

Wisconsin Center District

Financial Statements and
Supplementary Information

December 31, 2025 and 2024

Wisconsin Center District

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December 31, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Board of Directors of
Wisconsin Center District

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Wisconsin Center District (District), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wisconsin Center District as of December 31, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of District 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 opinion.

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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinion. 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 GAS 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 GAS, 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 the District'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 District'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2026 on our consideration of the District'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 the District'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 the District's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
May 15, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

WISCONSIN CENTER DISTRICT

Management's Discussion and Analysis

Years ended December 31, 2025, 2024 and 2023

(Unaudited)

The Wisconsin Center District (the District) is a political subdivision, unit of local government body corporate and politic, and municipality existing under the laws of the State of Wisconsin. The District is a "local exposition district" created under, and with the taxing powers described in 1993 Wisconsin Act 263. As management, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025, along with comparative information for 2024 and 2023.

Financial Highlights

Year Ended December 31, 2025

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources of the District at December 31, 2025 by \$89,691,508 (net position). Of this amount, \$55,738,191 is restricted for debt service and \$204,199,330 is associated with net investment in capital assets. This leaves a deficit of \$170,246,013 for unrestricted net position.
- The District's December 31, 2025 total net position of \$89,691,508 reflects a decrease of \$22,880,184 from December 31, 2024 balance of \$112,571,692.

Year Ended December 31, 2024

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources of the District at December 31, 2024 by \$112,571,692 (net position). Of this amount, \$49,985,447 is restricted for debt service and \$208,642,681 is associated with net investment in capital assets. This leaves a deficit of \$146,056,436 for unrestricted net position.
- The District's December 31, 2024 total net position of \$112,571,692 reflects a decrease of \$18,682,291 from December 31, 2023 balance of \$131,253,983.

Year Ended December 31, 2023

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources of the District at December 31, 2023 by \$131,253,983 (net position). Of this amount, \$56,692,328 is restricted for debt service and \$201,333,236 is associated with net investment in capital assets. This leaves a deficit of \$126,771,581 for unrestricted net position.
- The District's December 31, 2023 total net position of \$131,253,983 reflects a decrease of \$2,786,738 from December 31, 2022 balance of \$134,040,721.

Overview of the Financial Statements

The District follows enterprise fund reporting; accordingly the financial statements are presented using the economic resources measurement focus and the full accrual basis of accounting. Financial statements offer short and long-term financial information about the activities and operations of the District. These statements are presented in a manner similar to a private business.

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise four components: 1) statements of net position, 2) statements of revenues, expenses, and changes in net position, 3) statements of cash flows and 4) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

The statements of net position present information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Additionally, unrestricted net position represents amounts available for spending at the District's discretion. Such information may be useful in evaluating near-term financing requirements.

The statements of revenues, expenses, and changes in net position present information showing how the net position changed during the most recent 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected space and equipment rental revenues, labor service revenues).

The statements of cash flows, using the direct method, present information on the District's decrease in cash resulting from operating activities, non-capital financing activities, capital and related financing activities and investing activities.

The statements of net position, statements of revenues, expenses and changes in net position and statements of cash flows can be found on pages 1 - 5 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the District's financial statements. The notes to the financial statements can be found on pages 6 - 43 of this report.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of the District, assets and deferred outflows of resources were greater than liabilities and deferred inflows of resources by \$89,691,508 at the close of the most recent fiscal year. This compares to \$112,571,692 at the close of the previous year.

The table below presents a comparison of net position fiscal year ended December 31, 2025, along with comparative information for 2024 and 2023.

Condensed Statement of Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Current and other assets	\$ 147,772,387	\$ 150,579,213	\$ 267,186,329
Capital assets and deferred outflows	<u>900,382,069</u>	<u>928,594,069</u>	<u>884,431,337</u>
Total Assets and deferred outflows	<u>1,048,154,456</u>	<u>1,079,173,282</u>	<u>1,151,617,666</u>
Liabilities			
Current liabilities	40,770,103	41,750,319	86,227,872
Long-term liabilities and deferred inflows	<u>917,692,845</u>	<u>924,851,271</u>	<u>934,135,811</u>
Total Liabilities and deferred inflows	<u>958,462,948</u>	<u>966,601,590</u>	<u>1,020,363,683</u>
Net Position			
Net investment in capital assets	204,199,330	208,642,681	201,333,236
Restricted	55,738,191	49,985,447	56,692,328
Unrestricted (deficit)	<u>(170,246,013)</u>	<u>(146,056,436)</u>	<u>(126,771,581)</u>
Total Net Position	<u>\$ 89,691,508</u>	<u>\$ 112,571,692</u>	<u>\$ 131,253,983</u>

Changes in Net Position

A significant portion of the District's net position is the net investment in capital assets, which as of year ended was \$204,199,330 (\$208,642,681 and \$201,333,236 at December 31, 2024 and 2023, respectively) and reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses those capital assets to provide services; consequently, those assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities.

In addition, \$55,738,191 (\$49,985,447 and \$56,692,328 at December 31, 2024 and 2023, respectively) of the District's net position represent resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position (deficit). This unrestricted net position balance is a deficit of \$170,246,013 (\$146,056,436 and \$126,771,581 at December 31, 2024 and 2023 respectively). The deficit in unrestricted net position can be broken down into two components. The first component is an accumulation of interest costs on capital appreciation bonds, approximately \$138,447,973 (\$120,912,898 and \$105,349,781 at December 31, 2024 and 2023 respectively). The second component is the accumulation of surpluses and deficits, excluding interest expense on capital appreciation bonds, since the creation of the District, approximately \$31,798,040 in net deficit (\$25,143,538 and \$21,421,800 at December 31, 2024 and 2023 respectively).

Changes in Net Position (continued)

	2025	2024	2023
Operating Revenues			
Rental and labor service revenues	\$ 8,793,033	\$ 10,670,928	\$ 5,688,549
Other	<u>18,523,932</u>	<u>13,811,231</u>	<u>11,312,644</u>
Total Operating Revenues	<u>27,316,965</u>	<u>24,482,159</u>	<u>17,001,193</u>
Operating Expenses			
Allocated operating expenses	19,871,289	17,774,698	12,420,987
Unallocated operating expenses	27,857,768	27,310,260	21,276,960
Depreciation and amortization	<u>29,762,855</u>	<u>26,311,712</u>	<u>17,472,463</u>
Total Operating Expenses	<u>77,491,912</u>	<u>71,396,670</u>	<u>51,170,410</u>
Nonoperating Income (Expenses)			
Net tax revenue	49,754,925	49,303,019	46,015,155
Bond amortization and interest expense	(35,445,874)	(36,212,907)	(36,124,556)
State of Wisconsin contribution	8,000,000	8,000,000	8,000,000
Other	<u>4,985,712</u>	<u>7,112,907</u>	<u>13,421,806</u>
Net Nonoperating Income (Expense)	<u>27,294,763</u>	<u>28,203,019</u>	<u>31,312,405</u>
Capital Contribution	<u>-</u>	<u>29,201</u>	<u>70,074</u>
Increase in net position	(22,880,184)	(18,682,291)	(2,786,738)
Net Position - Beginning of Year	<u>112,571,692</u>	<u>131,253,983</u>	<u>134,040,721</u>
Net Position - End of Year	<u>\$ 89,691,508</u>	<u>\$ 112,571,692</u>	<u>\$ 131,253,983</u>

Year Ended December 31, 2025

The 2025 total operating revenues of \$27,316,965 reflect an increase of \$2,834,806 (or 11.6%) when compared to the prior year total amount of \$24,482,159. Operating revenues continued to increase in 2025, though at a more moderate pace compared to the significant growth experienced in 2024 following the opening of the expanded convention center. The year-over-year increase was primarily driven by higher food and beverage and parking revenues associated with the event mix, while space rental revenues declined from the prior year due to the one-time impact of the 2024 Republican National Convention.

The 2025 total operating expenses of \$77,491,912 reflects an increase of \$6,095,242 (or 8.5%) when compared to the prior year amount of \$71,396,670. Operating expenses increased in 2025, though at a more moderate pace compared to the prior year following the opening of the expanded convention center. The increase was primarily driven by higher wages and salaries, increased building repairs and maintenance associated with the larger facility, and a higher contractual payment to Visit Milwaukee, along with a full year of depreciation expense related to the Baird Center.

The 2025 net non-operating income of \$27,294,763 reflects a decrease of \$908,256 (or 3.2%) when compared to the prior year amount of \$28,203,019. This change is primarily attributable to a decline in restricted investment income earned on bond proceeds, as those funds were substantially drawn down to finance the expansion of the Baird Center. Accordingly, 2024 represented the final year in which the District realized a significant level of investment income from these restricted balances.

Year Ended December 31, 2024

The 2024 total operating revenues of \$24,482,159 reflect an increase of \$7,480,966 (or 30.6%) when compared to the prior year total amount of \$17,001,193. The expanded convention center opened for business in May 2024. The increase in rentable space created more opportunity for the District to book more events. This resulted in a direct increase in event driven revenues including space rentals, equipment rentals, concessions, and parking.

The 2024 total operating expenses of \$71,396,670 reflects an increase of \$20,226,260 (or 39.5%) when compared to the prior year amount of \$51,170,410. The opening of the expanded convention center in 2nd quarter of 2024 drove an increase in wages and administrative salaries, as well as utilities. Depreciation expense was also up significantly year over year as the completed Baird Center was added as a depreciable asset to the District's balance sheet. Lastly, employee benefits increased year over year due to an increase in the District's pension obligations, driven in part by the effects of Act 12 legislation passed by Wisconsin state government in 2023.

The 2024 net non-operating income of \$28,203,019 reflects a decrease of \$3,109,386 (or 9.9%) when compared to the prior year amount of \$31,312,405. This change is primarily attributable to the decrease in restricted investment income earned on bond proceeds used to fund the expansion of the Baird Center.

Year Ended December 31, 2023

The 2023 total operating revenues of \$17,001,193 reflect an increase of \$865,022 (or 5.4%) when compared to the prior year total amount of \$16,136,171. Event driven revenues modestly decreased year over year as sellable inventory was taken off-sale for a portion of the fourth quarter to complete building renovations as part of the expansion project. However, an increase to advertising revenue, driven in part by the District entering into a naming rights agreement with R.W. Baird offset this decrease and caused total operating revenues to increase year over year.

The 2023 total operating expenses of \$51,170,410 reflects an increase of \$5,425,439 (or 11.9%) when compared to the prior year amount of \$45,744,971. Wages and administrative salaries increased year over year as the District scaled up staffing in preparation for the opening of the expanded convention center in 2024. The District also saw a substantial increase in its payment due to Visit Milwaukee, which was driven primarily by the year over year increase in prior year tax revenues.

The 2023 net non-operating income of \$31,312,405 reflects an increase of \$11,823,139 (or 60.7%) when compared to the prior year amount of \$19,489,266. This change is primarily attributable to the increase in tax revenues and increased interest income earned on short-term restricted asset investments.

Capital Asset and Debt Administration

Capital assets.

The District's investment in capital assets as of December 31, 2025, amounts to \$889,620,329 (net of accumulated depreciation). At the end of the prior year, the investment was \$913,446,505. Capital assets include land, buildings, improvements, and machinery and equipment. The total decrease in the District's capital assets from 2025 to 2024 was \$23,826,176 (or 2.6%).

A summary of capital Assets as of December 31, 2025 and the two prior years is as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Land	\$ 25,458,953	\$ 25,458,953	\$ 25,458,953
Construction in progress	623,602	291,856	402,543,316
Buildings and improvements, net	846,550,251	869,235,753	440,047,741
Machinery and equipment, net	<u>16,987,523</u>	<u>18,459,943</u>	<u>4,702,077</u>
Total	<u>\$ 889,620,329</u>	<u>\$ 913,446,505</u>	<u>\$ 872,752,087</u>

Additional information on the District's capital assets can be found in note 6 on pages 17 - 18 of this report.

Long-term debt.

At December 31, 2025, the District had total bonded debt outstanding of \$747,883,874 (net of unamortized bond premiums, discounts, and losses on refunding), of which \$18,756,584 is current. At the end of the prior year, the District had total bonded debt outstanding of \$766,400,127, of which \$17,621,102 was current. This debt represents bonds secured by specified future tax collections of the District. In addition, the District had \$138,447,973 in accrued interest at December 31, 2025 (\$120,910,984 at prior year end) related to the capital appreciation bonds.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Long-Term Debt			
Bonded debt outstanding	\$ 747,883,874	\$ 766,400,127	\$ 795,140,282
Accrued interest	<u>138,447,973</u>	<u>120,910,984</u>	<u>105,349,781</u>
Total	<u>886,331,847</u>	<u>887,311,111</u>	<u>900,490,063</u>
Current Portion of Long-Term Debt			
Bonded debt	(18,756,584)	(17,621,102)	(15,720,060)
Accrued interest	<u>(5,740,468)</u>	<u>(5,665,903)</u>	<u>(5,586,704)</u>
Total	<u>(24,497,052)</u>	<u>(23,287,005)</u>	<u>(21,306,764)</u>
Long-Term Portion	<u>\$ 861,834,795</u>	<u>\$ 864,024,106</u>	<u>\$ 879,183,299</u>

Additional information on the District's long-term debt can be found in note 8 on pages 19 - 24 of this report.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vice President of Finance & Chief Financial Officer, Wisconsin Center District, 400 West Wisconsin Avenue, Milwaukee, WI 53203.

BASIC FINANCIAL STATEMENTS

Wisconsin Center District

Statements of Net Position

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	\$ 16,568,777	\$ 22,592,312
Accounts receivable, less allowance for doubtful accounts of \$19,090 in 2025 and \$19,090 in 2024	1,935,091	2,166,792
Tax revenues receivable	7,651,446	7,863,941
Lease receivables	2,027,082	1,918,330
Prepaid expenses and other current assets	1,453,719	1,601,137
Total current assets	<u>29,636,115</u>	<u>36,142,512</u>
Noncurrent Assets		
Restricted cash and cash equivalents	59,602,468	53,808,237
Restricted accrued investment income	205,557	232,300
Prepaid insurance	21,055,911	21,812,650
Lease receivables	37,272,336	38,583,514
Capital assets:		
Nondepreciable	26,082,555	25,750,809
Depreciable	863,537,774	887,695,696
Total noncurrent assets	<u>1,007,756,601</u>	<u>1,027,883,206</u>
Total assets	<u>1,037,392,716</u>	<u>1,064,025,718</u>
Deferred Outflows of Resources		
Deferred charges on refunding	5,811,979	6,170,208
Deferred outflows of resources related to OPEB	147,275	422,738
Deferred outflows of resources related to pensions	4,802,486	8,554,618
Total deferred outflows of resources	<u>10,761,740</u>	<u>15,147,564</u>
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	2,393,406	5,471,491
Accrued expenses	2,497,641	2,191,631
Accrued interest payable	482,662	518,464
Concession improvement deposits	3,214,286	3,928,571
Due to Greater Milwaukee Convention and Visitor's Bureau	1,886,077	1,878,620
Unearned revenue	5,601,795	4,290,682
Compensated absences	197,184	183,855
Current installments of accrued interest	5,740,468	5,665,903
Current installments of bonds payable	18,756,584	17,621,102
Total current liabilities	<u>40,770,103</u>	<u>41,750,319</u>
Long-Term Liabilities		
Net pension liabilities	9,562,243	15,372,000
Other postemployment benefits	2,135,575	2,530,992
Accrued interest expense, less current portion	132,707,505	115,245,081
Bonds payable, net, less current portion	729,127,290	748,779,025
Total long-term liabilities	<u>873,532,613</u>	<u>881,927,098</u>
Total liabilities	<u>914,302,716</u>	<u>923,677,417</u>
Deferred Inflows of Resources		
Unearned lease revenue	39,299,418	40,501,844
Deferred inflows of resources related to OPEB	1,650,605	2,076,329
Deferred inflows of resources related to pensions	3,210,209	346,000
Total deferred inflows of resources	<u>44,160,232</u>	<u>42,924,173</u>
Net Position		
Net investment in capital assets	204,199,330	208,642,681
Restricted for debt service	55,738,191	49,985,447
Unrestricted (deficit)	<u>(170,246,013)</u>	<u>(146,056,436)</u>
Total net position	<u>\$ 89,691,508</u>	<u>\$ 112,571,692</u>

See notes to financial statements

Wisconsin Center District

Statements of Revenue, Expenses and Changes in Net Position
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenue		
Space rentals	\$ 5,327,020	\$ 8,116,997
Equipment rentals	2,593,359	2,023,682
Commission on concession sales	9,466,785	6,365,090
Labor service revenue	872,654	530,249
Advertising revenue	1,782,432	1,152,386
Information technology revenue	1,064,946	828,598
Box office revenue	3,634,473	3,306,579
Parking revenue	1,348,315	459,514
Other	1,226,981	1,699,064
	<u>27,316,965</u>	<u>24,482,159</u>
Total operating revenue		
Operating Expenses		
Allocated expenses:		
Wages	8,650,065	7,459,074
Utilities	4,654,507	4,449,298
Building maintenance and repairs	2,517,130	2,163,808
Other	4,049,587	3,702,518
	<u>19,871,289</u>	<u>17,774,698</u>
Total allocated operating expenses		
Unallocated Expenses		
Administrative salaries and wages	6,915,447	6,574,833
Employee benefits	3,648,767	6,143,960
Advertising and promotion	12,195,013	10,885,162
Legal services	728,952	434,722
Insurance	1,544,048	1,282,905
Professional services	687,436	430,717
Depreciation	29,762,855	26,311,712
Other	2,138,105	1,557,961
	<u>57,620,623</u>	<u>53,621,972</u>
Total unallocated operating expenses		
Total operating expenses	<u>77,491,912</u>	<u>71,396,670</u>
Operating loss	<u>(50,174,947)</u>	<u>(46,914,511)</u>

See notes to financial statements

Wisconsin Center District

Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Nonoperating Income (Expense)		
Tax revenue:		
Additional room tax revenue	\$ 19,914,259	\$ 19,758,305
Basic room tax revenue	11,612,581	11,566,669
Food and beverage tax revenue	15,917,780	15,485,185
Rental car tax revenue	<u>3,612,255</u>	<u>3,782,985</u>
Total tax revenue	51,056,875	50,593,144
State of Wisconsin administrative fee	<u>(1,301,950)</u>	<u>(1,290,125)</u>
Net tax revenue	<u>49,754,925</u>	<u>49,303,019</u>
State of Wisconsin and Milwaukee County contributions	8,000,000	8,000,000
Investment income	3,209,633	5,548,450
Interest income, leases	1,801,537	1,679,502
Loss on disposal of assets	(25,458)	(115,045)
Bond amortization and interest expense	<u>(35,445,874)</u>	<u>(36,212,907)</u>
Total nonoperating income	<u>27,294,763</u>	<u>28,203,019</u>
Capital contribution	<u>-</u>	<u>29,201</u>
Change in net position	(22,880,184)	(18,682,291)
Net Position, Beginning	<u>112,571,692</u>	<u>131,253,983</u>
Net Position, Ending	<u>\$ 89,691,508</u>	<u>\$ 112,571,692</u>

See notes to financial statements

Wisconsin Center District

Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 28,365,446	\$ 24,053,950
Payments to suppliers	(33,214,493)	(26,617,492)
Payments to employees	(15,565,512)	(14,033,907)
	<u>(20,414,559)</u>	<u>(16,597,449)</u>
Net cash flows from operating activities		
Cash Flows From Noncapital Financing Activities		
Receipts from additional room tax	19,914,259	19,758,305
Receipts from capital contributions/grants	-	29,201
Payment of tax collection administrative fee	(1,301,950)	(1,290,125)
	<u>18,612,309</u>	<u>18,497,381</u>
Net cash flows from noncapital financing activities		
Cash Flows From Capital and Related Financing Activities		
Receipts from basic room tax	11,612,581	11,566,669
Receipts from food and beverage tax	15,917,780	15,485,185
Receipts from rental car tax	3,612,255	3,782,985
Contribution from State of Wisconsin and Milwaukee County	8,000,000	8,000,000
Principal payment on bonds payable	(17,621,102)	(27,760,694)
Interest paid on bonds payable	(17,724,871)	(20,541,044)
Capital assets purchased	(7,261,610)	(115,664,957)
	<u>(3,464,967)</u>	<u>(125,131,856)</u>
Net cash flows from capital and related financing activities		
Cash Flows From Investing Activities		
Investment income	5,037,913	7,738,421
	<u>(229,304)</u>	<u>(115,493,503)</u>
Net change in cash and cash equivalents		
Cash and Cash Equivalents, Beginning	<u>76,400,549</u>	<u>191,894,052</u>
Cash and Cash Equivalents, Ending	<u>\$ 76,171,245</u>	<u>\$ 76,400,549</u>

See notes to financial statements

Wisconsin Center District

Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities		
Operating loss	\$ (50,174,947)	\$ (46,914,511)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	29,762,855	26,311,712
Change in operating assets and liabilities:		
Accounts receivable	1,646,622	1,197,419
Prepaid expenses and other assets	147,418	(1,321,343)
Accounts payable and other liabilities	(1,459,272)	2,919,314
Advanced customer deposits	604,285	(804,370)
Unearned revenue	(1,202,426)	(821,256)
Pension and OPEB related deferrals and liabilities	260,906	2,835,586
	<u>\$ (20,414,559)</u>	<u>\$ (16,597,449)</u>
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Unrestricted cash and cash equivalents	\$ 16,568,777	\$ 22,592,312
Restricted cash and cash equivalents	<u>59,602,468</u>	<u>53,808,237</u>
Cash and Cash Equivalents, Ending	<u>\$ 76,171,245</u>	<u>\$ 76,400,549</u>
Noncash Investing, Capital and Financing Activities		
Acquisition of capital assets through accounts payable	<u>\$ -</u>	<u>\$ 1,299,473</u>
Accrued interest on capital appreciation bonds	<u>\$ 23,595,887</u>	<u>\$ 23,592,811</u>
Amortization of premiums, loss on refunding and bond insurance, net	<u>\$ 219,816</u>	<u>\$ 139,616</u>

See notes to financial statements

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

1. Summary of Significant Accounting Policies

Wisconsin Center District (the District) is a political subdivision, unit of local government body corporate and politic, municipality existing under the laws of the State of Wisconsin. The District is a local exposition district created under and with the taxing powers described in 1993 Wisconsin Act 263. The District is a separate unit of government, distinct from the City and County of Milwaukee and from the State of Wisconsin. The District's geographical boundaries include Milwaukee County and portions of some cities and villages that are not within Milwaukee County. The District was created to assume ownership of certain existing convention facilities and to construct an expansion of such facilities.

On July 31, 1995, the City of Milwaukee and the Milwaukee Exposition and Convention Center and Arena (MECCA) transferred all real and personal property of MECCA (net assets totaling \$17,441,794) to the District. The District accepted operating responsibility and assignment of all contracts in effect with respect to the MECCA property including an agreement to fund the operations of the Greater Milwaukee Convention and Visitors Bureau, now known as Visit Milwaukee, which shares responsibility for marketing the District's facilities.

The facilities conveyed to the District were located at and around 500 West Kilbourn Avenue in downtown Milwaukee and included three distinct facilities for public gatherings, private meetings, conventions, trade shows and other expositions: (1) the Milwaukee Auditorium, now known as the Miller High Life Theatre, originally constructed in 1908 with approximately 38,000 square feet of space used for performing arts presentations, (2) a 10,000 seat arena now known as the UW-Milwaukee Panther Arena (the Arena), constructed in 1952 with approximately 44,000 square feet of flat surface space used primarily for sporting events and concerts and (3) a convention center, now known as the Baird Center, built in 1974 with approximately 350,000 gross square feet of space, including meeting rooms, three large exhibit halls and a ballroom.

In 1999, the District constructed a convention center, now known as the Baird Center, to significantly enhance the economies of the City of Milwaukee, Milwaukee County and the State of Wisconsin and allow the District to compete effectively with other regional, national and international convention facilities for convention and business meetings by providing more and higher quality space and upgraded convention center amenities.

In 2016, law changes established the ownership of a new NBA quality arena (Fiserv Forum) in Milwaukee with the Wisconsin Center District. Construction was completed on the Fiserv Forum in 2019 and capital assets reflect the full value of the NBA Arena, including contributions made by Deer District LLC and the Greater Milwaukee Foundation, pursuant to the Arena Finance, Funding and Construction Funds Escrow Agreement.

In 2020, the District issued debt for the purpose of funding an expansion of the Baird Center, which opened in May 2024. The expansion increased the size of the exposition hall by 60% to a total of 300,000 contiguous square feet, includes a new fourth floor ballroom with seating for 2,000 and an outdoor terrace and adds 24 new meeting rooms for a total of 52. It also adds more than 400 parking spaces and six new loading docks for a total of 22.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

Reporting Entity

The accounting policies of the Wisconsin Center District 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). This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District is presented as an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

Deposits and Investments

For purposes of the statement of cash flows, the District considers all highly liquid investments with an initial maturity of approximately three months or less when acquired to be cash equivalents.

Investment of the District funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics District or the Wisconsin Aerospace District.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

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 methods and inputs as outlined in Note 4. 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.

The District has not adopted a formal investment policy as of December 31, 2025.

Receivables

Receivables represent amounts due from tax collections and other organizations. Receivables are stated at their estimated net realizable value.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The cost of prepaid expenses is recorded as an expense when consumed rather than when purchased. Prepaid insurance is the surety bond insurance.

Leases

The District is a lessor because it leases capital assets to other entities. As a lessor, the District reports a lease receivable and corresponding deferred inflow of resources in financial statements. The District continues to report and depreciate the capital assets being leased as capital assets of the District.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

The revenue bonds also require redemption accounts. These accounts are set aside for payment of principal and interest due on revenue bonds.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

Capital Assets

Capital assets, which include property, buildings and equipment, along with related improvements, are reported in the Statement of Net Position. Capital assets are assets with an initial cost of more than \$10,000 and an estimated useful life in excess of one year. 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 is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

	<u>Building</u>	<u>Improvements</u>	<u>Furniture, Machinery and Equipment</u>
Baird Center	40-50 years	10-20 years	5-20 years
Miller High Life Theatre	50 years	10-20 years	5-20 years
UW-Milwaukee Panther Arena	50 years	10-20 years	5-20 years
Fiserv Arena	40 years	20 years	N/A

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Compensated Absences

The District accrues vacation in the basic financial statements. A liability for these amounts is reported on the statement of net position.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Pensions

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

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

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

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

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.

Other Postemployment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, the District OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Long-Term Obligations

Long-term debt and other obligations are reported as District liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Gains or losses on prior refunding's are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow in the statement of net position.

Unearned Revenue

Unearned revenue represents advertising and naming rights revenue received prior to being earned, as well as advance rent deposits and ticket receipts for events that have not yet occurred. The revenue is recognized as earned over the period of the respective contract.

Net Position

Net Investment in Capital Assets

Consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.

Restricted Net Position

Consists of net position with constraints placed on their use by either 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Consists of all other net positions that do not meet the definitions of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first and then unrestricted resources when they are needed.

Classification of Revenue

The District has classified its revenues as either operating or nonoperating. Operating revenue includes activities that have the characteristics of exchange transactions. Nonoperating revenues include interest income on investments and activities that have characteristics of nonexchange transactions including federal, state and local grants and tax revenues.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

Operating Expenses

The District reports operating expenses as allocated and unallocated. Expenses reported as allocated are specific costs allocated to events. The District has not allocated employee benefits but rather reports all benefit costs as unallocated.

Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*
- Statement No. 105, *Subsequent Events*

When they become effective, application of these standards may restate portions of these financial statements.

2. Marketing and Promotional Agreement

The District has an agreement with Visit Milwaukee through 2025, with an option to extend for two additional years through 2027, which was exercised in 2025. Under the agreement, the District provides funding to Visit Milwaukee based on tax collections and revenue generation in exchange for advertising and promotion services that directly benefit the District.

The District incurred expense of \$11,868,813 and \$10,519,682 in 2025 and 2024, respectively, related to Visit Milwaukee and this agreement.

3. Tax Revenue

Pursuant to its limited taxing authority, the District is authorized to impose the following taxes:

Basic Room Tax

The District imposes the Basic Room Tax at the rate of 3% on the gross receipts derived from the rental of rooms and lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations available to the public. The Basic Room Tax is imposed on all such lodging within Milwaukee County. Under the Authorizing Legislation, the District may not increase the rate of the Basic Room Tax beyond 3%.

Additional Room Tax

The District imposes the Additional Room Tax at the rate of 7% on the gross receipts derived from the rental of rooms and lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations available to the public. The tax is imposed on all such lodging within the City of Milwaukee. Under the Authorizing Legislation, the District has no authority to increase the 7% Additional Room Tax rate.

Local Food and Beverage Tax

The District imposes the Local Food and Beverage Tax at the rate of 0.50% on the gross receipts derived from the sales of food and beverages that are subject to the Wisconsin sales or use tax. The tax is imposed on all such sales within Milwaukee County. Under the Authorizing Legislation, the District may not increase the rate of the Local Food and Beverage Tax beyond 0.50%.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

Local Rental Car Tax

The District imposes the Local Rental Car Tax at the rate of 3% on the gross receipts derived from the rental (for a period of 30 days or less) on motor vehicles designed and used primarily for carrying persons, by establishments engaged in business within Milwaukee County which are primarily engaged in the short-term rental of passenger cars without drivers.

Under the Authorizing Legislation, the maximum rate for the Local Rental Car Tax is 4%. The tax rate can increase to 4%, only if the State of Wisconsin makes a payment to restore the District's Junior Debt Service Reserve Fund under Section 229.50(7) of the Wisconsin Statute and the District Board then votes to increase such tax rate.

These District taxes are imposed on a seller's taxable receipts. Each of the District's taxes are collected, administered and enforced for the District by the Wisconsin Department of Revenue (the Department). Each taxpayer is required to report its liability for District taxes to the Department and remit the full amount of such taxes, on or before the last day of the month following the end of such taxpayer's reporting period. The Department is required to remit to the District the tax amounts collected, less a 2.55% statutory deduction which is retained by the Department to cover its administrative expenses. The District has entered into an agreement with the Department under which the Department will remit the net amounts collected, less the statutory deduction, by the 20th of each month.

The proceeds of the Additional Room Tax may be used for any lawful purpose of the District once sufficient restricted tax revenues are available on deposit to fund annual debt obligations.

4. Deposits and Investments

Deposits and investments are presented in the financial statements as follows:

	<u>2025</u>	<u>2024</u>	<u>Associated Risks</u>
Deposits	\$ 76,170,664	\$ 76,399,259	Custodial credit risk
Petty cash	581	1,290	N/A
Total	<u>\$ 76,171,245</u>	<u>\$ 76,400,549</u>	
Unrestricted	\$ 16,568,777	\$ 22,592,312	
Restricted	<u>59,602,468</u>	<u>53,808,237</u>	
Total	<u>\$ 76,171,245</u>	<u>\$ 76,400,549</u>	

Deposits in each local area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and non-interest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District.

As of December 31, 2025, \$76,356,479 of the District's total deposit bank balances of \$76,606,479 was exposed to custodial credit risk as uninsured and uncollateralized.

As of December 31, 2024, \$76,416,692 of the District's total deposit bank balances of \$76,666,692 was exposed to custodial credit risk as uninsured and uncollateralized.

5. Restricted Assets

Restricted assets consist of deposits, U.S. Agencies, U.S. Treasuries and Guaranteed Investment Contracts and are summarized as follows:

	2025	2024
1996A Tax Revenue Bonds - Revenue Fund Restricted Tax Revenue Account	\$ 27,750,671	\$ 21,619,727
1996A Tax Revenue Bonds - Unrestricted Tax Revenue Account	949,425	902,845
1996A Tax Revenue Bonds - Operating Reserve	2,500,000	2,500,000
1999 Junior Dedicated Tax Revenue Bonds - Interest Account	326,709	404,629
1996A Tax Revenue Bonds - Special Redemption Fund	848	816
1996A Tax Revenue Bonds - Capital Maintenance	1,364,267	1,322,781
1996A Tax Revenue Bonds - Bond Expense Account	3	1,204
1999 Dedicated Tax Revenue Bonds Junior Debt Service Reserve Fund	14,843,483	14,918,156
1996A Tax Revenue Bonds - Principal Account	19,752	23,742
1999 Junior Dedicated Tax Revenue Bonds - Principal Account	26,692	26,501
1999 Junior Dedicated Tax Revenue Bonds - Bond Expense account	3	1,204
1996A Tax Revenue Bonds - Surplus Account	-	11
2003A Senior Dedicated Tax Revenue Bonds - Bond Expense	1,203	1,204
2016 Appropriation Revenue Bonds - Interest Account	1,464,944	1,738,895
2016 Appropriation Revenue Bonds - Admin Expenses Account	15,454	7,528
2016 Appropriation Revenue Bonds - Principal Account	98,642	219,079
2016A Senior Dedicated Tax Revenue Bonds - Principal Account	4	4
2016A Senior Dedicated Tax Revenue Bonds - Bond Expense Account	1,204	1,204
2016B Junior Dedicated Tax Revenue Bonds - Bond Expense Account	1,200	1,204
2016B Junior Dedicated Tax Revenue Bonds - Interest Account	64,566	79,796
2016B Junior Dedicated Tax Revenue Bonds - Principal Account	400	481
2016B Junior Dedicated Tax Revenue Bonds - Taxable Reserve Account	3,236,278	3,236,297
2020A Senior Dedicated Tax Revenue Bonds - Interest Account	1,211	1,456
2020A Senior Dedicated Tax Revenue Bonds - Principal Account	37,271	35,844
2020A Senior Dedicated Tax Revenue Bonds - Construction Account	10	10
2020A Senior Dedicated Tax Revenue Bonds - Taxable Capitalized Interest Account	-	4,678
2020A Senior Dedicated Tax Revenue Bonds - Bond Expense Account	1,203	1,204
2020B Junior Dedicated Tax Revenue Bonds - Interest Account	2,900	3,487
2020B Junior Dedicated Tax Revenue Bonds - Principal Account	7,496	7,209
2020B Junior Dedicated Tax Revenue Bonds - Taxable Capitalized Interest Account	11,647	11,201
2020B Junior Dedicated Tax Revenue Bonds - Debt service reserve account	1,949,205	1,874,607
2020B Junior Dedicated Tax Revenue Bonds - Bond Expense Account	1,204	1,204
2020C Senior Dedicated Tax Revenue Bonds - Bond Expense Account	1,204	1,204
2020C Senior Dedicated Tax Revenue Bonds - Rebate Account	-	40,031
2020D Junior Dedicated Tax Revenue Bonds - Bond Expense Account	1,204	1,204
2020D Junior Dedicated Tax Revenue Bonds - Rebate Account	-	80,613

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
2021A Junior Dedicated Tax Revenue Bonds - Interest Account	\$ 633	\$ 783
2021A Junior Dedicated Tax Revenue Bonds - Principal Account	2,723	3,224
2021A Junior Dedicated Tax Revenue Bonds - Bond Expense Account	1,505	1,505
2021A Junior Dedicated Tax Revenue Bonds - Debt service reserve account	2,512,600	2,416,440
2022A Junior Dedicated Tax Revenue Bonds - Interest Account	1,457	1,751
2022A Junior Dedicated Tax Revenue Bonds - Principal Account	12,422	11,947
2022A Junior Dedicated Tax Revenue Bonds - Bond Expense Account	5	2,006
2022A Junior Dedicated Tax Revenue Bonds - Debt Service Reserve Account	<u>2,390,820</u>	<u>2,299,321</u>
	<u>\$ 59,602,468</u>	<u>\$ 53,808,237</u>

Pursuant to the terms of the General Resolution for the 1996 Series A, the 2016 Series A and B bonds, the 2020 Series A, B, C and D bonds, the 2021 Series A bonds and the 2022 Series A bonds, the District maintains the required trust funds, which are held and administered by the bond trustee. The District's management assures the District is in compliance with the terms of the General Resolution.

1999 Tax Revenue Bonds Junior Debt Service Reserve Fund

An initial deposit to the Junior Debt Service Reserve Fund was made by the bond trustee from the proceeds of each series of Junior Bonds in an amount sufficient to satisfy the Junior Debt Service Reserve Fund requirement. If on any payment date the amount on deposit in the Junior Debt Service Reserve Fund is less than the requirement, the bond trustee is to promptly notify the District and withdraw from other funds in the following order: (a) the 1996A Tax Revenue Bonds Fund Restricted Tax Revenue Account; (b) the 1996A Tax Revenue Fund Unrestricted Tax Revenue for the amount of the deficiency.

1996A Tax Revenue Bonds - Restricted Tax Revenue Account

All tax revenue restricted for the District's debt service on bond obligations are deposited into this account, including the Basic Room Tax, Local Food and Beverage Tax and Local Rental Car Tax.

1996A Tax Revenue Bonds - Unrestricted Tax Revenue Account

Tax revenue that is unrestricted are deposited into this account, including the Additional Room Tax.

1999 Junior Dedicated Tax Revenue Interest Account

A semi-annual transfer is made from the 1996A Tax Revenue Bonds - Restricted Tax Revenue Account into this account for the semi-annual interest payment on the 1999 Bonds. Interest income derived from the investment of amounts on deposit in this account remain in the account and are credited against the amount next due to be transferred from the Revenue Fund. On each interest payment date, the trustee withdraws from this account an amount sufficient to pay the interest coming due on the 1999 Bonds.

1996A Tax Revenue Bonds - Capital Maintenance

This account was established to fund capital maintenance requirements.

1996A Tax Revenue Bonds - Operating Reserve Account

This account was established and required by the 1996 bond issuance.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

1996A Tax Revenue Bonds - Principal Account

Amounts deposited into the Principal Account are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the 1996A Tax Revenue Bonds Restricted Tax Revenue Account.

1999 Junior Dedicated Tax Revenue Bonds - Principal Account

Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the 1996A Tax Revenue Bonds Restricted Tax Revenue Account.

2016 Appropriation Revenue Bonds - Principal Account

This account was established and required by the 2016 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by annual appropriations made by the State of Wisconsin.

2016 Appropriation Revenue Bonds - Interest Account

This account was established and required by the 2016 bond issuance. Amounts deposited into the Interest Accounts are for making interest payments on the indicated Bond series. The accounts are funded by annual appropriations made by the State of Wisconsin.

2016 Appropriation Revenue Bonds - Admin Expenses Account

This account was established and required by the 2016 bond issuance. These are funds available for the costs of issuance of the 2016 Bonds.

2016A Senior Dedicated Bonds - Principal Account

This account was established and required by the 2016 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the 1996A Tax Revenue Bonds Restricted Tax Revenue Account.

2016B Junior Dedicated Tax Revenue Bonds - Taxable Reserve Account

This account was established and required by the 2016 bond issuance. These are funds established as a reserve amount for the 2016B Bonds.

2020A Senior Dedicated Tax Revenue Bonds - Principal Account

This account was established and required by the 2020 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the 1996A Tax Revenue Bonds Restricted Tax Revenue Account.

2020A Senior Dedicated Tax Revenue Bonds - Construction Account

This account was established and required by the 2020 bond issuance. These are funds utilized for capital maintenance projects that are part of or were previously a part of, the District's annual capital maintenance budget or which are or were otherwise approved by the Board of Directors for the expansion of the existing exposition center of the District.

2020B Junior Dedicated Tax Revenue Bonds - Principal Account

This account was established and required by the 2020 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the Revenue Fund Restricted Tax Revenue Account.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

2020B Junior Dedicated Tax Revenue Bonds - Taxable Capitalized Interest Account

This account was established and required by the 2020 bond issuance. These are funds utilized to make interest payments on the 2020B Bonds through December 15, 2022.

2020A Senior Dedicated Tax Revenue Bonds - Interest Account

A semi-annual transfer is made from the Capitalized Interest Account into this account for the semi-annual interest payment on the 2020A Bonds. Interest income derived from the investment of amounts on deposit in this account remain in the account and are credited against the amount next due to be transferred from the Capitalized Interest Account. On each interest payment date, the trustee withdraws from this account an amount sufficient to pay the interest coming due on the 2020A Bonds.

2020B Junior Dedicated Tax Revenue Bonds - Debt Service Account

This account was established and required by the 2020 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the 1996A Tax Revenue Bonds Restricted Tax Revenue Account.

2020B Junior Dedicated Tax Revenue Bonds - Interest Account

A semi-annual transfer is made from the Capitalized Interest Account into this account for the semi-annual interest payment on the 2020B Bonds. Interest income derived from the investment of amounts on deposit in this account remain in the account and are credited against the amount next due to be transferred from the Capitalized Interest Account. On each interest payment date, the trustee withdraws from this account an amount sufficient to pay the interest coming due on the 2020B Bonds.

2021A Junior Dedicated Tax Revenue Bonds - Interest Account

Interest income derived from the investment of amounts on deposit in this account remain in the account and are credited against the amount next due to be transferred from the Capitalized Interest Account. On each interest payment date, the trustee withdraws from this account an amount sufficient to pay the interest coming due on the 2021A Bonds.

2021A Junior Dedicated Tax Revenue Bonds - Principal Account

This account was established and required by the 2021 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the 1996A Tax Revenue Bonds Restricted Tax Revenue Account.

2021A Junior Dedicated Tax Revenue Bonds - Debt Service Reserve Account

This account was established and required by the 2021 bond issuance. These are funds utilized to make debt payments in the instance sufficient cash flows do not exist. There is a defined fund balance that are required to be held in the account.

2022A Junior Dedicated Tax Revenue Bonds - Interest Account

A semi-annual transfer is made from the Capitalized Interest Account into this account for the semi-annual interest payment on the 2022A Bonds. Interest income derived from the investment of amounts on deposit in this account remain in the account and are credited against the amount next due to be transferred from the Capitalized Interest Account. On each interest payment date, the trustee withdraws from this account an amount sufficient to pay the interest coming due on the 2022A Bonds.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

2022A Junior Dedicated Tax Revenue Bonds - Principal Account

This account was established and required by the 2022 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the 1996A Tax Revenue Bonds Restricted Tax Revenue Account.

2022A Junior Dedicated Tax Revenue Bonds - Debt Service Reserve Account

This account was established and required by the 2022 bond issuance. These are funds utilized to make debt payments in the instance sufficient cash flows do not exist. There is a defined fund balance that are required to be held in the account.

6. Capital Assets

Capital asset activity for the years ended December 31, 2025 and 2024 was as follows:

	2025				Balance December 31, 2025
	Balance January 1, 2025	Additions	Deletions	Adjustments*	
Capital assets not being depreciated:					
Land	\$ 25,458,953	\$ -	\$ -	\$ -	\$ 25,458,953
Construction in progress	291,856	623,602	291,856	-	623,602
Total capital assets not being depreciated	25,750,809	623,602	291,856	-	26,082,555
Capital assets being depreciated:					
Buildings and improvements	1,039,541,015	3,370,086	94,071	3,136,760	1,045,953,790
Furniture, machinery and equipment	27,613,481	2,260,305	239,694	(3,136,760)	26,497,332
Total capital assets being depreciated	1,067,154,496	5,630,391	333,765	-	1,072,451,122
Less accumulated depreciation for:					
Buildings and improvements	170,305,262	27,300,272	78,739	1,876,744	199,403,539
Furniture, machinery and equipment	9,153,538	2,462,584	229,569	(1,876,744)	9,509,809
Total accumulated depreciation	179,458,800	29,762,856	308,308	-	208,913,348
Total capital assets being depreciated, net	887,695,696	(24,132,465)	25,457	-	863,537,774
Total capital assets, net	\$ 913,446,505	\$ (23,508,863)	\$ 317,313	\$ -	\$ 889,620,329

* Adjustments were made to properly classify assets in the appropriate category in the current year. The net effect of these transfers is zero and does not impact the change in net position.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

	2024			Balance December 31, 2024
	Balance January 1, 2024	Additions	Deletions	
Capital assets not being depreciated:				
Land	\$ 25,458,953	\$ -	\$ -	\$ 25,458,953
Construction in progress	402,543,316	291,856	402,543,316	291,856
Total capital assets not being depreciated	428,002,269	291,856	291,856	25,750,809
Capital assets being depreciated:				
Buildings and improvements	663,035,223	453,435,211	94,071	1,039,541,015
Furniture, machinery and equipment	15,561,156	15,937,423	239,694	27,613,481
Total capital assets being depreciated	678,596,379	469,372,634	333,765	1,067,154,496
Less accumulated depreciation for:				
Buildings and improvements	222,987,482	24,183,405	78,739	170,305,262
Furniture, machinery and equipment	10,859,079	2,128,307	229,569	9,153,538
Total accumulated depreciation	233,846,561	26,311,712	308,308	179,458,800
Total capital assets being depreciated, net	444,749,818	443,060,922	25,457	887,695,696
Total capital assets, net	\$ 872,752,087	\$ 443,352,778	\$ 317,313	\$ 913,446,505

7. Concession Improvements Deposits

The District renewed a contract with Levy Premium Foodservice LP (Levy) effective July 1, 2018 through June 30, 2023. In August 2022, the District agreed to extend the contract seven additional years through June 30, 2030. The District pays a flat annual fee of \$165,000 per year. Levy retains a variable incentive fee equal to 3% of gross revenues up to \$10,000,000 and 5% of gross revenue above \$10,000,000 for the duration of the extended contract.

Over the period of the contracts, Levy made several deposits to the District. The unamortized balance is recognized as revenue on a monthly basis over a 60-month amortization period for the deposit beginning July 2018 and ending June 2023 and over an 84-month amortization period for the deposit beginning in July 1, 2023 and ending June 30, 2030. As of December 31, 2025 and 2024, the District has \$3,214,286 and \$3,928,571 remaining on deposit, respectively.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

8. Long-Term Obligations

In February 1996, the District issued \$63,455,548 in Senior Dedicated Tax Revenue Bonds, Series 1996A (1996 Senior Bonds). The bonds are special, limited obligations of the District payable from and secured by a pledge of tax revenues, bond proceeds and certain funds and other monies held under the General Resolution.

The 1996 Senior Bonds are capital appreciation bonds and bear interest compounded semi-annually on each June 15 and December 15 at approximate yields ranging from 3.90% to 5.80%. Installments of the bonds mature on December 15 of each year through 2027. Interest on each installment is payable only at maturity. The bonds are insured by MBIA Insurance Corporation and not subject to optional redemption prior to maturity.

In February 1999, the District issued \$125,775,000 in Junior Dedicated Tax Revenue Refunding Bonds, Series 1999 (1999 Junior Bonds). The 1999 Junior Bonds were issued in order to refund the outstanding balance of the 1996 Junior Bonds and also, to pay costs of issuance of the 1999 Junior Bonds. The bonds mature on December 15 of each year commencing 2012 through 2027. The bonds bear interest ranging from 4.25% to 5.25%. Interest on the bonds is payable semi-annually on June 15 and December 15. These bonds are insured by Financial Security Assurance, Inc. and are not subject to redemption prior to the state maturity.

The difference between the reacquisition price on the 1999 Junior Bonds and the net carrying amount of the old debt is reflected as an accounting loss of \$9,460,975, which is recognized as a deferred outflow and amortized on a bonds outstanding method, which approximates an effective interest method, as a component of interest expense through the year 2027. The unamortized balance of the accounting loss was approximately \$30,544 and \$88,601 at December 31, 2025 and 2024, respectively.

The Junior Debt Service Reserve Fund, which secures the 1999 Junior Bonds, has been established as a special debt service reserve fund under Wisconsin Statutes. The District Board has adopted resolutions which provide that the rates for two of the District taxes (the Basic Room Tax and the Local Food and Beverage Tax) will increase in the event the amount on deposit in the Junior Debt Service Reserve Fund is less than the Junior Debt Service Reserve Fund requirement on any payment date.

In August 2003, the District issued \$7,804,892 in Senior Dedicated Tax Revenue Refunding Bonds, Series 2003A. These bonds are capital appreciation bonds and bear interest compounded semi-annually on each June 15 and December 15 at approximate yields ranging from 5.73% to 5.76%. Installments of the bonds mature on December 15 of 2028 through 2032. Interest on each installment is payable only at maturity. The bonds are insured by Financial Security Assurance, Inc. and are not subject to optional redemption prior to maturity.

The difference between the reacquisition price on the 2003 Refunding Bonds and the net carrying amount of the old debt is reflected as an accounting loss of \$2,145,164, which is recognized as a deferred outflow and amortized on a bonds outstanding method, which approximates an effective interest method, as a component of interest expense through the year 2027. The unamortized balance of the accounting loss was approximately \$21,984 and \$43,966 at December 31, 2025 and 2024, respectively.

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Notes to Financial Statements
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In June 2016, the District issued \$54,257,238 in Senior Dedicated Tax Revenue Bonds, Series 2016A (2016 Senior Bonds). The proceeds from the sale of the 2016 Senior Bonds were used for the purpose of financing a portion of certain of the costs associated with the initial construction and development of a sports and entertainment arena facility and related expenditures and also to pay costs of issuance of the 2016 Senior Bonds. Of the total par value of the 2016 Senior Bonds, \$3 million was issued as current interest bonds. The bonds mature on December 15 of each year commencing 2016 through 2046. The bonds bear interest ranging from 2.00% to 5.00%. Interest on the bonds is payable semi-annually on June 15 and December 15. These bonds are insured by Financial Security Assurance, Inc. and are not subject to redemption prior to the stated maturity. The 2016 Senior Bonds are special, limited obligations of the District and neither the full faith and credit nor the taxing power of the State of Wisconsin, the City of Milwaukee, the County of Milwaukee or any political subdivision of the State of Wisconsin other than the District (with respect to the Tax Revenues) will be pledged to the payment of the principal of, premium, if any or interest on the 2016 Senior Bonds.

The remaining par value of the 2016 Senior Bonds are capital appreciation bonds and bear interest compounded semi-annually on each June 15 and December 15 at approximate yields ranging from 0.60% to 3.81%. Installments of the bonds mature on December 15 of each year through 2046. Interest on each installment is payable only at maturity. The bonds are insured by Assured Guaranty Municipal Corp.

In June 2016, the District also issued \$108,065,000 Appropriation Revenue Bonds, Series 2016 (2016 Appropriation Bonds). The proceeds from the sale of the 2016 Appropriation Bonds were used for the purpose of financing a portion of certain of the costs associated with the initial construction and development of a sports and entertainment arena facility and related expenditures and also to pay costs of issuance of the 2016 Appropriation Bonds. The bonds mature on December 15 of each year commencing 2016 through 2046. The bonds bear interest ranging from 2.00% to 5.00%. Interest on the bonds is payable semi-annually on June 15 and December 15. The 2016 Appropriation Bonds are special, limited obligations of the District and neither the full faith and credit nor the taxing power of the State of Wisconsin, the City of Milwaukee, the County of Milwaukee, the District or any other political subdivision of the State of Wisconsin will be pledged to the payment of principal of and interest on the 2016 Appropriation Bonds.

In September 2016, the District issued \$37,915,000 Junior Dedicated Tax Revenue Refunding Bonds, Series 2016B (2016 Junior Bonds). The proceeds from the sale of the 2016 Junior Bonds were used to refund the 2016 Senior II bond issue. The bonds mature on December 15 of each year commencing 2016 through 2046. The bonds bear interest ranging from 4.05% to 4.59%. Interest on the bonds is payable semi-annually on June 15 and December 15.

In June 2020, the District issued \$22,835,000 Senior Dedicated Tax Revenue Bonds, Series 2020A. The proceeds from the sale of the Series 2020A Senior Bonds were used for the purpose of refunding the 1996A Senior 2020 bond maturity, funding certain preliminary costs associated with the exposition center expansion and costs associated with capital maintenance, funding the Senior Debt Service Reserve Fund for the Series 2020A bonds, to pay costs of issuance of the Series 2020A bonds and to pay capitalized interest on the Series 2020A bonds. The bonds mature on December 15 of each year commencing 2033 through 2047. The bonds carry an interest rate of 4.47%. Interest on the bonds is payable semi-annually on June 15 and December 15.

In June 2020, the District issued \$58,610,000 Junior Dedicated Tax Revenue Bonds, Series 2020B. The proceeds from the sale of the 2020 Junior Bonds were used for the purpose of refunding a portion of the 1999 Junior bond issue, funding a Section 229.50 Account of the Junior Debt Service Reserve Fund, to pay costs of issuance of the Series 2020B bonds and to pay capitalized interest on the Series 2020B bonds. The bonds mature on December 15 of each year commencing 2047 through 2050. The bonds carry an interest rate of 4.17%. Interest on the bonds is payable semi-annually on June 15 and December 15.

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The difference between the reacquisition price on the 2020B Junior Bonds and the net carrying amount of the old debt is reflected as an accounting loss of \$7,151,741, which is recognized as a deferred outflow and amortized on a bonds outstanding method, which approximates an effective interest method, as a component of interest expense through the year 2049. The unamortized balance of the accounting loss was approximately \$5,651,711 and \$5,901,716 at December 31, 2025 and 2024, respectively.

The Series 2020A and 2020B bonds are insured by Assured Guaranty Municipal Corp. and are subject to optional redemption and mandatory sinking fund redemption. The 2020 Series A and B Bonds are special, limited obligations of the District and neither the full faith and credit nor the taxing power of the State of Wisconsin, the City of Milwaukee, the County of Milwaukee or any political subdivision of the State of Wisconsin other than the District (with respect to the Tax Revenues) will be pledged to the payment of the principal of, premium, if any or interest on the 2020 Series A and B Bonds.

In December 2020, the District issued \$299,999,745 Junior Dedicated Tax Revenue Bonds, Series 2020D. The proceeds from the sale of the Series 2020D Junior Bonds will be used for the purpose of funding the development and construction of the exposition center expansion, funding a Section 229.50 Account of the Junior Debt Service Reserve Fund for the Series 2020D Junior Bonds and to pay costs of issuance of the Series 2020D bonds.

The Series 2020D Junior Bonds are capital appreciation bonds and bear interest compounded semi-annually on each June 15 and December 15 at approximate yields ranging from 2.29% to 4.06%. Installments of the bonds mature on December 15 of each year beginning in 2027 through 2060. Interest on each installment is payable only at maturity. The bonds are insured by Assured Guaranty Municipal Corp.

In December 2020, the District issued \$144,415,426 Senior Dedicated Tax Revenue Bonds, Series 2020C. The proceeds from the sale of the Series 2020C Senior Bonds will be used for the purpose of funding the development and construction of the exposition center expansion, funding the Senior Debt Service Reserve Fund for the Series 2020C Senior Bonds and to pay costs of issuance of the Series 2020C bonds.

The Series 2020C Senior Bonds are capital appreciation bonds and bear interest compounded semi-annually on each June 15 and December 15 at approximate yields ranging from 2.42% to 4.01%. Installments of the bonds mature on December 15 of each year beginning in 2028 through 2060. Interest on each installment is payable only at maturity. The bonds are insured by Assured Guaranty Municipal Corp.

In November 2021, the District issued \$23,600,000 Junior Dedicated Tax Revenue Refunding Bonds, Series 2021A. The proceeds from the sale of the Series 2021A Bonds will be used for the purpose of advance refunding the District's outstanding Junior Dedicated Tax Revenue Refunding Bonds, Series 2013A, dated March 13, 2013; funding a Series Reserve Account for the Series 2021A Bonds; and paying costs of issuance. The Series 2021A Junior Bonds are special, limited obligations of the District payable from and secured by a pledge of tax revenues. The interest rates range from .97% to 2.84%. The bonds mature on December 15, of each year commencing 2022 through 2032.

The difference between the reacquisition price on the 2021A Junior Bonds and the net carrying amount of the old debt is reflected as an accounting loss of \$228,786, which is recognized as a deferred outflow and amortized on a bonds outstanding method, which approximates an effective interest method, as a component of interest expense through the year 2032. The unamortized balance of the accounting loss was approximately \$107,740 and \$135,925 at December 31, 2025 and 2024, respectively.

In September 2022, the District issued \$31,175,000 Junior Dedicated Tax Revenue Bonds, Series 2022A. The proceeds of the sale for the Series 2022A Bonds will be used for the purpose of financing the planning, developing, programming, designing and construction of an expansion and renovation to the existing convention center; funding a Series Reserve Account for the Series 2022A Bonds; and paying costs of issuance. The interest rates range from 3.03% to 5.50%. The bonds mature on December 15, 2022 and December 15, 2061.

Wisconsin Center District

Notes to Financial Statements
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Outstanding long-term debt for the years ended December 31, 2025 and 2024 consist of the following:

	2025				
	Balance January 1, 2025	Additions	Retirements	Balance December 31, 2025	Due Within One Year
Senior Tax Revenue Bonds, Series 1996A	\$ 3,803,902	\$ -	\$ 1,341,102	\$ 2,462,800	\$ 1,266,584
Accrued interest	16,074,062	1,150,367	6,058,898	11,165,531	5,740,468
	<u>19,877,964</u>	<u>1,150,367</u>	<u>7,400,000</u>	<u>13,628,331</u>	<u>7,007,052</u>
Senior Tax Revenue Refunding Bonds, Series 2003	7,804,892	-	-	7,804,892	-
Accrued interest	18,346,717	1,524,369	-	19,871,086	-
	<u>26,151,609</u>	<u>1,524,369</u>	<u>-</u>	<u>27,675,978</u>	<u>-</u>
Senior Tax Revenue Bonds, Series 2016A	51,257,238	-	-	51,257,238	-
Accrued interest	19,091,553	2,662,645	-	21,754,198	-
	<u>70,348,791</u>	<u>2,662,645</u>	<u>-</u>	<u>73,011,436</u>	<u>-</u>
Junior Tax Revenue Refunding Bonds, Series 1999	33,170,000	-	10,000,000	23,170,000	10,980,000
Junior Tax Revenue Refunding Bonds, Series 2016B	37,315,000	-	150,000	37,165,000	150,000
2016 Appropriation Bonds	70,765,000	-	5,110,000	65,655,000	5,320,000
Senior Revenue Refunding Bonds, Series 2020A	22,835,000	-	-	22,835,000	-
Junior Tax Revenue Refunding Bonds, Series 2020B	58,610,000	-	-	58,610,000	-
Senior Tax Revenue Refunding Bonds, Series 2020C	144,415,426	-	-	144,415,426	-
Accrued interest	20,885,389	5,623,514	-	26,508,903	-
	<u>165,300,815</u>	<u>5,623,514</u>	<u>-</u>	<u>170,924,329</u>	<u>-</u>
Junior Tax Revenue Refunding Bonds, Series 2020D	287,959,111	-	-	287,959,111	-
Accrued interest	46,513,263	12,634,992	-	59,148,255	-
	<u>334,472,374</u>	<u>12,634,992</u>	<u>-</u>	<u>347,107,366</u>	<u>-</u>
Junior Tax Revenue Refunding Bonds, Series 2021A	20,670,000	-	1,020,000	19,650,000	1,040,000
Junior Tax Revenue Bonds, Series 2022A	23,395,000	-	-	23,395,000	-
Premiums	5,254,617	-	918,418	4,336,199	-
Discounts	(855,059)	-	(23,267)	(831,792)	-
Total	<u>\$ 887,311,111</u>	<u>\$ 23,595,887</u>	<u>\$ 24,575,151</u>	<u>\$ 886,331,847</u>	<u>\$ 24,497,052</u>

Wisconsin Center District

Notes to Financial Statements
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	2024				
	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024	Due Within One Year
Senior Tax Revenue Bonds, Series 1996A	\$ 5,223,962	\$ -	\$ 1,420,060	\$ 3,803,902	\$ 1,341,102
Accrued interest	20,556,310	1,497,692	5,979,940	16,074,062	5,665,903
	<u>25,780,272</u>	<u>1,497,692</u>	<u>7,400,000</u>	<u>19,877,964</u>	<u>7,007,005</u>
Senior Tax Revenue Refunding Bonds, Series 2003	7,804,892	-	-	7,804,892	-
Accrued interest	16,906,319	1,440,398	-	18,346,717	-
	<u>24,711,211</u>	<u>1,440,398</u>	<u>-</u>	<u>26,151,609</u>	<u>-</u>
Senior Tax Revenue Bonds, Series 2016A	51,257,238	-	-	51,257,238	-
Accrued interest	16,526,041	2,565,512	-	19,091,553	-
	<u>67,783,279</u>	<u>2,565,512</u>	<u>-</u>	<u>70,348,791</u>	<u>-</u>
Junior Tax Revenue Refunding Bonds, Series 1999	41,430,000	-	8,260,000	33,170,000	10,000,000
Junior Tax Revenue Refunding Bonds, Series 2016B	37,465,000	-	150,000	37,315,000	150,000
2016 Appropriation Bonds	75,650,000	-	4,885,000	70,765,000	5,110,000
Senior Revenue Refunding Bonds, Series 2020A	22,835,000	-	-	22,835,000	-
Junior Tax Revenue Refunding Bonds, Series 2020B	58,610,000	-	-	58,610,000	-
Senior Tax Revenue Refunding Bonds, Series 2020C	144,415,426	-	-	144,415,426	-
Accrued interest	15,450,662	5,434,727	-	20,885,389	-
	<u>159,866,088</u>	<u>5,434,727</u>	<u>-</u>	<u>165,300,815</u>	<u>-</u>
Junior Tax Revenue Refunding Bonds, Series 2020D	299,999,745	-	12,040,634	287,959,111	-
Accrued interest	35,910,448	12,654,482	2,051,667	46,513,263	-
	<u>335,910,193</u>	<u>12,654,482</u>	<u>14,092,301</u>	<u>334,472,374</u>	<u>-</u>
Junior Tax Revenue Refunding Bonds, Series 2021A	21,675,000	-	1,005,000	20,670,000	1,020,000
Junior Tax Revenue Bonds, Series 2022A	23,395,000	-	-	23,395,000	-
Premiums	6,257,346	-	1,002,729	5,254,617	-
Discounts	(878,326)	-	(23,267)	(855,059)	-
Total	<u>\$ 900,490,063</u>	<u>\$ 23,592,811</u>	<u>\$ 36,771,763</u>	<u>\$ 887,311,111</u>	<u>\$ 23,287,005</u>

Wisconsin Center District

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Estimated payments of other postemployment benefits and net pension liability are not included in the debt service requirement schedules.

Aggregate maturities for the bonds for years subsequent to December 31, 2025 are as follows:

Years Ending December 31:	Principal	Interest	Total
2026	\$ 18,756,584	\$ 16,993,307	\$ 35,749,891
2027	20,933,494	16,433,646	37,367,140
2028	21,441,663	16,834,091	38,275,754
2029	22,086,173	17,081,005	39,167,178
2030	23,025,713	17,549,916	40,575,629
2031-2035	129,678,569	89,052,327	218,730,896
2036-2040	101,614,675	106,760,752	208,375,427
2041-2045	101,976,404	139,014,759	240,991,163
2046-2050	133,601,480	145,554,488	279,155,968
2051-2055	87,081,513	236,084,431	323,165,944
2056-2060	60,788,192	223,953,145	284,741,337
2061	23,395,007	1,228,237	24,623,243
Total	744,379,467	<u>\$ 1,026,540,104</u>	<u>\$ 1,770,919,570</u>
Plus unamortized premium	4,336,199		
Less unamortized discount	(831,792)		
Plus accrued interest	138,447,973		
	<u>\$ 886,331,847</u>		

The District has pledged future tax revenues, net of specified operating expenses, to repay revenue bonds issued in 1996 through 2022. Proceeds from the bonds provided financing for the various projects of the District, including the refunding of outstanding debt. The bonds are payable solely from revenues and are payable through 2061. Annual principal and interest payments on the bonds are expected to require 55% and 55% as of December 31, 2025 and 2024, respectively, of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,770,919,570 and \$1,806,265,538 as of December 31, 2025 and 2024, respectively. Principal and interest paid for the current year and total net customer revenues were \$35,345,973 and \$12,591,147 and \$48,109,270 and \$17,616,460 as of December 31, 2025 and 2024, respectively.

The District's outstanding long-term debt contains provisions that in an event of default, outstanding amounts become immediately due and payable.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

9. Net Position

Net position reported on the statement of net position at December 31, 2025 and 2024, includes the following:

	<u>2025</u>	<u>2024</u>
Net investment in capital assets:		
Land	\$ 25,458,953	\$ 25,458,953
Construction in progress	623,602	291,856
Other capital assets, net of accumulated depreciation	863,537,774	887,695,696
Less long-term debt outstanding net of unspent bond proceeds and noncapital items	(685,420,999)	(703,504,351)
Less capital related accounts payable	-	(1,299,473)
Total net investment in capital assets	<u>\$ 204,199,330</u>	<u>\$ 208,642,681</u>
Restricted for debt service	<u>\$ 55,738,191</u>	<u>\$ 49,985,447</u>

10. Wisconsin Retirement System

Plan Description

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

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

Additionally, ETF issued a standalone 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, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings and creditable service.

Wisconsin Center District

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Final average earnings is the average of the participant's three highest annual earnings period. 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 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.

Postretirement 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:

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, 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 \$63,750 in contributions from the District.

Contribution rates for the plan year reported as of December 31, 2025 are:

	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.90 %	6.90 %

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

At December 31, 2025, the District reported a liability of \$79,243 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.00482264%, which was an increase of 0.00482264% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized pension expense (revenue) of (\$15,916).

At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 246,095	\$ 231,252
Changes in assumptions	23,513	-
Net differences between projected and actual earnings on pension plan investments	120,415	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	94,957
Employer contributions subsequent to the measurement date	158,845	-
Total	\$ 548,868	\$ 326,209

\$158,845 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 December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2026	\$ 20,439
2027	136,996
2028	(67,946)
2029	(25,675)

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Actuarial Assumptions

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

Actual valuation date:	December 31, 2023
Measurement date of net pension liability (asset):	December 31, 2024
Experience study:	January 1, 2021 December 31, 2023 Published November 19, 2024
Actuarial cost method:	Entry Age Normal
Asset valuation method:	Fair Value
Long-term expected rate of return:	6.8%
Discount rate:	6.8%
Salary increases:	
Wage inflation	3.0%
Seniority/merit	0.1%-5.7%
Mortality:	2020 WRS Experience Mortality Table
Postretirement adjustments*:	1.7%

* No postretirement 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 postretirement 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. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

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Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns* as of December 31, 2024			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Rate of Return %**
Public equity	38	7.0	4.3
Public Fixed income	27	6.1	3.4
Inflation Sensitive	19	4.8	2.1
Real assets	8	6.5	3.8
Private equity/Debt	20	9.5	6.7
Leverage***	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset			
Public equity	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

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

** New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.6%

*** The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the District's Proportionate Share of the Net Position Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the District'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:

	2025		
	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District's proportionate share of the net pension liability (asset)	\$ 743,411	\$ 79,243	\$ (392,628)

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>.

11. Employee Retirement System

Plan Description

The District makes contributions to the Employees' Retirement System of the City of Milwaukee (the System), a cost-sharing multiple-employer defined pension plan, on behalf of all eligible District employees. The System provides retirement, disability and death benefits to plan members and beneficiaries. The City Charter assigns the District to establish and amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Employees' Retirement System of the City of Milwaukee, 789 North Water Street, Suite 300, Milwaukee, WI 53202.

Funding Policy

For general employees participating prior to January 1, 2014, they are required to contribute or have contributed on their behalf, a percentage of their annual earnable compensation equal to 5.5% of their annual pensionable income and for general employee, participating on or after January 1, 2014, they are required to contribute 4% of their annual pensionable income. The City Charter assigns the District to establish and amend contribution requirements. The City Charter was amended so that various groups of represented and nonrepresented City employees hired on or after January 1, 2010 contribute 5.5% of their earnable compensation for pension benefits. The District's contributions to the System for the years ended December 31, 2025 and 2024, was \$981,530 and \$1,361,168, respectively, equal to the required contributions on behalf of the plan members for each year.

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Notes to Financial Statements
December 31, 2025 and 2024

At December 31, 2025, the District reported a liability of \$9,483,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actual valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions of benefit terms occurred between the actuarial date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.45185700% which was a decrease of 0.29507960% from its proportion measured as of December 31, 2023.

At December 31, 2024, the District reported a liability of \$15,372,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actual valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions of benefit terms occurred between the actuarial date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.74693660% which was an increase of 0.24027370% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2025 and 2024, the District recognized pension (revenue) expense of \$1,931,945 and \$4,350,098, respectively.

At December 31, 2025, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 165,000	\$ 3,000
Changes in assumptions	1,052,000	-
Net differences between projected and actual earnings on pension plan investments	817,000	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,369,000	2,881,000
Employer contributions subsequent to the measurement date	850,618	-
Total	<u>\$ 4,253,618</u>	<u>\$ 2,884,000</u>

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\$850,618 reported as deferred outflows related to pension resulting from the System employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2026	\$ 269,509
2027	288,424
2028	(33,359)
2029	(5,574)

At December 31, 2024, the District reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 116,000	\$ 17,000
Changes in assumptions	3,105,000	-
Net differences between projected and actual earnings on pension plan investments	1,822,000	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,661,000	329,000
Employer contributions subsequent to the measurement date	<u>850,618</u>	<u>-</u>
Total	<u>\$ 8,554,618</u>	<u>\$ 346,000</u>

\$850,618 reported as deferred outflows related to pension resulting from the System employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2025	\$ 2,537,252
2026	2,477,410
2027	2,656,585
2028	(313,247)

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Actuarial Assumptions

The last actuarial valuation was performed as of January 1, 2024 and the amounts were used to roll-forward the total pension liability to the plan's year-end, December 31, 2024, and was determined using the following actuarial assumptions, applied to all prior periods included in the measurement:

	<u>2025</u>	<u>2024</u>
Actual valuation date	January 1, 2024	January 1, 2023
Measurement date of net pension liability	December 31, 2024	December 31, 2023
Actual cost method	Entry age normal-level percentage of pay	Entry age normal-level percentage of pay
Amortization	Level dollar, closed	Level percent of payroll, closed
Asset valuation method	5-year smoothing of differences between expected return on actuarial value and actual return on market value	5-year smoothing of differences between expected return on actuarial value and actual return on market value
Actuarial assumptions:		
Investment rate of return and discount rate	6.8%	6.8%
Projected salary increases	General City 3.0%-7.5% Police & Fire: 3.0%-19.0%	General City 3.0%-7.5% Police & Fire: 3.0%-19.0%
Inflation assumption	2.5%	2.5%
Cost of living adjustments	Vary by employee group and decrement type see plan provisions)	Vary by employee group and decrement type see plan provisions)
Mortality Table	Preretirement mortality rates for General employees were based on the Pub-2010 Below Median General Employee, Retiree, Contingent Survivors or Non-Safety Disabled Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.	Preretirement mortality rates for General employees were based on the Pub-2010 Below Median General Employee, Retiree, Contingent Survivors or Non-Safety Disabled Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.
Experience Study	The actuarial assumptions used in this valuation are based on the results of the most recent experience study covering the five-year period ending December 31, 2021.	The actuarial assumptions used in this valuation are based on the results of the most recent experience study covering the five-year period ending December 31, 2021.

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Notes to Financial Statements
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Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using Callan Associates' 10-year geometric capital market projections. Projected long-term rates of return for each major asset class in the Retirement System's target asset allocation for the years ended December 31, 2025 and 2024, are summarized in the following tables:

Asset Class	2025	
	Asset Allocation	Long-Term Expected Rate of Return
Public equity	44.00 %	7.30 %
Fixed income	23.00	3.10
Real estate	9.70	5.10
Real assets	3.30	4.60
Private equity	10.00	10.00
Absolute return	10.00	3.60
	<u>100.00 %</u>	

Asset Class	2024	
	Asset Allocation	Long-Term Expected Rate of Return
Public equity	44.00 %	7.30 %
Fixed income	23.00	3.10
Real estate	9.70	5.10
Real assets	3.30	4.60
Private equity	10.00	10.00
Absolute return	10.00	3.60
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability for the years ended December 31, 2025 and 2024 was 6.80% and 6.80%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from ERS agencies will be made at contractually required rates, actuarially determined. Based on those assumptions, the ERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The cross over analysis produces a single rate of 6.80% for the year ended December 31, 2025 and 6.80% for the year ended December 31, 2024, which reflects the long-term expected rate of return on ERS investments. Therefore, the discount rate was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability (asset) as of allocation for the years ended December 31, 2025 and 2024, calculated using the discount rate percent as well as what the District'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%) for 2025 and 1-percentage-point higher (7.80%) for 2024 and 1-percentage point lower (6.80%) than the current rate (in thousands):

	2025		
	1% Decrease (5.80%)	Current Discount (6.80%)	1% Increase (7.80%)
District's proportionate share of the net pension liability (asset)	\$ 13,902,000	\$ 9,483,000	\$ 5,822,000
	2024		
	1% Decrease (5.80%)	Current Discount (6.80%)	1% Increase (7.80%)
District's proportionate share of the net pension liability (asset)	\$ 22,522,000	\$ 15,372,000	\$ 9,449,000

For additional information regarding ERS's financial statements and audit report, please visit the ERS web site at <http://www.cmers.com/About-Us/Reports.htm>.

12. Other Postemployment Benefits

General Information About the OPEB Plan

The District participates in the City of Milwaukee healthcare plan. The City is self-insured for benefits under the plan. The plan provides other postemployment benefits (OPEB) to its retirees for health insurance. The plan provides for benefits based on several employee groups. For purposes of the plan, the District's employees are classified as general City of Milwaukee employees.

Plan Description and Benefits Provided

The City plan is a single-employer, defined benefit healthcare plan administered by both the City of Milwaukee and Milwaukee's Employee Retirement System (MERS) and United Health Care. The City of Milwaukee provides medical insurance benefits for substantially all retirees in accordance with terms set forth in labor contracts or by Common Council resolution. Retirees are eligible to enroll in any of the group plans offered by the City of Milwaukee to its active employees. Currently, a PPO plan, (aka the Basic Plan) and an EPO plan, (aka a Health Maintenance Organization (HMO) plan) are offered to active employees.

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The plan provides full health insurance coverage to general City of Milwaukee employees hired prior to January 1, 2014 who retire at age 55, but less than age 65, with 30 years of creditable service or age 60, but less than age 65, with 15 years of creditable service until the age of 65. For those employees hired after January 1, 2014, they may retire at age 60 with 30 years of creditable service or are 65 with 15 years of creditable service. Management employees retiring beginning in 2004 at age 55, but less than 65, pay a portion of health insurance the same manner as active management employees, currently 12%.

After attaining the age of 65 and having completed a minimum of 15 years of creditable service, all retirees are eligible to enroll in a subsidized plan for medical insurance. The retiree pays 100% of the cost except for those grandfathered that retired prior to June 11, 2015. WCD contributes 25% subsidy of the premium for those retirees.

Employees Covered by Benefit Terms

At December 31, 2025, the District had seven active members and seven inactive plan members or beneficiaries currently receiving benefits. At December 31, 2024, the District had seven active members and nine inactive plan members or beneficiaries currently receiving benefits.

The District's total OPEB liability of \$2,135,575 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025. The District's total OPEB liability of \$2,530,992 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2023.

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Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2025 and January 1, 2023 actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>2025</u>	<u>2024</u>
Inflation	3.00%	3.00%
Salary increases	For general employees, salary increase rates start at 6.25% at service 1 and decrease steadily to 3.00% at service 35.	For general employees, salary increase rates start at 6.25% at service 1 and decrease steadily to 3.00% at service 35.
Healthcare cost trend rates	Pre-Medicare trend rates are 8.0% for 2026, 7.0% for 2027 and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2038. Post-Medicare trend rates are 9.0% for 2026, 8.25% for 2027 and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2043.	Pre-Medicare trend rates are 5.0% for 2024, 7.0% for 2025 and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2036. Post-Medicare trend rates are -2.60% for 2024, 8.0% for 2025 and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2040.
Retirees' share of benefit related costs	45% of projected health insurance premiums for retirees.	45% of projected health insurance premiums for retirees.
Mortality	For regular retirees, PUB-2010 Below Median Income Healthy Annuitant Mortality Table (using one-year setback for males and two-year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For duty and ordinary disability retirees, PUB-2010 Non-Safety Disabled Retiree Mortality Table (using one-year setback for males and two-year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For death in active service, PUB-2010 Below Median Income General Employee Mortality Table (using one-year setback for males and two-year set forward for females) (base year 2010) projected generationally with Scale MP-2021.	For regular retirees, PUB-2010 Below Median Income Healthy Annuitant Mortality Table (using one-year setback for males and two-year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For duty and ordinary disability retirees, PUB-2010 Non-Safety Disabled Retiree Mortality Table (using one-year setback for males and two-year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For death in active service, PUB-2010 Below Median Income General Employee Mortality Table (using one-year setback for males and two-year set forward for females) (base year 2010) projected generationally with Scale MP-2021.

The discount rate was based on Fidelity's 20-Year Municipal GO AA Index as of each measurement date.

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Changes in the Total OPEB Liability

	Total OPEB Liability	
	2025	2024
Balance, Beginning	\$ 2,530,992	\$ 2,707,870
Changes for the year:		
Service cost	78,067	85,266
Interest on the Total OPEB liability	92,160	95,959
Changes of benefit terms	(269,066)	-
Difference between expected and actual experience	(21,181)	(2,257)
Difference due to change in proration percentage	(67,921)	(159,286)
Changes in assumptions	(119,921)	(106,999)
Benefit payments	(87,555)	(89,561)
Net changes	(395,417)	(176,878)
Balance, Ending	<u>\$ 2,135,575</u>	<u>\$ 2,530,992</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.08% in 2024 to 4.83% in 2025 and a change in the healthcare cost trend rate. Changes of assumptions and other inputs reflect a change in the discount rate from 3.77% in 2023 to 4.08% in 2024 and a change in the healthcare cost trend rate.

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

The following presents the total OPEB liability of the District for the years ended December 31, 2025 and 2024, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	2025		
	1% Decrease (3.83%)	Current Discount (4.83%)	1% Increase (5.83%)
Total OPEB liability	\$ 2,424,791	\$ 2,135,575	\$ 1,897,183
	2024		
	1% Decrease (3.08%)	Current Discount (4.08%)	1% Increase (5.08%)
Total OPEB liability	\$ 2,902,757	\$ 2,530,992	\$ 2,228,277

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

The following presents the total OPEB liability of the District for the years ended December 31, 2025 and 2024, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	2025		
	1% Decrease	Current Healthcare Cost Assumption	1% Increase
Total OPEB liability	\$ 1,891,377	\$ 2,135,575	\$ 2,436,727
	2024		
	1% Decrease	Current Healthcare Cost Assumption	1% Increase
Total OPEB liability	\$ 2,198,074	\$ 2,530,992	\$ 2,949,540

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

For the years ended December 31, 2025 and 2024, the District recognized OPEB expenses (revenue) of \$(545,678) and \$(105,593), respectively.

At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual noninvestment experience	\$ -	\$ 294,059
Difference in proration percentages	93,838	647,110
Changes in assumptions or other inputs	53,437	709,436
Total	<u>\$ 147,275</u>	<u>\$ 1,650,605</u>

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

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2026	\$ (542,568)
2027	(555,753)
2028	(271,274)
2029	(77,214)
2030	(45,282)
Thereafter	(11,239)

At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual noninvestment experience	\$ -	\$ 391,043
Difference in proration percentages	150,438	909,738
Changes in assumptions or other inputs	272,300	775,548
Total	<u>\$ 422,738</u>	<u>\$ 2,076,329</u>

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

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2025	\$ (326,320)
2026	(509,604)
2027	(522,789)
2028	(238,310)
2029	(44,250)
Thereafter	(12,318)

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

13. Advertising Agreements

The District has negotiated advertising agreements with several corporations for the right to advertise on the Arena's main and auxiliary scoreboards and the digital signage on the walls of the Baird Center's Exhibit Halls. The original terms of these agreements require varying annual payments and have expiration dates ranging through 2038. The District has negotiated trade agreements with several corporations for miscellaneous advertising in promotional material in exchange for equipment and rate reductions.

The District entered into an agreement with Molson Coors for advertising and naming rights in 2015, extending through 2022 and renewing through 2026.

The District entered into an agreement with UW-Milwaukee for advertising and naming rights with an effective date of June 2014. The 10 year agreement grants UW-Milwaukee naming rights to the UW-Milwaukee Panther Arena, along with associated advertising and right to book priority, in exchange for financial support. The agreement was subsequently extended through June 30, 2029.

The District entered into an agreement with Baird Financial Corporation for advertising and naming rights with an effective date of March 10, 2023. The agreement included a transition period from March 10, 2023 through April 30, 2024. The 15-year advertising and naming rights agreement commenced May 1, 2024 and expires April 30, 2039.

For all advertising and naming rights revenues collectively, the District recognized \$1,782,432 and \$1,152,386 in 2025 and 2024, respectively, under the advertising and naming rights agreements.

14. Lease Agreements

The District is a lessor for multiple leases of buildings, advertising space and naming rights. The District recognizes a lease receivable and a deferred inflow of resources in the financial statements. For the fiscal years ending 2025 and 2024, the District recognized \$2.1 and \$2.2 million in lease revenue and \$1,801,537 and \$1,679,502 in lease related interest revenue, respectively. Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts. The District uses its estimated incremental borrowing rate as the discount rate for leases, with interest rates ranging between 2.0% and 5.0%. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lease. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. As of December 31, 2025 and 2024, the District recorded approximately \$39.3 and \$40.5 million of lease receivables and associated deferred inflows, respectively.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

The value of future minimum lease payments as of December 31, 2025 is as follows:

<u>Years</u>	<u>Lease Receivable</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,027,082	\$ 1,669,389	\$ 3,696,471
2027	1,830,894	1,524,334	3,355,228
2028	1,784,052	1,397,800	3,181,852
2029	1,359,373	1,277,959	2,637,332
2030	1,420,231	1,189,278	2,609,509
2031-2035	9,664,658	4,549,744	14,214,402
2036-2040	11,165,984	1,986,722	13,152,706
2041-2045	9,343,266	684,370	10,027,636
2046 and beyond	703,878	4,724	708,602
Total	<u>\$ 39,299,418</u>	<u>\$ 14,284,320</u>	<u>\$ 53,583,738</u>

The value of future minimum lease payments as of December 31, 2024 is as follows:

<u>Years</u>	<u>Lease Receivable</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,918,330	\$ 1,774,783	\$ 3,693,113
2026	1,794,674	1,638,489	3,433,163
2027	1,598,696	1,507,542	3,106,238
2028	1,634,142	1,388,810	3,022,952
2029	1,257,985	1,276,247	2,534,232
2030-2034	8,803,951	5,023,806	13,827,757
2035-2039	11,864,583	2,450,538	14,315,121
2040-2044	8,856,487	879,082	9,735,569
2045 and beyond	2,772,996	61,412	2,834,408
Total	<u>\$ 40,501,844</u>	<u>\$ 16,000,709</u>	<u>\$ 56,502,553</u>

15. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers 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.

Wisconsin Center District

Notes to Financial Statements
December 31, 2025 and 2024

16. Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the District 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 the District's attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

17. Subsequent Event

The District has evaluated subsequent events through May 15, 2026 which is the date that the financial statements were approved and issued.

On March 17, 2026, the District issued Appropriation Revenue Bonds in the amount of \$57,855,000 with an interest rate of 5.0% payable through 2035. This amount was used for the refunding of the 2016 Appropriation Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

Wisconsin Center District

Schedule of Changes in the Total OPEB Liability and Related Ratios -
 Other Postemployment Benefits Obligation - District Retiree Benefits Plan
 Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability								
Service cost	\$ 78,067	\$ 85,266	\$ 84,914	\$ 160,172	\$ 212,786	\$ 186,116	\$ 136,311	\$ 136,033
Interest	92,160	95,959	101,693	74,115	103,487	128,715	132,287	111,310
Change in benefit terms	(269,066)	-	-	-	-	-	-	-
Differences between expected and actual experience	(21,181)	(2,257)	(511,609)	(3,006)	(81,583)	(17,136)	(167,725)	(496)
Difference due to change in proration percentage	(67,921)	(159,286)	62,604	(1,472,325)	52,014	321,033	338,015	-
Changes of assumptions	(119,921)	(106,999)	141,573	(1,211,938)	(132,235)	613,315	715,649	(191,208)
Benefit payments	(87,555)	(89,561)	(93,434)	(93,526)	(134,348)	(117,474)	(122,566)	(97,779)
Net change in total OPEB liability	(395,417)	(176,878)	(214,259)	(2,546,508)	20,121	1,114,569	1,031,971	(42,140)
Total OPEB Liability, Beginning	<u>2,530,992</u>	<u>2,707,870</u>	<u>2,922,129</u>	<u>5,468,637</u>	<u>5,448,516</u>	<u>4,333,947</u>	<u>3,301,976</u>	<u>3,344,116</u>
Total OPEB Liability, Ending	<u>\$ 2,135,575</u>	<u>\$ 2,530,992</u>	<u>\$ 2,707,870</u>	<u>\$ 2,922,129</u>	<u>\$ 5,468,637</u>	<u>\$ 5,448,516</u>	<u>\$ 4,333,947</u>	<u>\$ 3,301,976</u>
Covered-Employee Payroll	\$ 601,393	\$ 539,603	\$ 819,639	\$ 809,644	\$ 1,067,618	\$ 1,172,117	\$ 1,134,035	\$ 1,169,486
Total OPEB Liability as a Percentage of Covered-Employee Payroll	355.10 %	469.05 %	330.37 %	360.92 %	512.23 %	464.84 %	382.17 %	282.34 %

Note: This schedule is to show information for 10 years.

However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Wisconsin Center District

Schedule of Employer Contributions - Other Postemployment Benefits Obligation -
 District Retiree Benefits Plan
 Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer Contributions								
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 601,393	\$ 539,603	\$ 819,639	\$ 809,644	\$ 1,067,618	\$ 1,172,117	\$ 1,134,035	\$ 1,169,486
Contributions as a Percentage of Covered-Employee Payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Note: This schedule is to show information for 10 years.
 However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Wisconsin Center District

Schedule of Proportionate Share of the Net Pension Liability - Wisconsin Retirement System
 Year Ended December 31, 2025

WRS Fiscal Year Ending Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/24	0.0048226 %	\$ 79,243	\$ 923,920	8.58 %	98.79 %

Schedule of Employer Contributions - Wisconsin Retirement System
 Year Ended December 31, 2025

District Fiscal Year Ending Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/25	\$ 158,845	\$ 158,845	\$ -	\$ 2,285,539	6.95 %

See notes to required supplementary information

Wisconsin Center District

Schedule of Proportionate Share of the Net Pension Liability - City of Milwaukee Employees' Retirement System Year Ended December 31, 2025

ERS Fiscal Year Ending Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.4452734 %	\$ 1,873,000	\$ 2,386,000	78.50 %	91.87 %
12/31/16	0.4584119 %	1,953,000	2,677,000	72.95 %	91.98 %
12/31/17	0.4430224 %	1,606,000	2,557,000	62.81 %	93.70 %
12/31/18	0.3839785 %	5,141,000	2,205,000	233.15 %	78.71 %
12/31/19	0.4727950 %	4,252,000	2,489,000	170.83 %	84.83 %
12/31/20	0.5241643 %	5,727,000	3,126,000	183.21 %	83.79 %
12/31/21	0.3760866 %	1,691,000	2,205,000	76.69 %	93.46 %
12/31/22	0.5066629 %	7,708,000	2,935,000	262.62 %	78.41 %
12/31/23	0.7469366 %	15,372,000	4,476,270	343.41 %	73.51 %
12/31/24	0.4518570 %	9,483,000	2,726,080	347.86 %	73.70 %

Schedule of Employer Contributions - City of Milwaukee Employees' Retirement System Year Ended December 31, 2025

District Fiscal Year Ending Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/16	\$ 367,387	\$ 367,387	\$ -	\$ 4,065,887	9.04 %
12/31/17	396,188	396,188	-	4,217,087	9.39 %
12/31/18	344,739	344,739	-	4,319,375	7.98 %
12/31/19	380,313	380,313	-	5,470,162	6.95 %
12/31/20	438,510	438,510	-	3,759,981	11.66 %
12/31/21	327,138	327,138	-	5,067,756	6.46 %
12/31/22	435,695	435,695	-	7,130,635	6.11 %
12/31/23	1,319,358	1,319,358	-	8,052,109	16.39 %
12/31/24	850,618	850,618	-	9,720,397	8.75 %
12/31/25	850,618	850,618	-	9,958,618	8.54 %

See notes to required supplementary information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Wisconsin Center District

Notes to Required Supplementary Information
Years Ended December 31, 2025 and 2024

1. Wisconsin Retirement System (WRS)

The amounts presented in relation to the schedule of employer's proportionate share of the net pension liability and the schedule of employer contributions represents the specific data of the District. The information was derived using a combination of the employer's contribution data along with data provided by the Wisconsin Retirement System in relation to the District as a whole.

The District is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented. The District joined the Wisconsin Retirement System in 2024.

Changes of benefit terms: There were no changes of benefit terms for any participating employer in Wisconsin Retirement System.

Changes in 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 postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

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

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement 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

Wisconsin Center District

Notes to Required Supplementary Information
Years Ended December 31, 2025 and 2024

2. Employees' Retirement System (ERS)

The amounts presented in relation to the schedule of employer's proportionate share of the net pension liability and the schedule of employer contributions represents the specific data of the District. The Information was derived using a combination of the employer's contribution data along with data provided by the ERS in relation to the District as a whole.

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

Change of assumptions.

- Changes for 2025
 - There were no significant changes in assumptions from the prior year.
- Changes for 2024
 - There were no significant changes in assumptions from the prior year.

The District is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

3. Other Postemployment Benefits - District Retiree Benefits Plan

The District is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. Change from self-insured Medicare plans with medical and prescription coverage through the United Healthcare Choice Plan (EPO) and the United Healthcare Choice Plus Plan (PPO) to a low-cost fully-insured Medicare Advantage medical plan and self-insured prescription benefit plan.

Changes in assumptions.

- Changes for 2025
 - The discount rate was changed from 4.08% in 2024 to 4.83% in 2025.
- Changes for 2024
 - The discount rate was changed from 3.77% in 2023 to 4.08% in 2024.

OTHER AUDITORS' REPORT

**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***

Independent Auditors' Report

To the Board of Directors of
Wisconsin Center District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Wisconsin Center District (the District), which comprise the statement of net position as of December 31, 2025, and the related statements of revenues, expenses, changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*.

The District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

Baker Tilly US, LLP

Milwaukee, Wisconsin
May 15, 2026

Wisconsin Center District

Schedule of Findings and Responses
Year Ended December 31, 2025

Finding 2025-001: Internal Control Over Financial Reporting

Criteria: Generally accepted auditing standards AU-C Section 265 requires the communication of significant deficiencies and material weaknesses in the year end reporting process.

Condition: The District's personnel do not have the necessary technical expertise in governmental accounting and reporting to process all necessary year-end journal entries and prepare the financial statements and in accordance with generally accepted accounting principles.

Effect: Information provided to management throughout the year may not be presented in accordance with generally accepted accounting principles.

Cause: Due to staffing and financial limitations, the District chooses to contract with the auditors to prepare the annual financial statements.

Recommendations: Management should evaluate the cost benefit relationship of continuing to use the services of the audit firm to prepare financial statements. Management should continue to review and closely monitor the financial affairs of the organization.

Management's Response: Management agrees with the finding and has determined that due to the size of the organization and the limited number of accounting and administrative personnel, it is not cost effective to hire additional personnel or use the services of another CPA firm to prepare the organization's financial statements.