



ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

INCLUDING INDEPENDENT AUDITOR'S REPORT
A COMPONENT UNIT OF THE STATE OF WISCONSIN

LOOK FORWARD ➤

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

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INTRODUCTORY SECTION

LOOK FORWARD ➤



November 18, 2025

To the Wisconsin Economic Development Corporation (WEDC) Board of Directors and the citizens of the state of Wisconsin:

The Annual Comprehensive Financial Report of WEDC, as of and for the year ended June 30, 2025, is herein submitted.

Management assumes full responsibility for the completeness and reliability of the information presented in this report based on a comprehensive internal control framework that has been established for this purpose. As the cost of internal controls should not outweigh their benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Sikich CPA LLC has issued an unmodified ("clean") opinion on WEDC's financial statements for the year ended June 30, 2025. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The Government Finance Officers Association of the U.S. and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to WEDC for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 12th consecutive year WEDC has achieved this prestigious award. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.



About WEDC

The Wisconsin Economic Development Corporation (WEDC) is a public-private entity created by 2011 Wisconsin Act 7 to serve as the state's lead agency in promoting economic development.

Since then, WEDC has worked collaboratively with economic development partner organizations, academic institutions, industry clusters, and local and state governments to help Wisconsin businesses and communities seize new opportunities through innovative, market-driven programs.

WEDC provides tax credits, grants, loans, equity investments, and technical assistance programs to eligible businesses and communities across the state. Each year, program results are detailed in WEDC's Annual Report on Economic Development <https://wedc.org/transparency/annual-report-on-economic-development>.

WEDC's vision is an Economy for All where every Wisconsinite has the opportunity to thrive.

WEDC's mission is to strategically invest in Wisconsin to enhance the economic well-being of people and their businesses and communities.

We achieve this by helping Wisconsin businesses and communities:

Thrive

We help create vibrant communities across Wisconsin by revitalizing Main Streets and commercial districts and catalyzing the visions of diverse business owners. Together, we're bringing new energy, healthy commerce, and welcoming shared spaces to rural towns, city neighborhoods, and everywhere in between.

Expand

We help motivated companies grow by opening doors to new markets and building international relationships. That means supporting Wisconsin-based businesses expanding globally—and attracting new companies that want to invest and build here.

Create

We help innovators and problem-solvers turn ideas into impact by championing their visions from concept through commercialization. From groundbreaking startups to technologies that improve daily life, we support discoveries that can transform industries.

Transform

We help people and businesses transform the way they live and work by advancing resilience, sustainability, and new energy solutions. From boosting operational efficiency to building a next-generation energy economy, we're driving progress that benefits both business and community.

We're looking forward, together

Every day, WEDC and its partners work side by side with Wisconsin businesses and communities to build momentum, spark opportunity, and shape an Economy for All.



FY25 Results and Highlights

WEDC is committed to creating an Economy for All by providing resources to communities across the entire state. This commitment is reflected in WEDC's results over the past fiscal year. In FY25, WEDC contracted 360 contracts—including tax incentives, grants, loans, and other awards—totaling \$197.7 million. These investments included grants and loans to communities and businesses, as well as performance-based tax incentives to attract new businesses and enable existing businesses to grow. Of those awards, 257 were grants to businesses and communities, totaling \$39.1 million—the largest amount provided in the past five years.

Other community-focused highlights from FY25 include:

- The Small Business Development Grant pilot program exceeded expectations, providing nearly \$4.7 million—more than double its original budget—to 29 local partners in 25 counties. Nearly three-fourths of the grants went to communities with fewer than 15,000 residents, supporting rural revitalization and local entrepreneurship.
- Two grant programs—the Brownfields and Idle Sites Redevelopment grants—reached more communities than ever before, including first-time awards in Juneau, Vilas, Dodge, Langlade, and Taylor counties.
- The Community Development Investment (CDI) Grant Program also expanded its footprint. Almost one-third of awards went to communities that had never received CDI funding, underscoring WEDC's commitment to statewide development.
- Brownfields, Idle Sites, and CDI grants helped spur the creation of affordable housing statewide. Community leaders have told us this is critical to meeting their local workforce needs.
- FY25 marked the highest year for housing-related grants since 2020, with 2,070 planned housing units across 16 counties. Projects ranged from the redevelopment of a former school in Dodge County to a mixed-use library and housing complex in New Richmond.
- During a time of increased focus on global trade and investments, Governor Tony Evers led his second international trade mission, this time to Germany and France. WEDC also helped Wisconsin businesses connect with potential partners during trade missions to Australia, China, and Mexico; hosted international delegations; and participated in SelectUSA events.

WEDC's long-range plan is to build on this foundation by continuing to expand opportunities for Wisconsin businesses and residents, supporting entrepreneurship and rural development, helping companies compete globally, and advancing the state's leadership in key industries—all while promoting and protecting Wisconsin's exceptional quality of life.



The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Division. We also wish to thank all divisions for their assistance in providing the data necessary to prepare this report. Finally, we want to recognize the WEDC Board of Directors and the WEDC Audit and Budget Committee for their support for maintaining the highest standards of professionalism in the management of WEDC's finances.

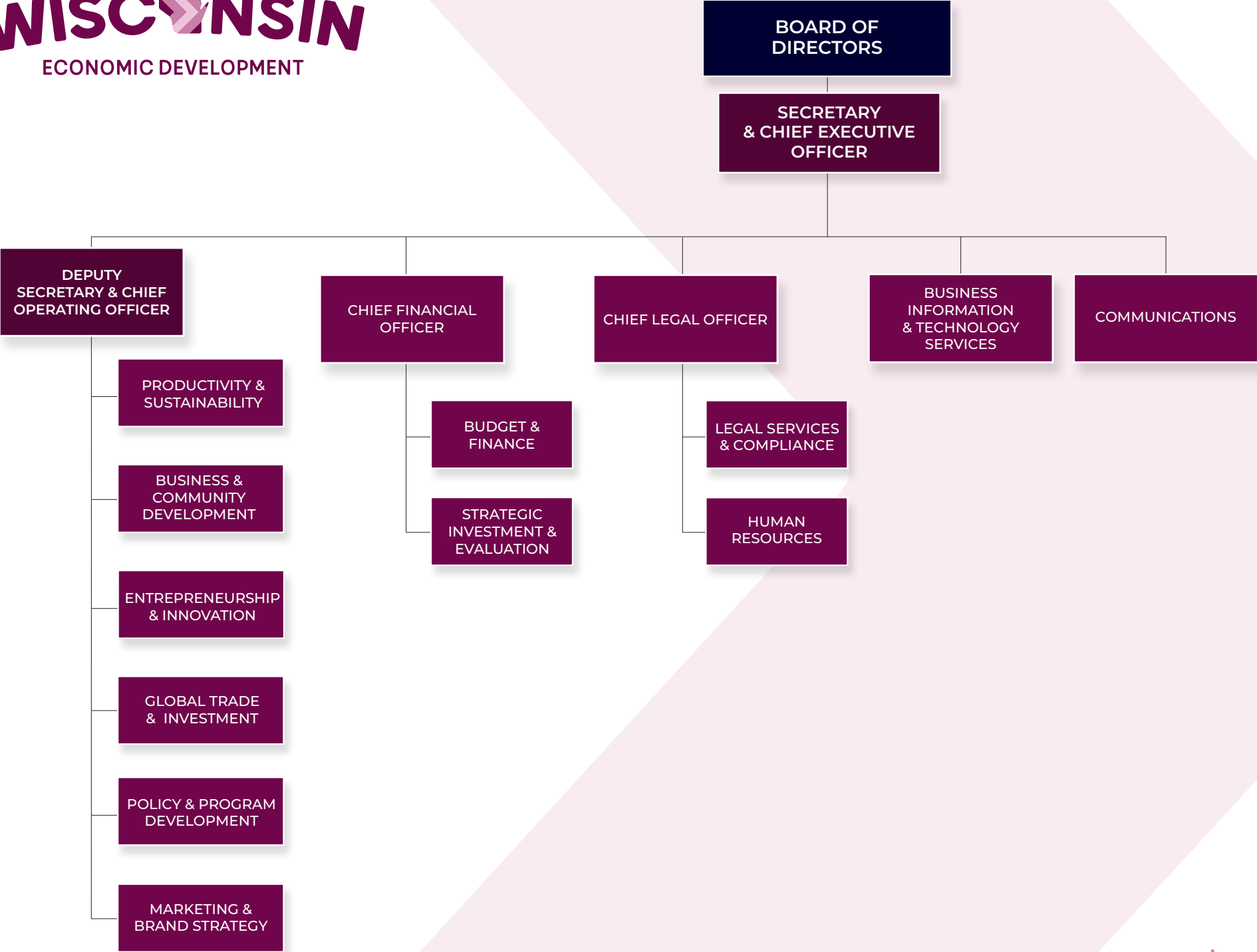
Respectfully submitted,

A handwritten signature in black ink, appearing to be "Khadija Mims", written over a horizontal line.

Khadija Mims
Chief Financial Officer

A handwritten signature in black ink, appearing to be "Natalya Krutova", written over a horizontal line.

Natalya Krutova
Controller





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Wisconsin Economic Development Corporation

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO

Wisconsin Economic Development Corporation

DIRECTORY OF OFFICIALS

BOARD OF DIRECTORS

Pamela Boivin	Chair
Lisa Mauer	Vice Chair
Mike Kunesh	Treasurer
Eugenia Podesta	Secretary
Rep. Dave Armstrong	Board Member
Samba Baldeh	Board Member
John Brogan	Board Member
John Casper	Board Member
John Gaines	Board Member
Randy Hopper	Board Member
Rep. Alex Joers	Board Member
Jim Ladwig	Board Member
Jack Salzwedel	Board Member
Sen. Patrick Testin	Board Member
Sen. Jamie Wall	Board Member
Sec. Kathy Blumenfeld	Ex-Officio – Department of Administration
Sec. David Casey	Ex-Officio – Department of Revenue

ADMINISTRATORS

Melissa Hughes	Secretary and Chief Executive Officer
Sam Ridders	Deputy Secretary and Chief Operating Officer
Jenny Campbell	Chief Legal Counsel
Khadija Mims	Chief Financial Officer
Mike Ward	Senior Vice President of Business and Community Development
Joshua Robbins	Senior Vice President of Business Information and Technology Services
Shelly Braun	Senior Vice President Strategic Investment and Evaluation
Shayna Hetzel	Vice President of Entrepreneurship and Innovation
Vacant	Vice President of Global Trade and Investment
Francisco Sayu	Vice President of Productivity and Sustainability
Sarah Duchemin	Vice President of Marketing and Brand Strategy
Kayla Conklin	Vice President of Human Resources
Natalya Krutova	Controller
Jihan Bekiri	Senior Director of Policy



FINANCIAL SECTION

LOOK FORWARD ➤

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wisconsin Economic Development Corporation
Madison, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Wisconsin Economic Development Corporation (WEDC), a component unit of the State of Wisconsin, as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise WEDC's basic financial statements as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Wisconsin Economic Development Corporation, a component unit of the State of Wisconsin, as of June 30, 2025, and the respective changes in financial for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WEDC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

WEDC adopted Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, for the year ended June 30, 2025. The implementation of this standard resulted in changes to the Management's Discussion and Analysis and presentation of the budgetary comparison schedule for the General Fund. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WEDC's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WEDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the WEDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose on the financial statements that collectively comprise WEDC's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison schedule is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of governmental activities and the major fund of WEDC as of and for the year ended June 30, 2024, and we expressed unmodified opinions on those basic financial statements. That audit was conducted for purposes of forming an opinion on the basic financial statements as a whole. The 2024 comparative information included on the budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2025, on our consideration of WEDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WEDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WEDC's internal control over financial reporting and compliance.

Sikich CPA LLC

Brookfield, Wisconsin
November 18, 2025

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**INDEPENDENT AUDITOR'S 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***

To the Board of Directors
Wisconsin Economic Development Corporation
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 governmental activities, and major fund of the Wisconsin Economic Development Corporation (WEDC) as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the WEDC's basic financial statements, and have issued our report thereon dated November 18, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the WEDC'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 the WEDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the WEDC'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the WEDC'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 WEDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich CPA LLC

Brookfield, Wisconsin
November 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and For the Year Ended June 30, 2025
(Unaudited)

Wisconsin Economic Development Corporation's management offers this narrative overview and analysis of its financial statements for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal, which precedes the independent auditor's report.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to WEDC's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains notes to required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the government's finances, similar to a private-sector business. These statements report information on all the government's assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting. Because the government has only one fund and no separate business-type activities, the government-wide statements essentially present the same financial information as the fund statements but in a different format—emphasizing long-term assets and liabilities.

Fund financial statements. The fund financial statements provide more detailed information about the government's most significant fund. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The government uses a single governmental fund to account for all financial activities. The fund financial statements report short-term inflows and outflows of resources and provide a detailed view of near-term financing. Unlike the government-wide statements, the fund statements focus on the sources and uses of spendable resources and the balances remaining at year end.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They include detailed disclosures about the government's accounting policies, significant estimates, and other key financial information.

Required Supplementary Information (RSI). In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI), which includes this Management's Discussion and Analysis and any budgetary comparison schedules required for the government's single fund.

TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

All WEDC's financial statements—except for the governmental fund financial statements—are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this approach, the statements present a comprehensive view of all financial elements:

Assets – Resources WEDC controls, ranging from short-term assets such as cash and receivables to long-term assets such as loan receivables, loan participation and capital assets.

Liabilities – Obligations WEDC owes to others, from short-term payables like salaries and vendor payments to long-term commitments such as office lease and net pension liabilities.

Deferred outflows and inflows of resources – Transactions that affect future periods, representing the consumption of net assets applicable to future reporting years.

Revenues and expenditures – Inflows and outflows of economic resources related to WEDC's operations during the current fiscal year.

In contrast, the governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. These statements emphasize the sources, uses, and balances of spendable financial resources available in the near term. They do not include nonfinancial assets, such as capital assets, or certain long-term obligations, such as pension bond obligation. However, they do reflect the current financial flows related to those items—for example, pension bond obligation proceeds, principal and interest payments.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide a comprehensive overview of the WEDC's finances, presented in a format similar to that used by private-sector entities. These statements include the Statement of Net Position and the Statement of Activities (pages 24-25).

Government-Wide Statement of Net Position

The following table summarizes WEDC's Statements of Net Position from 2024 and 2025.

	Governmental activities			
	2024 (000's)	2025 (000's)	Change	% Chg
Current and other assets	\$ 89,036	\$ 90,248	\$ 1,212	1.4%
Capital assets	6,240	5,370	(870)	-13.9%
Total assets	95,276	95,618	342	0.4%
Deferred outflows of resources	7,089	5,171	(1,919)	-27.1%
Long-term debt	6,369	6,044	(325)	-5.1%
Other liabilities	7,677	6,959	(718)	-9.4%
Total liabilities	14,046	13,003	(1,043)	-7.4%
Deferred inflows of resources	4,538	2,864	(1,675)	-36.9%
Net investment in capital assets	3,085	2,785	(300)	-9.7%
Restricted	50,274	66,363	16,089	32.0%
Unrestricted	30,423	15,774	(14,649)	-48.2%
Total net position	\$ 83,782	\$ 84,922	\$ 1,140	1.4%

Current and other assets include cash, investments, receivables, prepaid items, equity investment program, equity from loan warrant conversion, and loans receivable.

Total assets changed by \$0.3 million, driven by:

- \$(2.9) million change in cash and cash equivalents, primarily due to disbursements related to the Wisconsin Investment Fund (WIF) initiative, partially offset by the receipt of legislative program funds.
- \$(5.3) million change in investments as the funds were utilized for economic development activities and operations.
- \$8.7 million change in equity investment, primarily reflecting investments in the WIF initiative.
- \$0.7 million change in loan receivables, reflecting \$3.0 million in repayments and \$2.3 million in write-offs, offset by \$3.1 million in new loan draws and \$1.6 million in allowance for loan reserve adjustments.

- \$(0.9) million change in capital assets as a result of accumulated amortization on both Subscription Based Information Technology Arrangements (SBITA) and leases.

Deferred outflows of resources changed by \$(1.9) million and **deferred inflows of resources** changed by \$(1.7) million during the fiscal year, primarily due to the recognition of prior-year actuarial differences and limited new variances reported by the pension plan. These changes reflect the normal annual amortization of pension and Other Postemployment Benefits (OPEB) accruals.

As of June 30, 2025, WEDC reported a net pension liability of \$0.9 million and OPEB liability of \$1.2 million, representing the long-term obligations associated with employee retirement and postemployment benefits

Total liabilities changed by \$(1.0) million primarily due to decreases in payroll liabilities and award accruals, partially offset by increases in pension liabilities.

A portion of WEDC's net position represents the **net investment in its capital assets**, based on historical cost. Capital assets are used to provide services; consequently, these assets are not available for future spending. Capital assets are described in more detail on page 43 of this report.

Another portion of WEDC's net position is restricted, representing resources subject to external limitations on how they may be used. **Restricted net position** primarily consists of contractual obligations WEDC has made related to its economic development programs and awards.

The remaining portion of WEDC's net position represents resources that are unrestricted. **Unrestricted net position** consists primarily of commitments made to its economic development programs and awards, long-term receivables (mainly loans), and funds otherwise unassigned. WEDC provides grants and loans to businesses, nonprofits, and communities to encourage economic growth. A commitment represents an award that has been fully approved through WEDC's award administration process, but the awarded contract has not yet been executed (signed) by both the awardee and WEDC.

Government-Wide Statement of Activities

The Statement of Activities presents information showing how WEDC's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The table below summarizes the Statements of Activities for 2024 and 2025.

	Governmental activities			
	2024 (000's)	2025 (000's)	Change	% Chg
REVENUE				
Program revenues				
Operating grants and contributions	\$ 2,714	\$ 16,396	\$ 13,681	504.0%
Charges for services	124	96	(28)	-22.7%
Capital grants and contributions	626	-	(626)	N/A
General revenues				
Intergovernmental revenues				
not restricted to specific programs	46,260	43,624	(2,636)	-5.7%
Investment income	3,836	3,969	132	3.5%
Miscellaneous	407	671	264	64.8%
Total Revenues	<u>53,967</u>	<u>64,756</u>	<u>10,787</u>	<u>20.0%</u>
EXPENDITURES				
General administration	12,206	13,514	1,308	10.7%
Marketing & brand strategy	8,570	8,753	183	2.1%
Economic development	35,079	41,321	6,242	17.8%
Interest and fiscal charges	42	27	(15)	-36.1%
Total Expenditures	<u>55,897</u>	<u>63,615</u>	<u>7,719</u>	<u>13.8%</u>
Total Change in Net Position	(1,930)	1,141	3,068	-159.0%
NET POSITION - BEGINNING OF YEAR	85,712	83,782		
NET POSITION - END OF YEAR	<u>\$ 83,782</u>	<u>\$ 84,923</u>		

Program revenues increased significantly, with a \$13.7 million change in operating grants and contributions. This was mainly due to legislative program funds totaling \$11.4 million, including \$7.5 million for the Tech Hub award, \$2.0 million for Branch Campus Redevelopment grants, and \$1.9 million representing the Opportunity Attraction Fund.

Charges for services changed by \$(28,000) primarily from reduced bond servicing and tax transfer fees.

Capital grants and contributions changed by \$(0.6) million, primarily due to the completion of a lease improvement allowance for the new office.

General revenues from intergovernmental sources changed by \$(2.6) million, reflecting lower surcharge collections from the segregated economic development fund (SEG).

Investment income changed by \$0.1 million, driven by a slightly higher return on investments, partially offset by lower loan interest income.

Miscellaneous revenues changed by \$0.3 million, primarily due to increased sponsorship contributions and other revenues.

General administration expenditures changed by \$1.3 million, primarily reflecting higher health insurance costs and required Wisconsin Retirement System (WRS) contributions.

Marketing and communication expenditures changed by \$0.2 million, primarily due to expanded event activities and program promotions.

Economic development expenditures changed by \$6.2 million during the fiscal year, primarily due to higher disbursements for grants and payments to key strategic partners supporting local business programs. The increase also reflects higher professional service costs associated with the implementation of the State Small Business Credit Initiative (SSBCI) activities and an increase in bad debt expense related to outstanding program loans. These changes align with the WEDC's expanded efforts to stimulate small business growth and strengthen local economic resilience.

Interest and fiscal charges changed by \$(15,000), primarily due to changes in the state's pension obligation allocation.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. WEDC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. WEDC has only one fund, the General Fund. The General Fund is a governmental fund type. The fund financial statements can be found on pages 26 and 28 of this report.

Since WEDC only reports one fund, the results of operations for the General Fund are like the government-wide financial statements. The primary difference being that the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. In practical terms, this means that capital assets, which represent assets to be used in future periods, and debt, which is expected to be paid in future periods, are not included in the fund financial statements. The details of these adjustments are found within the Reconciliation of the Balance Sheet to the Statement of Net Position and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, see pages 27 and 29.

Although like the government-wide financial statements, the fund financial statements can be useful in evaluating a government's near-term financing requirements and provide a more detailed breakdown of WEDC's net position composition.

General Fund - Fund Balance

The year-end total fund balance of \$83.1 million changed by \$4.1 million, which represents the net change in fund balance which means that revenues exceeded expenditures by \$4.1 million. WEDC uses its unassigned fund balance and loan principal repayments as fund sources to achieve a balanced budget. WEDC's general fund balance is categorized into four components:

1. Non-spendable,
2. Restricted,
3. Assigned, and
4. Unassigned.

These categories give the reader some idea about how much funds are available for spending.

Non-spendable fund balance represents resources that are not available for current spending, including loan receivables, equity investment programs, equity resulting from loan warrant conversions, and prepaid items. The majority of this balance consists of outstanding loan receivables, excluding SSBCI TDL loans, which are reported as part of the restricted fund balance. The nonspendable fund balance totaled \$7.7 million at June 30, 2025, compared to \$9.8 million in FY24 a decrease of \$(2.1) million. This change primarily reflects a \$2.2 million reduction in net loan receivables as repayments exceeded new loan

originations, partially offset by modest increases in prepaid items and equity from loan warrant conversions.

Restricted fund balance totaled \$66.4 million on June 30, 2025, compared to \$50.3 million in FY24, an increase of \$16.1 million. This balance represents resources that are subject to external restrictions on use, including \$47.3 million tied to open award contracts, \$18.7 million related to SSBCI investments, and \$0.4 million dedicated to talent attraction and retention initiatives. The year-over-year increase primarily reflects higher contracting activity in FY25, driven by a \$14.2 million increase in economic development contracts, a \$1.5 million increase in SSBCI restricted activities, and a \$0.4 million increase in talent attraction and retention programs.

Assigned fund balance for FY25 was \$2.1 million, down from \$9.2 million in FY24. This \$(7.1) million change was primarily due to reduced assigned funds for the talent attraction and retention initiatives and programs in FY25.

Unassigned fund balance for FY25 was \$6.9 million, down from \$9.8 million in FY24, reflecting a \$(2.8) million change. This unassigned balance represents the residual funds available for future operating budgets or program spending.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a complete understanding of the data presented in the financial statements. These notes can be found on pages 30–59 of this report. Information related to capital assets and long-term debt is also included within the accompanying footnotes. The notes to the required supplementary information are presented separately on pages 61–66.

Capital assets

WEDC's capital asset activity for 2024 and 2025 is summarized below.

Description	Governmental Activities		
	2024	2025	Variance
Software	\$ 1,028,278	\$ 1,231,438	\$ 203,160
Furniture and fixtures	464,903	543,020	78,117
Leasehold improvements	2,355,466	2,355,926	460
Right-to-use lease asset	3,130,204	3,130,204	-
SBITA	761,166	321,625	(439,541)
Total Capital Assets	7,740,017	7,582,213	(157,804)
Less accumulated depreciation and amortization	(1,500,154)	(2,212,632)	(712,478)
Capital assets, net of depreciation and amortization	\$ 6,239,863	\$ 5,369,581	\$ (870,282)

Total capital assets changed by \$(0.2) million compared to FY24, mainly due to the deletion of SBITA assets offset by software/website and furniture additions. Additional information on WEDC's capital assets can be found in Note II C on page 43.

Long-term debt

WEDC does not have a statutory debt limit because it does not issue general obligation debt or have taxing authority. Long-term debt consists of several types of obligations that extend beyond one year, including lease liabilities, subscription-based information technology arrangement (SBITA) liabilities, Other Postemployment Benefits (OPEB) liabilities, compensated absences, and notes payable to the State of Wisconsin. These balances represent commitments for leased assets and technology systems, employee benefits earned but not yet paid, and outstanding obligations under state loan programs.

Total long-term debt decreased by \$(0.5) million compared to the prior fiscal year, primarily due to the scheduled repayment of notes payable and reductions in compensated absences, partially offset by normal year-end adjustments to lease and OPEB liabilities. Variances from fiscal year 2024 are summarized in the schedule below.

	Governmental Activities		
	2024	2025	Variance
Lease liability	\$ 2,895,102	\$ 2,584,083	\$ (311,019)
SBITA liability	259,284	-	(259,284)
OPEB liability	1,165,167	1,221,410	56,243
Net pension liability	779,827	873,337	93,510
Compensated absences	956,417	1,134,633	178,216
Notes payable - State of Wisconsin	1,252,248	1,005,850	(246,398)
Total	<u>\$ 7,308,045</u>	<u>\$ 6,819,313</u>	<u>\$ (488,732)</u>

Additional information on WEDC's long-term debt can be found in Note II D on pages 44- 46.

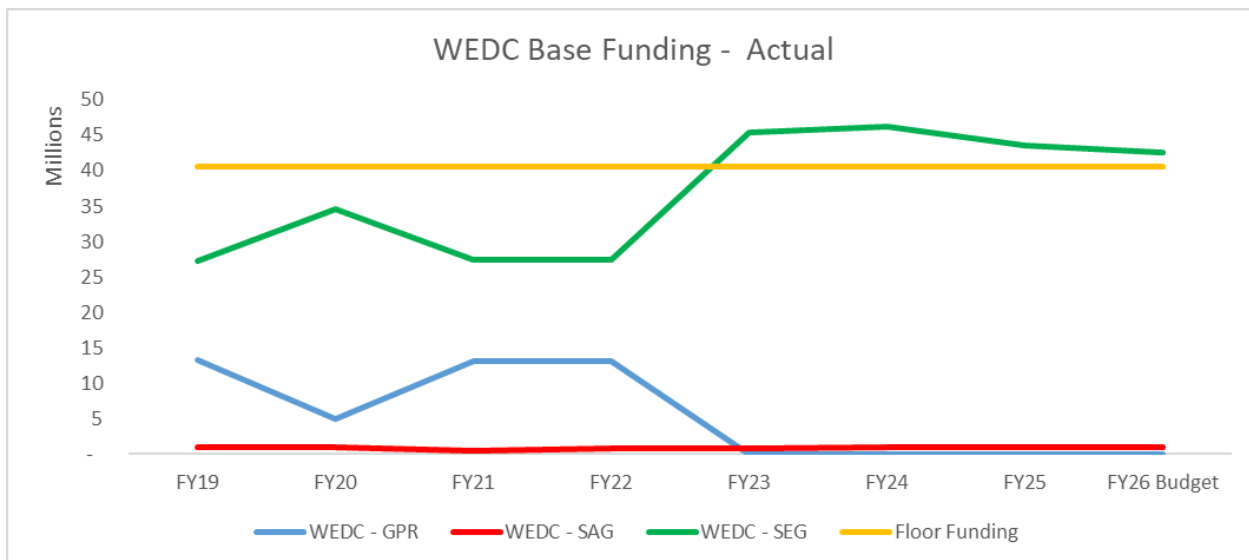
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

WEDC's state base funding consists of three funds.

1. The segregated economic development fund (SEG), which is WEDC's primary funding source, is generated from surcharge collections on C corporations, S corporations, and insurers that are required to file a corporate income/franchise tax return with over \$4 million in gross receipts. Partnerships and individuals are exempt. The surcharge is 3.0% gross tax liability for C corporations and insurers, or 0.2% of net business income for S corporations, with a minimum surcharge of \$25 and a maximum of \$9,800 annually.
2. The segregated environmental fund (SAG), which is restricted for the use of the Brownfield Site Assessment Grants.
3. The general purpose revenue fund (GPR), which may be used only if there are no unencumbered funds available in the economic development fund. Thus, the first draws should come from the economic development fund until the available balance of the SEG appropriation is depleted.

WEDC's annual funding from GPR is calculated as \$41.5 million minus the amounts from the economic development fund and the environmental fund with a maximum GPR allocation capped at \$16 million per year. This appropriation structure has two main purposes. First, it prioritizes SEG expenditures over GPR expenditures to prevent the economic development fund from accumulating a large, unused balance. Second, it guarantees a minimum or floor funding level for WEDC operations and programs to protect against the risk of lower-than-expected SEG revenues.

In FY24 and FY25, the economic development fund exceeded the minimum funding threshold, eliminating the need for WEDC to draw on the general purpose revenue fund. As a result, all state base funding during these years came entirely from surcharge collections in the economic development fund.



STATE BUDGET PROVISIONS

Surcharge collections (SEG) for the FY26-FY27 biennium are re-estimated at nearly \$4.0 million below the FY25 budgeted level.

Economic Development Fund Surcharge Collections (SEG)	FY26	FY27	Biennium Total
Approved appropriations (estimates)	\$ 42,600,000	\$ 43,300,000	\$ 85,900,000
Change from FY25 budget	\$(2,270,000)	\$(1,570,000)	\$(3,840,000)

State Legislative Program Funds included in FY26 Budget:

- \$5.0 million Talent Recruitment Grants: Established by 2025 Wisconsin Act 15, this program directs WEDC to establish and administer a grant program to incentivize households outside the state to relocate to Wisconsin municipalities.
- \$18.0 million Branch Campus Redevelopment Grants: Established by 2023 Wisconsin Act 250, this appropriation supports political subdivisions in repurposing former branch campus sites to promote community economic development. Of the \$20.0 million total appropriation, WEDC contracted \$2.0 million in FY25, with \$18.0 million carried forward to FY26.
- \$3.1 million Opportunity Attraction Fund: Established by 2023 Wisconsin Act 169, this grant program aims to attract high-impact events and opportunities to the state. Of the \$5.0 million total appropriation, WEDC contracted \$1.9 million in FY25, with \$3.1 million carried forward to FY26.

Federal Funds included in FY26 Budget:

- \$21.9 million from the State Small Business Credit Initiative (SSBCI), which includes \$21.4 million to support the Wisconsin Investment Fund (WIF) initiative, Technology Development Loan and Capital Catalyst Loan Participation programs.
- \$14.6 million from the U.S. Environmental Protection Agency (EPA) for PowerUp Wisconsin programs. This funding supports infrastructure improvements across the state to increase access to affordable energy and reduce energy costs.

- \$4.6 million from the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) passthrough from the Department of Administration (DOA) to support one-time projects related to technical assistance, rural entrepreneurship, and entrepreneurship network initiatives.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of WEDC's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, The Hub • 2352 S. Park St., Suite 303 • Madison, WI 53713.

General information relating to WEDC, Wisconsin, can be found at WEDC's website, <https://wedc.org/>.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF NET POSITION
As of June 30, 2025

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,880,049
Cash restricted	15,720,676
Investments	49,704,758
Equity investments	10,303,838
Accounts receivable	1,365,820
Accrued interest on investments	494,960
Prepaid items	446,993
Loans receivable (net of allowances of \$4,867,813)	10,025,899
Interest on loans receivable (net of allowances of \$368,532)	305,357
Other capital assets (net of depr \$2,212,632)	5,369,581
Total Assets	<u>95,617,931</u>
Deferred outflows of resources	
Deferred outflows of resources - pensions	4,719,846
Deferred outflows of resources - OPEB	450,658
Total Deferred Outflows of Resources	<u>5,170,504</u>
LIABILITIES	
Accounts payable	3,567,367
Accrued liabilities	2,615,993
Noncurrent liabilities	
Due within one year	775,323
Due in more than one year	6,043,990
Total Liabilities	<u>13,002,673</u>
Deferred inflows of resources	
Deferred inflows of resources - pensions	2,564,344
Deferred inflows of resources - OPEB	299,398
Total Deferred Inflows of Resources	<u>2,863,742</u>
NET POSITION	
Investment in capital assets (net)	2,785,498
Restricted for:	
R-Economic development	45,882,485
R-Brownfield site assessments	1,403,265
R-SSBCI	18,666,161
R-Talent attraction and retention initiative	410,912
Unrestricted	15,773,699
TOTAL NET POSITION	<u><u>\$ 84,922,020</u></u>

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental Activities					
General administration	\$ 13,514,208	\$ 95,744	\$ 181,870	\$ -	\$ (13,236,594)
Marketing & brand strategy	8,753,002	-	41,975	-	(8,711,027)
Economic development	41,320,308	-	16,171,699	-	(25,148,609)
Interest and fiscal charges	27,035	-	-	-	(27,035)
Total Governmental Activities	<u>63,614,553</u>	<u>95,744</u>	<u>16,395,544</u>		<u>(47,123,265)</u>
General Revenues					
Intergovernmental revenues not restricted to specific programs					
Segregated funds					43,624,327
Investment income					3,968,592
Miscellaneous					670,546
Total General Revenues					<u>48,263,465</u>
Change in Net Position					1,140,200
NET POSITION - BEGINNING OF YEAR					<u>83,781,820</u>
NET POSITION - END OF YEAR					<u><u>\$ 84,922,020</u></u>

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2025**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 1,880,049
Cash restricted - SSBCI	6,098,363
Cash restricted - LEG	9,622,313
Investments	49,704,758
Equity investments	10,303,838
Accounts receivable	1,365,820
Accrued interest on investments	494,960
Prepaid items	446,993
Loans receivable (net of allowances of \$4,867,813)	8,308,399
Loan receivable - SSBCI	1,717,500
Interest on loans receivable (net \$368,532)	239,431
Interest on loans receivable - SSBCI	65,926
Total Assets	<u>\$ 90,248,350</u>
LIABILITIES	
Accounts payable	\$ 3,567,367
Accrued awards	1,349,851
Accrued wages	499,680
Payroll related liabilities	289,044
Other liabilities	477,418
Total Liabilities	<u>6,183,360</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	963,768
Total Deferred Inflows of Resources	<u>963,768</u>
FUND BALANCES	
Nonspendable - prepaids	446,993
Nonspendable - equity investment program	124,250
Nonspendable - equity from loan warrant conversion	192,588
Nonspendable - long-term receivables	6,888,376
Restricted for	
Economic development	45,882,485
Brownfield site assessment	1,403,265
SSBCI	18,666,161
Talent attraction and retention initiative	410,912
Assigned for	
Compensated absences	1,134,633
Note payable to State of Wisconsin	1,005,850
Unassigned	6,945,709
Total Fund Balances	<u>83,101,222</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 90,248,350</u>

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
As of June 30, 2025

Fund balances - total governmental funds		\$	83,101,222
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds			
Software	1,231,438		
Furniture and fixtures	543,020		
Leasehold improvements	2,355,926		
Right-to-use lease asset	3,130,204		
Right-to-use-SBITA	321,625		
Less: accumulated depreciation, amortization	<u>(2,212,632)</u>		
Total adjustment for capital assets			5,369,581
Deferred outflows related to pensions are not current financial resources and, therefore, are not reported in the government funds			
Net pension difference between projected and actual investment earnings on pension plan investment	1,327,082		
Pension differences between projected and actual experiences	2,712,189		
Change in proportional share & difference in actual contributions	259,136		
Pension contributions after measurement date	412,963		
Pension changes of actuarial assumptions	<u>8,476</u>		
Total adjustment for pension deferred outflows			4,719,846
Deferred outflows related to OPEB are not current financial resources and, therefore, are not reported in the government funds			
OPEB change in proportion	138,172		
OPEB changes of assumptions	139,830		
OPEB subsequent contributions after measurement date	79,567		
OPEB change in proportional share & difference in actual contributions	<u>93,089</u>		
Total adjustment for OPEB deferred outflows			450,658
Deferred inflows related to pensions are not current finance resources and, therefore, are not reported in the government funds			
Pension changes in proportion and differences between employer contributions and proportionate share of contributions	(15,737)		
Pension differences between projected and actual experiences	<u>(2,548,607)</u>		
Total adjustment for pension deferred inflows			(2,564,344)
Deferred inflows related to OPEB are not current finance resources and, therefore, are not reported in the government funds			
OPEB changes of assumptions	(219,736)		
OPEB changes in proportion	(46,171)		
OPEB differences between expected and actual experience	<u>(33,491)</u>		
Total adjustment for OPEB deferred inflows			(299,398)
Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements			
			963,768
Net pension liability are not current financial resources and, therefore, are not reported in the government funds			
			(873,337)
Total OPEB liability are not current financial resources and, therefore, are not reported in the government funds			
			(1,221,410)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds			
The details of this adjustment are as follows			
Net adjustment for compensated absences	(1,134,633)		
Lease payable	(2,584,083)		
Notes payable to State	(1,005,850)		
Total adjustment for long-term obligations			<u>(4,724,566)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u>84,922,020</u>

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2025

	General Fund
REVENUES	
Intergovernmental	\$ 62,335,403
Charges for services	95,744
Interest income	3,968,592
Other revenues	670,546
Total Revenues	<u>67,070,285</u>
EXPENDITURES	
Current	
General administration	12,008,603
Marketing & brand strategy	8,722,292
Economic development	41,364,324
Debt Service	
Principal retirement	805,647
Interest and fiscal charges	87,829
Total Expenditures	<u>62,988,695</u>
Net Change in Fund Balance	4,081,590
FUND BALANCES - BEGINNING OF YEAR	<u>79,019,632</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 83,101,222</u></u>

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2025**

Net change in fund balances - total governmental funds	\$ 4,081,590
Amounts reported for governmental activities in the statement of activities are different because:	
Net pension liabilities and related deferred inflows/outflows are not current financial resources and, therefore, are not reported in the governmental funds	(356,281)
Total OPEB liabilities and related deferred inflows/outflows are not current financial resources and, therefore, are not reported in the governmental funds	(37,777)
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities. Capital assets contributions are set up at value with a corresponding amount of revenue recognized. Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	281,737
The issuance of the Lease liability is reported as an other financing source in the governmental funds but as an increase of principal outstanding in the statement of activities.	
Depreciation and amortization are reported in the government-wide statements	(1,152,019)
Receivables not currently available are reported as deferred inflows in the fund financial statements but are recognized as revenue when earned in the government-wide statements	
Prior year deferred revenue reversed in current year	(2,315,535)
Repayments of debt is an expenditure in the governmental funds, but then reduces debt in the statement of net position.	
Notes payable annual recalculation adjustment	11,054
Principal repaid	805,647
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(178,216)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,140,200</u></u>

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS **As of and For the Year Ended June 30, 2025**

NOTES TO FINANCIAL STATEMENTS

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Wisconsin Economic Development Corporation (WEDC), conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

On February 9, 2011, the Wisconsin Legislature passed legislation creating WEDC, which is a public body corporate and politic, to be known as the "Wisconsin Economic Development Corporation". WEDC was governed by a board of 12 voting members. 2017 Wisconsin Act 369 changed the board composition to 16 voting members, beginning September 1, 2019. The members of the board shall consist of 6 members nominated by the governor, 4 members appointed by the speaker of the assembly, one member appointed by the minority leader of the assembly, 4 members appointed by the senate majority leader, and one member appointed by the minority leader of the senate. The secretary of administration and secretary of revenue shall also serve on the board as non-voting members. Although WEDC was created on February 9, 2011, financial activity did not start until July 1, 2011, upon commencement of the State of Wisconsin 2011-12 budget and the initial transfer of funds.

The duties of the board are to develop and implement economic development programs to provide business support and expertise and financial assistance to companies that are investing and creating jobs in Wisconsin and to support new business start-ups and business expansion and growth in Wisconsin. The board may also develop and implement any other programs related to economic development in Wisconsin. WEDC is a discretely presented component unit of the State of Wisconsin.

The accompanying financial statements include all of the funds of WEDC and its component units, entities for which WEDC is considered to be financially accountable. Blended component units are, in substance, part of WEDC's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of WEDC. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. WEDC does not have component units required to be presented as either blended or discretely presented.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information of WEDC. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. WEDC has no business-type activities. While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS **As of and For the Year Ended June 30, 2025**

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements

The fund financial statements provide information about WEDC's fund. All WEDC activities are reported within the General Fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Interest revenue is recognized as earned.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, although exceptions may be made for some intergovernmental agreements. Expenditures generally are recorded when a fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

Interest on investments is recognized as revenue when earned and received within the period of availability (within 60 days of year-end). Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS **As of and For the Year Ended June 30, 2025**

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Cash, Cash Equivalents, and Investments

WEDC considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash and cash equivalents.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

Equity investments are stated at cost, which approximates fair value, and represent equity positions held in companies, with the primary purpose of supporting startup and emerging growth businesses in Wisconsin.

2. Receivables

WEDC administers loans to be repaid, which include loans made to businesses that have established repayment schedules.

WEDC uses the allowance method to account for potential loan losses. The provision for loan losses charged to expense is based on the loan program type and the payment status of individual loans. WEDC's allowance ranges from 10% to 100% on a per loan basis.

3. Inventories and Prepaid Expenses

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (Continued)

4. Capital Assets

Capital assets, which include intangible, vehicles, furniture and fixture, and leasehold improvements, are reported in the government-wide financial statements. Capital assets are defined by the WEDC as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two (2) years. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Software	3-7 Years
Furniture and fixtures	3-7 Years
Leasehold improvements	Remaining life of the lease term
Vehicles	5 Years

In the government fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

WEDC recognizes a subscription-based information technology arrangement (SBITA) liability and intangible right-to-use asset based on the present value of future payments over the contracted term of the SBITA. SBITA right-to-use assets are reported with capital assets, and SBITA liabilities are reported as long-term debt in the statements of net position. The right-to-use SBITA assets are amortized over the contract term.

5. Pensions

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (Continued)

6. Other Postemployment Benefit Costs (OPEB)

The State Retiree Health Insurance Fund is a multiple-employer defined benefit OPEB plan offering group health insurance. The OPEB plan is reported in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Benefit expenses are recognized in the accounting period in which benefits are earned.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. WEDC has deferred outflows related to the pension and other post-employment benefits (OPEB). Pension and OPEB-related deferred charges on refunding are reported in the government-wide financial statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will only be recognized as an inflow of resources (revenue) after then. WEDC reports deferred inflows for unavailable revenue, within its governmental fund's balance sheet. The governmental funds report unavailable revenues for revenues that are earned and measurable but unavailable. These amounts are recognized as an inflow of resources in the period that the amounts become available. WEDC also has deferred inflows related to pension and OPEB. Pension and OPEB-related deferred charges on refunding are reported in the government-wide financial statement of net position.

8. Compensated Absences

WEDC's policy allows employees to accumulate 240 hours of paid time off. Hours over 240 or unused hours lapse. The compensated absences liability for paid time off is calculated based on the pay or salary rates in effect at year-end. Former Department of Commerce employees received an additional transitional credit upon transfer to WEDC. This credit was based on the employee's years of service and pay rate in effect at the time of the transition. This credit will be paid out to qualifying employees upon eligible retirement from WEDC.

Liabilities for these benefits are accrued when incurred in the government-wide financial statements. Liability for this amount is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

WEDC implemented GASB Statement No. 101, *Compensated Absences*, in 2025. Adoption did not result in a change to beginning net position as the impact was immaterial. Under the WEDC's policy, employees accrue paid time off (PTO), which combines vacation and sick leave benefits into a single leave category. PTO is recognized as a liability when it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (Continued)

9. Long-Term Obligations

All long-term obligations to be repaid from governmental activities are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of compensated absences, leases, Subscription-Based Information Technology Arrangements (SBITA) and notes payable.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt is reported as other financing sources and payments of principal and interest are reported as expenditures.

10. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred. Claims and judgments are recorded in the governmental fund financial statements as expenditures only if they are due and payable.

11. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, lease liability, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position - All other net position that does not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is WEDC's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance. The fund balance is further classified as non-spendable, restricted, committed, assigned, and unassigned.

- Non-spendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (Continued)

11. Equity Classifications (Continued)

Fund Statements (Continued)

- Restricted – fund balance is reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of WEDC's highest level of decision-making authority. This action must occur prior to year-end. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action employed to previously commit those amounts. WEDC does not have any committed fund balance. WEDC's highest level of decision-making authority is WEDC's eighteen-member board and commitments made by the WEDC Board are done through the adoption of a resolution passed by a quorum of the Board.
- Assigned – includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by (a) the governing board itself or (b) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The WEDC board delegates authority to the CEO or the CFO to establish assignments of fund balance.
- Unassigned – fund balance is the residual classification for the General Fund.

WEDC Board adopted POL 002 Fund Balance Policy. The policy has established a target for its unassigned fund balance on June 30th of each fiscal year to equal one-sixth of the annual administrative expenditures. If the unassigned fund balance exceeds the established target, WEDC will look for ways of reducing the unassigned fund balance over time, which may include the use of a portion of the unrestricted fund balance to help fund future operating budgets or to increase program spending in the current fiscal year.

WEDC's fund balance policy specifies that when multiple classifications of fund balance are available, that fund balance shall be spent in the following order: restricted, committed, assigned then unassigned.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE II - Detailed Notes on All Funds

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

WEDC's deposits and investments at year-end were comprised of the following:

	Statement Balance	Carrying Value	Associated Risks
Demand Deposits	\$ 1,865,678	\$ 1,865,678	Custodial credit risk
Money Market	15,735,047	15,735,047	Custodial credit risk
Corporate Short Term Paper	6,463,138	6,463,138	Custodial credit risk
Certificate of Deposit	5,267,127	5,267,127	Custodial credit risk
US Agency	37,974,493	37,974,493	Custodial credit, credit, concentration of credit, and interest rate risk
Total	<u>\$ 67,305,483</u>	<u>\$ 67,305,483</u>	

Any difference between the statement balance and the carrying value is due to outstanding deposits in transit.

WEDC's policy limits cash and investments to the following:

- a. Checking and savings accounts;
- b. Local government investment pools are either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation, such as the Local Government Investment Pool and Wisconsin Investment Series Cooperative;
- c. Non-negotiable certificates of deposits, certificates of deposit purchased through the Certificate of Deposit Account Registry Service (CDARS), another fully insured certificate of deposit programs such as the money market account offered by American Deposit Management Company or purchased via a registered investment advisor/company;
- d. Negotiable certificate of deposits if the issuer/financial institution has a rating in the second highest tier, or higher by a nationally recognized rating agency;
- e. Stable Net Asset Value Money market mutual funds regulated by Rule 2a-7 of the Securities and Exchange Commission and whose portfolios consist of only dollar-denominated securities;
- f. Bonds and securities issued by the federal government or a commission, board, or other instrumentality of the federal government;
- g. Bonds of the State of Wisconsin;
- h. Commercial paper is rated in the highest tier by a nationally recognized rating agency; and
- i. Overnight repurchase agreements with a public depository as defined in statute 34.01 (5), provided that the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government and held by a third-party custodian. WEDC shall be informed of the specific collateral and investments in the repurchase agreements and the agreement shall be collateralized at least 102% of the value of WEDC's investment.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE II- Detailed Notes on All Funds (Continued)

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Custodial Credit Risk

Deposits

For a deposit, custodial credit risk is the risk that in the event of a financial institution failure, WEDC's deposits may not be returned to WEDC. The FDIC insures deposits in each local and area bank in the amount of \$250,000 for time and savings accounts (including NOW accounts), and \$250,000 for interest-bearing demand deposit accounts. WEDC has collateral agreements of \$10.4 million for uninsured deposits held at the WEDC's primary bank and the American Deposit Management certificates of deposits as of June 30, 2025. American Deposit Management held the collateral agreements with Bell Bank. The agreement is to prohibit the release of pledged assets without WEDC's authorization; however, the substitution of like collateral (valued and type) is allowed.

At year-end, WEDC had no deposits that were exposed to custodial credit risk as all deposits were insured or collateralized.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, WEDC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2025, \$49.7 million of uninsured investment securities are held at the custodian bank in book-entry form.

Policy

WEDC's policy requires all deposits above federal insurance limits that are not registered in WEDC's name will be protected through collateral or letters of credit. The collateral shall be in bonds or securities issued by the federal government, its agencies or instrumentalities, held by an independent third-party custodian with whom WEDC has a current custodial agreement with a value of 102% of the uninsured balance.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the value of an investment. In general, the longer the time until an investment matures, the greater the sensitivity of its fair value to changes in market interest rates. WEDC's investment policy restricts investments to those with a maturity date less than five years.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE II - Detailed Notes on All Funds (Continued)

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of WEDC's investments to market interest rate fluctuations is provided by the following table that shows the distribution of WEDC's investments by maturity:

Investment	Maturity Term				Total
	< 1 Year	1 - 2 Years	2 - 3 Years	3-4 Years	
Federal Home Loan Bank	\$ 857,449	\$ -	\$ -	\$ -	\$ 857,449
Certificate of Deposit	4,027,569	1,239,558	-	-	5,267,127
US Treasury	5,440,067	17,553,824	14,123,153	-	37,117,044
Corporate Short Term Paper	6,463,138	-	-	-	6,463,138
Total	<u>\$ 16,788,223</u>	<u>\$ 18,793,382</u>	<u>\$ 14,123,153</u>	<u>\$ -</u>	<u>\$ 49,704,758</u>

Credit Risk

Credit risk is the risk that WEDC would lose money due to the default or potential default of a bond or securities issuer. WEDC reduces our exposure to this risk by restricting our allowed investments. WEDC is not subject to Wisconsin statutes section 66.0603 regulating allowable investments. WEDC limits cash assets and investments to the authorized deposits and investments listed above.

WEDC will diversify investments by type, length of maturity, and institution subject to limitations established in this policy, and to the extent practicable, considering the safety of principal, yield, collateralization, investment costs, and available bidders.

Investment	AAA/Aa+	A-1	Not provided
Federal Home Loan Bank	\$ 857,449	\$ -	\$ -
US Treasury	37,117,044	-	-
Certificate of Deposit	-	-	5,267,127
Corporate Short Term Paper	-	6,463,138	-
Total	<u>\$ 37,974,493</u>	<u>\$ 6,463,138</u>	<u>\$ 5,267,127</u>

Concentration of Credit Risk

The concentration of credit risk is the risk of loss attributed to having a large amount of investments in a single issuer. Diversifying the investment portfolio will also minimize this risk. WEDC limits investments in a single issuer to 5% of WEDC's total cash and investments balances; investments in bonds issued by the federal government or instrumentality of the federal government are exempt from this requirement.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE II - Detailed Notes on All Funds (Continued)

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Fair Value Measurement

WEDC categorized 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 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

WEDC has the following recurring fair value measurements as of June 30, 2025:

Investment	Level 1	Level 2	Level 3
Cash Equivalents	\$ -	\$ 6,463,138	\$ -
US Government Issues	37,117,044	857,449	-
Certificate of Deposit	-	5,267,127	-
Total Assets	<u>\$ 37,117,044</u>	<u>\$ 12,587,714</u>	<u>\$ -</u>

U.S. Treasury securities of \$37.1 million are valued using quoted market prices of these assets (Level 1 inputs).

Cash equivalents include corporate short-term paper of \$6.5 million, and Government Sponsored Entity (GSE) securities includes FHLB of \$0.9 million. Both are valued using quoted market prices of these or similar assets using various market and industry inputs (Level 2 inputs).

Certificate of Deposit of \$5.3 million, which includes short-term funds (Level 2 inputs).

Equity Investments

Wisconsin Investment Fund: As of June 30, 2025, WEDC has invested \$9,987,000 in Wisconsin-based companies through the Wisconsin Investment Fund (WIF), which is supported by the State Small Business Credit Initiative (SSBCI). The equity investments are reported at cost, which approximates fair value as of June 30, 2025.

Technology Development Loan Warrant Conversion: As of June 30, 2025, WEDC has converted \$192,588 in warrants into equity as part of the Technology Development Loan (TDL) program.

Wisconsin Pilot Program: As of June 30, 2025, WEDC has invested \$124,250 in the form of Simple Agreement for Future Equity (SAFE) as part of the Wisconsin Investment Pilot (WIP) Program.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE II - Detailed Notes on All Funds (Continued)

B. RECEIVABLES

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, \$963,768 was considered to be earned but not available.

Loans Receivable

The WEDC administers several loan programs designed to support Wisconsin businesses. These loans are issued under various agreements, some of which are contingent upon the borrower meeting specific performance or compliance criteria as detailed in each loan agreement.

Loan Portfolio

As of June 30, 2025, the WEDC loan portfolio consisted of the following:

- The Technology Development Loan program - Principal balance of \$11,242,767
- State Small Business Credit Initiative (SSBCI) Loans - Principal balance of \$1,717,500
- Capital Catalyst Program - The Organization participates in loans originated jointly with partner lenders under the SSBCI-funded Capital Catalyst Program. Principal balance \$1,420,023
- Other State programs - Principal balance of \$513,422

The loans within the portfolio carry varying interest rates and maturity terms based on the specific loan agreements.

Allowance for Uncollectible Loans

Management evaluates the collectability of the loan portfolio on an ongoing basis and establishes an allowance for loan losses based on loan program type and the payment status of individual loans. The allowance is recorded as a reduction of loans receivable in the accompanying financial statements.

Certain federally funded loan programs are not subject to the allowance for loan losses.

Interest Receivable

Interest accrued but not yet collected on outstanding loans is recorded as interest receivable. Similar to the loans, an allowance for uncollectible interest is established based on management's assessment of collectability.

The details of the outstanding loans and interest receivable as of June 30, 2025, are as follows:

	Collectible Loans
Loan receivable	\$ 11,756,189
Loan receivable - SSBCI	1,717,500
Loan participation receivable	1,420,023
Allowance for uncollectible	(4,867,813)
Net loans receivable	<u>\$ 10,025,899</u>
Interest receivable	\$ 607,963
Interest receivable - SSBCI	65,926
Allowance for uncollectible	(368,532)
Net interest receivable	<u>\$ 305,357</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE II - Detailed Notes on All Funds (Continued)

C. CAPITAL ASSETS

Intangible assets represent the agency's right-to-use leased assets and software. The right-to-use assets are defined by GASB Statements No. 87, *Leases* for lease contracts of nonfinancial assets including vehicles and equipment, and No. 96, *Subscription-Based Information Technology Arrangements*, for subscription contracts of nonfinancial assets including software, respectively. The capital asset includes the non-depreciable portion of tangible assets, which consist of activities related to the construction of the new office building. Capital asset activity for the year ended June 30, 2025, was as follows:

Capital Assets	Beginning Balance	Additions	Deletions	Ending Balance
Tangible Capital Assets Being Depreciated				
Furniture and fixtures	\$ 464,903	\$ 78,117	\$ -	\$ 543,020
Leasehold improvements	2,355,466	460	-	2,355,926
Total Tangible Capital Assets Being Depreciated	2,820,369	78,577	-	2,898,946
Intangible Capital Assets Being Amortized				
Software	1,028,278	203,160	-	1,231,438
Subscription-based IT arrangements	761,166	-	439,541	321,625
Right-to-use lease asset	3,130,204	-	-	3,130,204
Total Intangible Capital Assets Being Amortized	4,919,648	203,160	439,541	4,683,267
Less: Accumulated Depreciation for Tangible				
Furniture and fixtures	85,334	111,841	-	197,175
Leasehold improvements	382,526	228,786	-	611,312
Total Accumulated Depreciation for Tangible	467,860	340,627	-	808,487
Less: Accumulated Amortization for Intangible				
Software	261,344	205,535	-	466,879
Subscription-based IT arrangements	494,292	248,574	439,541	303,325
Right-to-use lease asset	276,658	357,283	-	633,941
Total Accumulated Amortization for Intangible	1,032,294	811,392	439,541	1,404,145
Total Tangible and Intangible Capital Assets, net	\$ 6,239,863	\$ (870,282)	\$ -	\$ 5,369,581

Depreciation/amortization expenditure was charged to functions as follows:

Depreciation/Amortization	
General administration	\$ 932,084
Marketing & brand strategy	210,485
Business and community development	9,450
Total Depreciation Expenditure	<u>\$ 1,152,019</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE II - Detailed Notes on All Funds (Continued)

D. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended June 30, 2025, was as follows:

Long-Term Obligation	Beginning Balance	Additions	Deletions	Ending Balance	Current	Long-Term
Lease liability	\$ 2,895,102	\$ -	\$ 311,019	\$ 2,584,083	\$ 325,333	\$ 2,258,750
SBITA liability	259,284	-	259,284	-	-	-
OPEB liability	1,165,167	1,221,410	1,165,167	1,221,410	78,787	1,142,623
Net pension liability	779,827	873,337	779,827	873,337	-	873,337
Compensated absences *	956,417	178,216	-	1,134,633	110,859	1,023,774
Note Payable - State of Wisconsin	1,252,248	-	246,398	1,005,850	260,344	745,506
Total Long-Term Obligation	<u>\$ 7,308,045</u>	<u>\$ 2,272,963</u>	<u>\$ 2,761,695</u>	<u>\$ 6,819,313</u>	<u>\$ 775,323</u>	<u>\$ 6,043,990</u>

* The amount displayed as additions or deletions represents the net change in the liability.

Lease

WEDC has entered into two property lease agreements for the office spaces in Madison, WI and Milwaukee, WI. The leases do not contain any variable payments, residual value guarantees, or commitments before the commencement of the lease terms. No impairment of the right-to use lease assets existed as of June 30, 2025.

General Administration	Commence-ment Date	Lease Expiration Date	Lease Term (months)	Remaining Lease Term	Remaining Lease Liability	RTU Asset, net	Discount Rate
Madison The Hub	9/1/2023	8/31/2033	120	98	\$ (2,486,051)	\$ 2,401,416	2%
Milwaukee Office	1/1/2024	12/31/2026	36	18	(98,032)	94,847	2%
					<u>\$ (2,584,083)</u>	<u>\$ 2,496,263</u>	

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and For the Year Ended June 30, 2025

NOTE II - Detailed Notes on All Funds (Continued)

D. LONG-TERM OBLIGATIONS (Continued)

Lease (Continued)

Maturity of lease liabilities	Principal	Interest	Total
2026	\$ 325,333	\$ 48,723	\$ 374,056
2027	305,441	42,226	347,667
2028	283,943	36,482	320,425
2029	296,141	30,691	326,832
2030	308,715	24,654	333,369
2031 - 2035	1,064,510	35,296	1,099,806
Total future undiscounted lease payments	<u>\$ 2,584,083</u>	<u>\$ 218,072</u>	<u>\$ 2,802,155</u>

Subscription-Based Information Technology Arrangements

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, the WEDC SBITA activity is as follows:

General Administration	Commence-ment Date	SBITA Expiration Date	SBITA Term (Months)	Remaining SBITA Term	Remaining SBITA Liability	RTU Asset, net	Discount Rate
SBITA #1	9/23/2020	9/22/2025	60	2.7	\$ -	\$ 15,446	2.18%
SBITA #2	8/1/2022	7/31/2025	36	1	-	2,854	2.18%
					<u>\$ -</u>	<u>\$ 18,300</u>	

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE II - Detailed Notes on All Funds (Continued)

D. LONG-TERM OBLIGATIONS (Continued)

Notes Payable – State of Wisconsin

The State of Wisconsin (the State) has issued appropriation bonds in order to pay off the unfunded prior service costs for state employees participating in the WRS. The first of these bonds was issued in 2003 and the current final maturity for all of the bonds is in 2032. The State has issued a total of six debt issuances, of which two are variable rate instruments. The total outstanding balance of all of these debt issuances was \$755,710,000 as of June 30, 2025. The full details of these debt issues can be found within the State's annual financial statements.

These bonds are an obligation of the State, not a direct obligation of WEDC. WEDC has been assessed a portion of the State's debt service costs on an annual basis related to these bond issuances. This assessment is based on WEDC's retirement contributions in relation to the retirement contributions of the other State agencies.

The amount reported as WEDC's share of the total outstanding debt is calculated at 0.1331% as of July 1, 2024, the most recently available period. The liability reported above, and estimated repayment schedule shown below has been calculated using this percentage. The actual amounts owed will fluctuate from year to year based on WEDC's retirement contributions compared to the other agencies and the variable interest rate component of some of the debt issuances. Adjustments to the estimated amounts owed are shown as adjustments in the notes payable balance on an annual basis. The table shows the future payments under this obligation as currently calculated.

Governmental Activities			
Notes Payable			
Year	Principal	Interest	
2026	\$ 260,344	\$ 26,793	
2027	193,893	16,110	
2028	118,805	12,036	
2029	119,963	9,645	
2030	127,962	7,072	
2030-2032	184,883	5,466	
	<u>\$ 1,005,850</u>	<u>\$ 77,122</u>	

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information

A. 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, and expected to work at least 1200 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 standalone Annual Comprehensive Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

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 occupation employees 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 average earnings, and creditable service.

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.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

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
2015	2.9%	2.0%
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%

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, and 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.

During the reporting period, the WRS recognized \$774,568 in contributions from the employer.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Contributions (Continued)

Contribution rates as of December 31, 2024, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General, Teachers, Executive & Elected Officials	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%
Act 4 Protective County Jailers	14.30%	6.90%

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

At June 30, 2025, WEDC reported a liability of \$873,337 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 (Asset) 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 WEDC's proportion of the Net Pension Liability (Asset) was based on the WEDC's share of contributions to the pension plan relative to the contributions of all participating employers. On December 31, 2024, the WEDC proportion was 0.05315%, which was an increase from its proportion measured as of December 31, 2023, which was 0.05245%.

For the year ending June 30, 2025, the WEDC recognized a pension expense of \$1,172,906.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

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

On June 30, 2025, the WEDC reported Deferred Outflows of Resources and Deferred Inflows of Resources Related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual experience	\$ 2,712,189	\$ (2,548,607)
Changes in assumptions	8,476	-
Net differences between projected and actual earnings on pension plan investments	1,327,082	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	259,136	(15,737)
Employer contributions subsequent to the measurement date	412,963	-
Total	<u>\$ 4,719,846</u>	<u>\$ (2,564,344)</u>

\$412,963 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 the year ending June 30, 2026. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension will be recognized in pension expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2026	\$ 525,091
2027	1,809,860
2028	(451,177)
2029	(141,235)
Thereafter	-
	<u>\$ 1,742,539</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability on December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
	January 1, 2021 - December 31, 2023
Experience Study:	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:	
Inflation	3.0%
Seniority/Merit	0.3%
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. 1.4% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

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. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

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:

Core Fund Asset Class	Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	38.0%	7.0%	4.3%
Public Fixed Income	27.0%	6.1%	3.4%
Private Equity/Debt	20.0%	9.5%	6.7%
Inflation Sensitive	19.0%	4.8%	2.1%
Real Estate	8.0%	6.5%	3.8%
Leverage	-12.0%	3.7%	1.1%
Total Core Fund	100.0%	7.5%	4.8%
Variable Fund Asset Class			
US Equities	70.0%	6.5%	3.8%
International Equities	30.0%	7.4%	4.7%
Total Variable Fund	100.0%	6.9%	4.2%

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

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6%

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 12% policy leverage is used, subject to an allowable range of up to 20%.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Single Discount Rate

A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The 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 GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. 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 6.8% 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 WEDC's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents WEDC's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 6.8%, as well as what WEDC'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 (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
WEDC's proportionate share of the net pension liability (asset)	\$ 8,193,043	\$ 873,337	\$ (4,327,104)

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

At June 30, 2025, WEDC has no accrued payable to the defined benefit pension plan.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

B. GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description

The State of Wisconsin's Health Insurance Plan, defined as a single employer plan under Governmental Accounting Standards Boards Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, is an employer-sponsored program (not administered as a trust) offering group medical coverage to eligible employees and retirees of State and component unit employers. Created under Chapter 40 of the Wisconsin Statutes, the State Department of Employee Trust Funds and the Group Insurance Board have program administration and oversight responsibilities under Wis. Stat. Sections 15.165(2) and 40.03(6). As of January 2023, the most recent actuarial valuation date, there were 61,593 active and 7,802 retirees and beneficiaries participating in the plan. There were also 1,271 vested terminated members that are entitled to receive benefits but are not currently participating.

Benefits Provided

Under this plan, retired employees of the State and participating component units pay the same healthcare premium as active employees, creating an implicit rate subsidy. The total amount by which the premiums are higher for active employees when they are pooled with inactive employees than when the active employees are separately rated is referred to as an implicit rate subsidy in relation to the benefits for the inactive employees.

The actuarially-determined implicit rate subsidy for pre-age 65 retirees is treated as another post-employment benefit (OPEB). At age 65, when eligible, retirees are required to enroll in Medicare.

Contributions

Retiree health insurance OPEB benefits are paid on a "pay-as-you-go" basis. There is no trust and no assets have accumulated for the plan. In the fiscal year 2024, participating employers made actuarially-determined contributions of \$56,566,479 for the implicit rate subsidy. That is, the actuary determined that employer paid health insurance contributions for active employees were \$56.6 million higher than they would have been if they were rated separately from retired participants.

Measurement Focus and Basis of Accounting

The Plan is accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Premiums paid by retirees and benefits expenses are recognized in the accounting period in which the benefits are provided.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

B. GENERAL INFORMATION ABOUT THE OPEB PLAN (Continued)

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions:

Actuarial Valuation Date	January 1, 2023
Measurement Date of Total OPEB Liability	June 30, 2024
Reporting Date	June 30, 2025
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	N/A
Inflation	2.40%
Salary Increases	Separate merit and longevity increase rates by employer and service, plus 3%
Discount Rate	Discount rate was changed to 3.93% for the June 30, 2024 measurement from 3.65% for the June 30, 2023 measurement
Healthcare Cost Trend Rates	
Medical	5.32%, 5.80%, then 6.50% grading down 0.25% per year to 4.50%
Prescription Drug	6.44%, 11.58%, then 8.25% grading down 0.50% per year to 4.50%
Dental	3.00%, 2.05%, then 3.00% every year after
Administrative Costs	11.78%, 12.25%, then 4.00% every year after
Mortality Rates	Separate rates for actives, healthy retirees and disabled retirees, based on the 2021 - 2023 WRS experience study performed by GRS. Mortality improvement is projected with scale MP 2021 from 2020.

Discount Rate

The discount rate is equal to the yield or index rate of 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher in accordance with GASB Codification Section P52.123 pertaining to nontrusted OPEB plans. The information was obtained by the actuary through a copyrighted Bond Buyer subscription.

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

The allocation of the employers' proportionate shares of the OPEB amounts for fiscal year 2025 are based on the percentage of actual employer contributions during fiscal year 2024 to correspond with the measurement date.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

B. GENERAL INFORMATION ABOUT THE OPEB PLAN (Continued)

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

At June 30, 2025, WEDC reported a liability of \$1,221,410 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2024, with an actuarial valuation as of January 1, 2023, adjusted for expected changes from the census date to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The WEDC's proportion of the total OPEB liability was based on the WEDC share of contributions to the OPEB plan relative to the contributions of all participating employers. On June 30, 2025, the WEDC proportion was 0.1457%, increased by 0.34% from the prior year.

Total OPEB Liability – June 30, 2024	\$ 1,165,167
Service cost	85,777
Interest	44,310
Differences between expected and actual experience	(27,841)
Change of assumptions	32,784
Benefit payments	(78,787)
Total OPEB Liability – June 30, 2025	<u>\$ 1,221,410</u>

The Total Deferred Inflows and Outflows of Resources are amortized over the average active participant's service life of ten years. Total Deferred Inflows and Outflows of Resources to be recognized in the current OPEB expense are as follows:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Changed in proportion	\$ 138,172	\$ (46,171)
Employer contributions subsequent to the measurement date	79,567	-
Difference between expected and actual experience	139,830	(33,491)
Changes in assumptions	93,089	(219,736)
Total	<u>\$ 450,658</u>	<u>\$ (299,398)</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

B. GENERAL INFORMATION ABOUT THE OPEB PLAN (Continued)

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

\$79,567 as deferred outflows related to OPEB resulting from the State Retiree Health Plan contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2026	\$ (12,456)
2027	(12,456)
2028	(12,456)
2029	33,207
2030	33,207
Thereafter	42,647
Total	<u>\$ 71,693</u>

For the year ended June 30, 2025, the WEDC recognized a pension expense of \$117,602:

Service cost	\$ 85,777
Interest	44,310
Recognition of deferred inflows	(12,485)
Total OPEB Expense	<u>\$ 117,602</u>

The following presents the total WEDC's OPEB liability as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate.

	1% Decrease to Discount Rate (2.93%)	Current Discount Rate (3.93%)	1% Increase to Discount Rate (4.93%)
Total OPEB liability	\$ 1,314,510	\$ 1,221,410	\$ 1,134,528

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

B. GENERAL INFORMATION ABOUT THE OPEB PLAN (Continued)

Sensitivity to Changes

The table below shows the total WEDC's OPEB liability calculated if the healthcare cost trend rates were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates. The various healthcare trend rates can be found in the Actuarial Assumptions section of this report.

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
Total OPEB liability	\$ 1,079,185	\$ 1,221,410	\$ 1,390,304

C. RISK MANAGEMENT

WEDC is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; worker's compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

D. COMMITMENTS AND CONTINGENCIES

From time to time, WEDC is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and WEDC attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on WEDC's financial position or results of operations.

WEDC has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowances, if any, would be immaterial.

Approximately 66% of the funding for WEDC comes from the State.

WEDC has entered into contracts to provide future financial assistance to businesses and partners in the State. The remaining unexpended balance on these contracts and commitments is reported as either restricted or assigned fund balance as appropriate. At year-end, a total of \$47,285,750 was reported for these contracts as a restricted fund balance.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and For the Year Ended June 30, 2025

NOTE III - Other Information (Continued)

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2025, WEDC implemented Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. The adoption of this standard enhanced the clarity and consistency of financial reporting by updating the format of the Management's Discussion and Analysis (MD&A) and revising the presentation of the budgetary comparison schedule for the General Fund.



REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The budgetary information presented in the Required Supplementary Information (RSI) is derived from the WEDC's annually adopted operating budget and is prepared using the same basis of accounting as the financial statements to ensure comparability between budgeted and actual amounts.

WEDC adopts an annual budget for the General Fund, which serves as its primary operating fund. Appropriations lapse at fiscal year-end, and any unspent funds are not carried forward to the next fiscal year unless specifically reauthorized by the Board.

Budgets are adopted and controlled at the division level of expenditure, consistent with the WEDC's financial management practices. The budgeted amounts reflected in the RSI include all amendments approved during the fiscal year.

In accordance with the WEDC Budget Approval Policy, any proposed changes to the overall budget or transfers between major program categories—such as reallocating funds from economic development programs to internal operations—require approval by a quorum of the Board of Directors.

GENERAL FUND - BUDGETARY HIGHLIGHTS

WEDC adopts an annual budget for its General Fund. Our Budget Approval Policy allows WEDC's management to approve budget amendments at the following levels:

- a. When funds are reallocated within a division between programs and operation or within the division's programs, as long as the transfers do not increase WEDC's total budget in aggregate.
- b. When funds are reallocated between divisions, as long as the transfers do not increase WEDC's total budget in aggregate and do not shift resources from programs to WEC internal operations.

Board approval is required for budget amendments in the following scenarios:

- a. When a division's total expenses are expected to exceed its approved budget, resulting in an increase to WEDC's overall budget.
- b. When funds are reallocated between divisions to shift resources from programs to WEDC internal operations, even if the overall WEDC budget remains unchanged.

During fiscal year 2025, WEDC approved budget amendments to align with anticipated demands and strategic priorities consistent with the budget approval policy. Most reallocations occurred between programs, including grants and loans. In addition, WEDC budget increased by \$1.0 million from new federal funds and by \$2.2 million from the unassigned fund balance to address program demand and ensure compliance with statutory requirements for the unassigned fund balance.

Revenues for FY25 totaled \$67.1 million, or 54% of the annual budget. Key variances include:

- **Intergovernmental:**

- State base funding totaled \$44.6 million, about 3.0% below budget, due to lower surcharge collections in the economic development fund.
- Legislative program funds (LEG) totaled \$11.4 million compared to a budget of \$32.5 million. The \$11.4 million reflects awards contracted for the Tech Hub, Branch Campus Redevelopment, and Opportunity Attraction Fund programs. As continuing

- appropriations, unused balances will carry forward to FY26.
- The State Trade Expansion Program (STEP) revenue provided by US Small Business Administration (SBA) includes activities to support small businesses expand into international markets
- The State Small Business Credit Initiative (SSBCI) revenue totaled \$2.7 million, or 12% of the budget and includes program income and recognized revenue to offset administrative costs and programs activities. The total budget amount of \$21.5 million includes funds from tranche 2, which were not received in FY25, so related revenues and investment activities did not occur.
- Federal revenue from the Environmental Protection Agency (EPA) totaled \$0.2 million compared to a budget of \$14.0 million. Program activity in FY25 was minimal, with funds carried forward into the FY26 budget as part of the PowerUp Wisconsin program.
- Federal revenue from the American Rescue Plan Act of 2021 (ARPA) projects totaled \$2.9 million. While the full budgeted amount has been contracted, the actual revenue recognized reflects only the reimbursements received during the reporting period.
- **Charges for services** totaled \$0.1 million or 191 % of the annual budget include investor tax transfer fees, penalty fee, and loan origination fees.
- **Interest income** totaled \$4.0 million or 182 % of the annual budget include \$0.7 million interest earned on loans and \$3.3 million WEDC investment income.
- **Other income** totaled \$0.7 million or 116% of the budget and represents events sponsorships, registration fees, and trade ventures participant fees.

Expenditures totaled \$63.0 million, or 51% of the annual budget, consistent with the overall decreases in revenues. Key variances include:

- **Program grant expenditures** totaled \$22.7 million in expenditures (draws), representing 37 % of the annual budget.
- **Loan loss reserve** totaled \$0.7 million resulting from the portfolio review of loan activity for this reporting period.
- **Key strategic partner expenditures** totaled \$8.5 million in expenditures (draws) representing 71 % of the annual budget. The budget variance reflects contracted amounts not yet drawn as of year-end.
- **Promotions** totaled \$7.4 million, representing 76% of the annual budget and including \$4.0 million for talent attraction and retention initiatives. Spending was intentionally reduced in response to the decline in SEG collections and to align with a more constrained FY26 budget.
- **Payroll and benefits** totaled \$16.5 million, representing 94% of the annual budget.
- **Operations and general expenditures** totaled \$6.0 million, representing 27 % of the annual budget. The budget also includes \$14.0 million for PowerUp Wisconsin, which had no activities in FY25.

Changes in Fund Balance: Revenues exceeded expenditures by \$4.1 million, \$3.5 million less than anticipated in the budget, primarily due to lower-than-expected revenues.

Program Activity: WEDC disbursed, committed, and contracted \$53.4 million, or 66% of the amended budget in grants, loans, and key strategic partnerships from various funding sources, with state base funded activities achieving 96% utilization. Unallocated funds of \$5.9 million are carried forward to the FY26 budget.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT
(WITH COMPARATIVE ACTUALS)
GENERAL FUND
For the fiscal year ended June 30, 2025

	Original Budget FY 2025	Final Budget FY 2025	Variance with Original Budget - Over (Under) Final Budget FY 2025	Actual FY2025	Variance with Final Budget Over (Under) Actual FY 2025	Actual FY 2024
REVENUES						
Intergovernmental	\$ 120,426,797	\$ 121,456,797	\$ 1,030,000	\$ 62,335,403	\$ (59,121,394)	\$ 66,300,630
Charges for services	50,000	50,000	-	95,744	45,744	123,933
Interest income	2,178,000	2,178,000	-	3,968,592	1,790,592	3,836,162
Other revenues	577,702	577,702	-	670,546	92,844	406,804
Total Revenues	<u>123,232,499</u>	<u>124,262,499</u>	<u>1,030,000</u>	<u>67,070,285</u>	<u>(57,192,214)</u>	<u>70,667,529</u>
EXPENDITURES						
Program grants	59,219,000	61,119,000	(1,900,000)	22,724,203	38,394,797	21,695,784
Loan loss reserve	500,000	500,000	-	705,976	(205,976)	384,682
Key strategic partners	10,926,896	11,926,896	(1,000,000)	8,480,182	3,446,714	5,139,048
Promotions	9,801,005	9,801,005	-	7,407,694	2,393,311	7,856,684
Payroll and benefits	17,560,046	17,560,046	-	16,521,110	1,038,936	14,987,054
Operations and general	22,275,358	22,275,358	-	5,974,317	16,301,041	5,163,388
Debt service	340,000	340,000	-	893,476	(553,476)	839,648
Capital	150,000	150,000	-	281,737	(131,737)	5,760,755
Total Expenditures	<u>120,772,305</u>	<u>123,672,305</u>	<u>(2,900,000)</u>	<u>62,988,695</u>	<u>60,683,610</u>	<u>61,827,043</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>2,460,194</u>	<u>590,194</u>	<u>(1,870,000)</u>	<u>4,081,590</u>	<u>3,491,396</u>	<u>8,840,486</u>
OTHER FINANCING SOURCES (USES)						
Lease issuance	-	-	-	-	-	3,130,204
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,130,204</u>
Net Change in Fund Balance	<u>\$ 2,460,194</u>	<u>\$ 590,194</u>	<u>\$ (1,870,000)</u>	<u>4,081,590</u>	<u>\$ 3,491,396</u>	<u>11,970,690</u>
FUND BALANCES - BEGINNING OF YEAR				<u>79,019,632</u>		<u>67,048,942</u>
FUND BALANCES - END OF YEAR				<u>\$ 83,101,222</u>		<u>\$ 79,019,632</u>

(See independent auditor's report.)

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

SCHEDULE OF WEDC'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) Wisconsin Retirement System Last 10 Fiscal Years*

Measurement Date	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
WEDC's proportion of the net pension liability (asset)	0.0471%	0.0488%	0.0500%	0.0509%	0.0519%	0.0528%	0.0524%	0.0524%	0.0524%	0.0531%
WEDC's proportionate share of the net pension liability (asset)	\$ 765,867	\$ 402,113	\$ (1,483,782)	\$ 1,810,922	\$ (1,674,048)	\$ (3,296,542)	\$ (4,219,880)	\$ 2,773,621	\$ 779,827	\$ 873,337
WEDC's covered payroll	\$ 6,960,140	\$ 7,291,932	\$ 7,495,150	\$ 6,343,336	\$ 8,561,631	\$ 8,872,595	\$ 8,728,319	\$ 9,649,297	\$ 10,316,616	\$ 11,225,626
WEDC's a proportionate share of net pension liability (asset) as a percentage of covered payroll	11.00%	5.51%	-19.80%	28.55%	-19.55%	-37.15%	-48.35%	28.74%	7.56%	7.78%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.20%	99.12%	102.93%	96.45%	102.96%	105.26%	106.02%	95.72%	98.85%	98.79%

SCHEDULE OF WEDC CONTRIBUTIONS to the Wisconsin Retirement System Last 10 Fiscal Years*

WEDC Fiscal Year	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Contractually required contributions	\$ 485,967	\$ 524,408	\$ 506,508	\$ 554,537	\$ 560,786	\$ 598,898	\$ 589,161	\$ 628,637	\$ 704,552	\$ 774,568
Contributions in relation to the contractually required contributions	485,967	524,408	506,508	554,537	560,786	598,898	589,161	628,637	704,552	774,568
Contributions deficiency (excess)	-	-	-	-	-	-	-	-	-	-
WEDC's covered payroll	7,046,322	7,396,180	7,891,861	8,460,428	9,052,039	8,980,116	9,920,141	10,016,719	10,316,616	11,225,626
Contributions as a percentage of covered payroll	6.7%	6.7%	6.7%	6.6%	6.6%	6.8%	5.9%	6.3%	6.8%	6.9%

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

Changes in 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 2020 WRS 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.

(See independent auditor's report.)

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

SCHEDULE OF WEDC'S PROPORTIONATE SHARE OF THE
TOTAL OPEB LIABILITY
State Retiree Health Insurance
Last 10 Fiscal Years*

(continued)

Measurement Date	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Total OPEB liability	\$ 775,380,502	\$ 719,334,789	\$ 539,703,462	\$ 682,472,272	\$ 642,039,534	\$ 712,874,084	\$ 717,172,861	\$ 802,366,001	\$ 838,476,868
WEDC's proportion of the total OPEB liability (asset)	0.1264%	0.1292%	0.1292%	0.1324%	0.1419%	0.1331%	0.1409%	0.1452%	0.1457%
WEDC's proportionate share of the total OPEB liability (asset)	\$ 979,908	\$ 929,312	\$ 697,142	\$ 903,558	\$ 911,024	\$ 948,745	\$ 1,010,730	\$ 1,165,167	\$ 1,221,410
WEDC's covered-employee payroll	7,291,932	7,495,150	6,343,336	7,127,276	7,355,349	7,066,276	7,278,265	7,593,382	7,821,183
WEDC's proportionate share of total OPEB liability (asset) as a percentage of covered employee payroll	13.44%	12.40%	10.99%	12.68%	12.39%	13.43%	13.89%	15.34%	15.62%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* Accounting standards requires that ten years of supplementary information be presented. WEDC will be displayed as it becomes available.

No assets have been accumulated in a trust that meets the criteria set forth in paragraph 4 of GASB Statement No. 75 to fund OPEB obligations.

Benefits Changes: Effective June 30, 2024, and June 30, 2023, there were no changes of benefit terms for any participating employer in OPEB.

Changes of assumptions:

Changes Effective June 30, 2024

- The healthcare and contribution trend rates were updated to reflect recent experience and known premium rates.
- The effective discount rate for June 30, 2024 was 3.93%. The effective discount rate as of June 30, 2022, was 3.65%.
- Active retiree participation rates for eligible retirees were changed from 60% immediately upon retirement with 1% per year of the active deferrals choosing to be covered over the next 5 years to 70% immediately upon retirement with an additional 1% per year of the active deferrals choosing to be covered over the next 5 years.
- Deferred vested participation rates were changed from 5% per year for 8 years to 10% for the first year, decreasing by 1% for the following three years, followed by 5% for 4 years.
- An experience study was completed for the Wisconsin Retirement System in 2024 based on data for the period 2021-2023. The following updates were made based on the results of this study:
 - Termination rates before retirement were updated for General, University, and Protective Services employees to reflect recent experience.
 - Disability rates were updated for General and Public School employees to reflect the most recent experience.
 - Retirement rates were updated for General and Public School employees to reflect the most recent experience.
 - Salary scale rates were updated for General, University, Public School, Protective Services, and Executive & Elected employees to reflect the most recent experience.

(See independent auditor's report.)

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

SCHEDULE OF WEDC'S PROPORTIONATE SHARE OF THE
TOTAL OPEB LIABILITY
State Retiree Health Insurance
Last 10 Fiscal Years*

(concluded)

Changes Effective June 30, 2023

- The retiree contribution and associated trend rates were updated to reflect recent experience and known premium rates.
- The healthcare claims costs, administrative expenses and trend rates were updated to reflect recent experience and known premium rates.
- The effective discount rate for June 30, 2023 was 3.65%. The effective discount rate as of June 30, 2022, was 3.54%.
- The actuarial factors used to estimate individual retiree and spouse costs by age and by gender were updated. The new factors are based on a review of historical claims experience by age, gender, and status (active vs retired) from Segal's claims data warehouse.

(See independent auditor's report.)



SUPPLEMENTARY INFORMATION

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the fiscal year ended June 30, 2025

(continued)

	Original Budget	Final Budget	Variance with Final Budget - Over (Under) Original Budget	Actual	Variance with Final Budget Over (Under) Actual
REVENUES					
Intergovernmental					
State economic development fund (SEG)	\$ 44,870,000	\$ 44,870,000	\$ -	\$ 43,624,327	\$ (1,245,673)
State legislative program funds	32,500,000	32,500,000	-	11,432,102	(21,067,898)
State brownfield site assessment	1,000,000	1,000,000	-	963,173	(36,827)
Federal - STEP	300,000	300,000	-	100,473	(199,527)
Federal - EPA	14,092,430	14,092,430	-	242,287	(13,850,143)
Federal - SSBCI	21,996,658	21,996,658	-	2,667,128	(19,329,530)
Federal - ARPA	2,797,818	3,827,818	1,030,000	2,849,777	(978,041)
Other intergovernmental revenues	2,869,891	2,869,891	-	456,136	(2,413,755)
Total Intergovernmental	120,426,797	121,456,797	1,030,000	62,335,403	(59,121,394)
Charges for Services					
Bond servicing fees	10,000	10,000	-	16,455	6,455
Tax transfer fees	20,000	20,000	-	33,584	13,584
Loan origination fees	20,000	20,000	-	45,705	25,705
Total Charges for Services	50,000	50,000	-	95,744	45,744
Interest Income					
Interest on loans	678,000	678,000	-	713,760	35,760
Interest on investments	1,500,000	1,500,000	-	3,254,832	1,754,832
Total Interest Income	2,178,000	2,178,000	-	3,968,592	1,790,592
Other Revenues					
Sponsorship contributions	70,000	70,000	-	158,698	88,698
Miscellaneous revenue	507,702	507,702	-	511,848	4,146
Total Other Revenues	577,702	577,702	-	670,546	92,844
TOTAL REVENUES	123,232,499	124,262,499	1,030,000	67,070,285	(57,192,214)
EXPENDITURES					
General Administration					
Legal services & compliance	1,729,526	1,729,526	-	1,676,310	53,216
Executive office	1,622,742	1,622,742	-	1,468,477	154,265
Human resources	2,141,022	2,141,022	-	1,186,592	954,430
Finance	897,760	897,760	-	884,473	13,287
Business information & technology services	3,527,300	3,527,300	-	3,174,835	352,465
Strategic investment & evaluation	3,703,793	3,703,793	-	3,346,700	357,093
Policy & program development	505,518	505,518	-	271,216	234,302
Total General Administration	14,127,661	14,127,661	-	12,008,603	2,119,058
Marketing & brand strategy	16,039,033	16,039,033	-	8,722,292	7,316,741
Economic Development					
Entrepreneurship & innovation	\$ 16,977,452	\$ 18,381,579	\$ (1,404,127)	\$ 9,089,707	\$ 9,291,872
Business & community development	50,779,742	52,201,042	(1,421,300)	26,559,837	25,641,205
Global trade & investment	4,054,162	4,128,735	(74,573)	3,470,813	657,922
Productivity & sustainability	18,454,255	18,454,255	-	2,243,967	16,210,288
Total Economic Development	90,265,611	93,165,611	(2,900,000)	41,364,324	51,801,287
Debt Service					
Principal retirement	290,000	290,000	-	805,647	(515,647)
Interest and fiscal charges	50,000	50,000	-	87,829	(37,829)
Total Debt Service	340,000	340,000	-	893,476	(553,476)
TOTAL EXPENDITURES	120,772,305	123,672,305	(2,900,000)	62,988,695	60,683,610
Net Change in Fund Balance	<u>\$ 2,460,194</u>	<u>\$ 590,194</u>	<u>\$ (1,870,000)</u>	4,081,590	<u>\$ 3,491,396</u>
FUND BALANCES - BEGINNING OF YEAR				79,019,632	
FUND BALANCES - END OF YEAR				<u>\$ 83,101,222</u>	

See accompanying notes to the Required Supplementary Information



STATISTICAL SECTION

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATISTICAL SECTION

This part of WEDC's Annual Comprehensive Financial Report presents detailed information as a framework for understanding what the information in the financial statements and note disclosures says about the overall financial well-being of WEDC.

Contents	Page
Financial Trends	71 - 74
These schedules contain trend information to help the reader understand how WEDC's financial performance and well-being have changed over time.	
Revenue Capacity	75 - 77
These schedules contain information to help the reader assess WEDC's most significant own-source revenue source, interest on loans.	
Debt Capacity	78
These schedules present information to help the reader assess the affordability of WEDC's current levels of outstanding debt and WEDC's ability to issue new debt in the future.	
Demographic and Economic Information	79 - 80
These schedules offer demographic and economic indicators to help the reader understand the environment within which WEDC's financial activities take place.	
Operating Information	81 - 85
These schedules contain service and infrastructure data to help the reader understand how the information in WEDC's financial report relates to the services WEDC provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is obtained from the annual comprehensive financial reports for the given year.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL TRENDS CHANGES IN NET POSITION Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
General administration	\$ 7,963,400	\$ 8,369,482	\$ 8,234,566	\$ 10,059,902	\$ 10,301,894	\$ 9,218,421	\$ 9,750,409	\$ 12,512,410	\$ 12,205,084	\$ 13,514,208
Marketing & brand strategy	4,106,688	4,095,388	5,113,107	8,874,239	7,189,698	6,543,550	3,905,897	7,137,480	8,570,476	8,753,002
Economic development	36,907,171	31,132,493	31,281,848	36,170,819	39,523,962	99,516,831	95,245,772	66,067,939	35,079,170	41,320,308
Interest and fiscal charges	146,109	121,250	92,921	110,119	80,770	70,515	63,495	65,459	42,240	27,035
Total Government Activities Expenses	<u>49,123,368</u>	<u>43,718,613</u>	<u>44,722,442</u>	<u>55,215,079</u>	<u>57,096,324</u>	<u>115,349,317</u>	<u>108,965,573</u>	<u>85,783,288</u>	<u>55,896,970</u>	<u>63,614,553</u>
Program Revenues										
Charges for services	184,108	223,762	149,989	178,429	126,325	153,840	170,478	139,388	123,933	95,744
Operating grants and contributions	1,393,199	2,699,810	2,643,910	3,041,024	1,532,561	68,963,380	66,130,516	49,760,504	2,714,350	16,395,544
Capital grants and contributions	-	-	-	-	-	-	-	-	625,896	-
Total Governmental Activities Program Revenues	<u>1,577,307</u>	<u>2,923,572</u>	<u>2,793,899</u>	<u>3,219,453</u>	<u>1,658,886</u>	<u>69,117,220</u>	<u>66,300,994</u>	<u>49,899,892</u>	<u>3,464,179</u>	<u>16,491,288</u>
Net (Expense)/Revenue	<u>(47,546,061)</u>	<u>(40,795,041)</u>	<u>(41,928,543)</u>	<u>(51,995,626)</u>	<u>(55,437,438)</u>	<u>(46,232,097)</u>	<u>(42,664,579)</u>	<u>(35,883,396)</u>	<u>(52,432,791)</u>	<u>(47,123,265)</u>
General Revenues and Other Changes in Net Position										
Intergovernmental revenues not restricted to specific programs	28,750,700	34,250,700	57,681,563	40,550,700	39,550,700	40,550,700	40,550,700	45,417,700	46,260,000	43,624,327
Investment income	1,511,244	1,822,528	1,741,684	3,826,919	3,214,981	1,392,502	(569,288)	2,140,003	3,836,162	3,968,592
Miscellaneous	379,681	701,616	798,049	542,809	276,987	393,681	3,030,673	1,242,725	406,813	670,546
Total Governmental Activities General Revenues	<u>30,641,625</u>	<u>36,774,844</u>	<u>60,221,296</u>	<u>44,920,428</u>	<u>43,042,668</u>	<u>42,336,883</u>	<u>43,012,085</u>	<u>48,800,428</u>	<u>50,502,975</u>	<u>48,263,465</u>
Special items	-	-	-	25,000,000	-	-	-	-	-	-
Change in Net Position	<u>\$ (16,904,436)</u>	<u>\$ (4,020,197)</u>	<u>\$ 18,292,753</u>	<u>\$ (32,075,198)</u>	<u>\$ (12,394,770)</u>	<u>\$ (3,895,214)</u>	<u>\$ 347,506</u>	<u>\$ 12,917,032</u>	<u>\$ (1,929,816)</u>	<u>\$ 1,140,200</u>

Notes:

In 2021 and 2023, WEDC received Federal grants to support WI small businesses.

In 2025 WEDC received State Legislative grants to support the state's designation as a regional technology and innovation hub as well as branch campus redevelopment grants.

Sources:

Wisconsin Economic Development Corporation

https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL TRENDS NET POSITION BY COMPONENT Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in										
capital assets	\$ 723,500	\$ 934,349	\$ 1,015,137	\$ 916,953	\$ 574,557	\$ 298,161	\$ 138,463	\$ 345,078	\$ 3,085,477	\$ 2,785,498
Restricted	30,074,692	41,738,826	52,928,688	48,448,573	41,037,446	41,209,014	41,602,573	36,791,212	50,273,557	66,362,823
Unrestricted	76,563,193	59,846,352	66,868,455	39,371,556	34,730,309	30,939,923	31,053,568	48,575,346	30,422,786	15,773,699
	<u>76,563,193</u>	<u>59,846,352</u>	<u>66,868,455</u>	<u>39,371,556</u>	<u>34,730,309</u>	<u>30,939,923</u>	<u>31,053,568</u>	<u>48,575,346</u>	<u>30,422,786</u>	<u>15,773,699</u>
Total	<u>\$ 107,361,385</u>	<u>\$ 102,519,527</u>	<u>\$ 120,812,280</u>	<u>\$ 88,737,082</u>	<u>\$ 76,342,312</u>	<u>\$ 72,447,098</u>	<u>\$ 72,794,604</u>	<u>\$ 85,711,636</u>	<u>\$ 83,781,820</u>	<u>\$ 84,922,020</u>

Sources:

Wisconsin Economic Development Corporation

https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL TRENDS CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Intergovernmental	\$ 30,143,899	\$ 36,950,510	\$ 60,235,473	\$ 43,591,724	\$ 41,083,261	\$ 109,514,080	\$ 106,681,216	\$ 79,515,289	\$ 66,300,630	\$ 62,335,403
Charges for services	184,108	223,762	149,989	178,429	126,325	153,840	170,478	139,388	123,933	95,744
Interest on loans	1,511,244	1,822,528	1,741,684	3,826,919	3,214,981	1,392,502	(569,288)	2,140,003	3,836,162	3,968,592
Other revenues	270,391	259,666	419,602	231,981	570,814	160,456	162,059	374,031	406,804	670,546
Total Revenues	<u>32,109,642</u>	<u>39,256,466</u>	<u>62,546,748</u>	<u>47,829,053</u>	<u>44,995,381</u>	<u>111,220,878</u>	<u>106,444,465</u>	<u>82,168,711</u>	<u>70,667,529</u>	<u>67,070,285</u>
Expenditures										
Current										
General administration	6,766,661	7,882,348	7,968,542	9,038,736	9,936,186	9,905,997	9,911,168	10,817,790	12,839,639	12,008,603
Marketing & brand strategy	3,831,345	3,806,912	4,953,572	8,670,380	7,047,876	6,486,977	3,753,531	7,108,308	9,720,832	8,722,292
Economic development	36,761,125	31,334,435	31,274,949	36,005,035	39,530,572	99,566,639	95,395,116	65,992,355	35,296,720	41,364,324
Capital outlay	148,449	291,761	432,036	255,355	-	-	1,077,851	102,750	3,130,204	-
Debt service										
Principal	85,090	81,424	85,668	63,829	113,250	180,801	820,703	1,093,731	752,629	805,647
Interest and fiscal charges	146,109	121,250	92,921	110,119	80,770	70,515	81,142	84,122	87,019	87,829
Total Expenditures	<u>47,738,779</u>	<u>43,518,130</u>	<u>44,807,688</u>	<u>54,143,454</u>	<u>56,708,654</u>	<u>116,210,929</u>	<u>111,039,511</u>	<u>85,199,056</u>	<u>61,827,043</u>	<u>62,988,695</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(15,629,137)</u>	<u>(4,261,664)</u>	<u>17,739,060</u>	<u>(6,314,401)</u>	<u>(11,713,273)</u>	<u>(4,990,051)</u>	<u>(4,595,046)</u>	<u>(3,030,345)</u>	<u>8,840,486</u>	<u>4,081,590</u>
Other Financing Sources (Uses)										
Lease issuance	-	-	-	-	-	-	1,077,851	-	3,130,204	-
Subscription issuance	-	-	-	-	-	-	-	102,750	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	1,077,851	102,750	3,130,204	-
Special items	-	-	-	(25,000,000)	-	-	-	-	-	-
Net Change in Fund Balances	<u><u>\$(15,629,137)</u></u>	<u><u>\$ (4,261,664)</u></u>	<u><u>\$ 17,739,060</u></u>	<u><u>\$(31,314,401)</u></u>	<u><u>\$(11,713,273)</u></u>	<u><u>\$ (4,990,051)</u></u>	<u><u>\$ (3,517,195)</u></u>	<u><u>\$ (2,927,595)</u></u>	<u><u>\$ 11,970,690</u></u>	<u><u>\$ 4,081,590</u></u>
Capital Asset Additions	<u>\$ 148,449</u>	<u>\$ 302,819</u>	<u>\$ 441,842</u>	<u>\$ 263,755</u>	<u>\$ -</u>	<u>\$ 122,331</u>	<u>\$ -</u>	<u>\$ 431,254</u>	<u>\$ 6,661,418</u>	<u>\$ 281,737</u>
Debt service as a percentage of noncapital expenditures	0.5%	0.5%	0.4%	0.3%	0.3%	0.2%	0.8%	1.4%	1.4%	1.4%

Notes:

In 2013, loan loss reserve and performance based loan reserve expenses were reported within the general administration function. Beginning in 2014, these expenses are reported within the economic development function.

In 2021 - 2023, WEDC received Federal funding to support Wisconsin's COVID-19 pandemic response and recovery.

Sources:

Wisconsin Economic Development Corporation

https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL TRENDS FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 43,185,830	\$ 38,991,331	\$ 31,236,400	\$ 26,641,664	\$ 20,515,661	\$ 17,854,427	\$ 15,420,163	\$ 13,407,817	\$ 9,766,034	\$ 7,652,207
Restricted	30,074,692	41,738,826	52,928,688	48,448,573	41,037,446	41,209,014	41,602,573	36,791,212	50,273,557	66,362,823
Assigned	31,671,775	19,693,031	3,419,326	7,779,303	10,727,840	9,694,608	7,557,341	11,625,132	9,208,666	2,140,483
Unassigned	3,326,707	3,259,209	33,927,043	7,327,516	6,202,836	4,735,683	5,396,460	5,224,781	9,771,375	6,945,709
Total General Fund	<u>\$ 108,259,004</u>	<u>\$ 103,682,397</u>	<u>\$ 121,511,457</u>	<u>\$ 90,197,056</u>	<u>\$ 78,483,783</u>	<u>\$ 73,493,732</u>	<u>\$ 69,976,537</u>	<u>\$ 67,048,942</u>	<u>\$ 79,019,632</u>	<u>\$ 83,101,222</u>

Sources:

Wisconsin Economic Development Corporation

https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

REVENUE CAPACITY
COLLECTIBLE LOAN BALANCES
Last Ten Fiscal Years

(continued)

Program	Loan Balance 2016	Interest Rate 2016	Loan Balance 2017	Interest Rate 2017	Loan Balance 2018	Interest Rate 2018	Loan Balance 2019	Interest Rate 2019	Loan Balance 2020	Interest Rate 2020
Technology business development investments	\$ 18,461,990	4.4%	\$ 18,532,149	4.7%	\$ 18,159,925	5.1%	\$ 16,438,944	5.1%	\$ 15,553,979	5.0%
Business expansion and retention investment	6,364,011	2.0%	5,401,631	2.0%	5,285,425	2.0%	2,098,357	2.0%	1,430,664	2.0%
Business development loan	-	0.0%	-	0.0%	-	0.0%	415,849	4.8%	337,067	3.9%
Business opportunity loan fund	21,857,415	2.4%	23,277,014	2.4%	17,882,236	2.4%	13,845,929	2.1%	9,061,640	2.2%
Wisconsin energy independence fund	190,334	2.0%	182,189	2.0%	174,631	2.0%	160,260	2.0%	134,125	2.0%
Special project fund	786,793	5.0%	752,119	5.0%	529,978	5.0%	529,877	5.0%	262,640	5.0%
Commerce - other	2,242,740	2.2%	1,378,590	2.2%	532,907	2.2%	406,182	1.4%	347,773	1.3%
Capital catalyst loan participation	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Balance	<u>\$ 49,903,283</u>		<u>\$ 49,523,692</u>		<u>\$ 42,565,102</u>		<u>\$ 33,895,398</u>		<u>\$ 27,127,888</u>	

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

REVENUE CAPACITY
COLLECTIBLE LOAN BALANCES
Last Ten Fiscal Years

(concluded)

Program	Loan Balance 2021	Interest Rate 2021	Loan Balance 2022	Interest Rate 2022	Loan Balance 2023	Interest Rate 2023	Loan Balance 2024	Interest Rate 2024	Loan Balance 2025	Interest Rate 2025
Technology business development investments	\$ 15,783,524	5.3%	\$ 16,434,280	5.4%	\$ 16,488,365	5.3%	\$ 14,711,966	5.1%	\$ 12,960,269	4.9%
Business expansion and retention investment	973,006	2.0%	520,994	2.0%	175,333	2.0%	153,277	2.0%	101,594	0.0%
Business development loan	280,332	3.9%	179,341	3.9%	31,278	3.9%	47,965	3.0%	3,187	3.0%
Business opportunity loan fund	5,252,799	2.4%	3,902,985	2.7%	2,035,353	2.8%	340,307	4.0%	292,271	4.0%
Wisconsin energy independence fund	110,583	2.0%	75,716	2.0%	39,137	2.0%	4,960	2.0%	-	0.0%
Special project fund	262,640	5.0%	262,640	5.0%	156,039	5.0%	156,039	0.0%	-	0.0%
Commerce - other	277,476	1.3%	246,095	1.3%	224,169	2.0%	187,597	1.0%	116,369	2.0%
Capital catalyst loan participation	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1,420,023	0.0%
Total Balance	<u>\$ 22,940,360</u>		<u>\$ 21,622,051</u>		<u>\$ 19,149,674</u>		<u>\$ 15,602,110</u>		<u>\$ 14,893,712</u>	

Sources:

Wisconsin Economic Development Corporation

https://wedc.org/inside_wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

REVENUE CAPACITY
TEN LARGEST LOANS
Ten Years Ago and Current Year

Collectible Loan	Rank	Loan Balance 2015	Percent of Total	Rank	Loan Balance 2025	Percent of Total
Blue Line Battery Inc.	-	\$ -	-%	1	\$ 750,000	5.6%
Flugen	-	-	-%	2	750,000	5.6%
Onlume, Inc.	-	-	-%	3	500,000	3.7%
Novir LLC	-	-	-%	4	500,000	3.7%
Cardamom Health Inc.	-	-	-%	5	496,250	3.7%
Groupware Technologies	-	-	-%	6	445,392	3.3%
Immuto Scientific, Inc.	-	-	-%	7	408,546	3.0%
YAM Education Inc.	-	-	-%	8	375,000	2.8%
Gripp Inc.	-	-	-%	9	375,000	2.8%
Forward Health Group, Inc.	-	-	-%	10	352,402	2.6%
SHINE Medical Technologies	1	3,121,106	6.6%	-	-	-%
Appleton Coated, LLC	2	3,000,000	6.3%	-	-	-%
Kerry Ingredients, Inc.	3	2,500,000	5.3%	-	-	-%
Kestrel Aircraft Company	4	2,000,000	4.2%	-	-	-%
Kestrel Aircraft Company	5	2,000,000	4.2%	-	-	-%
Print Pack, Inc.	6	1,700,000	3.6%	-	-	-%
Logistics Health, Inc.	7	1,500,000	3.2%	-	-	-%
Kerry Ingredients, Inc.	8	1,500,000	3.2%	-	-	-%
Mayville Engineering	9	1,500,000	3.2%	-	-	-%
Alliance Laundry Systems, LLC	10	1,500,000	3.2%	-	-	-%
		<u>20,321,106</u>	<u>42.9%</u>		<u>4,952,589</u>	<u>33.3%</u>
Total Loans Outstanding		<u>\$ 47,339,362</u>			<u>\$ 14,893,712</u>	

Sources:

Wisconsin Economic Development Corporation

https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

DEBT CAPACITY
RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years

Year	Lease Liability	SBITA Liability	Note Payable	Total Debt	Personal Income* (in millions)	% of Personal Income	Population (in thousands)	Debt per Capita
(Restated)								
2016	\$ -	\$ -	\$ 2,630,967	\$ 2,630,967	\$ 266,132	0%	5,794	0.4541
2017	-	-	2,134,044	2,134,044	270,847	0%	5,812	0.3672
2018	-	-	1,945,360	1,945,360	281,980	0%	5,836	0.3333
2019	-	-	2,269,701	2,269,701	295,997	0%	5,859	0.3874
2020	-	-	2,018,041	2,018,041	307,948	0%	5,880	0.3432
2021	196,162	-	1,842,239	2,038,401	326,881	0%	5,897	0.3457
2022	651,381	658,677	1,808,437	3,118,495	355,536	0%	5,881	0.5303
2023	40,624	518,666	1,788,856	2,348,146	365,166	0%	5,903	0.3978
2024	2,895,102	259,284	1,252,249	4,406,635	378,080	0%	5,911	0.8290
2025	2,584,083	-	1,005,850	3,589,933	402,881	0%	5,961	0.5052

Notes:

* Personal income and population data used is for the calendar year ending during the fiscal year. For example, calendar year 2015 is used for the fiscal year 2016 spanning 7/1/2015 - 6/30/2016.

Certain prior-year debt ratio information has been restated to reflect updated outstanding debt balances, revised population estimates, and personal income made for consistency with the current year's financial statements. These revisions improve the accuracy and comparability of long-term debt trend information presented.

Sources:

2015-2025 U.S. Bureau of Economic Analysis
https://apps.bea.gov/iTable/index_regional.cfm

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

DEMOGRAPHIC AND ECONOMIC INFORMATION
PERSONAL INCOME STATISTICS
Last Ten Calendar Years

Calendar Year (Restated)	Population		Personal Income*		Per Capita			
	Wisconsin (in thousands)	U.S. (in thousands)	Wisconsin (in millions)	U.S. (in millions)	Wisconsin	U.S.	Wisconsin % Change	U.S. % Change
2016	5,794	321,829	\$ 266,132	\$ 15,467,113	\$ 45,928	\$ 48,062	4.0%	3.8%
2017	5,812	324,368	270,847	15,884,741	46,595	48,974	1.5%	1.9%
2018	5,836	326,623	281,980	16,658,962	48,311	51,006	3.7%	4.1%
2019	5,859	328,542	295,997	17,514,402	50,520	53,311	4.6%	4.5%
2020	5,880	330,233	307,948	18,349,584	52,370	55,567	3.7%	4.2%
2021	5,897	331,527	326,881	19,600,945	55,428	59,114	5.8%	6.4%
2022	5,881	332,100	355,536	21,403,979	60,449	64,450	9.1%	9.0%
2023	5,904	334,017	365,166	22,077,232	61,851	66,096	2.3%	2.6%
2024	5,930	336,806	384,068	23,380,269	64,763	69,418	4.7%	5.0%
2025	5,961	340,111	402,881	24,632,680	67,586	72,425	4.4%	4.3%

Notes:

* Personal income, population, and per capita data used is for the calendar year ending during the fiscal year.
For example, calendar year 2015 is used for the fiscal year 2016 spanning 7/1/2015 - 6/30/2016.

Certain prior-year demographic and economic data, including per capita personal income, personal income, and population figures, have been restated to reflect revised estimates issued by the U.S. Bureau of Economic Analysis. These revisions were made to improve the accuracy and comparability of information presented across reporting periods.

Sources:

2016-2025 U.S. Bureau of Economic Analysis
https://apps.bea.gov/iTable/index_regional.cfm

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

DEMOGRAPHIC AND ECONOMIC INFORMATION EMPLOYMENT STATISTICS Last Ten Fiscal Years

Year	Employment (In Thousands Except Unemployment Rates Data)				U.S. Unemployed Rate
	Civilian Labor Force	Total Employed	Total Unemployed	Wisconsin Unemployed Rate	
(Restated)					
2016	3,168	3,033	135	4.3%	5.1%
2017	3,191	3,076	115	3.6%	4.5%
2018	3,182	3,069	112	3.5%	4.2%
2019	3,164	3,049	115	3.6%	3.8%
2020	3,142	2,859	283	9.0%	11.2%
2021	3,117	2,994	140	4.4%	6.1%
2022	3,099	3,012	101	3.2%	3.8%
2023	3,188	3,085	103	3.3%	3.8%
2024	3,214	3,107	106	3.3%	4.3%
2025	3,185	3,084	100	3.2%	4.4%

Notes:

The unemployment rate increased in 2020 due to the coronavirus disease 2019 (COVID-19). The pandemic led businesses to suspend operations or close, resulting in a record number of temporary layoffs. Numbers provided are not seasonally adjusted.

Certain prior-year employment data have been restated to reflect updated information issued by the Wisconsin Job Center. These revisions include updated unemployment rates, civilian labor force estimates, and employer-reported workforce figures to ensure consistency and comparability of employment statistics across years.

Sources:

2016 - 2025 WI Job Center

<https://www.jobcenterofwisconsin.com/wisconomy/query>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

OPERATING INFORMATION
EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Years

(continued)

	2016		2017		2018		2019		2020	
Function/Program	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project
General Administration										
Legal services & compliance	9	2	11	3	8	2	10	1	9	-
Executive office	13	-	11	3	7	1	6	1	9	1
Human resources	5	-	5	-	5	-	6	-	5	-
Finance	5	-	5	-	5	-	5	-	5	-
Business information & technology services	7	-	6	1	7	1	8	-	8	-
Strategic investment & evaluation	9	3	11	1	12	-	13	3	13	2
Policy & program development	5	1	5	1	5	2	5	1	6	1
Economic Development										
Entrepreneurship & innovation	5	-	5	-	4	-	11	-	5	-
Business & community development	20	-	20	-	20	-	20	-	22	-
Business & investment attraction	-	-	3	-	1	-	4	-	15	1
Sector strategy development	8	-	7	-	6	-	-	-	-	-
Global trade & investment	8	1	8	-	8	1	6	-	-	-
Office of rural prosperity	-	-	-	-	-	-	-	-	-	-
Operations & program performance	-	-	-	-	5	4	6	3	4	2
Productivity & sustainability										
Marketing & brand strategy	8	-	9	-	9	-	9	-	9	-
Total Staff	102	7	106	9	102	11	109	9	110	7

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

OPERATING INFORMATION
EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Years

(concluded)

2021		2022		2023		2024		2025	
Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project
11	1	10	1	10	-	11	2	11	2
11	3	7	2	7	2	7	2	7	2
4	-	6	-	6	-	6	1	5	1
5	-	5	1	4	1	5	-	5	-
9	-	10	-	9	1	10	1	11	1
15	3	18	1	18	1	23	3	25	3
6	1	7	1	7	2	1	2	3	1
5	-	6	-	5	1	6	1	6	1
22	-	24	-	26	5	28	8	32	8
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
11	1	10	1	10	-	7	-	8	1
-	-	4	3	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
								1	2
8	-	10	-	9	-	9	1	10	1
107	9	117	10	111	13	113	21	124	23

Notes:

In 2021 Business and investment attraction division was consolidated with Global trade & investment division as well as Operations and program performance with Strategic investment & evaluation division.

In 2022 Office of rural prosperity division was consolidated with the Business & community development division.

In 2024 Credit and risk division was renamed Strategic investment & evaluation division. Strategic investment & policy division was renamed Policy & program development.

In 2025 Productivity & sustainability division was created to track programs specific to that area.

Sources:

Wisconsin Economic Development Corporation

https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

OPERATING INFORMATION
OPERATING INDICATORS BY FUNCTION
Last Ten Years

(continued)

Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business & Community Development										
Bonding Authority										
Industrial Revenue Bonding	4	7	6	5	5	3	3	1	3	3
Qualified Energy Conservation Bond	1	-	-	-	-	-	-	-	-	-
Grants										
Brownfield Grant Program	15	13	14	8	14	8	9	8	5	12
Capacity Building	11	14	10	6	4	10	9	13	17	25
Community Development Investment	18	21	26	30	20	41	41	64	40	52
Disaster Recovery Microloan	-	-	-	6	3	1	-	-	-	-
Diverse Business Development	-	10	-	3	4	8	9	14	12	10
Ethnic Minority Emergency Grant *	-	-	-	-	890	-	-	-	-	-
Fabrication Laboratories	-	-	-	-	-	28	21	25	18	20
Idle Industrial Sites Redevelopment	-	9	5	5	3	6	7	6	10	10
Legislative Award / Branch Campus Redevelopment	-	-	1	-	-	-	-	-	-	2
Main St Bounceback	-	-	-	-	-	-	9	-	-	-
Site Assessment Grants	13	11	11	11	9	5	8	6	8	7
Small Business 20/20	-	-	-	-	8	-	-	-	-	-
Small Business Development	-	-	-	-	-	-	-	-	-	29
Strategic Investment Fund	-	-	-	-	-	-	-	-	2	3
We're All In Small Business Grant	-	-	-	-	7	26,108	-	-	-	-
Workforce Training	1	2	2	3	1	-	-	-	-	-
Loan										
Business Opportunity Loan Fund	12	9	-	-	-	-	-	-	-	-
Business Development Loan Program	-	-	1	1	-	-	-	-	-	-
Manufacturing Clean Energy Revolving Loan	1	-	-	-	-	-	-	-	-	-
Special Project Loan Fund	1	1	-	-	-	-	-	-	-	-
Tax Credits										
Business Development Tax Credit	17	62	38	45	23	25	33	26	22	25
Development Opportunity Zones	2	-	-	-	-	-	-	-	-	-
Economic Development Tax Credits	32	-	-	-	-	-	-	-	-	-
Manufacturing Zone	-	-	1	-	-	-	-	-	-	-
Enterprise Zone	2	5	5	3	-	2	-	-	3	1
Historic Preservation Tax Credit	32	67	27	13	24	19	16	23	18	27
Qualified Rehabilitation	2	-	-	-	-	-	-	-	-	-
Jobs Tax Credit	17	-	-	-	-	-	-	-	-	-
Tax Exemption										
Data Center Sales and Use Tax Exemption	-	-	-	-	-	-	-	-	-	3

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

OPERATING INFORMATION
OPERATING INDICATORS BY FUNCTION
Last Ten Years

(concluded)

Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sector Strategy Development										
Grants										
Minority Business Development Revolving	4	-	-	-	-	-	-	-	-	-
Fabrication Laboratories	24	22	22	20	31	-	-	-	-	-
Targeted Industry Projects	8	12	13	13	3	-	-	-	-	-
Entrepreneurship & Innovation										
Grants										
Capital Catalyst	4	7	2	4	4	7	4	4	7	4
Capacity Building - E&I	-	11	11	9	9	24	-	-	-	-
Entrepreneurial Micro-Grant	1	1	1	1	1	1	1	1	1	1
Entrepreneurship Partner Grant	-	-	-	-	-	-	-	-	-	22
Business Incubator	1	-	-	-	-	-	-	-	-	-
SBIR/STTR Matching Grant	1	1	1	1	1	1	1	1	1	1
Seed Accelerator	8	10	5	8	6	9	-	-	-	-
We're All Innovating Competition	-	-	-	-	-	227	-	-	-	-
Competitive Selection	-	-	-	-	-	-	5	20	17	-
Open Application	-	-	-	-	-	-	19	-	-	-
Loans										
Technology Development Loan - State	16	22	13	17	11	13	15	8	6	4
Technology Development Loan - SSBCI	-	-	-	-	-	-	-	-	4	4
Loan Participation - SSBCI	-	-	-	-	-	-	-	-	3	2
Investor Credits										
Qualified New Business Venture	40	41	54	41	46	46	37	33	44	31
Qualified Venture Fund Certification	6	9	9	9	14	6	7	11	8	3
Equity										
Wisconsin Investment Pilot	-	-	-	-	-	2	1	-	-	-
Wisconsin Investment Fund - SSBCI	-	-	-	-	-	-	-	-	5	13
International Business Development										
Grants										
Collaborative Market Access Grant	1	4	2	5	2	1	3	1	2	-
ExporTech	1	1	1	1	1	1	1	1	1	1
International Market Access Grant	57	66	58	45	35	44	51	52	64	55
Targeted Industry Projects	-	-	-	-	-	8	12	9	-	-
Marketing and Brand Strategy										
Grants										
Opportunity Attraction Fund	-	-	-	-	-	-	-	-	-	3
Total Awards Contracted	353	438	339	313	1,179	26,654	322	327	321	373

Notes:

In May 2020, under the new Ethnic Minority Emergency Grant (EMEG) initiative, supported 890 ethnically diverse micro-businesses that have suffered losses due to the coronavirus pandemic.

In June 2020, WEDC started providing \$2,500 grants to 26,108 small businesses recover from the COVID-19 pandemic under We're All in Small Business Grant (WSBG).

We're All Innovating Competition (WAIC) grant program provided funding to offset additional business costs due to pandemic. Contest supported 227 businesses in December 2020.

In 2023 WEDC created the pilot funding Vibrant Spaces under Community Development Investment program.

Sources:

Wisconsin Economic Development Corporation

https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

OPERATING INFORMATION
SCHEDULE OF CAPITAL ASSETS
Last Ten Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Economic Development										
Vehicles	6	5	6	7	7	5	5	-	-	-
Computer software	-	-	-	-	-	-	1	1	1	1
General administration										
Leasehold improvements	4	4	4	6	6	6	6	6	3	3
Leasehold improvements - WIP	-	-	-	-	-	-	-	3	-	-
Vehicles	2	3	2	2	2	1	1	-	-	-
Computer software	5	4	5	4	4	4	-	1	1	1
Furniture and fittings	-	-	-	-	-	-	-	-	1	3
Right-to-use lease assets	-	-	-	-	-	-	2	1	2	2
Right-to-use subscriptions	-	-	-	-	-	-	-	3	3	3
Marketing & brand strategy										
Computer software	9	7	6	4	4	5	3	3	2	2
Furniture and fixtures	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total Capital Assets	<u>27</u>	<u>24</u>	<u>23</u>	<u>24</u>	<u>24</u>	<u>22</u>	<u>19</u>	<u>20</u>	<u>15</u>	<u>17</u>

Notes:

GASB-87 was adopted in the 2022 adding right-to-use leased assets

GASB-96 was adopted in the 2023 adding right-to-use subscription assets

Sources:

Wisconsin Economic Development Corporation

https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2



DEDICATED TO WISCONSIN'S ECONOMIC GROWTH

The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing and maximizing opportunities in Wisconsin. Working with more than 600 statewide partners, including regional economic development organizations, academic institutions and industry groups, we're enhancing our communities, supporting business development, advancing industry innovation, tapping global markets and developing a talented workforce to help Wisconsin realize its full economic potential.

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