WISCONSIN
ECONOMIC DEVELOPMENT



## ANNUAL COMPREHENSIVE

# FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2026

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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WISCONSIN
ECONOMIC DEVELOPMENT



# INTRODUCTORY SECTION

LOOK FORWARD

November 19, 2026

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, 2026, 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 LLC has issued an unmodified ("clean") opinion on WEDC's financial statements for the year ended June 30, 2026. 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, 2025. This was the 13th 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.

WISCONSIN ECONOMIC DEVELOPMENT

## FY26 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 FY26, WEDC executed 384 contracts*—including tax incentives, grants, loans, and other awards—totaling $364.0 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, 225 were grants to businesses and communities, totaling a record $39.3 million.

Key highlights from FY26 include:

## Business and Community Development

- Five counties (Waukesha, Sauk, Richland, Wood, and Sheboygan) received a total of nearly $10.0 million to convert former University of Wisconsin facilities into housing, commercial space, and other uses.
- Ten community organizations around the state received a total of $1.5 million in the second round of Small Business Development Grants (SBDG), helping small businesses access needed capital.
- In its full first year of operation, the Small Business Technical Assistance (SBTA) Grants assisted 21 community organizations in 12 counties with a total of $2.1 million in aiding small businesses.
- Seven municipalities received their first community-based development grants, which include the Community Development Investment (CDI), Vibrant Spaces (CDI-VS), Idle Sites Redevelopment (ISR), Site Assessment (SAG), and Brownfields (BF) grants. Montello, Necedah, De Soto, Long Lake, Princeton, Manitowish Waters, and Cumberland used the grants to redevelop their downtowns, increase housing stock, transform underused spaces, and clean up contaminated properties.
- Seventeen community organizations received a total of $5.0 million in Talent Recruitment Grants to address targeted workforce needs, including Greater Wausau Prosperity Partnership, Driftless Development Inc., Wisconsin Technology Council, Employ Milwaukee, Appleton Downtown Inc., New North Inc., Green County Economic Development, Sheboygan County Chamber of Commerce, Kenosha Area Business Alliance, Milwaukee County, Heroes for Healthcare Inc., Family Friendly Workplaces Inc., Vernon County, City of Oshkosh, Cassville Economic Development Corp., and the City of Medford.

## Business Attraction and Retention

- WEDC invested a record $132.0 million in Enterprise Zone (EZ) and Business Development Tax Credit (BTC) incentives for a total of 40 business attraction and retention projects statewide, leveraging a total of $3.9 billion in capital investments, with 2,942 jobs to be created.
- WEDC is supporting Eli Lilly's $2.3 billion project, which is expected to create 700 highly skilled jobs, with up to $100.0 million in EZ Tax Credits. This is the largest EZ project in state history.
- WEDC assisted 39 other businesses with a record $32.1 million in BTCs.

**Results vary from what is reported in WEDC's Annual Report on Economic Development (ARED) as this document includes activities to Key Strategic Partner's (KSP's).*

## Entrepreneurship and Innovation

- In FY26, WEDC launched Ignite Wisconsin, which is providing a total of $3.5 million to four organizations supporting startup companies in targeted sectors with high growth potential, such as fusion energy and emerging technologies.
- WEDC also launched Accelerate Wisconsin, which welcomed 14 entrepreneurs from nine countries to advance startups throughout the state.

## Global Trade and Investment

- WEDC led two in-person international trade missions (to Japan and Mexico) as well as a virtual trade mission to Canada with a combined 17 companies, two industry groups, and the Wisconsin Department of Agriculture, Trade and Consumer Protection, to assist small and midsize businesses from a variety of sectors in promoting their products and furthering their export strategies.
- WEDC's foreign direct investment strategy is focused on positioning Wisconsin as a top destination for advanced manufacturing, food and dairy production, biotechnology, water technology, and innovation. These efforts strengthen the state's competitiveness and drive investment, innovation, and job creation.

## Rural Prosperity

- Ten rural communities completed the inaugural round of the Thrive Rural program. The Office of Rural Prosperity partners with local economic development organizations to work with communities on projects related to housing, community development, small business development, regional collaboration, and leadership capacity building.
- With funding from the Federal Home Loan Bank of Chicago, WEDC and the Bank of Luxemburg launched the Emerging Rural Developer Fellowship, which will place fellows in Door County, Bayfield County, and Southwest Wisconsin to work on housing development, gain experience, and help local partners advance new housing opportunities.

- Innovative projects in two rural communities were among the recipients of Capacity Building Co-Op Grants.

    - The Village of Frederic received $49,500 to establish the Frederic Grocery Store Cooperative in rural Polk County; the cooperative will take over the community's only grocery store following the current owner's retirement.

    - The Village of Wonewoc in rural Juneau County received $50,000 to study the feasibility of a self-sustaining electrical generation system. This was the village's second grant from WEDC in FY26; the community also received a $120,000 CDI for the development of a new arts center.

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 Department. We also wish to thank all departments 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,

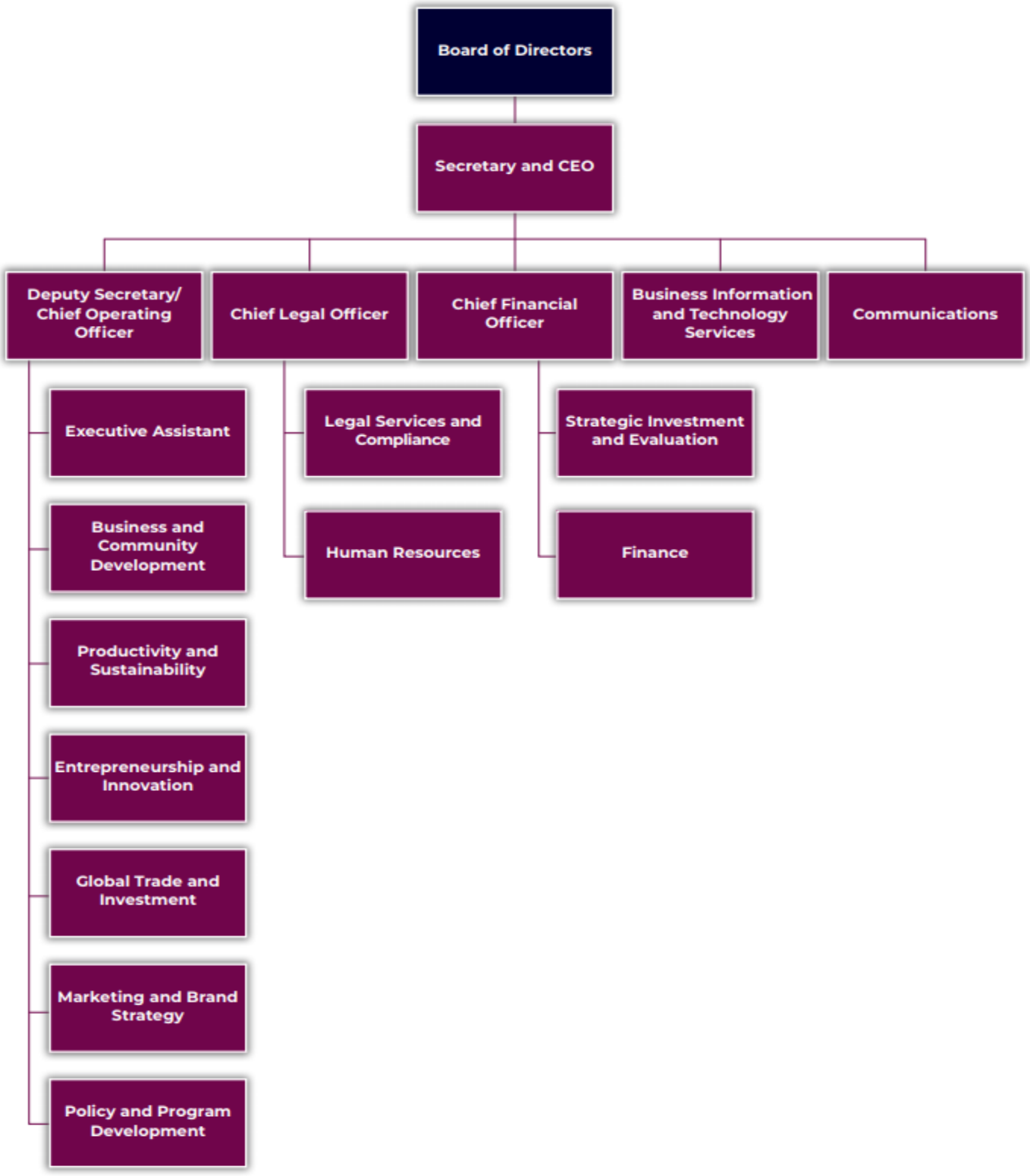


Khadija Mims
Chief Financial Officer



Natalya Krutova
Controller

# WEDC Organizational Chart




September 2026

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, 2025

*and issued to the public 141 days after the fiscal year end*




Christopher P. Morrill

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 |
| Samba Baldeh | Board Member |
| John Brogan | Board Member |
| Jim Ladwig | Board Member |
| Rep. Alex Joers | Board Member |
| Sen. Patrick Testin | Board Member |
| Randy Hopper | Board Member |
| John Casper | Board Member |
| Sen. Jamie Wall | Board Member |
| John Florsheim | Board Member |
| Rep. Dave Armstrong | Board Member |
| Jon Gaines | Board Member |
| Sec. Kathy Blumenfeld (non voting) | Ex-Officio - Department of Administration |
| Sec. David Casey (non voting) | Ex-Officio - Department of Revenue |

### ADMINISTRATORS

| | |
|---|---|
| John Miller | Secretary and Chief Executive Officer |
| Sam Rikkers | Deputy Secretary and Chief Operating Officer |
| Vacant | Chief Legal Officer |
| Khadija Mims | Chief Financial Officer |
| Michael 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 of Strategic Investment and Evaluation |
| Brooklyn Mashaw | Vice President of Compliance |
| Shayna Hetzel | Vice President of Entrepreneurship and Innovation |
| Stephen Nordin | Vice President of Global Trade and Investment |
| Sarah Duchemin | Vice President of Marketing and Brand Strategy |
| Vacant | Vice President of Productivity and Sustainability |
| Kayla Conklin | Vice President of Human Resources |
| Natalya Krutova | Controller |

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# FINANCIAL SECTION

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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, 2026, 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, 2026, and the respective changes in financial position 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.

## 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information as listed in the table of contents 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 supplementary information as listed in table of contents 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*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 9, 2026, 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 9, 2026

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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, 2026, and the related notes to financial statements, which collectively comprise the WEDC's basic financial statements, and have issued our report thereon dated November 9, 2026.

## 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 9, 2026

**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**As of and For the Year Ended June 30, 2026**
**(Unaudited)**

Wisconsin Economic Development Corporation's management offers this narrative overview and analysis of its financial statements for the year ended June 30, 2026. 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 2025 and 2026.

| | Governmental activities | | | |
|---|---|---|---|---|
| | 2025 (000's) | 2026 (000's) | Change | % Chg |
| Current and other assets | $ 90,248 | $ 128,042 | $ 37,794 | 41.9% |
| Capital assets | 5,370 | 5,103 | (266) | -5.0% |
| Total assets | 95,618 | 133,145 | 37,528 | 39.2% |
| Deferred outflows of resources | 5,171 | 5,305 | 134 | 2.6% |
| Long-term debt | 6,044 | 5,229 | (815) | -13.5% |
| Other liabilities | 6,959 | 8,961 | 2,002 | 28.8% |
| Total liabilities | 13,003 | 14,190 | 1,187 | 9.1% |
| Deferred inflows of resources | 2,864 | 5,170 | 2,307 | 80.5% |
| Net investment in capital assets | 2,785 | 2,205 | (581) | -20.8% |
| Restricted | 66,363 | 88,730 | 22,367 | 33.7% |
| Unrestricted | 15,774 | 28,156 | 12,382 | 78.5% |
| Total net position | $ 84,922 | $ 119,090 | $ 34,168 | 40.2% |

**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 $37.5 million, driven by:

- $40.5 million change in cash and cash equivalents, primarily due to the receipt of 50% of Tranche 2 funding from the U.S. Treasury under the State Small Business Credit Initiative (SSBCI) program, as well as the receipt of funds for legislatively authorized programs.
- $(4.8) million change in investments as the funds were utilized for economic development activities and operations.
- $1.8 million change in equity investment, primarily reflecting investments in the Wisconsin Investment Fund (WIF) initiative.

- $(1.7) million change in loan receivables, reflecting $2.6 million in repayments, $0.8 million in loan write-offs, and $0.1 million increase in the allowance for loan reserve offset by $1.8 million in new loan disbursements.

- The net pension position improved from a liability in 2025 to a net pension asset of $1.2 million in 2026, reflecting favorable Wisconsin Retirement System investment and actuarial results.

- $(0.3) 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 $0.1 million and **deferred inflows of resources** changed by $2.3 million during the fiscal year, primarily due to the recognition and amortization of prior-year actuarial experience differences, changes in assumptions, and investment gains and losses related to pension and Other Postemployment Benefits (OPEB). These balances are recognized systematically over future reporting periods in accordance with applicable accounting standards.

As of June 30, 2026, WEDC reported OPEB liability of $1.3 million, representing the long-term obligations associated with employee postemployment benefits

**Total liabilities** changed by $1.2 million primarily due to higher award accruals, and accounts payable, partially offset by a decrease in accrued wages.

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 44 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 2025 and 2026.

| | Governmental activities | | | |
|---|---|---|---|---|
| | 2025 (000's) | 2026 (000's) | Change | % Chg |
| **REVENUE** | | | | |
| Program revenues | | | | |
| Operating grants and contributions | $ 16,396 | $ 44,551 | $ 28,156 | 171.7% |
| Charges for services | 96 | 70 | (26) | -26.8% |
| General revenues | | | | |
| Intergovernmental revenues not restricted to specific programs | 43,624 | 50,049 | 6,424 | 14.7% |
| Investment income | 3,969 | 7,709 | 3,741 | 94.3% |
| Miscellaneous | 671 | 668 | (3) | -0.4% |
| Total Revenues | 64,756 | 103,046 | 38,292 | 59.1% |
| **EXPENDITURES** | | | | |
| General administration | 13,514 | 13,148 | (366) | -2.7% |
| Marketing & brand strategy | 8,753 | 8,444 | (309) | -3.5% |
| Economic development | 41,320 | 47,273 | 5,953 | 14.4% |
| Interest and fiscal charges | 27 | 14 | (13) | -48.2% |
| Total Expenditures | 63,615 | 68,879 | 5,266 | 8.3% |
| **Total Change in Net Position** | 1,140 | 34,168 | 33,026 | 2897.0% |
| NET POSITION - BEGINNING OF YEAR | 83,782 | 84,922 | | |
| **NET POSITION - END OF YEAR** | $ 84,922 | $ 119,090 | | |

**Program revenues** increased significantly, with a $28.2 million change in operating grants and contributions. The increase was driven by $4.1 million of legislative program funding, including $6.0 million for Branch Campus Redevelopment grants $4.9 million for Talent Recruitment grants and $0.7 million for the Opportunity Attraction Fund offset by the FY25 spend of $7.5 million of Tech Hub grants, as well as $25.9 million in State Small Business Credit Initiative (SSBCI) funding, $7.3 million related to American Rescue Plan Act (ARPA) awards, and $0.1 million in SAG funding.

**Charges for services** changed by $(26,000) primarily from reduced bond servicing and tax transfer fees.

**General revenues** from intergovernmental sources changed by $6.4 million, primarily reflecting funding received to support operational activities undertaken during the pandemic, partially offset by lower surcharge collections from the segregated economic development fund (SEG).

**Investment income** changed by $3.7 million, driven by a slightly higher return on investments, partially offset by lower loan interest income.

**Miscellaneous revenues** remained relatively flat compared to the prior year.

**General administration expenditures** changed by $(0.4) million, primarily reflecting higher health insurance costs and required Wisconsin Retirement System (WRS) contributions.

**Marketing and communication expenditures** changed by $(0.3) million, primarily due to reduced spending on event activities and program promotions.

**Economic development expenditures** changed by $6.0 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 $(13,000), 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 $107.4 million changed by $24.3 million, which represents the net change in fund balance which means that revenues exceeded expenditures by $24.3 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 five components:

1. Non-spendable,
2. Restricted,
3. Committed,
4. Assigned, and
5. 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 in spendable form, including loan receivables, equity investments, Wisconsin Investment Fund-Direct (WIF-D) investments, equity resulting from loan warrant conversions, and prepaid items. The majority of this balance consists of outstanding loan receivables, excluding SSBCI TDL loans and loan participations, which are reported as restricted fund balance. As of June 30, 2026, the nonspendable fund balance totaled $9.0 million, an increase of $1.3 million from $7.7 million in 2025. The increase was primarily attributable to a $4.0 million investment in the new Wisconsin Investment Fund-Direct (WIF-D) program, WEDC's direct investment initiative, partially offset by a $2.8 million decrease in net loan receivables as loan repayments exceeded new loan originations during the year. Prepaid items increased slightly compared to the prior year.

**Restricted fund balance** totaled $87.5 million on June 30, 2026, compared to $66.4 million in 2025, an increase of $21.1 million. This balance represents resources that are subject to external restrictions on use, including $54.0 million tied to open award contracts and $33.5 million related to SSBCI investments. The year-over-year increase primarily reflects higher contracting activity in 2026, driven by a $4.9 million

increase in economic development contracts and $14.8 million increase in SSBCI restricted activities.

**Committed fund balance** at June 30, 2026, was $2.4 million and represents amounts committed for the Wisconsin Investment Fund-Direct (WIF-D) program.

**Assigned fund balance** for 2026 was $1.9 million, down from $2.1 million in 2025. This $(0.3) million change was primarily due to reduced assigned funds for the note payable to the State of Wisconsin for employee retirement.

**Unassigned fund balance** totaled $6.7 million in 2026, a decrease from $6.9 million in 2025, reflecting a $(0.2) million change. This balance represents resources available to support future operating budgets and program expenditures.

## 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 31-60 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 62-64.

### Capital assets

WEDC's capital asset activity for 2025 and 2026 is summarized below.

| | Governmental Activities | | |
|---|---|---|---|
| Description | 2025 | 2026 | Variance |
| Software | $ 1,231,438 | $ 1,231,438 | $ - |
| Furniture and fixtures | 543,020 | 543,020 | - |
| Leasehold improvements | 2,355,926 | 2,355,926 | - |
| Lease asset - buildings | 3,130,204 | 3,130,204 | - |
| Subscription asset | 321,625 | 880,391 | 558,766 |
| Total Capital Assets | 7,582,213 | 8,140,979 | 558,766 |
| Less accumulated depreciation and amortization | (2,212,632) | (3,037,485) | (824,853) |
| Capital assets, net of depreciation and amortization | $ 5,369,581 | $ 5,103,494 | $ (266,087) |

Total capital assets changed by $0.6 million compared to 2025, mainly due to the addition of subscription assets. Additional information on WEDC's capital assets can be found in Note II C on page 44.

### 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 obligations decreased by approximately $(0.7) million compared to the prior fiscal year. The decrease was primarily attributable to the elimination of the net pension liability, scheduled repayments of notes payable, and reductions in lease liabilities. These decreases were partially offset by the recognition of a new subscription-based information technology arrangement (SBITA) liability, increases in compensated absences, and other postemployment benefits (OPEB) liabilities resulting from normal year-end actuarial and accrual adjustments. Variances from fiscal year 2025 are summarized in the schedule below.

| | Governmental Activities | | |
|---|---|---|---|
| | 2025 | 2026 | Variance |
| Lease liability | $ 2,584,083 | $ 2,258,750 | $ (325,333) |
| SBITA liability | - | 639,875 | 639,875 |
| OPEB liability | 1,221,410 | 1,297,928 | 76,518 |
| Net pension liability | 873,337 | - | (873,337) |
| Compensated absences | 1,134,633 | 1,188,304 | 53,671 |
| Notes payable - State of Wisconsin | 1,005,850 | 689,495 | (316,355) |
| Total | $ 6,819,313 | $ 6,074,352 | $ (744,961) |

Additional information on WEDC's long-term debt can be found in Note II D on pages 45-47.

## CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

WEDC enters fiscal year 2027 in a stable financial position with sufficient liquidity and fund balance resources to support ongoing operations and program commitments. Management continues to monitor economic conditions, interest rate trends, and state and federal funding opportunities that may affect future economic development activities.

The FY27 budget reflects the transition from several temporary federal funding initiatives while continuing to support WEDC's core economic development mission. The Corporation expects to complete remaining ARPA-related activities and continue administering business financing and investment programs supported through the State Small Business Credit Initiative (SSBCI). Projected State Economic Development Fund (SEG) revenues remain above the statutory funding floor; however, recent declines in collections will continue to be monitored.

Management believes WEDC is well positioned to meet its ongoing obligations, support strategic investments, and advance Wisconsin's economic development priorities while maintaining long-term fiscal sustainability. No other currently known facts, decisions, or conditions are expected to have a significant effect on WEDC's financial position or operations beyond those disclosed elsewhere in this report.

## 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



# BASIC FINANCIAL STATEMENTS

LOOK FORWARD

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

STATEMENT OF NET POSITION
As of June 30, 2026

| | Primary Government |
|---|---|
| | Governmental Activities |
| **ASSETS** | |
| Cash and cash equivalents | $ 2,263,881 |
| Cash restricted | 55,812,949 |
| Investments | 44,871,593 |
| Equity investments | 12,111,579 |
| Accounts receivable | 2,303,548 |
| Accrued interest on investments | 374,442 |
| Prepaid items | 499,878 |
| Loans receivable (net of allowances of $4,917,073) | 8,303,542 |
| Interest on loans receivable (net of $542,179) | 281,311 |
| Pension asset (net) | 1,219,403 |
| Other capital assets (net of depr $3,037,485) | 5,103,494 |
| Total Assets | 133,145,620 |
| Deferred outflows of resources | |
| Deferred outflows of resources - pensions | 4,824,517 |
| Deferred outflows of resources - OPEB | 480,240 |
| Total Deferred Outflows of Resources | 5,304,757 |
| **LIABILITIES** | |
| Accounts payable | 5,092,971 |
| Accrued liabilities | 3,022,518 |
| Noncurrent liabilities | |
| Due within one year | 845,111 |
| Due in more than one year | 5,229,241 |
| Total Liabilities | 14,189,841 |
| Deferred inflows of resources | |
| Deferred inflows of resources - pensions | 4,869,907 |
| Deferred inflows of resources - OPEB | 300,380 |
| Total Deferred Inflows of Resources | 5,170,287 |
| **NET POSITION** | |
| Investment in capital assets (net) | 2,204,869 |
| Restricted for: | |
| R-Economic development | 50,737,818 |
| R-Brownfield site assessments | 3,298,569 |
| R-SSBCI | 33,473,779 |
| R-Pension | 1,219,403 |
| Unrestricted | 28,155,811 |
| **TOTAL NET POSITION** | $ 119,090,249 |

See accompanying notes to financial statements.

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2026

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities |
|---|---|---|---|---|---|
| Primary Government | | | | | |
| Governmental Activities | | | | | |
| General administration | $ 13,148,039 | $ 70,052 | $ 66,936 | $ - | $ (13,011,051) |
| Marketing & brand strategy | 8,444,057 | - | 5,656,241 | - | (2,787,816) |
| Economic development | 47,272,685 | - | 38,828,321 | - | (8,444,364) |
| Interest and fiscal charges | 14,265 | - | - | - | (14,265) |
| Total Governmental Activities | 68,879,046 | 70,052 | 44,551,498 | | (24,257,496) |
| General Revenues | | | | | |
| Intergovernmental revenues not restricted to specific programs | | | | | |
| Segregated funds | | | | | 50,048,784 |
| Investment income | | | | | 7,709,356 |
| Miscellaneous | | | | | 667,585 |
| Total General Revenues | | | | | 58,425,725 |
| **Change in Net Position** | | | | | 34,168,229 |
| NET POSITION - BEGINNING OF YEAR | | | | | 84,922,020 |
| **NET POSITION - END OF YEAR** | | | | | $ 119,090,249 |

See accompanying notes to financial statements.

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2026

| | General Fund |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | $ 2,263,881 |
| Cash restricted - SSBCI | 21,322,522 |
| Cash restricted - LEG | 32,095,225 |
| Cash restricted - WIF-D | 2,395,202 |
| Investments | 44,871,593 |
| Equity investments | 12,111,579 |
| Accounts receivable | 2,303,548 |
| Accrued interest on investments | 374,442 |
| Prepaid items | 499,878 |
| Loans receivable (net of allowances of $4,917,073) | 4,106,621 |
| Loan receivable - SSBCI | 4,196,921 |
| Interest on loans receivable (net $542,179) | 148,787 |
| Interest on loans receivable - SSBCI | 132,524 |
| Total Assets | $ 126,822,723 |
| **LIABILITIES** | |
| Accounts payable | $ 5,092,971 |
| Accrued awards | 1,945,680 |
| Accrued wages | 106,344 |
| Payroll related liabilities | 342,882 |
| Other liabilities | 627,617 |
| Total Liabilities | 8,115,494 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Unavailable revenue | 11,299,006 |
| Total Deferred Inflows of Resources | 11,299,006 |
| **FUND BALANCES** | |
| Nonspendable - prepaids | 499,878 |
| Nonspendable - WI investment fund - direct | 4,043,376 |
| Nonspendable - equity investment program | 124,250 |
| Nonspendable - equity from loan warrant conversion | 192,588 |
| Nonspendable - long-term receivables | 4,106,621 |
| Restricted for | |
| Economic development | 50,737,818 |
| Brownfield site assessment | 3,298,569 |
| SSBCI | 33,473,779 |
| Committed for WI investment fund - direct | 2,378,054 |
| Assigned for | |
| Compensated absences | 1,188,304 |
| Note payable to State of Wisconsin | 689,495 |
| Unassigned | 6,675,491 |
| Total Fund Balances | 107,408,223 |
| **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | $ 126,822,723 |

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, 2026

| | | |
|---|---|---|
| Fund balances - total governmental funds | | $ 107,408,223 |
| 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 | |
| Lease asset - buildings | 3,130,204 | |
| Subscription asset | 880,391 | |
| Less: accumulated depreciation, amortization | (3,037,485) | |
| Total adjustment for capital assets | | 5,103,494 |
| Net pension assets are not current financial reasources and, therefore, are not reported in the government funds | | 1,219,403 |
| Deferred outflows related to pensions are not current financial resources and, therefore, are not reported in the government funds | | |
| Pension differences between projected and actual experiences | 4,288,815 | |
| Change in proportional share & difference in actual contributions | 11,016 | |
| Pension contributions after measurement date | 436,048 | |
| Pension changes of actuarial assumptions | 88,638 | |
| Total adjustment for pension deferred outflows | | 4,824,517 |
| Deferred outflows related to OPEB are not current financial resources and, therefore, are not reported in the government funds | | |
| OPEB change in proportion | 181,141 | |
| OPEB changes of assumptions | 131,700 | |
| OPEB subsequent contributions after measurement date | 84,125 | |
| OPEB change in proportional share & difference in actual contributions | 83,274 | |
| Total adjustment for OPEB deferred outflows | | 480,240 |
| 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 | (10,046) | |
| Net difference between projected and actual investment earnings on pension plan investment | (3,979,441) | |
| Pension differences between projected and actual experiences | (880,420) | |
| Total adjustment for pension deferred inflows | | (4,869,907) |
| Deferred inflows related to OPEB are not current finance resources and, therefore, are not reported in the government funds | | |
| OPEB changes of assumptions | (231,567) | |
| OPEB changes in proportion | (39,566) | |
| OPEB differences between expected and actual experience | (29,247) | |
| Total adjustment for OPEB deferred inflows | | (300,380) |
| 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 | | 11,299,011 |
| Total OPEB liability are not current financial resources and, therefore, are not reported in the government funds | | (1,297,928) |
| 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 | | |
| Compensated absences | (1,188,304) | |
| Lease payable | (2,258,750) | |
| SBITA payable | (639,875) | |
| Notes payable to State | (689,495) | |
| Total adjustment for long-term obligations | | (4,776,424) |
| **NET POSITION OF GOVERNMENTAL ACTIVITIES** | | $ 119,090,249 |

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, 2026

| | General Fund |
|---|---|
| **REVENUES** | |
| Intergovernmental | $ 84,265,039 |
| Charges for services | 70,052 |
| Interest income | 7,709,356 |
| Other revenues | 667,585 |
| Total Revenues | 92,712,032 |
| **EXPENDITURES** | |
| Current | |
| General administration | 11,919,841 |
| Marketing & brand strategy | 8,251,210 |
| Economic development | 47,363,824 |
| Debt Service | |
| Principal retirement | 806,632 |
| Interest and fiscal charges | 63,524 |
| Capital outlay | 880,391 |
| Total Expenditures | 69,285,422 |
| **Excess (Deficiency) of Revenue Over Expenditures** | 23,426,610 |
| **OTHER FINANCING SOURCES (USES)** | |
| SBITA issuance | 880,391 |
| Total Other Financing Sources (Uses) | 880,391 |
| **Net Change in Fund Balance** | 24,307,001 |
| FUND BALANCES - BEGINNING OF YEAR | 83,101,222 |
| **FUND BALANCES - END OF YEAR** | $ 107,408,223 |

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, 2026

| | |
|---|---|
| Net change in fund balances - total governmental funds | $ 24,307,001 |
| 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 | (108,152) |
| Total OPEB liabilities and related deferred inflows/outflows are not current financial resources and, therefore, are not reported in the governmental funds | (47,918) |
| 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 | 880,391 |
| Depreciation and amortization are reported in the government-wide statements | (1,146,478) |
| 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 | 10,335,243 |
| Repayments of long-term obligations are reported as expenditures in the governmental funds, but reduce long-term liabilities in the statement of net position and, therefore, are not reported as expenditures in the statement of activities. | |
| Principal repayments of notes payable and annual recalculation adjustment | 316,355 |
| Principal repayment of lease liabilities | 325,333 |
| Principal repayments of SBITA liabilities | 240,516 |
| The issuance of SBITA liabilities is reported as another financing source in the governental funds but as an increase of principal outstanding in the statement of activities | (880,391) |
| 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 | (53,671) |
| **CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** | $ 34,168,229 |

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

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## 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 discreetly 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.

## *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.

## *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 reported at either fair value or cost, as appropriate, and represent ownership interests in Wisconsin businesses and economic development programs. Investments reported at cost are reviewed for impairment as necessary.

### *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.

## *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 lease liabilities and subscription-based information technology arrangement (SBITA) liabilities, along with the related intangible right-to-use assets, based on the present value of future payments over the contracted term. Right-to-use lease assets and SBITA assets are reported with capital assets, while the related liabilities are reported as long-term debt in the statements of net position. These right-to-use assets are amortized over the applicable lease or subscription term.

### *5. Pensions*

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

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

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

## *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 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 are reported in the government-wide financial statement of net position.

### *8. Compensated Absences*

WEDC’s policy allows employees to accumulate up to 240 hours of paid time off (PTO), which combines vacation and sick leave benefits into a single leave category. Hours exceeding 240 and certain unused hours are forfeited. The compensated absences liability is calculated using pay or salary rates in effect at fiscal year-end and is recognized when the leave is more likely than not to be used for time off or otherwise paid or settled.

Former Department of Commerce employees received a transitional leave credit upon transfer to WEDC. The credit was based on each employee’s years of service and pay rate in effect at the time of transition and is payable to qualifying employees upon eligible retirement from WEDC.

Liabilities for compensated absences are recognized in the government-wide financial statements when incurred. In the governmental fund financial statements, these liabilities are recognized only when they have matured, such as upon an employee’s resignation or retirement.

## *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.

### *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's highest level of decision-making authority is WEDC's sixteen-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 30$^{th}$ 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.

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 | $ 2,033,995 | $ 2,033,995 | Custodial credit risk |
| Money Market | 56,042,835 | 56,042,835 | Custodial credit risk |
| Certificate of Deposit | 1,226,303 | 1,226,303 | Custodial credit risk |
| US Treasury | 43,645,290 | 43,645,290 | Custodial credit, credit, concentration of credit, and interest rate risk |
| Total | $ 102,948,423 | $ 102,948,423 | |

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. U.S. Treasury Obligations: Direct obligations of the United States Treasury.
b. U.S. Agency Obligations: US Government Agency Obligations and US Government Sponsored Enterprises (GSEs) which may include, but are not limited to the following: Federal Farm Credit Banks Funding Corporation (FFCB), Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Tennessee Valley Authority (TVA).
c. Municipal Debt Obligations: Bonds of the State of Wisconsin and any local government in the State of Wisconsin. At the time of investment, the bonds must have one of the three highest credit ratings of a nationally recognized rating agency.
d. Commercial Paper: Commercial paper must be rated with the highest short-term credit rating category of any two major Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase. If the commercial paper is rated by more than two major NRSROs, it must have the highest rating from all of them. Commercial paper holdings may not have maturities exceeding 270 days. Any commercial paper purchased with a maturity longer than 100 days must also have an underlying long-term credit rating at the time of purchase in one of the three highest rating categories of an NRSRO. The percentage of commercial paper that may be purchased from any one issuer is 5% of the market value of the total cash and investment portfolio. Issuer constraints will apply to the combined holdings of corporate notes and commercial paper holdings.
e. Negotiable Certificate of Deposits: if the issuer/financial institution has a rating in the second highest tier, (e.g. AA, Aa) or higher by a nationally recognized rating agency.
f. Federally Insured Products: certificates of deposit purchased through the Certificate of Deposit Account Registry Service (CDARS), other 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;
g. Bank Deposits: Checking and saving accounts;
h. Money Market Mutual Funds (Stable Net Asset Value): regulated by Rule 2a-7 of the Securities and Exchange Commission and whose portfolios consist of only dollar-denominated securities;
i. Local Government Investment Pools: 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;

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

Additional Specifications:

- This policy recognizes S&P, Moody's and Fitch as the major Nationally Recognized Statistical Ratings Organizations (NRSRO).
- Minimum credit ratings and percentage limitations apply to the time of purchase.

Prohibited Investments

WEDC funds will not be invested in equity securities, mortgage-backed securities, asset backed securities, collateralized mortgage obligations, strips, or floaters.

### *Custodial Credit Risk*

**Deposits**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, WEDC would not be able to recover deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Federal Deposit Insurance Corporation (FDIC) insures deposits up to $250,000 per depositor, per insured institution, for each ownership category. To mitigate custodial credit risk, WEDC maintains collateralization agreements with its primary financial institution and utilizes a deposit placement program that distributes deposits among participating FDIC-insured financial institutions in amounts below applicable FDIC insurance limits. As of June 30, 2026, uninsured deposits held with the primary financial institution were secured by collateral agreements totaling $5.0 million. Collateral pledged under these agreements is held by FHLB Cincinnati and may not be released without WEDC's authorization, except for the substitution of collateral of like type and equal value.

**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, 2026, $44.9 million of uninsured investment securities are held at the custodian bank in book-entry form.

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

### 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, securities or letters of credit 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 negatively affect the fair value cash flows of an investment. Generally, the fair value of longer maturity investments is more sensitive to changes in the market interest rate. WEDC mitigates this risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, limiting the maturities of all investments when purchased to less than five years, laddering investments to meet cash flow needs and monitoring interest risk exposure.

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:

| | Maturity Term | | | |
|---|---|---|---|---|
| Investment | < 1 Year | 1 - 3 Years | 3 - 5 Years | Total |
| Certificate of Deposit | $ 1,226,303 | $ - | $ - | $ 1,226,303 |
| US Treasury | 13,131,619 | 15,032,928 | 15,480,743 | 43,645,290 |
| Total | $ 14,357,922 | $ 15,032,928 | $ 15,480,743 | $ 44,871,593 |

### *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+ | AA | AA- |
|---|---|---|---|
| Certificate of Deposit | $ - | $ 800,504 | $ 425,799 |
| US Treasury | 43,645,290 | - | - |
| Total | $ 43,645,290 | $ 800,504 | $ 425,799 |

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

### *Concentration of Credit Risk*

The concentration of credit risk is the risk that losses become substantial due to the magnitude of WEDC's investment in a single issuer. Diversifying the investment portfolio will also minimize this risk. WEDC limits investments in a federal agency or instrumentalities of the federal government to 40% of total cash and investments balances; all other issuers, excluding the federal government, are limited as defined in the policy based on rating and maturity. There is no limit on U.S. Treasury investments.

### *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, 2026:

| Investment | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| Certificate of Deposit | $ - | $ - | $ 1,226,303 |
| US Treasury | 43,645,290 | - | - |
| Total Assets | $ 43,645,290 | $ - | $ 1,226,303 |

U.S. Treasury securities of $43.6 million are valued using quoted market prices of these assets (Level 1 inputs).

Certificate of Deposit of $1.2 million, which includes short-term funds (Level 3 inputs).

### *Equity Investments*

Wisconsin investment fund - SSBCI: As of June 30, 2026, WEDC had invested $6,692,621 in Wisconsin-based companies through the Wisconsin Forward Venture Fund, which is supported by the State Small Business Credit Initiative (SSBCI). The equity investments are reported at fair value as of June 30, 2026. The total fair value of these investments was $7,751,365, resulting in an unrealized gain of $1,058,744 recognized during the year. Because the investments are interests in private venture capital funds and portfolio companies for which quoted market prices are not available, the fair value measurements are classified as Level 3 within the fair value hierarchy. Level 3 measurements are based on unobservable inputs and may include recent financing rounds, fund manager valuations, cost as an approximation of fair value, and other available information considered by management. These investments remain restricted for SSBCI program purposes.

Wisconsin Investment Fund - Direct: As of June 30, 2026, WEDC has invested $4,043,376 in Wisconsin-based companies through the Wisconsin Investment Fund (WIF-D). These investments are reported at cost because cost approximates fair value as of June 30, 2026.

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

### *Equity Investments (Continued)*

Technology Development Loan Warrant Conversion: As of June 30, 2026, 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, 2026, WEDC has invested $124,250 in the form of Simple Agreement for Future Equity (SAFE) as part of the Wisconsin Investment Pilot (WIP) Program.

## *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, $11,299,006 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, 2026, the WEDC loan portfolio consisted of the following:

- The Technology Development Loan program - Principal balance of $8,823,390
- State Small Business Credit Initiative (SSBCI) Loans – Principal balance of $2,367,500
- Capital Catalyst Program – The Organization participates in loans originated jointly with partner lenders under the SSBCI-funded Capital Catalyst Program. Principal balance $1,829,421
- Other State programs - Principal balance of $200,304

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, 2026, are as follows:

| | Collectible Loans |
|---|---|
| Loan receivable | $ 9,023,694 |
| Loan receivable - SSBCI | 2,367,500 |
| Loan participation receivable | 1,829,421 |
| Allowance for uncollectible | (4,917,073) |
| Net loans receivable | $ 8,303,542 |
| | |
| Interest receivable | $ 690,966 |
| Interest receivable - SSBCI | 132,524 |
| Allowance for uncollectible | (542,179) |
| Net interest receivable | $ 281,311 |

NOTE II - Detailed Notes on All Funds (Continued)

### *C. CAPITAL ASSETS*

Capital assets include subscription assets (subscription-based information technology arrangements (SBITAs), and lease assets recognized in accordance with GASB Statements No. 87, *Leases*, and No. 96, *Subscription-Based Information Technology Arrangements*. The WEDC's lease assets consist of leased office facilities and are reported as a separate class of capital assets with related accumulated amortization per GASB Statement 104, *Disclosure of Certain Capital Assets*.

Capital asset activity for the year ended June 30, 2026, was as follows:

| Capital Assets | Beginning Balance | Additions | Deletions | Ending Balance |
|---|---|---|---|---|
| Capital Assets Being Depreciated / Amortized | | | | |
| Furniture and fixtures | $ 543,020 | $ - | $ - | $ 543,020 |
| Leasehold improvements | 2,355,926 | - | - | 2,355,926 |
| Software | 1,231,438 | - | - | 1,231,438 |
| Subscription Assets | 321,625 | 880,391 | 321,625 | 880,391 |
| Lease Assets | | | | |
| Buildings | 3,130,204 | - | - | 3,130,204 |
| Total Capital Assets Being Depreicated / Amortized | 7,582,213 | 880,391 | 321,625 | 8,140,979 |
| Less: Accumulated Depreciation / Amortization for | | | | |
| Furniture and fixtures | 197,175 | 121,147 | - | 318,322 |
| Leasehold improvements | 611,312 | 236,082 | - | 847,394 |
| Software | 466,879 | 205,535 | - | 672,414 |
| Subscription Assets | 303,325 | 226,431 | 321,625 | 208,131 |
| Lease Assets | | | | |
| Buildings | 633,941 | 357,283 | - | 991,224 |
| Total Accumulated Depreciation / Amortization | 2,212,632 | 1,146,478 | 321,625 | 3,037,485 |
| Total Capital Assets Being Depreciated / Amortized , net | $ 5,369,581 | $ (266,087) | $ - | $ 5,103,494 |

Depreciation/amortization expenditure was charged to functions as follows:

| Depreciation/Amortization | |
|---|---|
| General administration | $ 928,068 |
| Marketing & brand strategy | 208,960 |
| Business and community development | 9,450 |
| Total Depreciation Expenditure | $ 1,146,478 |

### *D. LONG-TERM OBLIGATIONS*

Long-term obligations activity for the year ended June 30, 2026, was as follows:

| Long-Term Obligation | Beginning Balance | Additions | Deletions | Ending Balance | Current | Long-Term |
|---|---|---|---|---|---|---|
| Lease liability | $ 2,584,083 | $ - | $ 325,333 | $ 2,258,750 | $ 305,441 | $ 1,953,309 |
| SBITA liability | - | 880,391 | 240,516 | 639,875 | 230,935 | 408,940 |
| OPEB liability | 1,221,410 | 1,297,928 | 1,221,410 | 1,297,928 | 13,183 | 1,284,745 |
| Net pension liability* | 873,337 | - | 873,337 | - | - | - |
| Compensated absences ** | 1,134,633 | 53,671 | - | 1,188,304 | 116,226 | 1,072,078 |
| Note Payable - State of Wisconsin | 1,005,850 | - | 316,355 | 689,495 | 179,326 | 510,169 |
| Total Long-Term Obligation | $ 6,819,313 | $ 2,231,990 | $ 2,976,951 | $ 6,074,352 | $ 845,111 | $ 5,229,241 |

* Net pension liability is a net pension asset as of June 30, 2026.

** 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, 2026.

| 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 | 86 | $ (2,225,419) | $ 2,107,364 | 2% |
| Milwaukee Office | 1/1/2024 | 12/31/2026 | 36 | 6 | (33,331) | 31,616 | 2% |
| | | | | | $ (2,258,750) | $ 2,138,980 | |

### *D. LONG-TERM OBLIGATIONS (Continued)*

### *Lease (Continued)*

| Maturity of lease liabilities | Principal | Interest | Total |
|---|---|---|---|
| 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 | 321,675 | 18,361 | 340,036 |
| 2032 - 2036 | 742,835 | 16,934 | 759,769 |
| Total future undiscounted lease payments | $ 2,258,750 | $ 169,348 | $ 2,428,098 |

### *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 | 10/29/2025 | 10/28/2027 | 24 | 15.9 | $ (77,553) | $ 100,733 | 2.18% |
| SBITA #2 | 7/1/2025 | 6/30/2030 | 60 | 48 | (492,540) | 498,032 | 2.18% |
| SBITA #3 | 8/1/2025 | 7/31/2028 | 36 | 25 | (69,782) | 73,495 | 2.18% |
| | | | | | $ (639,875) | $ 672,260 | |

### *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 2016 and the current final maturity for all of the bonds is in 2032. The State has issued a total of three debt issuances, of which two are variable rate instruments. The total outstanding balance of all of these debt issuances was $560,110,000 as of June 30, 2026. 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 0.1231% as of July 1, 2025, 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 |
| 2027 | $ 179,326 | $ 14,899 |
| 2028 | 109,879 | 11,132 |
| 2029 | 110,950 | 8,920 |
| 2030 | 118,348 | 6,541 |
| 2031 | 126,171 | 3,935 |
| 2032 | 44,821 | 1,120 |
| | $ 689,495 | $ 46,547 |

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

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

### *Vesting*

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

### *Benefits Provided*

Employees who retire at or after age 65 (54 for protective 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.

## *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 |
|---|---|---|
| 2016 | 0.5% | -5.0% |
| 2017 | 2.0% | 4.0% |
| 2018 | 2.4% | 17.0% |
| 2019 | 0.0% | -10.0% |
| 2020 | 1.7% | 21.0% |
| 2021 | 5.1% | 13.0% |
| 2022 | 7.4% | 15.0% |
| 2023 | 1.6% | -21.0% |
| 2024 | 3.6% | 15.0% |
| 2025 | 2.3% | 15.0% |

### *Contributions*

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, 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 $837,539 in contributions from the employer.

### *A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)*

#### *Contributions (Continued)*

Contribution rates as of December 31, 2025, are:

| Employee Category | Employee | Employer |
|---|---|---|
| General, Teachers, Executive & Elected Officials | 6.95% | 6.95% |
| Protective Occupation with Social Security | 6.95% | 14.95% |
| Protective Occupation without Social Security | 6.95% | 18.95% |
| Act 4 Protective County Jailers | 14.95% | 6.95% |

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

At June 30, 2026, WEDC reported an asset of $1,219,403 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2025, and the Total Pension Liability (Asset) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2024 rolled forward to December 31, 2025. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The 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, 2025, the WEDC proportion was 0.05335%, which was an increase from its proportion measured as of December 31, 2024, which was 0.05315%.

For the year ending June 30, 2026, the WEDC recognized a pension expense of $969,836.

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, 2026, 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 | $ 4,288,815 | $ (880,420) |
| Changes in assumptions | 88,638 | - |
| Net differences between projected and actual earnings on pension plan investments | | (3,979,441) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 11,016 | (10,046) |
| Employer contributions subsequent to the measurement date | 436,048 | - |
| Total | $ 4,824,517 | $ (4,869,907) |

$436,048 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, 2027. 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 |
|---|---|
| 2027 | $ 1,498,490 |
| 2028 | (771,199) |
| 2029 | (460,075) |
| 2030 | (748,654) |
| Thereafter | - |
| | $ (481,438) |

NOTE III - Other Information (Continued)

## *A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)*

### *Actuarial Assumptions*

The total pension liability on December 31, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

## *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 | 36.0% | 7.4% | 4.6% |
| Public Fixed Income | 27.0% | 6.2% | 3.4% |
| Private Equity/Debt | 20.0% | 9.5% | 6.6% |
| Inflation Sensitive | 19.0% | 5.0% | 2.2% |
| Real Estate | 8.0% | 6.2% | 3.4% |
| Leverage | -10.0% | 3.7% | 1.0% |
| Total Core Fund | 100.0% | 7.7% | 4.9% |
| | | | |
| Variable Fund Asset Class | | | |
| US Equities | 70.0% | 7.1% | 4.3% |
| International Equities | 30.0% | 7.8% | 5.0% |
| Total Variable Fund | 100.0% | 7.4% | 4.6% |

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: 2.7%

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

## *A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)*

### *Single Discount Rate*

A single discount rate of 6.80% was used to measure the Total Pension Liability for the current and prior year. 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, 2025. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.70% 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 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

| | 1% Decrease to Discount Rate (5.80%) | Current Discount Rate (6.80%) | 1% Increase to Discount Rate (7.80%) |
|---|---|---|---|
| WEDC's proportionate share of the net pension liability (asset) | $ 6,752,662 | $ (1,219,403) | $ (6,967,168) |

*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, 2026, WEDC has no accrued payable to the defined benefit pension plan.

## *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 2025, the most recent actuarial valuation date, there were 66,288 active and 6,704 retirees and beneficiaries participating in the plan. There were also 1,239 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 an other 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 2025, participating employers made actuarially-determined contributions of $54,621,317 for the implicit rate subsidy. That is, the actuary determined that employer paid health insurance contributions for active employees were $54.6 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.

### *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, 2025 |
| Measurement Date of Total OPEB Liability | June 30, 2025 |
| Reporting Date | June 30, 2026 |
| 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 5.20% for the June 30, 2025 measurement from 3.93% for the June 30, 2024 measurement |
| Healthcare Cost Trend Rates | |
| Medical | 5.72%, then 6.75% grading down 0.25% per year to 4.5% |
| Prescription Drug | 8.45%, then 9.50% grading down 0.50% per year to 4.5% |
| Dental | 3.79%, then 3.00% every year after |
| Administrative Costs | 0.39%, then 3.00% 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 2026 are based on the percentage of actual employer contributions during fiscal year 2025 to correspond with the measurement date.

### *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, 2026, WEDC reported a liability of $1,297,928 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2025, with an actuarial valuation as of January 1, 2025, adjusted for expected changes from the census date to 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, 2026, the WEDC proportion was 0.1541%, increased by 5.77% from the prior year.

| | |
|---|---|
| Total OPEB Liability – June 30, 2025 | $ 1,221,410 |
| Service cost | 96,534 |
| Interest | 52,935 |
| Differences between expected and actual experience | (35,423) |
| Change of assumptions | (24,345) |
| Benefit payments | (13,183) |
| Total OPEB Liability – June 30, 2026 | $ 1,297,928 |

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:

| | Outflows of Resources | Inflows of Resources |
|---|---|---|
| Changed in proportion | $ 181,141 | $ (39,566) |
| Employer contributions subsequent to the measurement date | 84,125 | - |
| Difference between expected and actual experience | 83,274 | (29,247) |
| Changes in assumptions | 131,700 | (231,567) |
| Total | $ 480,240 | $ (300,380) |

***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)***

$84,125 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, 2027. 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 |
|---|---|
| 2027 | $ (12,835) |
| 2028 | (12,835) |
| 2029 | 35,596 |
| 2030 | 35,596 |
| 2031 | 16,093 |
| 2032 - 2035 | 34,120 |
| Total | $ 95,735 |

For the year ended June 30, 2026, the WEDC recognized a pension expense of $136,665:

| | |
|---|---|
| Service cost | $ 96,534 |
| Interest | 52,935 |
| Recognition of deferred inflows | (12,804) |
| Total OPEB Expense | $ 136,665 |

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 (4.20%) or 1-percentage-point higher (6.20%) than the current rate.

| | 1% Decrease to Discount Rate (4.20%) | Current Discount Rate (5.20%) | 1% Increase to Discount Rate (6.20%) |
|---|---|---|---|
| Total OPEB liability | $ 1,400,648 | $ 1,297,928 | $ 1,203,061 |

### *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 | $ 1,160,592 | $ 1,297,928 | $ 1,459,864 |

### *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 48% 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 $54,036,387 was reported for these contracts as a restricted fund balance.

### *E. SUBSEQUENT EVENTS*

WEDC has evaluated subsequent events through November 19, 2026, the date on which the financial statements were available to be issued. No nonrecognized events requiring disclosure were identified.

### *F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS*

During fiscal year 2026, WEDC implemented Governmental Accounting Standards Board (GASB) Statement No. 104, *Disclosure of Certain Capital Assets*, and GASB Statement No. 105, *Subsequent Events*. GASB Statement No. 104 enhances disclosures related to certain capital assets, while GASB Statement No. 105 establishes accounting and financial reporting requirements for subsequent events and requires disclosure of the date through which subsequent events were evaluated. The adoption of these statements did not have a material effect on WEDC's financial position, results of operations, or fund balances.

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# REQUIRED SUPPLEMENTARY INFORMATION

LOOK FORWARD

## BUDGETARY BASIS OF ACCOUNTING

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.

## BUDGETARY AMENDMENTS

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.

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 2026, WEDC approved budget amendments in accordance with its budget approval policy to align resources with anticipated program demands and strategic priorities. Most amendments consisted of reallocations between existing programs. In addition, the revenue budget was increased by $8.6 million to recognize ARPA funding, investment income associated with the State Small Business Credit Initiative (SSBCI) program, and a new private grant from the Federal Home Loan Bank (FHLB) to support key strategic partner initiatives.

## GENERAL FUND - BUDGETARY HIGHLIGHTS

**Revenues** for FY2026 totaled $92.7 million, or 74% of the annual budget. Key variances include:

- **Intergovernmental:**

- State base funding totaled $44.8 million, exceeding the budget by approximately 1%, primarily due to higher than anticipated surcharge collections deposited into the economic development fund.
- Legislative program funds (LEG) totaled $15.5 million compared to a budget of $26.1 million. The $15.5 million reflects awards contracted for the Branch Campus Redevelopment, Talent Recruitment and Opportunity Attraction Fund programs. With continuing appropriations, any unused balances will carry forward to FY2027.
- 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 $13.5 million, or 60% of the amended budget. This amount includes program income and revenue recognized to offset administrative costs and program activities. The total budget of $23.0 million assumed the receipt and deployment of Tranche 2 funding; however, only one-half of Tranche 2 was received during fiscal year 2026. As a result, certain anticipated revenues, including investment income and related program activity, did not materialize during the fiscal year.
- Federal revenue from the Environmental Protection Agency (EPA) totaled $53,000 compared to a budget of $15.0 million. Revenue was significantly below budget because the federal grant was terminated during fiscal year 2026, resulting in substantially lower grant activity than originally anticipated.
- Federal revenue from the American Rescue Plan Act of 2021 (ARPA) projects totaled $10.2 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 140 % of the annual budget and include fees for investor tax transfers, penalties, and loan originations.

- **Interest income** totaled $7.7 million or 240 % of the annual budget and include $0.4 million interest earned on loans and $7.3 million of investment income primarily related to the sale of an equity security.

- **Other income** totaled $0.7 million or 100% of the budget and represents events sponsorships, registration fees, trade ventures participant fees, and private grant funding.

**Expenditures** totaled $69.3 million, or 64% of the annual budget, consistent with the overall decreases in revenues. Key variances include:

- **Program grant expenditures** totaled $31.6 million in expenditures (draws), representing 52 % of the annual budget.

**GENERAL FUND - BUDGETARY HIGHLIGHTS (Continued)**

**Expenditures (Continued)**

- **Loan loss reserve** totaled $0.9 million resulting from the portfolio review of loan activity for this reporting period.
- **Key strategic partner expenditures** totaled $9.1 million in expenditures (draws) representing 73 % of the annual budget. The budget variance reflects contracted amounts not yet drawn as of year-end.
- **Promotions** totaled $3.4 million, representing 54% of the annual budget. The budget includes $8.1 million for the Opportunity Attraction and Talent Recruitment grant programs funded through legislative appropriations; however, actual expenditures were lower than budgeted due to the timing of program awards and related grant disbursements.
- **Payroll and benefits** totaled $17.2 million, representing 95% of the annual budget.
- **Operations and general expenditures** totaled $5.4 million, representing 51 % of the annual budget. The budget included $2.5 million for the PowerUp Wisconsin initiative; however, no related program activity occurred during fiscal year 2026. The budget also included $1.8 million of management fees associated with administration of the State Small Business Credit Initiative (SSBCI) program that were not utilized during the fiscal year.

**Changes in Fund Balance**: Revenues exceeded expenditures by $24.3 million, $7.5 million less than anticipated in the budget, primarily due to lower-than-expected revenues.

**Program Activity:** WEDC disbursed, committed, and contracted $49.03 million, or 62% of the amended budget in grants, loans, and key strategic partnerships from various funding sources, with state base funded activities achieving 96% utilization. Unspent budget authority will be carried forward to fiscal year 2027.

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT
GENERAL FUND
For the fiscal year ended June 30, 2026

| | Original Budget FY 2026 | Final Budget FY 2026 | Variance with Original Budget - Over (Under) Final Budget FY 2026 | Actual FY2026 | Variance with Final Budget Over (Under) Actual FY 2026 |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Intergovernmental | $ 112,883,147 | $ 121,253,711 | $ 8,370,564 | $ 84,265,039 | $ (36,988,672) |
| Charges for services | 50,000 | 50,000 | - | 70,052 | 20,052 |
| Interest income | 3,207,500 | 3,207,500 | - | 7,709,356 | 4,501,856 |
| Other revenues | 415,825 | 665,825 | 250,000 | 667,585 | 1,760 |
| Total Revenues | 116,556,472 | 125,177,036 | 8,620,564 | 92,712,032 | (32,465,004) |
| **EXPENDITURES** | | | | | |
| Program grants | 61,545,530 | 60,257,632 | (1,287,898) | 31,570,555 | (28,687,077) |
| Loan loss reserve | 500,000 | 500,000 | - | 879,553 | 379,553 |
| Key strategic partners | 12,157,326 | 12,397,326 | 240,000 | 9,080,312 | (3,317,014) |
| Promotions | 4,475,610 | 6,308,508 | 1,832,898 | 3,395,129 | (2,913,379) |
| Payroll and benefits | 18,138,897 | 18,138,897 | - | 17,234,687 | (904,210) |
| Operations and general | 10,474,998 | 10,484,998 | 10,000 | 5,374,639 | (5,110,359) |
| Debt service | 293,000 | 293,000 | - | 870,156 | 577,156 |
| Capital | - | - | - | 880,391 | 880,391 |
| Total Expenditures | 107,585,361 | 108,380,361 | 795,000 | 69,285,422 | (39,094,939) |
| **Excess (Deficiency) of Revenue Over Expenditures** | 8,971,111 | 16,796,675 | 7,825,564 | 23,426,610 | 6,629,935 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| SBITA issuance | - | - | - | 880,391 | 880,391 |
| Total Other Financing Sources (Uses) | - | - | - | 880,391 | 880,391 |
| **Net Change in Fund Balance** | $ 8,971,111 | $ 16,796,675 | $ 7,825,564 | 24,307,001 | $ 7,510,326 |
| FUND BALANCES - BEGINNING OF YEAR | | | | 83,101,222 | |
| **FUND BALANCES - END OF YEAR** | | | | $ 107,408,223 | |

(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*

(continued)

| Measurement Date | 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 | 12/31/2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| WEDC's proportion of the net pension liability (asset) | 0.0488% | 0.0500% | 0.0509% | 0.0519% | 0.0528% | 0.0524% | 0.0524% | 0.0524% | 0.0531% | 0.0533% |
| WEDC's proportionate share of the net pension liability (asset) | $ 402,113 | $ (1,483,782) | $ 1,810,922 | $ (1,674,048) | $ (3,296,542) | $ (4,219,880) | $ 2,773,621 | $ 779,827 | $ 873,337 | $ (1,219,403) |
| WEDC's covered payroll | 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 | 12,050,918 |
| WEDC's a proportionate share of net pension liability (asset) as a percentage of covered payroll | 5.51% | -19.80% | 28.55% | -19.55% | -37.15% | -48.35% | 28.74% | 7.56% | 7.78% | -10.12% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 99.12% | 102.93% | 96.45% | 102.96% | 105.26% | 106.02% | 95.72% | 98.85% | 98.79% | 101.56% |

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

| WEDC Fiscal Year | 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 | 6/30/2026 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contributions | $ 524,408 | $ 506,508 | $ 554,537 | $ 560,786 | $ 598,898 | $ 589,161 | $ 628,637 | $ 704,552 | $ 774,568 | $ 837,539 |
| Contributions in relation to the contractually required contributions | 524,408 | 506,508 | 554,537 | 560,786 | 598,898 | 589,161 | 628,637 | 704,552 | 774,568 | 837,539 |
| Contributions deficiency (excess) | - | - | - | - | - | - | - | - | - | - |
| WEDC's covered payroll | 7,396,180 | 7,891,861 | 8,460,428 | 9,052,039 | 8,980,116 | 9,920,141 | 10,016,719 | 10,653,479 | 11,745,141 | 12,202,045 |
| Contributions as a percentage of covered payroll | 6.7% | 6.7% | 6.6% | 6.6% | 6.8% | 5.9% | 6.3% | 6.8% | 6.6% | 6.9% |

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

(See independent auditor's report.)

(concluded)

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

*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.

*Changes of assumptions:*
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 | 6/30/2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | $ 842,065,451 |
| 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% | 0.1541% |
| 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 | $ 1,297,928 |
| 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 | 9,572,237 |
| 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% | 13.56% |
| 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% | 0.00% |

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, 2025, and June 30, 2024, there were no changes of benefit terms for any participating employer in OPEB.

*Changes of assumptions:*

Changes Effective June 30, 2025
- The retiree contribution and associated trend rates were updated to reflect recent experience and known premium rates.
- The healthcare claims costs, administrative expenses and associated trend rates were updated to reflect experience and known premium rates.
- The effective discount rate for June 30, 2025 was 5.20%. The effective discount rate as of June 30, 2024, was 3.93%.

(See independent auditor's report.)

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

(concluded)

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, 2023, 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



# SUPPLEMENTARY INFORMATION

LOOK FORWARD

**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, 2026

| | Original Budget FY 2026 | Final Budget FY 2026 | Variance with Final Budget - Over (Under) Original Budget FY 2026 | Actual FY 2026 | Variance with Final Budget Over (Under) Actual FY 2026 |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Intergovernmental | | | | | |
| State economic development fund (SEG) | $ 42,600,000 | $ 42,600,000 | $ - | $ 43,348,784 | $ 748,784 |
| State legislative program funds | 26,067,898 | 26,067,898 | - | 15,520,675 | (10,547,223) |
| State brownfield site assessment | 1,000,000 | 1,545,000 | 545,000 | 1,438,500 | (106,500) |
| Federal - STEP | 200,000 | 200,000 | - | 69,372 | (130,628) |
| Federal - EPA | 14,590,064 | 14,590,064 | - | 52,619 | (14,537,445) |
| Federal - SSBCI | 21,187,464 | 22,313,028 | 1,125,564 | 13,450,346 | (8,862,682) |
| Federal - ARPA | 4,647,170 | 11,347,170 | 6,700,000 | 10,161,197 | (1,185,973) |
| Other intergovernmental revenues | 2,590,551 | 2,590,551 | - | 223,546 | (2,367,005) |
| Total Intergovernmental | 112,883,147 | 121,253,711 | 8,370,564 | 84,265,039 | (36,988,672) |
| Charges for Services | | | | | |
| Bond servicing fees | 10,000 | 10,000 | - | 10,000 | - |
| Tax transfer fees | 20,000 | 20,000 | - | 35,552 | 15,552 |
| Loan origination fees | 20,000 | 20,000 | - | 24,500 | 4,500 |
| Total Charges for Services | 50,000 | 50,000 | - | 70,052 | 20,052 |
| Interest Income | | | | | |
| Interest on loans | 535,000 | 535,000 | - | 428,684 | (106,316) |
| Interest on investments | 2,672,500 | 2,672,500 | - | 7,280,672 | 4,608,172 |
| Total Interest Income | 3,207,500 | 3,207,500 | - | 7,709,356 | 4,501,856 |
| Other Revenues | | | | | |
| Sponsorship contributions | - | - | - | 18,000 | 18,000 |
| Miscellaneous revenue | 415,825 | 665,825 | 250,000 | 649,585 | (16,240) |
| Total Other Revenues | 415,825 | 665,825 | 250,000 | 667,585 | 1,760 |
| TOTAL REVENUES | 116,556,472 | 125,177,036 | 8,620,564 | 92,712,032 | (32,465,004) |
| **EXPENDITURES** | | | | | |
| General Administration | | | | | |
| Legal services & compliance | 1,823,755 | 1,823,755 | - | 1,637,584 | (186,171) |
| Executive office | 1,564,053 | 1,564,053 | - | 1,334,071 | (229,982) |
| Human resources | 1,902,958 | 1,902,958 | - | 1,100,765 | (802,193) |
| Finance | 816,660 | 816,660 | - | 813,808 | (2,852) |
| Business information & technology services | 3,381,132 | 3,381,132 | - | 3,250,052 | (131,080) |
| Strategic investment & evaluation | 3,742,838 | 3,742,838 | - | 3,454,734 | (288,104) |
| Policy & program development | 1,379,212 | 1,379,212 | - | 328,827 | (1,050,385) |
| Total General Administration | 14,610,608 | 14,610,608 | - | 11,919,841 | (2,690,767) |
| Marketing & brand strategy | 13,778,366 | 13,778,366 | - | 8,251,210 | (5,527,156) |
| Economic Development | | | | | |
| Entrepreneurship & innovation | 9,755,109 | 9,755,109 | - | 11,217,228 | 1,462,119 |
| Business & community development | 47,396,201 | 48,191,201 | 795,000 | 31,780,379 | (16,410,822) |
| Global trade & investment | 3,544,295 | 3,544,295 | - | 2,652,861 | (891,434) |
| Productivity & sustainability | 18,207,782 | 18,207,782 | - | 1,713,356 | (16,494,426) |
| Total Economic Development | 78,903,387 | 79,698,387 | 795,000 | 47,363,824 | (32,334,563) |
| Debt Service | | | | | |
| Principal retirement | 262,000 | 262,000 | - | 806,632 | 544,632 |
| Interest and fiscal charges | 31,000 | 31,000 | - | 63,524 | 32,524 |
| Total Debt Service | 293,000 | 293,000 | - | 870,156 | 577,156 |
| Capital outlay | - | - | - | 880,391 | 880,391 |
| TOTAL EXPENDITURES | 107,585,361 | 108,380,361 | 795,000 | 69,285,422 | (39,094,939) |
| **Excess (Deficiency) of Revenue Over Expenditures** | 8,971,111 | 16,796,675 | 7,825,564 | 23,426,610 | 6,629,935 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| SBITA issuance | - | - | - | 880,391 | 880,391 |
| Total Other Financing Sources (Uses) | - | - | - | 880,391 | 880,391 |
| **Net Change in Fund Balance** | $ 8,971,111 | $ 16,796,675 | $ 7,825,564 | 24,307,001 | $ 7,510,326 |
| FUND BALANCES - BEGINNING OF YEAR | | | | 83,101,222 | |
| **FUND BALANCES - END OF YEAR** | | | | $ 107,408,223 | |

See accompanying notes to the Required Supplementary Information

WISCONSIN
ECONOMIC DEVELOPMENT



# STATISTICAL SECTION

LOOK FORWARD

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** 74 - 77

These schedules contain trend information to help the reader understand how WEDC's financial performance and well-being have changed over time.

**Revenue Capacity** 78 - 80

These schedules contain information to help the reader assess WEDC's most significant own-source revenue source, interest on loans.

**Debt Capacity** 81

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** 82 - 83

These schedules offer demographic and economic indicators to help the reader understand the environment within which WEDC's financial activities take place.

**Operating Information** 84 - 88

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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| Expenses | | | | | | | | | | |
| General administration | $ 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 | $ 13,148,039 |
| Marketing & brand strategy | 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 | 8,444,057 |
| Economic development | 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 | 47,272,685 |
| Interest and fiscal charges | 121,250 | 92,921 | 110,119 | 80,770 | 70,515 | 63,495 | 65,459 | 42,240 | 27,035 | 14,265 |
| Total Government Activities Expenses | 43,718,613 | 44,722,442 | 55,215,079 | 57,096,324 | 115,349,317 | 108,965,573 | 85,783,288 | 55,896,970 | 63,614,553 | 68,879,046 |
| Program Revenues | | | | | | | | | | |
| Charges for services | 223,762 | 149,989 | 178,429 | 126,325 | 153,840 | 170,478 | 139,388 | 123,933 | 95,744 | 70,052 |
| Operating grants and contributions | 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 | 44,551,498 |
| Capital grants and contributions | - | - | - | - | - | - | - | 625,896 | - | - |
| Total Governmental Activities Program Revenues | 2,923,572 | 2,793,899 | 3,219,453 | 1,658,886 | 69,117,220 | 66,300,994 | 49,899,892 | 3,464,179 | 16,491,288 | 44,621,550 |
| Net (Expense)/Revenue | (40,795,041) | (41,928,543) | (51,995,626) | (55,437,438) | (46,232,097) | (42,664,579) | (35,883,396) | (52,432,791) | (47,123,265) | (24,257,496) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Intergovernmental revenues not restricted to specific programs | 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 | 50,048,784 |
| Investment income | 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 | 7,709,356 |
| Miscellaneous | 701,616 | 798,049 | 542,809 | 276,987 | 393,681 | 3,030,673 | 1,242,725 | 406,813 | 670,546 | 667,585 |
| Total Governmental Activities General Revenues | 36,774,844 | 60,221,296 | 44,920,428 | 43,042,668 | 42,336,883 | 43,012,085 | 48,800,428 | 50,502,975 | 48,263,465 | 58,425,725 |
| Special items | - | - | 25,000,000 | - | - | - | - | - | - | - |
| Change in Net Position | $ (4,020,197) | $ 18,292,753 | $ (32,075,198) | $ (12,394,770) | $ (3,895,214) | $ 347,506 | $ 12,917,032 | $ (1,929,816) | $ 1,140,200 | $ 34,168,229 |

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.
In 2026 WEDC received State Legislative grants to support branch campus redevelopment as well as opportunity attraction funds to attract major opportunities and event to the State of Wisconsin.
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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | $ 934,349 | $ 1,015,137 | $ 916,953 | $ 574,557 | $ 298,161 | $ 138,463 | $ 345,078 | $ 3,085,477 | $ 2,785,498 | $ 2,204,869 |
| Restricted | 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 | 87,510,166 |
| Unrestricted | 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 | 28,155,811 |
| Total | $ 102,519,527 | $ 120,812,280 | $ 88,737,082 | $ 76,342,312 | $ 72,447,098 | $ 72,794,604 | $ 85,711,636 | $ 83,781,820 | $ 84,922,020 | $ 117,870,846 |

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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| Revenues | | | | | | | | | | |
| Intergovernmental | $ 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 | $ 84,265,039 |
| Charges for services | 223,762 | 149,989 | 178,429 | 126,325 | 153,840 | 170,478 | 139,388 | 123,933 | 95,744 | 70,052 |
| Interest income | 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 | 7,709,356 |
| Other revenues | 259,666 | 419,602 | 231,981 | 570,814 | 160,456 | 162,059 | 374,031 | 406,804 | 670,546 | 667,585 |
| Total Revenues | 39,256,466 | 62,546,748 | 47,829,053 | 44,995,381 | 111,220,878 | 106,444,465 | 82,168,711 | 70,667,529 | 67,070,285 | 92,712,032 |
| Expenditures | | | | | | | | | | |
| Current | | | | | | | | | | |
| General administration | 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 | 11,919,841 |
| Marketing & brand strategy | 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 | 8,251,210 |
| Economic development | 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 | 47,363,824 |
| Capital outlay | 291,761 | 432,036 | 255,355 | - | - | 1,077,851 | 102,750 | 3,130,204 | - | 880,391 |
| Debt service | | | | | | | | | | |
| Principal | 81,424 | 85,668 | 63,829 | 113,250 | 180,801 | 820,703 | 1,093,731 | 752,629 | 805,647 | 806,632 |
| Interest and fiscal charges | 121,250 | 92,921 | 110,119 | 80,770 | 70,515 | 81,142 | 84,122 | 87,019 | 87,829 | 63,524 |
| Total Expenditures | 43,518,130 | 44,807,688 | 54,143,454 | 56,708,654 | 116,210,929 | 111,039,511 | 85,199,056 | 61,827,043 | 62,988,695 | 69,285,422 |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | (4,261,664) | 17,739,060 | (6,314,401) | (11,713,273) | (4,990,051) | (4,595,046) | (3,030,345) | 8,840,486 | 4,081,590 | 23,426,610 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Lease issuance | - | - | - | - | - | 1,077,851 | - | 3,130,204 | - | - |
| Subscription issuance | - | - | - | - | - | - | 102,750 | - | - | 880,391 |
| Total Other Financing Sources (Uses) | - | - | - | - | - | 1,077,851 | 102,750 | 3,130,204 | - | 880,391 |
| Special items | - | - | (25,000,000) | - | - | - | - | - | - | - |
| Net Change in Fund Balances | $ (4,261,664) | $ 17,739,060 | $(31,314,401) | $(11,713,273) | $ (4,990,051) | $ (3,517,195) | $ (2,927,595) | $ 11,970,690 | $ 4,081,590 | $ 24,307,001 |
| Capital Asset Additions | $ 302,819 | $ 441,842 | $ 263,755 | $ - | $ 122,331 | $ - | $ 431,254 | $ 6,661,418 | $ 281,737 | $ 880,391 |
| Debt service as a percentage of noncapital expenditures | 0.5% | 0.4% | 0.3% | 0.3% | 0.2% | 0.8% | 1.4% | 1.4% | 1.4% | 1.3% |

Notes:
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

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Fund | | | | | | | | | | |
| Nonspendable | $ 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 | $ 8,966,713 |
| Restricted | 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 | 87,510,166 |
| Committed | - | - | - | - | - | - | - | - | - | 2,378,054 |
| Assigned | 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 | 1,877,799 |
| Unassigned | 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 | 6,675,491 |
| Total General Fund | $ 103,682,397 | $ 121,511,457 | $ 90,197,056 | $ 78,483,783 | $ 73,493,732 | $ 69,976,537 | $ 67,048,942 | $ 79,019,632 | $ 83,101,222 | $ 107,408,223 |

In FY2026 funds were allocated to Committed Fund Balance for WIF-D purposes.

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 2017 | Interest Rate 2017 | Loan Balance 2018 | Interest Rate 2018 | Loan Balance 2019 | Interest Rate 2019 | Loan Balance 2020 | Interest Rate 2020 | Loan Balance 2021 | Interest Rate 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| Technology business development investments | $ 18,532,149 | 4.7% | $ 18,159,925 | 5.1% | $ 16,438,944 | 5.1% | $ 15,553,979 | 5.0% | $ 15,783,524 | 5.3% |
| Business expansion and retention investment | 5,401,631 | 2.0% | 5,285,425 | 2.0% | 2,098,357 | 2.0% | 1,430,664 | 2.0% | 973,006 | 2.0% |
| Business development loan | - | 0.0% | - | 0.0% | 415,849 | 4.8% | 337,067 | 3.9% | 280,332 | 3.9% |
| Business opportunity loan fund | 23,277,014 | 2.4% | 17,882,236 | 2.4% | 13,845,929 | 2.1% | 9,061,640 | 2.2% | 5,252,799 | 2.4% |
| Wisconsin energy independence fund | 182,189 | 2.0% | 174,631 | 2.0% | 160,260 | 2.0% | 134,125 | 2.0% | 110,583 | 2.0% |
| Special project fund | 752,119 | 5.0% | 529,978 | 5.0% | 529,877 | 5.0% | 262,640 | 5.0% | 262,640 | 5.0% |
| Commerce - other | 1,378,590 | 2.2% | 532,907 | 2.2% | 406,182 | 1.4% | 347,773 | 1.3% | 277,476 | 1.3% |
| Capital catalyst loan participation | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% |
| Total Balance | $ 49,523,692 | | $ 42,565,102 | | $ 33,895,398 | | $ 27,127,888 | | $ 22,940,360 | |

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

REVENUE CAPACITY
COLLECTIBLE LOAN BALANCES
Last Ten Fiscal Years

(concluded)

| Program | Loan Balance 2022 | Interest Rate 2022 | Loan Balance 2023 | Interest Rate 2023 | Loan Balance 2024 | Interest Rate 2024 | Loan Balance 2025 | Interest Rate 2025 | Loan Balance 2026 | Interest Rate 2026 |
|---|---|---|---|---|---|---|---|---|---|---|
| Technology business development investments | $ 16,434,280 | 5.4% | $ 16,488,365 | 5.3% | $ 14,711,966 | 5.1% | $ 12,960,269 | 4.9% | $ 11,190,891 | 4.8% |
| Business expansion and retention investment | 520,994 | 2.0% | 175,333 | 2.0% | 153,277 | 2.0% | 101,594 | 0.0% | 101,594 | 0.0% |
| Business development loan | 179,341 | 3.9% | 31,278 | 3.9% | 47,965 | 3.0% | 3,187 | 3.0% | - | 0.0% |
| Business opportunity loan fund | 3,902,985 | 2.7% | 2,035,353 | 2.8% | 340,307 | 4.0% | 292,271 | 4.0% | - | 0.0% |
| Wisconsin energy independence fund | 75,716 | 2.0% | 39,137 | 2.0% | 4,960 | 2.0% | - | 0.0% | - | 0.0% |
| Special project fund | 262,640 | 5.0% | 156,039 | 5.0% | 156,039 | 0.0% | - | 0.0% | - | 0.0% |
| Commerce - other | 246,095 | 1.3% | 224,169 | 2.0% | 187,597 | 1.0% | 116,369 | 2.0% | 98,709 | 2.0% |
| Capital catalyst loan participation | - | 0.0% | - | 0.0% | - | 0.0% | 1,420,023 | 0.0% | 1,829,421 | 0.0% |
| Total Balance | $ 21,622,051 | | $ 19,149,674 | | $ 15,602,110 | | $ 14,893,712 | | $ 13,220,615 | |

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 2017 | Percent of Total | Rank | Loan Balance 2026 | Percent of Total |
|---|---|---|---|---|---|---|
| Policy Confluence, Inc. (POLCO) | - | $ - | -% | 1 | $ 650,000 | 4.9% |
| Flugen | - | - | -% | 2 | 628,481 | 4.8% |
| Novir LLC | - | - | -% | 3 | 500,000 | 3.8% |
| Onlume, Inc. | - | - | -% | 4 | 500,000 | 3.8% |
| Gripp Inc. | - | - | -% | 5 | 375,000 | 2.8% |
| YAM Education Inc. | - | - | -% | 6 | 375,000 | 2.8% |
| Motivo, Inc. | - | - | -% | 7 | 350,000 | 2.6% |
| Groupware Technologies | - | - | -% | 8 | 309,336 | 2.3% |
| Immuto Scientific, Inc. | - | - | -% | 9 | 308,169 | 2.3% |
| CLOCworks, Inc. | - | - | -% | 10 | 300,000 | 2.3% |
| SHINE Medical Technologies | 1 | 4,000,000 | 8.1% | - | - | -% |
| Appleton Coated, LLC | 2 | 3,000,000 | 6.1% | - | - | -% |
| Trilliant Food and Nutrition, LLC | 3 | 2,000,000 | 4.0% | - | - | -% |
| Russ Davis Wholesale | 4 | 1,757,323 | 3.5% | - | - | -% |
| Kestrel Aircraft Company | 5 | 1,704,310 | 3.4% | - | - | -% |
| Kestrel Aircraft Company | 6 | 1,698,065 | 3.4% | - | - | -% |
| Menahsa Corporation | 7 | 1,500,000 | 3.0% | - | - | -% |
| Monogram Food Solutions | 8 | 1,166,039 | 2.4% | - | - | -% |
| Green Box NA Green Bay, LLC | 9 | 1,116,000 | 2.3% | - | - | -% |
| Bemis Healthcare Packaging, Inc | 10 | 1,000,000 | 2.0% | - | - | -% |
| | | 18,941,737 | 38.2% | | 4,295,986 | 32.5% |
| Total Loans Outstanding | | $ 49,523,692 | | | $ 13,220,615 | |

Note: 2026 Total Loans Outstanding includes the Capital Catalyst Loan program, which are loans originating jointly with partner lenders and earn 0% interest for WEDC.

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) | | | | | | | | |
| 2017 | $ - | $ - | $ 2,134,044 | $ 2,134,044 | $ 270,847 | 0.0008% | 5,812 | 0.3672 |
| 2018 | - | - | 1,945,360 | 1,945,360 | 281,980 | 0.0007% | 5,836 | 0.3333 |
| 2019 | - | - | 2,269,701 | 2,269,701 | 295,997 | 0.0008% | 5,859 | 0.3874 |
| 2020 | - | - | 2,018,041 | 2,018,041 | 307,948 | 0.0007% | 5,880 | 0.3432 |
| 2021 | 196,162 | - | 1,842,239 | 2,038,401 | 327,298 | 0.0006% | 5,897 | 0.3457 |
| 2022 | 651,381 | 658,677 | 1,808,437 | 3,118,495 | 357,005 | 0.0009% | 5,881 | 0.5303 |
| 2023 | 40,624 | 518,666 | 1,788,856 | 2,348,146 | 365,050 | 0.0006% | 5,904 | 0.3978 |
| 2024 | 2,895,102 | 259,284 | 1,252,249 | 4,406,635 | 384,720 | 0.0011% | 5,930 | 0.7431 |
| 2025 | 2,584,083 | - | 1,005,850 | 3,589,933 | 403,888 | 0.0009% | 5,957 | 0.6026 |
| 2026 | 2,258,749 | 639,875 | 689,495 | 3,588,119 | 421,498 | 0.0009% | 5,973 | 0.6007 |

Notes:
* Personal income and population data used is for the calendar year ending during the fiscal year. For example, calendar year 2016 is used for the fiscal year 2017 spanning 7/1/2016 - 6/30/2017.

Certain prior-year debt ratio information has been restated to reflect updated outstanding debt balances, revised population estimates, and personal inclome 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:
2016-2026 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 |
| 2017 | 5,812 | 324,368 | $ 270,847 | $ 15,884,741 | 46,595 | 48,974 | | |
| 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 | 327,298 | 19,613,059 | 55,499 | 59,151 | 6.0% | 6.4% |
| 2022 | 5,881 | 332,100 | 357,005 | 21,484,168 | 60,693 | 64,692 | 9.4% | 9.4% |
| 2023 | 5,904 | 333,996 | 365,050 | 22,144,814 | 61,837 | 66,303 | 1.9% | 2.5% |
| 2024 | 5,930 | 336,755 | 384,720 | 23,577,208 | 64,873 | 70,013 | 4.9% | 5.6% |
| 2025 | 5,957 | 340,004 | 403,888 | 24,897,613 | 67,799 | 73,227 | 4.5% | 4.6% |
| 2026 | 5,973 | 341,785 | 421,498 | 26,109,831 | 70,570 | 76,393 | 4.1% | 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 2016 is used for the fiscal year 2017 spanning 7/1/2016- 6/30/2017.

Certain prior-year debt ratio information has been restated to reflect updated outstanding debt balances, revised population estimates, and personal inclome 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:
2017-2026 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

Employment
(In Thousands Except Unemployment Rates Data)

| Year | Civilian Labor Force | Total Employed | Total Unemployed | Wisconsin Unemployed Rate | U.S. Unemployed Rate |
|---|---|---|---|---|---|
| (Restated) | | | | | |
| 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 | 3,156 | 3,016 | 140 | 4.4% | 6.1% |
| 2022 | 3,127 | 3,026 | 100 | 3.2% | 3.8% |
| 2023 | 3,171 | 3,068 | 103 | 3.2% | 3.8% |
| 2024 | 3,183 | 3,077 | 106 | 3.3% | 4.3% |
| 2025 | 3,154 | 3,050 | 104 | 3.3% | 4.4% |
| 2026 | 3,189 | 3,080 | 109 | 3.4% | 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:
2017 - 2026 WI Job Center
https://www.jobcenterofwisconsin.com/wisconomy/query

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

OPERATING INFORMATION
EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Years

(continued)

| | 2017 | | 2018 | | 2019 | | 2020 | | 2021 | |
|---|---|---|---|---|---|---|---|---|---|---|
| Function/Program | Permanent | Temporary/ Project | Permanent | Temporary/ Project | Permanent | Temporary/ Project | Permanent | Temporary/ Project | Permanent | Temporary/ Project |
| General Administration | | | | | | | | | | |
| Legal services & compliance | 11 | 3 | 8 | 2 | 10 | 1 | 9 | - | 11 | 1 |
| Executive office | 11 | 3 | 7 | 1 | 6 | 1 | 9 | 1 | 11 | 3 |
| Human resources | 5 | - | 5 | - | 6 | - | 5 | - | 4 | - |
| Finance | 5 | - | 5 | - | 5 | - | 5 | - | 5 | - |
| Business information & technology services | 6 | 1 | 7 | 1 | 8 | - | 8 | - | 9 | - |
| Strategic investment & evaluation | 11 | 1 | 12 | - | 13 | 3 | 13 | 2 | 15 | 3 |
| Policy & program development | 5 | 1 | 5 | 2 | 5 | 1 | 6 | 1 | 6 | 1 |
| Economic Development | | | | | | | | | | |
| Entrepreneurship & innovation | 5 | - | 4 | - | 11 | - | 5 | - | 5 | - |
| Business & community development | 20 | - | 20 | - | 20 | - | 22 | - | 22 | - |
| Business & investment attraction | 3 | - | 1 | - | 4 | - | 15 | 1 | - | - |
| Sector strategy development | 7 | - | 6 | - | - | - | - | - | - | - |
| Global trade & investment | 8 | - | 8 | 1 | 6 | - | - | - | 11 | 1 |
| Office of rural prosperity | - | - | - | - | - | - | - | - | - | - |
| Operations & program performance | - | - | 5 | 4 | 6 | 3 | 4 | 2 | - | - |
| Productivity & sustainability | | | | | | | | | | |
| Marketing & brand strategy | 9 | - | 9 | - | 9 | - | 9 | - | 8 | - |
| Total Staff | 106 | 9 | 102 | 11 | 109 | 9 | 110 | 7 | 107 | 9 |

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

OPERATING INFORMATION
EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Years

(concluded)

| 2022 | | 2023 | | 2024 | | 2025 | | 2026 | |
|---|---|---|---|---|---|---|---|---|---|
| Permanent | Temporary/ Project | Permanent | Temporary/ Project | Permanent | Temporary/ Project | Permanent | Temporary/ Project | Permanent | Temporary/ Project |
| 10 | 1 | 10 | - | 11 | 2 | 11 | 2 | 11 | 1 |
| 7 | 2 | 7 | 2 | 7 | 2 | 7 | 2 | 6 | 1 |
| 6 | - | 6 | - | 6 | 1 | 5 | 1 | 6 | 1 |
| 5 | 1 | 4 | 1 | 5 | - | 5 | - | 5 | - |
| 10 | - | 9 | 1 | 10 | 1 | 11 | 1 | 12 | 2 |
| 18 | 1 | 18 | 1 | 23 | 3 | 25 | 3 | 25 | 3 |
| 7 | 1 | 7 | 2 | 1 | 2 | 3 | 1 | 3 | 1 |
| 6 | - | 5 | 1 | 6 | 1 | 6 | 1 | 6 | 2 |
| 24 | - | 26 | 5 | 28 | 8 | 32 | 8 | 33 | 8 |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| 10 | 1 | 10 | - | 7 | - | 8 | 1 | 9 | 1 |
| 4 | 3 | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| | | | | | | 1 | 2 | 1 | - |
| 10 | - | 9 | - | 9 | 1 | 10 | 1 | 10 | 1 |
| 117 | 10 | 111 | 13 | 113 | 21 | 124 | 23 | 127 | 21 |

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 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Business & Community Development** | | | | | | | | | | |
| Bonding Authority | | | | | | | | | | |
| Industrial Revenue Bonding | 7 | 6 | 5 | 5 | 3 | 3 | 1 | 3 | 3 | 1 |
| Grants | | | | | | | | | | |
| Brownfield Grant Program | 13 | 14 | 8 | 14 | 8 | 9 | 8 | 5 | 12 | 4 |
| Capacity Building | 14 | 10 | 6 | 4 | 10 | 9 | 13 | 17 | 25 | 22 |
| Community Development Investment | 21 | 26 | 30 | 20 | 41 | 41 | 64 | 40 | 52 | 44 |
| Disaster Recovery Microloan | - | - | 6 | 3 | 1 | - | - | - | - | - |
| Diverse Business Development | 10 | - | 3 | 4 | 8 | 9 | 14 | 12 | 10 | 11 |
| Ethnic Minority Emergency Grant * | - | - | - | 890 | - | - | - | - | - | - |
| Fabrication Laboratories | - | - | - | - | 28 | 21 | 25 | 18 | 20 | 11 |
| Idle Industrial Sites Redevelopment | 9 | 5 | 5 | 3 | 6 | 7 | 6 | 10 | 10 | 7 |
| Ignite Wisconsin | - | - | - | - | - | - | - | - | - | 4 |
| Legislative Award / Branch Campus Redevelopment | - | 1 | - | - | - | - | - | - | 2 | 5 |
| Main St Bounceback | - | - | - | - | - | 9 | - | - | - | - |
| Site Assessment Grants | 11 | 11 | 11 | 9 | 5 | 8 | 6 | 8 | 7 | 11 |
| Small Business 20/20 | - | - | - | 8 | - | - | - | - | - | - |
| Small Business Development | - | - | - | - | - | - | - | - | 29 | 10 |
| Small Business Technical Assistance | - | - | - | - | - | - | - | - | - | 21 |
| Strategic Investment Fund | - | - | - | - | - | - | - | 2 | 3 | 1 |
| We're All In Small Business Grant | - | - | - | 7 | 26,108 | - | - | - | - | - |
| Workforce Training | 2 | 2 | 3 | 1 | - | - | - | - | - | - |
| Loan | | | | | | | | | | |
| Business Opportunity Loan Fund | 9 | - | - | - | - | - | - | - | - | - |
| Business Development Loan Program | - | 1 | 1 | - | - | - | - | - | - | - |
| Special Project Loan Fund | 1 | - | - | - | - | - | - | - | - | - |
| Tax Credits | | | | | | | | | | |
| Business Development Tax Credit | 62 | 38 | 45 | 23 | 25 | 33 | 26 | 22 | 25 | 39 |
| Manufacturing Zone | - | 1 | - | - | - | - | - | - | - | - |
| Enterprise Zone | 5 | 5 | 3 | - | 2 | - | - | 3 | 1 | 1 |
| Historic Preservation Tax Credit | 67 | 27 | 13 | 24 | 19 | 16 | 23 | 18 | 27 | 36 |
| Tax Exemption | | | | | | | | | | |
| Data Center Sales and Use Tax Exemption | - | - | - | - | - | - | - | - | 3 | 1 |
| **International Business Development** | | | | | | | | | | |
| Grants | | | | | | | | | | |
| Collaborative Market Access Grant | 4 | 2 | 5 | 2 | 1 | 3 | 1 | 2 | - | - |
| ExporTech | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| International Market Access Grant | 66 | 58 | 45 | 35 | 44 | 51 | 52 | 64 | 55 | 50 |
| Targeted Industry Projects | - | - | - | - | 8 | 12 | 9 | - | - | - |
| **Marketing and Brand Strategy** | | | | | | | | | | |
| Grants | | | | | | | | | | |
| Opportunity Attraction Fund | - | - | - | - | - | - | - | - | 3 | 5 |
| Talent Recruitment Grant | - | - | - | - | - | - | - | - | - | 17 |
| **Sector Strategy Development** | | | | | | | | | | |
| Grants | | | | | | | | | | |
| Fabrication Laboratories | 22 | 22 | 20 | 31 | - | - | - | - | - | - |
| Targeted Industry Projects | 12 | 13 | 13 | 3 | - | - | - | - | - | - |

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

OPERATING INFORMATION
OPERATING INDICATORS BY FUNCTION
Last Ten Years

(concluded)

| Program | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Entrepreneurship & Innovation** | | | | | | | | | | |
| Grants | | | | | | | | | | |
| Capital Catalyst | 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 | - |
| Entrepreneurship Partner Grant | - | - | - | - | - | - | - | - | 22 | - |
| SBIR/STTR Matching Grant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Seed Accelerator | 10 | 5 | 8 | 6 | 9 | - | - | - | - | - |
| We're All Innovating Competition | - | - | - | - | 227 | - | - | - | - | - |
| Competitive Selection | - | - | - | - | - | 5 | 20 | 17 | - | - |
| Open Application | - | - | - | - | - | 19 | - | - | - | - |
| Loans | | | | | | | | | | |
| Technology Development Loan - State | 22 | 13 | 17 | 11 | 13 | 15 | 8 | 6 | 4 | 2 |
| Technology Development Loan - SSBCI | - | - | - | - | - | - | - | 4 | 4 | - |
| Loan Participation - SSBCI | - | - | - | - | - | - | - | 3 | 2 | - |
| Investor Credits | | | | | | | | | | |
| Qualified New Business Venture | 41 | 54 | 41 | 46 | 46 | 37 | 33 | 44 | 31 | 37 |
| Qualified Venture Fund Certification | 9 | 9 | 9 | 14 | 6 | 7 | 11 | 8 | 3 | 5 |
| Equity | | | | | | | | | | |
| Wisconsin Investment Pilot | - | - | - | - | 2 | 1 | - | - | - | - |
| Wisconsin Investment Fund - SSBCI | - | - | - | - | - | - | - | 5 | 13 | - |
| Wisconsin Investment Fund - Direct Investment | - | - | - | - | - | - | - | - | - | 7 |
| Total Awards Contracted | 438 | 339 | 313 | 1,179 | 26,654 | 322 | 327 | 321 | 373 | 354 |

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.

In 2024 WEDC created the Strategic Investment Fund program, and SSBCI programs including Loan Participation, Technology Development Loan, and Wisconsin Investment Fund programs.

In 2025 WEDC created the Opportunity Attrraction Fund program, Branch Campus Redevelopment Legislative Award, and Data Center Sales and Use Tax Exemption program.

In 2026 WEDC created the Talent Recruitment Grant program, and Wisconsin Investment Fund - Direct 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 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|---|---|---|
| Economic Development | | | | | | | | | | |
| Vehicles | 5 | 6 | 7 | 7 | 5 | 5 | - | - | - | - |
| Computer software | - | - | - | - | - | 1 | 1 | 1 | 1 | 1 |
| General administration | | | | | | | | | | |
| Leasehold improvements | 4 | 4 | 6 | 6 | 6 | 6 | 6 | 3 | 3 | 3 |
| Leasehold improvements - WIP | - | - | - | - | - | - | 3 | - | - | - |
| Vehicles | 3 | 2 | 2 | 2 | 1 | 1 | - | - | - | - |
| Computer software | 4 | 5 | 4 | 4 | 4 | - | 1 | 1 | 1 | 1 |
| Furniture and fittings | - | - | - | - | - | - | - | 1 | 3 | 3 |
| Right-to-use lease assets - buildings | - | - | - | - | - | 2 | 1 | 2 | 2 | 2 |
| Right-to-use subscriptions | - | - | - | - | - | - | 3 | 3 | 3 | 3 |
| Marketing & brand strategy | | | | | | | | | | |
| Computer software | 7 | 6 | 4 | 4 | 5 | 3 | 3 | 2 | 2 | 2 |
| Furniture and fixtures | 1 | - | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Total Capital Assets | 24 | 23 | 24 | 24 | 22 | 19 | 20 | 15 | 17 | 17 |

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

WISCONSIN
ECONOMIC DEVELOPMENT

## 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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LOOK FORWARD