546
Total Current Liabilities	74,017	21,901	2,092	-	104,953	202,963	229,395
Noncurrent Liabilities:							
Bonds and notes payable (Notes 1 & 6)	1,760,626	748,133	57,983	-	20,132	2,586,874	2,379,686
Escrow deposits (Notes 1 & 4)	-	-	-	-	149,439	149,439	141,374
Derivative instrument - interest rate swaps (Notes 1 & 7)	-	-	33	-	-	33	887
Net pension liability (Note 9)	-	-	-	-	-	-	1,236
Net OPEB liability (Note 9)	-	-	-	-	1,857	1,857	2,191
Compensated absences	-	-	-	-	589	589	627
Other liabilities	750	3,346	14	496,455	50,192	550,757	560,908
Total Noncurrent Liabilities	1,761,376	751,479	58,030	496,455	222,209	3,289,549	3,086,909
Total Liabilities	1,835,393	773,380	60,122	496,455	327,162	3,492,512	3,316,304
Deferred Inflow of Resources							
Accumulated change in fair value of hedging derivatives (Notes 1 & 7)	21,391	814	-	-	-	22,205	20,659
Deferred inflow of resources - pension (Note 9)	-	-	-	-	7,126	7,126	3,615
Deferred inflow of resources - OPEB (Note 9)	-	-	-	-	1,620	1,620	1,677
Total Deferred Inflow of Resources	21,391	814	-	-	8,746	30,951	25,951
Net Position							
Net investment in capital assets	-	-	-	-	17,414	17,414	17,444
Restricted by bond resolutions (Note 8)	350,705	326,109	15,610	-	-	692,424	615,806
Restricted by contractual agreements (Note 8)	-	-	-	108,323	438,492	546,815	475,596
Unrestricted (Note 8)	-	-	-	-	23,706	23,706	25,212
Total Net Position	\$350,705	\$326,109	\$15,610	\$108,323	\$479,612	\$1,280,359	\$1,134,058

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

**Combining Statements of Revenues, Expenses
And Change in Net Position
For the Year Ended June 30, 2026
with comparative totals for the year ended June 30, 2025
(Thousands of Dollars)**

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total	
						2026	2025
Operating Revenues							
Mortgage income (Note 1)	\$6,499	\$45,595	\$2,838	\$704	\$15,718	\$71,354	\$71,186
Mortgage service fees	-	35	45	-	10,823	10,903	10,628
Other income (Note 1)	\$1,609	33	-	5	24,887	26,534	20,207
Total Operating Revenues	8,108	45,663	2,883	709	51,428	108,791	102,021
Operating Expenses							
Direct loan program expense	\$2,100	1,594	60	233	8,371	12,358	12,141
General and administrative expenses	\$5,722	2,250	99	870	23,346	32,287	30,400
Other expense (Note 1)	-	-	-	-	68	68	59
Total Operating Expenses	7,822	3,844	159	1,103	31,785	44,713	42,600
Operating Income (Loss)	286	41,819	2,724	(394)	19,643	64,078	59,421
Noncapital Subsidies							
Pass-through subsidy revenue (Note 1)	-	1,003	-	-	272,231	273,234	252,911
Grant income	-	-	-	9,840	20,070	29,910	47,204
Pass-through subsidy expense (Note 1)	-	(1,003)	-	-	(272,231)	(273,234)	(252,911)
Grants and services	-	-	-	(3,622)	(4,530)	(8,152)	(4,436)
Operating Income (Loss) and Noncapital Subsidies	286	41,819	2,724	5,824	35,183	85,836	102,189
Other Nonoperating Revenues and Expenses							
Investment Income (Note 1)	\$5,804	8,864	764	21,511	13,606	50,549	57,950
Mortgage-backed securities investment income	\$82,468	833	-	-	3,042	86,343	71,014
Net increase (decrease) in fair value of mortgage-backed securities	\$27,339	219	-	-	(373)	27,185	31,156
Net decrease in fair value of investments	-	-	-	-	-	-	-
Interest expense (Note 1)	(58,876)	(29,553)	(2,054)	-	(9,156)	(99,639)	(89,494)
Debt financing costs	(3,078)	(895)	-	-	-	(3,973)	(2,954)
Total Other Nonoperating Revenues and Expenses	53,657	(20,532)	(1,290)	21,511	7,119	60,465	67,672
Change in Net Position	53,943	21,287	1,434	27,335	42,302	146,301	169,861
Net Position, Beginning of Year	\$296,766	304,819	14,221	80,987	437,265	1,134,058	964,197
Transfers between programs (Note 1)	(4)	3	(45)	1	45	-	-
Net Position, End of Year	\$350,705	\$326,109	\$15,610	\$108,323	\$479,612	\$1,280,359	\$1,134,058

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Cash Flows For the Year Ended June 30, 2026 with comparative totals for the year ended June 30, 2025 (Thousands of Dollars)

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total	
						2026	2025
Cash Flows from Operating Activities:							
Cash received from interest on mortgage loans	\$6,584	\$45,396	\$2,856	\$684	\$14,856	\$70,376	\$71,307
Cash received from mortgage payments	20,599	128,869	3,941	7,456	37,865	198,730	210,959
Cash received from other fees and other income	1,608	69	45	9,846	54,024	65,592	73,921
Cash received (paid to) purchase mortgage loans	195	(177,073)	-	(9,833)	(33,732)	(220,443)	(244,300)
Cash received from escrow and other agency deposits, net	-	-	-	-	8,065	8,065	14,048
Cash paid to employees	(4,578)	(1,800)	(79)	(696)	(18,630)	(25,783)	(24,344)
Cash paid to vendors	(3,167)	(1,785)	(80)	(13,869)	(17,750)	(36,651)	(51,521)
Transfers between programs and change in interfunds	(33)	(878)	19	(23)	915	-	-
Net Cash Provided by (Used in) Operating Activities	21,208	(7,202)	6,702	(6,435)	45,613	59,886	50,070
Cash Flows from Non-Capital Financing Activities:							
Proceeds from issuance of bonds and notes	400,351	115,115	-	-	217,101	732,567	549,885
Repayments on bonds and notes	(124,172)	(163,610)	(3,907)	-	(257,400)	(549,089)	(391,670)
Interest paid on bonds, notes and escrows	(61,009)	(29,917)	(2,066)	-	(9,375)	(102,367)	(88,530)
Bond premium	(3,078)	(895)	-	-	-	(3,973)	(2,954)
Net Cash Provided by (Used in) Non-Capital Financing Activities	212,092	(79,307)	(5,973)	-	(49,674)	77,138	66,731
Cash Flows from Investing Activities:							
Purchases of investments	(464,752)	-	-	-	(204,728)	(669,480)	(627,753)
Proceeds from sales and maturities of investments	193,407	69,133	-	-	252,199	514,739	371,845
Investment interest received	86,811	10,282	768	21,773	16,820	136,454	128,780
Net Cash (Used in) Provided by Investing Activities	(184,534)	79,415	768	21,773	64,291	(18,287)	(127,128)
Cash Flows from Capital Financing Activities:							
Purchase of capital assets	-	-	-	-	(123)	(123)	(327)
Net Cash Used in Capital Financing Activities	-	-	-	-	(123)	(123)	(327)
Net Increase (Decrease) in Cash and Cash Equivalents	48,766	(7,094)	1,497	15,338	60,107	118,614	(10,654)
Cash and Cash Equivalents, Beginning of Year	134,106	179,679	19,065	554,735	366,002	1,253,587	1,264,241
Cash and Cash Equivalents, End of Year	<u>\$182,872</u>	<u>\$172,585</u>	<u>\$20,562</u>	<u>\$570,073</u>	<u>\$426,109</u>	<u>\$1,372,201</u>	<u>\$1,253,587</u>

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

**Combining Statements of Cash Flows
For the Year Ended June 30, 2026
with comparative totals for the year ended June 30, 2025
(Thousands of Dollars)**

	Single Family Bonds	Housing Revenue Bonds	Multifamily Housing Bonds	State of Wisconsin Programs	General Fund	Total	
						2026	2025
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in)							
Operating Activities:							
Operating Income (Loss)	\$286	\$41,819	\$2,724	(394)	\$19,643	\$64,078	\$59,421
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Provision for loan loss	-	677	-	146	102	925	(2,724)
Depreciation and amortization	-	-	-	-	3,786	3,786	3,537
Decrease (Increase) in mortgage loans receivable and real estate held	20,795	(48,881)	3,941	(2,522)	4,031	(22,636)	(30,615)
Increase in escrows	-	-	-	-	8,065	8,065	14,048
Other	127	(817)	37	(3,665)	9,986	5,668	6,403
Net Cash Provided by (Used in) Operating Activities	<u>\$21,208</u>	<u>(\$7,202)</u>	<u>\$6,702</u>	<u>(6,435)</u>	<u>\$45,613</u>	<u>\$59,886</u>	<u>\$50,070</u>

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Net Position - Home Ownership Mortgage Loan Program **June 30, 2026** **with comparative totals for June 30, 2025** **(Thousands of Dollars)**

	Single Family Bonds			Total	
	1987	1988	2009	2026	2025
Assets					
Current Assets:					
Cash and cash equivalents (Notes 1 & 4)	\$51,054	\$126,756	\$5,062	\$182,872	\$134,106
Investments (Notes 1 & 4)	-	-	-	-	-
Investment interest receivable	135	302	14	451	381
Mortgage-backed securities investment interest receivable	1,373	5,909	78	7,360	5,977
Mortgage loans receivable, net (Notes 1 & 5)	5,463	6,838	-	12,301	13,018
Mortgage interest receivable	232	287	-	519	604
Accounts receivable	72	116	-	188	185
Prepaid expense	4	6	-	10	9
Interfunds	(5,283)	(3,921)	(3,964)	(13,168)	(13,192)
Total Current Assets	<u>53,050</u>	<u>136,293</u>	<u>1,190</u>	<u>190,533</u>	<u>141,088</u>
Noncurrent Assets:					
Investments (Notes 1 & 4)	-	2	-	2	8
Mortgage-backed securities (Notes 1 & 4)	472,130	1,404,584	28,186	1,904,900	1,606,211
Mortgage loans receivable, net (Notes 1 & 5)	40,748	49,915	-	90,663	110,741
Derivative instrument - interest rate swaps (Notes 1 & 7)	12,857	8,534	-	21,391	20,659
Other assets (Note 1)	-	-	-	-	-
Total Noncurrent Assets	<u>525,735</u>	<u>1,463,035</u>	<u>28,186</u>	<u>2,016,956</u>	<u>1,737,619</u>
Total Assets	<u>578,785</u>	<u>1,599,328</u>	<u>29,376</u>	<u>2,207,489</u>	<u>1,878,707</u>
Deferred Outflow of Resources					
Accumulated change in fair value of hedging derivatives (Notes 1 & 7)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities					
Current Liabilities:					
Bonds and notes payable (Notes 1 & 6)	28,989	21,817	-	50,806	43,622
Accrued interest payable	3,421	19,733	57	23,211	18,308
Total Current Liabilities	<u>32,410</u>	<u>41,550</u>	<u>57</u>	<u>74,017</u>	<u>61,930</u>
Noncurrent Liabilities:					
Bonds and notes payable (Notes 1 & 6)	415,302	1,319,069	26,255	1,760,626	1,498,676
Escrow deposits (Notes 1 & 4)	-	-	-	-	-
Derivative instrument - interest rate swaps (Notes 1 & 7)	-	-	-	-	-
Other liabilities	406	344	-	750	676
Total Noncurrent Liabilities	<u>415,708</u>	<u>1,319,413</u>	<u>26,255</u>	<u>1,761,376</u>	<u>1,499,352</u>
Total Liabilities	<u>448,118</u>	<u>1,360,963</u>	<u>26,312</u>	<u>1,835,393</u>	<u>1,561,282</u>
Deferred Inflow of Resources					
Accumulated change in fair value of hedging derivatives (Notes 1 & 7)	<u>12,857</u>	<u>8,534</u>	<u>-</u>	<u>21,391</u>	<u>20,659</u>
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions (Note 8)	117,810	229,831	3,064	350,705	296,766
Restricted by contractual agreements (Note 8)	-	-	-	-	-
Unrestricted (Note 8)	-	-	-	-	-
Total Net Position	<u>\$117,810</u>	<u>\$229,831</u>	<u>\$3,064</u>	<u>\$350,705</u>	<u>\$296,766</u>

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Combining Statements of Revenues, Expenses And Change in Net Position - Home Ownership Mortgage Loan Program For the Year Ended June 30, 2026 with comparative totals for the year ended June 30, 2025 (Thousands of Dollars)

	Single Family Bonds			Total	
	1987	1988	2009	2026	2025
Operating Revenues					
Mortgage income (Note 1)	\$2,924	\$3,575	-	\$6,499	\$7,472
Mortgage service fees	-	-	-	-	-
Other income (Note 1)	442	1,139	28	1,609	1,257
Total Operating Revenues	3,366	4,714	28	8,108	8,729
Operating Expenses					
Direct loan program expense	843	1,256	1	2,100	1,858
General and administrative expenses	2,906	2,756	60	5,722	4,886
Other expense (Note 1)	-	-	-	-	-
Total Operating Expenses	3,749	4,012	61	7,822	6,744
Operating Income (Loss)	(383)	702	(33)	286	1,985
Noncapital Subsidies					
Pass-through subsidy revenue (Note 1)	-	-	-	-	-
Grant income	-	-	-	-	-
Pass-through subsidy expense (Note 1)	-	-	-	-	-
Grants and services	-	-	-	-	-
Operating Income (Loss) and Noncapital Subsidies	(383)	702	(33)	286	1,985
Other Nonoperating Revenues and Expenses					
Investment Income (Note 1)	1,789	3,853	162	5,804	5,899
Mortgage-backed securities investment income	17,057	64,440	971	82,468	66,103
Net increase (decrease) in fair value of mortgage-backed securities	11,538	15,190	611	27,339	29,666
Net decrease in fair value of investments	-	-	-	-	-
Interest expense (Note 1)	(9,400)	(48,743)	(733)	(58,876)	(46,911)
Debt financing costs	-	(3,078)	-	(3,078)	(2,143)
Total Other Nonoperating Revenues and Expenses	20,984	31,662	1,011	53,657	52,614
Change in Net Position	20,601	32,364	978	53,943	54,599
Net Position, Beginning of Year	97,505	197,449	1,812	296,766	242,163
Transfers between programs (Note 1)	(296)	18	274	(4)	4
Net Position, End of Year	\$117,810	\$229,831	\$3,064	\$350,705	\$296,766

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

**Combining Statements of Cash Flows - Home Ownership Mortgage Loan Program
For the Year Ended June 30, 2026
with comparative totals for the year ended June 30, 2025
(Thousands of Dollars)**

	Single Family Bonds			Total	
	1987	1988	2009	2026	2025
Cash Flows from Operating Activities:					
Cash received from interest on mortgage loans	\$2,968	\$3,616	-	\$6,584	\$7,581
Cash received from mortgage payments	9,089	11,510	-	20,599	21,603
Cash received from other fees and other income	434	1,146	28	1,608	1,161
Cash received (paid to) purchase mortgage loans	46	149	-	195	(5,716)
Cash from escrow deposits, net	-	-	-	-	-
Cash payments to employees	(2,325)	(2,205)	(48)	(4,578)	(3,909)
Cash payments to vendors	(1,379)	(1,775)	(13)	(3,167)	(2,485)
Transfers between programs and change in interfunds	(297)	(12)	276	(33)	158
Net Cash Provided by Operating Activities	<u>8,536</u>	<u>12,429</u>	<u>243</u>	<u>21,208</u>	<u>18,393</u>
Cash Flows from Non-Capital Financing Activities:					
Proceeds from issuance of bonds and notes	-	400,351	-	400,351	221,328
Repayments on bonds and notes	(72,815)	(49,005)	(2,352)	(124,172)	(103,996)
Interest paid on bonds, notes and escrows	(11,648)	(48,623)	(738)	(61,009)	(47,721)
Bond issuance costs	-	(3,078)	-	(3,078)	(2,143)
Net Cash (Used in) Provided by Non-Capital Financing Activities	<u>(84,463)</u>	<u>299,645</u>	<u>(3,090)</u>	<u>212,092</u>	<u>67,468</u>
Cash Flows from Investing Activities:					
Purchases of investments	(5,632)	(459,120)	-	(464,752)	(395,813)
Proceeds from sales and maturities of investments	58,503	131,863	3,041	193,407	123,763
Investment interest received	19,009	66,674	1,128	86,811	70,960
Net Cash Provided by (Used in) Investing Activities	<u>71,880</u>	<u>(260,583)</u>	<u>4,169</u>	<u>(184,534)</u>	<u>(201,090)</u>
Cash Flows from Capital Financing Activities:					
Purchases of capital assets, net of sales	-	-	-	-	-
Net Cash Provided by Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(4,047)	51,491	1,322	48,766	(115,229)
Cash and Cash Equivalents, Beginning of Year	<u>55,101</u>	<u>75,265</u>	<u>3,740</u>	<u>134,106</u>	<u>249,335</u>
Cash and Cash Equivalents, End of Year	<u><u>\$51,054</u></u>	<u><u>\$126,756</u></u>	<u><u>\$5,062</u></u>	<u><u>\$182,872</u></u>	<u><u>\$134,106</u></u>

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

**Combining Statements of Cash Flows - Home Ownership Mortgage Loan Program
For the Year Ended June 30, 2026
with comparative totals for the year ended June 30, 2025
(Thousands of Dollars)**

	Single Family Bonds			Total	
	1987	1988	2009	2026	2025
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in)					
Operating Activities:					
Operating Income (Loss)	(383)	\$702	(33)	\$286	1,985
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by					
Operating Activities:					
Provision for loan loss	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-
Decrease in mortgage loans					
receivable and real estate held	9,136	11,659	-	20,795	15,888
Other	(217)	68	276	127	520
Net Cash Provided by Operating Activities	<u>\$8,536</u>	<u>\$12,429</u>	<u>\$243</u>	<u>\$21,208</u>	<u>\$18,393</u>