

Open Meetings Notice

The meeting of the Board of Directors for the Wisconsin Economic Development Corporation will be held on February 22, 2018 in WEDC's First Floor Conference Room, located at 201 West Washington Avenue, Madison, WI 53703. The items to be discussed are included below. Note that some members of the Board may attend by phone. Note also that the meeting will be closed under Wis. Stat. § 19.85(1) as indicated below.

Agenda

Wisconsin Economic Development Corporation Meeting of the Board of Directors

WEDC
First Floor Conference Room
201 West Washington Avenue
Madison, WI 53703

February 22, 2018
9:00 - 11:00 a.m.

1. Call to Order and Roll Call
2. Approval of Minutes from the November 8, 2017; December 20, 2017; and January 25, 2018 Meetings
3. Entrepreneurship Capacity Building Awards Presentation
 - *Aaron Hagar, Vice President of Entrepreneurship and Innovation, WEDC*
 - *Elizabeth Lundberg, Executive Director at BizStarts Milwaukee*
 - *Hetti Brown, Executive Director at Coulee Cap*
4. Chair Report
5. CEO Report
 - a. Credit & Risk Quarterly Report
 - b. Foxconn Update
 - c. WEDC In The News – *Mark Maley*
6. COO Report
 - a. Introduce New Staff:
 - i. *Vincent Rice, Vice President of Sector Strategy Development*
 - ii. *Jela Trask, Key Business Liaison, Business & Investment Attraction Director*
 - iii. *Rebecca Deschane, Talent Initiatives Director*
 - iv. *Justin Phillips, Legislative Liaison*

7. CFO Report

- a. Quarterly Financial Report
- b. Review and Vote on FY18 Budget Amendment Resolution

8. Committee Reports

- a. Audit Committee
- b. Budget & Finance Committee
- c. Awards Administration Committee
 - i. Review and Vote on Awards Committee Charter Revision
 - ii. Closed Session

Per Wis. Stat. § 19.85(1)(e) a closed session is authorized for deliberating the investing of public funds whenever competitive or bargaining reasons require a closed session. The Board will be meeting in closed session to review pending economic development projects. The Board will open the meeting again at the end of the closed session.

9. Adjournment



**WEDC BOARD MEETING MINUTES
BOARD OF DIRECTORS TELECONFERENCE**

**WEDC
First Floor Conference Room
201 West Washington Avenue
Madison, WI 53703**

**November 8, 2017
1:30 - 4:30 P.M.**

(These minutes should be read in conjunction with the agenda and documents prepared for the meeting.)

BOARD MEMBERS PRESENT:

- Lisa Mauer, Rickert Industries
- Nancy Hernandez, ABRAZO
- Representative Dana Wachs, 91st Assembly District
- Senator Tim Carpenter, 3rd Senate District
- Senator Dan Feyen, 18th Senate District
- David Drury, WING Capital Group
- R.D. Nair, University of Wisconsin School of Business
- Secretary Rick Chandler, Department of Revenue
- Secretary Scott Neitzel, Department of Administration

BOARD MEMBERS PRESENT VIA TELECONFERENCE:

- Ray Dreger, Seeds 'N Stuff Farm Market, Inc.
- Tom Sylke, Setter Roche LLP
- Representative Rob Hutton, 13th Assembly District
- Jim Ladwig, SC Johnson

BOARD MEMBERS EXCUSED:

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CALL TO ORDER AND ROLL CALL

Lisa Mauer called the meeting to order at 1:30 p.m.

APPROVAL OF MINUTES FROM THE SEPTEMBER 8, SEPTEMBER 28, AND OCTOBER 17, 2017 MEETINGS

The Board received copies of the meeting minutes from the open and closed sessions of the 9/8/17, 9/28/17, and 10/17/17 Board meetings.

Dave Drury moved to approve the minutes. Nancy Hernandez seconded the motion. No objections were raised and the motion carried unanimously to approve the open and closed session minutes from 9/8/17, 9/28/17, and 10/17/17 Board meetings.

BOARD OF DIRECTORS ORIENTATION

Paul Ferguson from the Wisconsin Department of Justice spoke to the Board about oversight, accountability, and clarity in relation to Wisconsin's open meeting and public records laws. He reviewed what constitutes a meeting and advised how to avoid accidental quorums. He also clarified which documents are considered a record and therefore open to public view and reminded members of the state's record retention policy.

CHAIR REPORT

Lisa Mauer welcomed Representative Dana Wachs and thanked Representative Peter Barca for his six years of dedicated service on the Board of Directors.

CEO REPORT

Mark Hogan reviewed the credit and risk quarterly reports with the Board.

- The past due loan amounts were on par with 2016 totals at \$9.8 million
 - One loan included in the total met requirements for full forgiveness and this loan will be removed from the list prior to 12/31/17.
 - A majority of the remaining past due loan amount is to two borrowers – Kestrel and Green Box
- There was one charge off during this quarter.
- Three tax credit revocations in the current quarter have been referred to the Department of Revenue for processing.
- Overdue performance reports and schedule of expenditures decreased as is common due to seasonality.
- 37 awards accounting for \$63 million in activity were processed in the current quarter.

Mark Hogan updated the Board on the status of WEDC's efforts to collect on the Appleton Coated and Kestrel Aircraft loans.

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COO REPORT

Kelly Leitz updated the Board on the status of the Think-Make-Happen marketing campaign:

- The campaign is targeting young professionals (21-35 years of age), who may be Wisconsin college/university alumni, and who live in Chicago or near the Illinois border.
- The message of the campaign is “More You” and focuses on the non-tangible benefits of living in Wisconsin regarding work, housing, recreation, and the merits of each unique region of the state.
- WEDC have created new social media channels for the campaign on Twitter, Facebook Instagram, and LinkedIn.
- WEDC has created a separate website for the campaign and hopes to launch it in mid-December.

CFO REPORT

Brian Nowicki reviewed the June 30, 2017 financials with the Board.

- Revenues show an unfavorable variance of \$0.9 million, mainly due to timing differences of when draws are requested for WEDC’s federal grant programs -WEDC will be able to draw on these federal grant funds in FY18. In addition, investment interest income is lower than FY16, as WEDC recorded unrealized losses due rising short-term interest rates in FY17.
- Expenditures show a favorable variance of \$8.7 million due mainly to:
 - actual cash disbursements from current and prior year program awards were less than their program budgets
 - lower loan loss reserves, due primarily to reduced activity in the performance-based loan portfolio
 - operational expense savings in professional fees, travel, events and conferences, supplies and equipment, and research and marketing tools
- The fund balance shows favorable variance of \$7.8 million which will be used to fund the deficit spending plan for FY18.
- Fiscal Year 2017 program activity shows an 89% placement rate for FY17 funds with \$31.5 million in grants, loans, and key strategic partnerships committed or contracted.

REVIEW AND VOTE ON SUBMISSION OF PROGRAMMATIC REPORT (AS REQUIRED UNDER § WIS. STAT. 238.07(1))

Tricia Braun reviewed the programmatic report with the Board. The report is statutorily required and delivered to the State Legislature on an annual basis. The report summarizes WEDC’s FY18 Budget & Operations Plan on a high level and its planning and implementation strategy for FY19’s Budget & Operations Plan.

Senator Dan Feyen moved to approve the programmatic report. Dave Drury seconded the motion. No objections were raised and the motion carried unanimously to approve the programmatic report and its submission to the Legislature.

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COMMITTEE REPORTS

Budget & Finance Committee Report

No report was provided to the Board because the last Budget & Finance Committee meeting occurred recently, on November 6, 2017.

Audit Committee Report

No report was provided to the Board because the last Audit Committee meeting occurred recently, on November 6, 2017.

YEAR END COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Dan Berg from Sikich presented the CAFR to the Board. Sikich issued a 'clean opinion' of WEDC. They did not encounter any difficulties in performing their audit, there were no disagreements with WEDC management, and WEDC did not seek a consultation with other independent accountants. Any adjusting entries found during the audit were resolved by WEDC management. WEDC again earned the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

This was the first year that a Single Audit was required for WEDC's federal programs. Sikich provided one recommendation, which was also provided as part of the CAFR audit, which was to review the user access rights within WEDC's payroll system software to ensure that employees have access to the systems they need to do their job, but not extraneous system access. WEDC management agreed with this recommendation and have already limited administrator access to only the Payroll & Benefits Specialist and Human Resources Assistant. For control purposes, the Vice President of Human Resources will continue to receive a bi-weekly report from PDS that includes a change report showing all hires, terminations, and pay changes and this report will be reviewed bi-weekly for accuracy.

VOTE ON RECOMMENDING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT AND AUDITOR'S COMMUNICATION TO THE BOARD

Senator Dan Feyen motioned to approve the Comprehensive Annual Financial Report and Auditor's Communication. Jim Ladwig seconded the motion with a unanimous vote to approve the Comprehensive Annual Financial Report and Auditor's Communication.

Awards Administration Committee Report

The Board was provided a summary of the September 27 and October 17, 2017 Awards Administration Committee meetings.

CLOSED SESSION

In open session, Lisa Mauer proposed the Board enter closed session to discuss pending economic development project negotiations as recommended by the Awards Administration Committee.

Lisa Mauer requested a motion to approve entering closed session. Motion was made by Nancy Hernandez with a second by Dave Drury. The motion to move into closed session

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passed with a majority vote – Senator Tim Carpenter and Representative Dana Wachs stood in opposition.

Members of the public excused themselves for closed session.

See separate minutes for closed session.

RESUMPTION OF OPEN MEETING

The meeting reconvened in open session at 4:03 p.m.

ADJOURNMENT

Lisa Mauer adjourned the meeting at 4:04 p.m.

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**WEDC BOARD MEETING MINUTES
BOARD OF DIRECTORS TELECONFERENCE**

**WEDC
Sixth Floor Conference Room
201 West Washington Avenue
Madison, WI 53703**

**December 20, 2017
3:00 - 4:00 P.M.**

(These minutes should be read in conjunction with the agenda and documents prepared for the meeting.)

BOARD MEMBERS PRESENT:

- Senator Tim Carpenter, 3rd Senate District
- Representative Dana Wachs, 91st Assembly District

BOARD MEMBERS PRESENT VIA TELECONFERENCE:

- Lisa Mauer, Rickert Industries
- Ray Dreger, Seeds 'N Stuff Farm Market, Inc.
- Nancy Hernandez, ABRAZO
- Senator Dan Feyen, 18th Senate District
- Tom Sylke, Setter Roche LLP
- Representative Rob Hutton, 13th Assembly District
- David Drury, WING Capital Group
- R.D. Nair, University of Wisconsin School of Business
- Secretary Rick Chandler, Department of Revenue
- Secretary Scott Neitzel, Department of Administration

BOARD MEMBERS EXCUSED:

- Jim Ladwig, SC Johnson

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CALL TO ORDER AND ROLL CALL

Lisa Mauer called the meeting to order at 3:02 p.m.

REVIEW AND VOTE ON THE BUSINESS DEVELOPMENT LOAN PROGRAM GUIDELINE

Barb LaMue reviewed the Business Development Loan Program (BDL) guidelines and answered Board member questions.

The program offers financing primarily to small businesses that have limited access to standard types of debt or equity financing, particularly, but not limited to, rural areas of the state. The program is intended to provide gap financing to existing businesses seeking to expand, increase operational efficiency, or enhance competitiveness in key Wisconsin industries.

Funding for this program was approved in the State of Wisconsin's 2017-19 Biennial Budget, but since there is only a portion of time left to administer this program, WEDC will use half of the \$3 million original allocation for this program and half will be transferred into the Community Development Investment Grant Program as part of the budget amendment, to be brought to the Board in February.

R.D. Nair moved to approve the program guidelines, motion seconded by Nancy Hernandez with a unanimous vote to approve the program guidelines.

CODE OF ETHICS & CONDUCT UPDATE

Anne Jesko reviewed updates to the Code of Ethics and Conduct (COEC) with the Board and answered member questions.

COEC updates included:

- Updating references:
 - Removing "Government Accountability Board" and "GAB" and replacing with "Wisconsin Ethics Commission".
 - Removing references to "VP of Credit and Risk" and replace either "CFO" or "Senior Financial Services Manager"
 - Changing "Whistleblower" to "Ethics Hotline"
- Updating the Strategic Pillars to align with the pillars listed on the InWisconsin.com website - consolidated from 6 pillars to 5.
- Change to Awards Administration Policy, for awards whose application was received after February 1, 2017: Pursuant to the motion enacted by the Board of Directors on December 13, 2016, the Awards Administration Committee must approve any amendment to an award under which jobs must be retained or created and there has been reduction in the awardee's statewide employment.
- Changes to Travel and Reimbursement Policy based on internal monitoring and LAB recommendations
- Add "Think-Make-Happen" language to 'Use of WI Logos' section and guideline instructions

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CLOSED SESSION

In open session, Lisa Mauer proposed the Board enter closed session to discuss pending economic development project negotiations as recommended by the Awards Administration Committee.

Lisa Mauer requested a motion to approve entering closed session. Motion was made by Dave Drury with a second by Representative Rob Hutton. The motion to move into closed session passed unanimously.

Members of the public excused themselves for closed session.

See separate minutes for closed session.

RESUMPTION OF OPEN MEETING

The meeting reconvened in open session at 3:38 p.m.

ADJOURNMENT

Lisa Mauer adjourned the meeting at 3:40 p.m.

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**WEDC BOARD MEETING MINUTES
BOARD OF DIRECTORS TELECONFERENCE**

**WEDC
Sixth Floor Conference Room
201 West Washington Avenue
Madison, WI 53703**

**January 25, 2018
11:00 A.M. - 12:00 P.M.**

(These minutes should be read in conjunction with the agenda and documents prepared for the meeting.)

BOARD MEMBERS PRESENT:

- Senator Tim Carpenter, 3rd Senate District

BOARD MEMBERS PRESENT VIA TELECONFERENCE:

- Ray Dreger, Seeds 'N Stuff Farm Market, Inc.
- Nancy Hernandez, ABRAZO
- Senator Dan Feyen, 18th Senate District
- Tom Sylke, Setter Roche LLP
- Representative Rob Hutton, 13th Assembly District
- Representative Dana Wachs, 91st Assembly District
- David Drury, WING Capital Group
- R.D. Nair, University of Wisconsin School of Business
- Jim Ladwig, SC Johnson
- Secretary Rick Chandler, Department of Revenue

BOARD MEMBERS EXCUSED:

- Lisa Mauer, Rickert Industries
- Secretary Scott Neitzel, Department of Administration

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CALL TO ORDER AND ROLL CALL

Nancy Hernandez called the meeting to order at 11:02 a.m.

REVIEW AND VOTE ON LAB AUDIT RESPONSES

Mark Hogan reminded the Committee members that they reviewed WEDC's preliminary LAB audit responses at the July 5, 2017 meeting and explained that the responses coming before them today were more detailed and reflected changes made since their initial review.

One of LAB's recommendations was to have WEDC submit to the Joint Legislative Audit Committee (JLAC) a report detailing loan delinquency information for the periods of July 2017 – December 2018 (due to JLAC by 2/1/18) and January 2018 – June 2018 (due to JLAC 8/1/18). The Audit Committee reviewed the report compiled for JLAC and noted that WEDC staff also included information for the prior semi-annual period, ending 6/30/17, for comparison purposes.

Another LAB recommendation was that WEDC work with the Department of Workforce Development (DWD) to verify the job information submitted by loan/grant recipients. Mark Hogan informed the Committee that WEDC should have an executed memo of understanding with DWD to access their employment information within a few days.

Senator Carpenter noted the LAB audit mentioned an instance where, based on attorney-client privilege, WEDC declined to provide LAB the specific results of outside counsel's review of WEDC's policies. Senator Carpenter objected to WEDC using attorney-client privilege as a reason for not providing the information requested and he indicated that was the reason he was opposed to approving the WEDC's response to the audit recommendations. Mark Hogan indicated WEDC's use of attorney-client privilege was appropriate in this situation. He also noted this specific comment by LAB was not in any of LAB's 18 recommendations.

Dave Drury motioned to recommend the Board accept the LAB audit responses. Ray Dreger seconded the motion. The LAB audit responses were approved by the Board with a majority vote – Senator Tim Carpenter and Representative Dana Wachs stood in opposition.

ADJOURNMENT

Nancy Hernandez adjourned the meeting at 12:03 p.m.

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MEMO



To: WEDC Board of Directors
From: Mark R. Hogan, Secretary & CEO
Date: February 22, 2018
Re: Credit and Risk Quarterly Report

The following information provides some general comments about the credit and risk reports as of December 31, 2017 which will be discussed as part of my CEO Report at our February 22, 2018 board meeting.

Credit & Risk Quarterly Report

Note: Comments in this section are meant to be general in nature. Due to potential or existing litigation, questions about the status of specific Loans Past Due > 90 Days can be addressed in the board's closed session.

- Past due loans of \$12.9mm (18.3% of total loans) at 12/31/17 compare to \$9.8mm (13.3%) as of 9/30/17.
- Included in the 9/30/17 total was a \$1.7mm performance-based loan to Printpack, Inc. The company met the requirements for full forgiveness and the loan was forgiven during FY2Q18. Total past due loans in FY1Q18 excluding the Printpack loan totaled \$8.1mm, or 11.0% of total loans
- The \$4.8mm increase in past due loans (after adjusting FY1Q18 for the Printpack loan) was due to the addition of Appleton Coated (\$4.0mm), ioGenetics, LLC (\$435k), and Ebullient, Inc. (\$200k).
- Three borrowers (Kestrel - \$3.4mm, Green Box - \$1.1mm, and Appleton Coated - \$4.0mm) represent \$8.5mm, or 66% of the past due total of \$12.9mm.
- Loss reserves of \$11.7mm (91% of past dues) have been established on the past due loans.
- There are only three of the 26 borrowers on the past due list whose loans (a total of \$655k, or less than 5% of the total past due amount) were contracted for after May 2015.
- 12 individual borrowers (including Kestrel, Green Box, and Appleton Coated) representing \$9.6mm (75% of past due loans) have been referred to outside counsel for collection.
- We continue to review the portfolio for additional loss exposure and will adjust reserves consistent with the practices we have implemented during the past two years.
- There were no Charge-Offs in the current quarter.
- There was one Performance-Based Loan (Printpack) forgiven in the current quarter.
- There were two Tax Credit Revocations totaling \$30k in the current quarter, both of which have been referred to the Department of Revenue for processing.
- The Overdue Performance Reports increased slightly (from 53 to 58) from the prior quarter. Staff continues to pursue the older past dues with default notices being sent when and where appropriate.
- The Overdue Schedule of Expenditures was unchanged (9) from the prior quarter.
- The Awards Origination schedule indicates 62 awards accounting for \$2.87 billion in activity were processed in the current quarter, with Foxconn representing \$2.85 billion.

Appleton Coated ("AC")

- In 2014, AC's parent company announced they were selling the Combined Locks, WI facility, which at that time had 570 employees. Existing management arranged a buyout and WEDC (two loans totaling \$4mm) along with PNC Bank, provided a total of \$14mm in funded debt to purchase the assets.
- PNC also provided a working capital revolver and it received a first security interest in AC's assets with WEDC's loans subordinated to the bank debt. WEDC's loans were necessary to complete the transaction which kept the Combined Locks operation in place and also retained the 570 jobs in Wisconsin.
- WEDC was notified by management in mid-August of AC's decision to file a voluntary State of Wisconsin Chapter 128 petition for receivership. Chapter 128 is the state's version of the federal bankruptcy law.
- The company's press release indicated the filing was due to, "profitability in the North American graphics sector had deteriorated...due to digitization of communications and currency exchange rates that favor imports....and...these factors produced a decline in domestic demand, excess capacity and aggressive price competition."
- A Chapter 128 filing calls for the court to appoint a receiver (Attorney Michael Polsky) whose responsibility is to determine the best course of action (e.g. continue to run the business, liquidation, etc) for the benefit of the creditors.
- The receiver put the mill up for auction in late September and accepted a \$21.5 million bid from Industrial Assets Corp., a California-based equipment liquidator. As part of the court-approved order, the buyer agreed to maintain a skeleton crew for a period of 90 days to determine if an ongoing buyer could be identified.
- In addition to PNC's secured loans, proceeds from the sale were used to pay existing real and personal property taxes, priority wage claims and administrative expenses, all of which have a priority ahead of WEDC's subordinated position.
- There are some additional assets the receiver will attempt to liquidate, but it is expected that only minimal funds will be available for further distribution.
- WEDC's loans were not past due as of 9/30/17 because payments had been current prior to filing for the Chapter 128. However, we took appropriate action in FY2Q18 to increase the loss reserves against our loans in anticipation of a significant loss.
- The buyer continues to run the operation and approximately 150 employees have been brought back. WEDC has had several conversations with the buyer regarding their plans for the operation.
- We have indicated a strong willingness to work with the buyer to see if there is a path forward to maintain an ongoing operation with the goal of returning as many jobs as possible.

Kestrel Aircraft

- Attached is background information, including the current status of our efforts to collect WEDC's loans, for Kestrel Aircraft.

Green Box

- The Chapter XI bankruptcy case was dismissed in December. There were limited assets available for distribution and WEDC's subordinated position will result in the loan being fully charged-off this quarter (it has been fully reserved since FY2016). WEDC will seek a judgement against Ron Van Den Heuvel's personal guaranty, but collection is unlikely.

Please contact me directly should you have any questions.

UPDATE ON KESTREL AIRCRAFT

FEBRUARY 13, 2018



- Kestrel Aircraft received two loans in 2012 that are being administered by WEDC:
 - A \$2 million Business Expansion and Retention Investment loan from WEDC, and
 - A \$2 million State Small Business Credit Initiative loan, which is a federally funded loan.
- The company was also certified in January 2012 to receive up to \$18 million in Enterprise Zone (EZ) Tax Credits from WEDC over eight years, contingent upon meeting job creation, capital investment and employee training goals.
- Under the terms of the EZ tax credit contract, Kestrel projected it would create 665 new jobs, make \$46.1 million in capital investments, and spend \$5.1 million on employee training through 2019. This contract, like all tax credit awards from WEDC, is performance-based. The state incentives were based on Kestrel's projections, which must be met in order to receive the full amount of state incentives.
- WEDC made the investments in Kestrel in an effort to bring hundreds of much-needed jobs to northwestern Wisconsin. At the time of the awards, the unemployment rate in Douglas County was 7.9%. WEDC is aware that providing assistance to startup companies has risks, but believes in supporting startups that have the potential to make a significant impact on the regional and state economy—including companies like Kestrel.
- To date, Kestrel has earned \$717,500 in tax credits. These tax credits are based on reports from Kestrel that the company has 25 full-time employees in Wisconsin, has made \$1.1 million in capital investment and has spent \$380,000 on employee training.
- Because of cash flow issues, which are not uncommon in startups, the company was unable to regularly make its payments on its two loans in late 2013 and early 2014. After a couple of months of discussions with the company, WEDC in June 2014 reached an agreement with Kestrel to modify the terms of both loans in an effort to give the company some relief from its cash flow issues.
- Under the loan modification, all payments were deferred until Nov. 1, 2014. Beginning on Nov. 1, 2014, Kestrel agreed to make interest-only payments for one year. After the one year of interest-only payments, the amended loan agreements then required Kestrel to pay both interest and principal for the remaining 59 months of the loans, with a final payment due on Oct. 1, 2020.
- Since the agreements were modified in November 2014, Kestrel made periodic principal and interest payments totaling \$865,490. However, the company has not made any of its scheduled monthly payments in 2017, its last payment was made on Nov. 15, 2016. The company is currently past due on both loans – with combined payments of about \$1.1 million due on the two loans.

- On Dec. 9, 2016, WEDC Secretary Mark Hogan and Vice Presidents Barb LaMue and Aaron Hagar met in Superior with representatives of Kestrel, WHEDA, the City of Superior and Douglas County to receive an update on the company's status and to attempt to develop a path forward for this project.
- On Jan. 11, 2017, WEDC sent Kestrel a notice indicating the company was 90 days overdue on its payments.
- On Feb. 13, 2017, Kestrel received a default notice from WEDC stating that the company has 30 days to cure the default by making a payment of \$180,450. The company did not meet that March 13 deadline and the company is now in default of its loans.
- In May 2017, WEDC entered into a forbearance agreement with Kestrel in which WEDC agreed to delay legal action against the company to again give it a chance to become current on payments. That agreement had an Aug. 31 deadline.
- In October, a representative from Kestrel contacted WEDC to request additional time to allow Kestrel to pursue opportunities that would provide additional liquidity so the company could pay its creditors. WEDC has not heard from the company since.

2/13/18 UPDATE

- In February 2018, WEDC instructed its outside counsel to develop a joint representation agreement between WEDC, the City of Superior and Douglas County that will allow all parties to pursue their legal claims in an efficient and cost-effective manner.
- Once that representation agreement is signed by all three parties, legal action will be taken against the company to recoup the money owed to the state, county and city. The litigation cost will be split between the parties in accordance with the joint representation agreement.
- Since the contracts were first entered into with Kestrel in January 2012, WEDC has fulfilled all its contractual obligations. Since that time, WEDC has worked with the company, its bank and also local officials to take the steps needed to give Kestrel the best possible chance of succeeding. Throughout the entire process, WEDC has worked closely with the City of Superior and Douglas County.

If you have further questions regarding Kestrel, please contact Mark Maley at 608.210.6706.

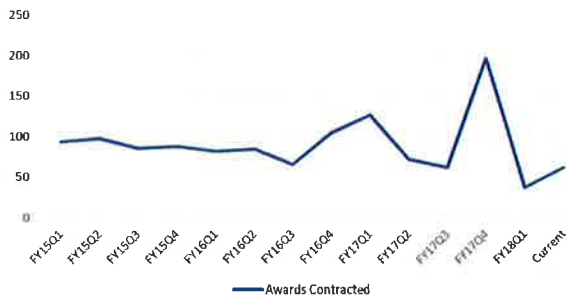
Historical Trends

FY18 Q2

Eight Quarter History

	Payment			Principal Delinquency		Loan Balance	Delinquent Perf. Rpt.	Awards Contracted	Charge Off's
	Payment > 90 Days	Delinquency (%)	Principal > 90 Days	(%)					
FY15Q1	384,718	0.6%	2,494,353	3.8%	65,553,483	57	94	817,757	
FY15Q2	112,156	0.2%	1,267,855	1.8%	71,045,772	59	98	186,579	
FY15Q3	194,340	0.3%	4,884,861	6.9%	70,472,405	191	86	116,777	
FY15Q4	352,262	0.5%	4,652,414	6.4%	73,126,680	128	88	267,194	
FY16Q1	397,654	0.5%	3,973,532	5.4%	74,184,584	119	82	420,636	
FY16Q2	305,158	0.4%	3,963,326	5.0%	79,293,100	89	85	550,000	
FY16Q3	278,344	0.4%	5,340,033	7.3%	72,679,354	91	66	1,017,885	
FY16Q4	547,227	0.7%	5,210,637	6.7%	77,488,416	121	105	235,000	
FY17Q1	840,138	1.1%	7,143,292	9.0%	78,999,923	46	127	-	
FY17Q2	1,431,711	1.8%	10,528,950	13.3%	79,302,663	44	72	-	
FY17Q3	1,386,511	1.8%	12,978,311	17.1%	75,966,333	44	62	522,687	
FY17Q4	1,495,006	2.0%	8,740,642	11.6%	75,454,987	80	197	-	
FY18Q1	2,115,478	2.9%	9,815,076	13.3%	73,584,398	53	37	48,250	
Current	2,301,760	3.3%	12,850,090	18.3%	70,321,357	58	62	-	

Awards Portfolio Contracting



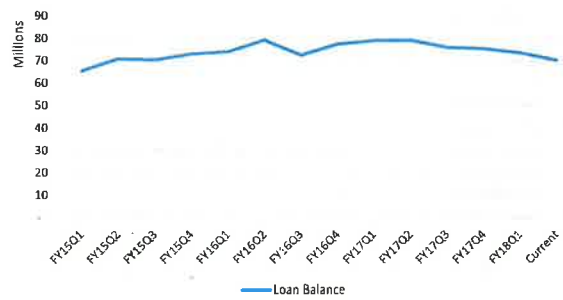
Performance Report Delinquencies



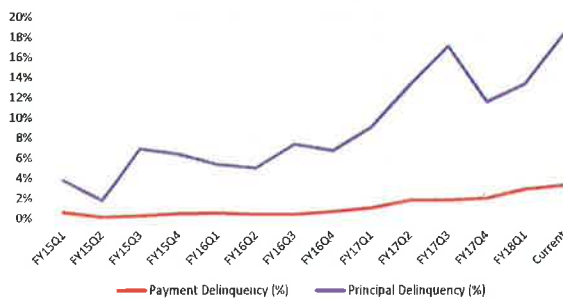
Loan Portfolio Charge Offs



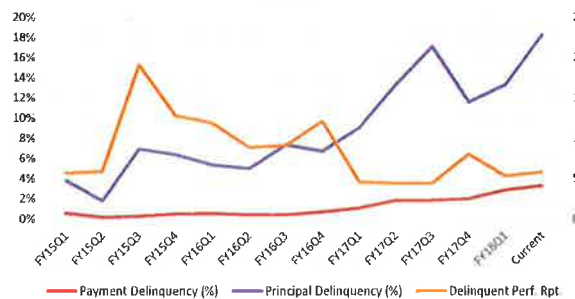
Loan Portfolio Growth



Loan Portfolio Delinquency



Delinquency



Loans Past Due > 90 Days

as of 12/31/2017

Name	Program	Project County	Industry	Principal Balance	Past Due Amount	Date Contracted	Last Payment*	Days Overdue
Green Box NA Green Bay, LLC	BREI	Brown		322110 \$	103,840 \$	10/05/11	03/05/15	1036
TW Design and Manufacturing	SPLF	Marquette		332710	187,032	02/10/15		730
Infiniti Metals	BOLF	Waupaca		336212	127,420	05/13/14	01/25/16	699
AquaMost, Inc.	TVF	Dane		333318	44,011	02/19/08	12/06/16	578
AquaMost, Inc.	TDL	Dane		333318	207,958	12/10/12	12/06/16	548
Formrite Companies, Inc.	BREI	Manitowoc		331210	151,030	05/14/12	12/01/17	548
Echometrix LLC	TVF	Dane		541511	247,487	07/13/09	09/26/17	456
Kestrel Aircraft Company, Inc.	BREI	Douglas		336411	1,704,310	01/18/12	11/15/16	456
Kestrel Aircraft Company, Inc.	TDL	Douglas		336411	1,698,065	12/19/12	11/15/16	456
Edison DC Systems, Inc	TDL	Ozaukee		221122	227,018	07/09/15	09/26/16	425
SoloMo Technology, Inc.	TDL	Dane		511210	7,401	06/08/12	02/01/17	333
SoloMo Technology, Inc.	TDL	Dane		511210	41,124	04/05/13	02/01/17	333
SoloMo Technology, Inc.	TDL	Dane		511210	228,108	06/30/15	02/01/17	333
Peptimed, Inc.	TVF	Dane		541712	108,001	11/03/10	07/24/17	121
Super Vitamin D, LLC	TDL	Eau Claire		541712	146,998	07/01/12	07/31/17	121
Appleton Coated LLC	BOLF	Outagamie		322121	3,000,000	20,000	12/19/14	60
Appleton Coated LLC	BOLF	Outagamie		322121	1,000,000	12/19/2014		0
Ebullient, Inc.	TDL	Dane		333415	200,000	8,889	10/20/15	91
Aurora Spectral Technologies LLC	TDL	Milwaukee		333314	152,439	60,000	06/08/12	517
Stablebody Technologies, LLC	TDL	Dane		325211	70,797	39,533	08/20/12	548
Marvel Medtech, LLC	TDF	Dane		334510	42,165	2,550	12/30/05	60
The Good Jobs, Inc.	TDL	Milwaukee		519130	70,000	32,815	12/11/14	699
Vibetech, Inc.	TDL	Sheboygan		334510	135,832	28,000	06/25/12	183
RAI Stone Group, LLC	TDL	Eau Claire		541511	200,000	2,640	11/12/14	244
Odyne Systems, LLC	TDL	Waukesha		336390	233,871	70,386	03/19/12	183
Fer-UJ Holsteins, LLC	MVP-R	Calumet		112120	21,217	16,542	08/24/11	730
Extend Manufacturing, LLC	BREI	Marathon		333120	316,683	307,027	01/03/13	456
Microscopy Innovations, LLC	RED3	Wood		326199	100,000	21,879	06/04/09	274
Microscopy Innovations, LLC	TDL	Wood		326199	150,000	25,542	02/27/13	274
Ricardo E. & Maria Jimenez d/b/a Super Mercado Jim	MBD	Racine		424410	19,633	1,900	01/19/07	183
ioGenetics, LLC	TDF	Dane		541711	185,195	3,000	10/14/03	91
ioGenetics, LLC	TVF	Dane		541711	250,000	3,000	05/12/09	91
The Lakewoods, Inc.	EIL	Bayfield		721110	4,561	526	04/21/01	60
Total				\$ 12,850,090	\$ 2,691,483			

* blank payment date fields indicate that no payments have been received to date

Principal > 90 days Past Due \$ 12,850,090

Delinquent Principal & Interest > 90 Past Due \$ 2,301,760

Charged-Off Loans

FY18 Q2

Name	Program	Date Contracted	Award Amount	Effective Date	Charged Off Principal	Charged Off Interest
None for FY18 Q2						
Total	0 Awards		\$ -		\$ -	\$ -

Performance-Based Loans Forgiven

FY18 Q2

Name	Program	Date	Principal Forgiven	Interest Forgiven	Principal Remaining	Interest Remaining
Printpack, Inc.	BREI	12/28/17	\$ 1,700,000	\$ 148,832	\$ -	\$ -
Total	0 Awards		\$ 1,700,000	\$ 148,832	\$ -	\$ -

Tax Credit Revocations

FY18 Q2

Name	Program	Date Contracted	Award Amount	Revocation Date	Revoked Amount	Payment and/or Referral Note	Amount Paid to WEDC	Date Paid to WEDC or Referred to DOR
Mod Tech Industries, Inc.	ETC	04/18/12	\$ 350,000	10/20/17	\$ 15,627	Did not create/retain contractual jobs in Wisconsin: revoked through DOR	-	10/20/17
Wisconsin Corrugated Pallets	ETC	04/11/14	77,000	10/20/17	14,148	Organization requested termination of agreement: revoked through DOR	-	10/20/17
Total	2 Awardees				\$ 29,775		\$ -	

Overdue Performance Report List

as of 12/31/17

General Type	Name	Program	Overdue Reports	Project County	Days Overdue
Grant	2151 S Robinson LLC	BF	1	Milwaukee	153
Grant	A&V Envirotech Inc.	IMAG	1	Milwaukee	31
Grant	BioForward, Inc	CMAG	3	Dane	168
Grant	Bunker Labs Wisconsin, Inc.	SA	1	Dane	199
Grant	Business Council, The (TBC)	CB	1	Milwaukee	153
Grant	Business Council, The (TBC)	MBD	1	Milwaukee	153
Grant	Cherry Water Street Corp.	BF	2	Milwaukee	153
Grant	Community Reinvestment Fund, Inc.	CC	1	Milwaukee	46
Grant	DNASTAR, Inc.	IMAG	2	Dane	121
Grant	Freshwater Plaza Corporation	BF	1	Milwaukee	121
Grant	Hispanic Chamber of Commerce of Wisconsin, Inc.	MBD	1	Milwaukee	61
Grant	Ictect, Inc	IMAG-F	1	Waukesha	123
Grant	MasterMold, LLC	WTG	1	Juneau	94
Grant	Midwest Affordable Housing Corp.	BF	1	Milwaukee	121
Grant	Milwaukee, City of	CDI	1	Milwaukee	153
Grant	Racine, City of	ISR	1	Racine	121
Grant	School District of Edgerton	FLG	1	Rock	121
Grant	StartingBlock, Inc	TIP	1	Dane	61
Grant	The Board of Regents of the UW System	TIP	1	Dane	61
Grant	University of Wisconsin-Oshkosh	SA	1	Winnebago	107
Grant	University of Wisconsin-River Falls	CMAG	1	Pierce	92
Grant	Urso & Urso, Inc.	IMAG-F	1	Dane	123
Grant	Waterloo, City of	ISR	1	Jefferson	153
Grant	Waunakee, Village of	SAG	1	Dane	153
Grant	Wisconsin Center For Manufacturing & Productivity Inc	EXTECH	1	Dane	77
Investor Tax Credit	Altus Medical Group, Inc.	QNBV	1	Dane	305
Investor Tax Credit	GoHITLIST Corporation	QNBV	1	Milwaukee	305
Loan	Coating Systems LLC	SPLF	1	Outagamie	305
Loan	Formrite Companies, Inc.	BREI	1	Manitowoc	305
Loan	Mills Fleet Farm Group, LLC	BOLF	1	Chippewa	60
Loan	Redox, Inc.	TDL	1	Dane	60
Tax Credit	Actuant Corporation	JTC	1	Columbia	61
Tax Credit	Alto Shaam	ETC	1	Waukesha	121
Tax Credit	Blue7 Solutions, LLC	ETC	1	Milwaukee	276
Tax Credit	Briggs & Stratton Corporation	JTC	1	Milwaukee	121
Tax Credit	Cintas Corporation No 2	BTC	1	Outagamie	152
Tax Credit	Comply365 Holdings, Inc.	ETC	1	Rock	124
Tax Credit	Danisco USA, Inc.	ETC	1	Dane	213
Tax Credit	Green Bay Anodizing, Inc.	ETC	1	Brown	124
Tax Credit	Infinity Machine & Engineering Corporation	ETC	1	Brown	121

Overdue Performance Report List

as of 12/31/17

General Type	Name	Program	Overdue Reports	Project County	Days Overdue
Tax Credit	Injection Molding Solutions	ETC	1	Burnett	121
Tax Credit	Kem Krest - Pleasant Prairie	BTC	1	Kenosha	305
Tax Credit	Mitchell Street Apartments LLC	HTC	1	Milwaukee	122
Tax Credit	North Country Lumber Company, Inc.	ETC	1	Ashland	32
Tax Credit	Paul Davis Restoration and Remodeling, Inc	ETC	1	Milwaukee	121
Tax Credit	Piping Systems LLC	ETC	1	Outagamie	121
Tax Credit	Pratt Industries, Inc.	JTC	1	Rock	39
Tax Credit	Railway Exchange Building LLP	HTC	1	Milwaukee	93
Tax Credit	Solaris, Inc.	ETC	2	Milwaukee	670
Tax Credit	Standex International Corporation	JTC	1	Waukesha	121
Tax Credit	State Collection Service, Inc.	ETC	1	Dane	121
Tax Credit	Twekenberg 237 LLC	HTC	1	Dane	98
Tax Credit	Volm Companies	ETC	1	Langlade	91
Total	53 Awardees		58		

Overdue SoE, VS Listing

as of 12/31/17

General Type	Name	Program	Overdue SoE/VS	Project County	Days Overdue
Grant	FCBA LLC	BF	1	Racine	92
Grant	Osceola, Village of	CDI	1	Polk	122
Grant	University of Wisconsin-River Falls	CMAG	1	Pierce	61
Grant	Wisconsin Technology Innovation Initiative, Inc.	CC	1	Dane	61
Loan	Aurora Spectral Technologies LLC	TDL	1	Milwaukee	275
Loan	Formrite Companies, Inc.	BREI	1	Manitowoc	365
Loan	Pratt Industries, Inc.	BOLF	1	Rock	62
Loan	Quietyme, Inc.	TDL	1	Marquette	245
Total	8 Awards		8		

Awards Origination

FY18 Q2

General Type	Name	Program	Amount	Date Contracted	Project County
Grant	800 South, LLC	BF	\$ 239,900	12/13/17	Dane
Grant	DNASTAR, Inc.	IMAG	10,000	10/26/17	Dane
Grant	HealthMyne, Inc.	IMAG	10,000	11/07/17	Dane
Grant	Horicon, City of	CDI	250,000	10/04/17	Dodge
Grant	Kenosha, City of	CDI	250,000	12/06/17	Kenosha
Grant	Lucigen Corporation	IMAG	25,000	12/12/17	Dane
Grant	Madison Seed Accelerator, Inc.	SA	125,600	11/21/17	Dane
Grant	Marquis Yachts, LLC	WTG	250,000	12/06/17	Brown
Grant	Middleton, City of	CDI	250,000	12/12/17	Dane
Grant	Mosinee, City of	CDI	250,000	10/05/17	Marathon
Grant	NEWaukee	TIP	99,000	12/27/17	Milwaukee
Grant	Onalaska, City of	CDI	240,000	11/07/17	La Crosse
Grant	Rugged Video LLC	IMAG	25,000	12/27/17	Ozaukee
Grant	The Hills Luxury Commons P1, LLC	BF	456,000	10/26/17	Milwaukee
Grant	University of Wisconsin-Oshkosh	TIP	200,000	11/30/17	Winnebago
Grant	UW-Stout Manufacturing Outreach Center (MOC)	TIP	95,000	12/18/17	Menominee
Grant	UWM Foundation, Inc.	TIP	900,000	10/23/17	Milwaukee
Grant	Washington Park Townhomes LLC	BF	295,000	11/28/17	Milwaukee
Grant	Wisconsin Center For Manufacturing & Productivity	EXTECH	214,000	12/07/17	Dane
Investor Tax Credit	4490 Ventures II, LP	QVF		10/31/17	Dane
Investor Tax Credit	Akuraa Technologies, Inc	QNBV	350,000	10/31/17	Dane
Investor Tax Credit	Bascom Ventures Fund 1, LLC	QVF		12/18/17	n/a
Investor Tax Credit	Genopalate, Inc	QNBV	125,000	11/13/17	Waukesha
Investor Tax Credit	Health Wildcatters Fund V LLC	QVF		12/06/17	n/a
Investor Tax Credit	Meeper Technology, LLC	QNBV	512,500	11/17/17	Walworth
Investor Tax Credit	OnLume Inc.	QNBV	932,500	11/22/17	Dane
Investor Tax Credit	SpeakPulse LLC	QNBV	68,750	10/09/17	Milwaukee
Investor Tax Credit	Stonehouse Water Technologies	QNBV	387,500	11/13/17	Milwaukee
Investor Tax Credit	The 3rd Element, Inc	QNBV	100,000	12/19/17	Brown
Investor Tax Credit	VIP Crowd, Inc.	QNBV	250,000	12/06/17	Dane
Investor Tax Credit	Visionary Business Solutions, Inc	QNBV	125,000	11/14/17	Brown
Investor Tax Credit	WISC Partners Sidecar Fund I, LLC	QVF		11/30/17	Dane
Loan	Bright Cellars Inc.	TDL	375,000	11/08/17	Milwaukee
Loan	Rowheels, Inc.	TDL	125,000	12/19/17	Dane
Operation	7 Rivers Alliance, Inc.	WEDC-P	60,000	10/23/17	La Crosse
Operation	Centergy, Inc.	WEDC-P	60,000	10/25/17	Marathon
Operation	Channels Business Solutions, LLC	WEDC-P	6,500	10/02/17	n/a
Operation	Council of Great Lakes Governors Inc	WEDC-P	191,930	10/16/17	n/a
Operation	First American Capital Corporation, Inc.	WEDC-P	175,000	12/27/17	Milwaukee
Operation	Global Strategy Inc.	WEDC-P	16,050	10/02/17	n/a
Operation	Grow North Regional Economic Development Corpor	WEDC-P	60,000	11/03/17	Oneida
Operation	Korea Business Services Inc.	WEDC-P	5,520	10/11/17	n/a
Operation	M7 - Milwaukee Development Corporation	WEDC-P	62,500	10/18/17	Milwaukee
Operation	Madison Region Economic Partnership	WEDC-P	62,500	10/24/17	Dane
Operation	Momentum West, Inc.	WEDC-P	60,000	10/16/17	Eau Claire
Operation	Orissa International Pte Ltd	WEDC-P	4,400	10/02/17	n/a
Operation	Prosperity Southwest Wisconsin	WEDC-P	60,000	10/31/17	Grant
Operation	pmps consultants	WEDC-P	5,600	10/09/17	n/a
Operation	The New North, Inc.	WEDC-P	62,500	10/23/17	Brown
Operation	Wisconsin Business Innovation Corporation (Regiona	WEDC-P	60,000	10/16/17	Washburn
Operation	Wisconsin Center For Manufacturing & Productivity II	WEDC-P	1,250,000	11/30/17	Dane

Awards Origination

FY18 Q2

General Type	Name	Program	Amount	Date Contracted	Project County
Operation	Wisconsin Procurement Institute Education And Train	WEDC-P	325,000	10/02/17	Milwaukee
Tax Credit	331 South 3rd Street LLC	HTC	939,859	10/23/17	Milwaukee
Tax Credit	Amcor Flexibles LLC	BTC	150,000	10/02/17	Dane
Tax Credit	Brakebush Brothers, Inc.	EZ	6,500,000	10/16/17	Marquette
Tax Credit	DOWCO INC	BTC	190,000	10/16/17	Manitowoc
Tax Credit	FEWI Development Corporation (Foxconn)	EITMZ	2,850,000,000	11/10/17	Racine
Tax Credit	Gehl Foods LLC	BTC	535,000	11/27/17	Washington
Tax Credit	LaForce, Inc.	BTC	337,000	10/26/17	Brown
Tax Credit	Schwabe North America, Incorporated	BTC	700,000	12/06/17	Brown
Tax Credit	Sussex Tool & Supply, Inc.	BTC	100,000	10/16/17	Waukesha
Tax Credit	The Douglas Stewart Company, Inc.	BTC	195,000	12/06/17	Dane
Total	62 Awards and Operations		\$ 2,869,710,109		

Bonding	0	\$ -
Grant	19	4,184,500
Investor Tax Credit	13	2,851,250
Loan - BOLF	0	-
Loan - TDL	2	500,000
Partner Operation	18	2,527,500
Tax Credit - BTC	7	2,207,000
Tax Credit - EZ	1	6,500,000
Tax Credit - HTC	1	939,859
Tax Credit - EITMZ	1	2,850,000,000
Total	62	\$ 2,869,710,109

Amendment List

FY18 Q2

Name	Contracted Date	Program	Amendment Date	Amendment Reason
Kenosha County	06/24/16	CDI	10/02/17	Adjust Reporting
Nueske's Meat Products, Inc.	07/27/16	BTC	10/02/17	Fix Typo
Gravy Live, Inc.	03/06/17	QNBV	10/03/17	Increate Certification
MacDonald & Owen Lumber Co., Inc.	05/26/17	IMAG	10/03/17	Budget Change
Roving Blue Inc	04/26/17	IMAG	10/05/17	Budget Change;Change Project Scope;
Eau Claire County	04/26/17	ISR	10/09/17	Adjust Reporting;Extend Draw Period
Comply365 Holdings, Inc.	04/13/16	BTC	10/09/17	Other
Phoenix Nuclear Holding Company	06/03/08	QNBV	10/12/17	Name Change
Policy Confluence, Inc	04/04/17	TDL	10/16/17	Extend Draw Period;Fix Typo
Madison Region Economic Partnership	10/11/16	TIP	10/16/17	Adjust Deliverables
Pegasus Sustainability Solutions, Inc.	05/28/13	QNBV	10/16/17	Name Change
Aurora Spectral Technologies LLC	06/08/12	TDL	10/17/17	Defer Payments
Manitowoc, City of	07/25/16	CDI	10/18/17	Extend Draw Period
Castle-Pierce Corporation	04/06/16	BTC	10/18/17	Fix Baseline
Biery Cheese Company	03/06/14	BOLF	10/18/17	Adjust Deliverables;Change Reporting I
Gehl Foods LLC	12/15/16	IMAG	10/18/17	Extend Project Period
Roastar, Inc	07/18/16	BTC	10/23/17	Fix Typo
Behold.ai Inc	03/01/17	QNBV	10/23/17	Adjust Reporting
Ictect, Inc	06/26/17	IMAG-F	10/23/17	Budget Change
AT&F Wisconsin, LLC	05/03/16	BTC	10/24/17	Fix Typo
Channels Business Solutions, LLC	08/09/16	WEDC-P	10/24/17	Budget Change;Lower/Increase Award
Waupaca, City of	08/01/16	CDI	10/25/17	Adjust Reporting;Extend Draw Period
Ellsworth Cooperative Creamery	12/28/16	BTC	10/25/17	Fix Typo
Bio Springer North America Corporati	11/12/13	ETC	10/26/17	Name Change
Neenah Paper, Inc.	11/13/15	JTC	10/31/17	Fix Typo
Grant County	04/19/16	SAG	10/31/17	Extend Draw Period
Waterloo, City of	04/03/14	ISR	10/31/17	Extend Draw Period
Doyenne Group, Inc.	03/31/16	CC	10/31/17	Adjust Reporting;Extend Draw Period
Metal-Era, Inc.	06/29/16	IMAG	10/31/17	Budget Change
Prairie du Chien, City of	06/01/17	CDI	11/06/17	Extend Draw Period
Mitchell Street Group LLC	06/23/14	HTC	11/07/17	Lower/Increase Award Amount
Printpack, Inc.	06/17/13	BREI	11/09/17	Other
Fetch Rewards, LLC	12/05/15	TDL	11/09/17	Name Change
Fetch Rewards, LLC	04/06/15	QNBV	11/09/17	Name Change
University of Wisconsin-River Falls	07/05/16	CMAG	11/13/17	Extend Draw Period
Dollar General Corporation	01/11/16	EZ	11/14/17	Other
JAMF Software	07/05/16	BTC	11/14/17	Fix Typo
Decision Resources, Inc.	06/06/16	BTC	11/16/17	Name Change
Batavian Building, LLC.	06/22/16	HTC	11/17/17	Lower/Increase Award Amount
Beaver Dam, City of	08/18/16	SAG	11/17/17	Extend Draw Period
Madison, City of	06/24/16	SAG	11/17/17	Fix Typo
Madison, City of	06/24/16	SAG	11/17/17	Budget Change
MacDonald & Owen Lumber Co., Inc.	06/26/17	IMAG-F	11/17/17	Budget Change
Burlington, City of	06/22/16	SAG	11/21/17	Extend Draw Period
Community Development Authority of t	04/19/13	BF	11/21/17	Extend Draw Period
Baptista's Bakery, LLC	03/21/17	BTC	11/22/17	Fix Typo
Milwaukee Pabst Holdings LLC	09/23/15	HTC	11/28/17	Lower/Increase Award Amount
Global Finishing Solutions LLC	06/30/16	BTC	11/30/17	Fix Typo

Amendment List

FY18 Q2

Name	Contracted Date	Program	Amendment Date	Amendment Reason
Eco-Latch Systems LLC.	06/15/17	IMAG	12/01/17	Extend Draw Period
Global Water Center II LLC	09/14/15	HTC	12/06/17	Adjust Reporting;Extend Draw Period
Wauwaukee, Village of	10/01/14	SAG	12/06/17	Budget Change
Milwaukee County	05/04/15	CDI	12/06/17	Extend Draw Period
Waite Rug Housing, LLC	12/19/16	HTC	12/07/17	Lower/Increase Award Amount
Hilldale Real Estate LLC	07/27/16	BF	12/11/17	Lower/Increase Award Amount
Menomonee Falls, Village of	06/13/16	CDI	12/11/17	Budget Change
Comply365 Holdings, Inc.	04/13/16	BTC	12/11/17	Other
E.R. Wagner Manufacturing Co.	07/18/16	BTC	12/12/17	Fix Typo
Teel Plastics, Inc.	09/28/16	BTC	12/18/17	Fix Typo
St. Ann Center for Intergenerational Car	04/08/16	BF	12/18/17	Extend Draw Period
Pritzlaff Redevelopment LLC	07/29/14	HTC	12/18/17	Change Reporting Date
U.S. Venture, Inc.	06/30/17	EZ	12/19/17	Other
Platteville, City of	08/18/15	SAG	12/20/17	Extend Draw Period
Quad/Graphics, Inc.	10/27/10	EZ	12/20/17	Other
Hotel Retlaw, LLC	06/12/17	HTC	12/27/17	Extend Draw Period
Total Awards	64			



MEMO

To: Board of Directors
From: Brian Nowicki, CFO
CC: Mark Hogan, Secretary / CEO, Tricia Braun, Deputy Secretary / COO, Finance Team
Date: February 22, 2018

Re: December 31, 2017 Financial Report Overview

Attached please find WEDC's September reporting package is made up for the following schedules:

1. Balance sheet (page 3)
2. Schedule of Revenues, Expenditures and Changes in Fund Balance (page 4)
3. Schedule of Expenditures - by Object – by Department (pages 5 –6)
4. Schedule of Open Commitments, Contracts and GAAP Expenditures (page 7- 8)
5. Schedule of Awards Contracted (page 9)
6. Cash and Investment Report (10 – 12)

Report Understanding:

All schedules use the GAAP (generally accepted accounting principles) basis for reporting expenditures, except amounts show for open commitments and contract amounts.

1. Balance sheet - shows assets, liabilities and equity composition and includes the end of last fiscal year for comparison purposes. The main focus on this statement is the unassigned fund balance amount. Unassigned fund balance represents our funds available for spending as of a point in time. The new Fund Balance Policy requires unassigned fund balance to equal one sixth of WEDC's annual administrative cost. Any excess funds over and above the calculated unassigned balance will be prospectively allocated pro-rata to programmatic budgets.
2. Schedule of Revenues, Expenditures and Changes in Fund Balance
 - a. Provides a high level overview of WEDC's revenues by source and expenditures by object, both as compared to prior year and our current year's budget.
 - b. Revenue sources include intergovernmental revenues, which is primarily funding from the State, charges for services, interest on loans, interest on investments and other revenues, which include sponsorships received.
 - c. Expenditures are categorized by object. Object based reporting means that expenditures are categorized by programs, partnerships, marketing, payroll, operating, etc., rather than by function. Functional based reporting means that expenditures are categorized primarily by economic development departments (BCD, SSD, E&I, International), marketing and administration.

THINK·MAKE·HAPPEN.

3. Schedule of Expenditures - by Object – by Department
 - a. Shows expenditures by object broken down further by individual department. This is reported with the same methods as the previous schedule, but includes further details on the expenditures.
 - b. Program expenditures are based on the draw requests we have received for the fiscal year. As an important reminder, even though we enter into a contract for an award, it is not considered to be an expenditure for accounting purposes until the awardee spends or requests the funds.
 - c. The budget for programs represents the amount that we intend to commit or contract during the year. There will often be large differences between these amounts since awardees have multiple years to spend contracts down. As a reminder, loans are not considered to be expenditures for accounting purposes.
4. Schedule of Open Commitments, Contracts and GAAP Expenditures
 - a. New funding FY18 - represent the new funds that were allocated to each program in the budget.
 - b. Open commitments - represent awards that we are in the process of contracting or negotiating with. We expect that the majority of our commitments will become contracts in the near term. These amounts are taken from our award management system. Once a commitment has been made we set funding aside to satisfy the commitment.
 - c. Open contracts - represent amounts for which we have an executed contract and the awardee is in progress with their project. These amounts are taken from our award management system.
 - d. FY18 expended - represent the total cash payments, or draws, on contracts during fiscal year 2018. As mentioned above, loans are not considered expenditures. The amounts included in the FY18 expended are the amounts drawn on loans.
 - e. Unallocated budget – represent funding available to be used or excess funding that has been used by the program to date.
5. Schedule of Awards Contracted
 - a. This schedule mirrors the method used to develop our Annual Report on Economic Development, which reports awards in the year that they are contracted.
6. Cash and Investment Summary
 - a. The first page of the report shows the composition of our investments by financial institution used, maturity and investment type.
 - b. The second page graphically shows our investment portfolio by composition.
 - c. The next several pages list the individual investment purchases made and held during the quarter.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

**BALANCE SHEET
GOVERNMENTAL FUNDS
as of December 31, 2017**

	FY 17 as of 6/30/2017	FY 18 YTD
ASSETS		
Cash and cash equivalents	\$ 18,228,387	19,357,859
Investments	50,676,979	50,842,275
Accounts receivable & due from other governments	822,508	1,083,381
Accrued interest on investments	111,358	-
Prepaid items	446,789	58,772
Loans receivable - collectible	49,523,692	47,290,558
Loans receivable - performance based	21,045,400	18,845,400
Allowance for loans receivable	(32,024,550)	(33,463,847)
Interest on loans receivable (net of allowance)	1,348,083	1,460,262
TOTAL ASSETS	\$ 110,178,646	105,474,660
LIABILITIES		
Accounts payable	\$ 2,747,577	512,278
Accrued awards	2,427,411	731,198
Accrued expenses	414,065	-
Accrued wages	219,641	-
Payroll related liabilities	67,598	181,894
Total Liabilities	5,876,292	1,425,370
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	619,957	98,166
Total Deferred Inflows of Resources	619,957	98,166
FUND BALANCES		
Nonspendable - prepaids	446,789	58,772
Nonspendable - long-term receivables	38,544,542	32,672,111
Restricted for		
Economic development	37,807,800	33,546,373
Brownfield site assessment	1,891,533	1,897,009
SSBCI	2,039,492	2,351,541
Assigned for		
Loan guarantees	571,867	571,867
Compensated absences	609,024	609,024
Note payable to State of Wisconsin	2,134,044	2,134,044
Open commitments	650,000	1,380,125
Programs FYXX	15,728,097	-
Unassigned	3,259,209	28,730,258
Total Fund Balances	103,682,397	103,951,124
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 110,178,646	\$ 105,474,660

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT
GENERAL FUND**

For the period ended December 31, 2017

	FY 17 Actual	FY 18 YTD Actual	FY 18 Budget	Variance with Budget	FY18 % Rec'd or Used
REVENUES					
Intergovernmental revenue	\$ 36,950,510	\$ 18,354,925	\$ 36,279,290	\$ 17,924,365	50.6%
Charges for services	223,762	96,654	220,000	123,346	43.9%
Interest income	1,822,528	870,688	1,900,000	1,029,312	45.8%
Other revenues	259,666	222,663	263,602	40,939	84.5%
Total Other Revenues	<u>39,256,466</u>	<u>19,544,930</u>	<u>38,662,892</u>	<u>19,117,962</u>	<u>50.6%</u>
EXPENDITURES - BY OBJECT					
Programs	15,977,765	5,531,452	22,364,000	16,832,548	24.7%
Key strategic partners	3,499,409	586,010	4,352,500	3,766,490	13.5%
Loan loss reserve -Collectible	4,280,430	3,187,544	1,000,000	(2,187,544)	318.8%
Loan loss reserve - Performance Based	1,089,006	-	1,500,000	1,500,000	0.0%
Total direct economic development	<u>24,846,610</u>	<u>9,305,006</u>	<u>29,216,500</u>	<u>19,911,494</u>	<u>31.8%</u>
Marketing and communications	3,074,674	1,426,259	3,885,528	2,459,269	36.7%
Payroll and benefits	10,340,618	4,930,533	11,259,902	6,329,369	43.8%
Operations and general	4,360,857	2,767,231	5,064,592	2,297,361	54.6%
Pass-through federal grant expenditures	400,936	815,387	640,590	(174,797)	127.3%
Capital	291,761	31,784	124,000	92,216	25.6%
Debt service	202,674	-	850,000	850,000	0.0%
Total Expenditures	<u>43,518,130</u>	<u>19,276,200</u>	<u>51,041,112</u>	<u>31,764,912</u>	<u>37.8%</u>
Net Change in Fund Balance	<u>(4,261,664)</u>	<u>268,730</u>	<u>\$ (12,378,220)</u>	<u>\$ (12,646,950)</u>	
FUND BALANCES - BEGINNING OF YEAR	<u>107,944,061</u>	<u>103,682,397</u>			
FUND BALANCES - END OF YEAR	<u>\$ 103,682,397</u>	<u>\$ 103,951,127</u>			

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

SCHEDULE OF EXPENDITURES
BY OBJECT - BY DEPARTMENT
For the period ended December 31, 2017

	FY 17 Actual	FY 18 YTD Actual	FY 18 Budget	Unallocated Budget	FY18 % Rec'd or Used
Programs					
Entrepreneurship & Innovation - 2000	\$ 4,487,310	\$ 1,855,075	\$ 4,200,000	\$ 2,344,925	44.2%
Business and Community Development - 3000	9,003,226	2,980,246	12,600,000	9,619,754	23.7%
Sector Strategy Development - 4000	1,657,206	293,483	3,600,000	3,306,517	8.2%
International Business Development - 7000	830,023	402,648	1,714,000	1,311,352	23.5%
Office of Public Policy - 8000	-	-	250,000	250,000	0.0%
Total Programs	15,977,765	5,531,452	22,364,000	16,832,548	24.7%
Partnerships					
Entrepreneurship & Innovation - 2000	1,273,801	330,961	1,250,000	919,039	26.5%
Business and Community Development - 3000	791,928	252,819	1,622,500	1,369,681	15.6%
Sector Strategy Development - 4000	1,250,000	-	1,250,000	1,250,000	0.0%
International Business Development - 7000	183,680	2,230	230,000	227,770	1.0%
Total Partnerships	3,499,409	586,010	4,352,500	3,766,490	13.5%
Loan Loss Reserve					
Entrepreneurship & Innovation - 2000	2,526,349	674,325	500,000	(174,325)	134.9%
Business and Community Development - 3000	2,843,087	2,513,219	2,000,000	(513,219)	125.7%
Total Loan Loss Reserve	5,369,436	3,187,544	2,500,000	(687,544)	127.5%
Marketing & Communications - 5000	3,074,674	1,426,259	3,885,528	2,459,269	36.7%
Payroll and Benefits					
Legal Services - 1100	887,479	461,436	1,025,803	564,367	45.0%
Executive Office - 1200	1,313,629	428,257	969,923	541,666	44.2%
Operations & Program Performance - 1300	-	165,203	373,212	208,009	44.3%
Entrepreneurship & Innovation - 2000	521,213	255,551	529,062	273,511	48.3%
Business and Community Development - 3000	2,038,101	1,046,781	2,185,448	1,138,667	47.9%
Business & Investment Attraction - 3500	321,663	114,988	315,260	200,272	36.5%
Sector Strategy Development - 4000	786,933	325,449	781,455	456,006	41.6%
Marketing & Communications - 5000	731,283	386,069	814,926	428,857	47.4%
Human Resources - 6100	519,563	246,902	675,395	428,493	36.6%
Finance - 6200	417,182	180,857	439,009	258,152	41.2%
Information Technology - 6300	682,614	290,669	802,102	511,433	36.2%
Credit and Risk - 6600	857,546	418,303	1,049,418	631,115	39.9%
International Business Development - 7000	772,980	376,015	801,052	425,037	46.9%
Office of Public Policy - 8000	490,432	234,053	497,837	263,784	47.0%
Total Payroll and Benefits	10,340,618	4,930,533	11,259,902	6,329,369	43.8%

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

**SCHEDULE OF EXPENDITURES
BY OBJECT - BY DEPARTMENT
For the period ended December 31, 2017**

	FY 17 Actual	FY 18 YTD Actual	FY 18 Budget	Unallocated Budget	FY18 % Rec'd or Used	FY17 % Rec'd or Used
Operations and General						
Legal Services - 1100	115,180	203,072	110,865	(92,207)	183.2%	31.6%
Executive Office - 1200	426,229	70,351	267,750	197,399	26.3%	48.4%
Operations & Program Performance - 1300	-	470	34,550	34,080	1.4%	0.0%
Entrepreneurship & Innovation - 2000	29,114	26,723	36,700	9,977	72.8%	54.0%
Business and Community Development - 3000	595,620	183,306	547,700	364,394	33.5%	33.1%
Business & Investment Attraction - 3500	409,961	371,491	573,043	201,552	64.8%	56.5%
Sector Strategy Development - 4000	91,249	53,241	143,875	90,634	37.0%	35.3%
Human Resources - 6100	616,859	421,127	744,286	323,159	56.6%	52.3%
Finance - 6200	213,080	70,251	135,268	65,017	51.9%	16.2%
Information Technology - 6300	1,308,301	794,437	1,501,774	707,337	52.9%	46.7%
Credit and Risk - 6600	12,549	2,913	17,750	14,837	16.4%	35.4%
International Business Development - 7000	520,055	563,043	924,531	361,488	60.9%	27.3%
Office of Public Policy - 8000	22,660	6,806	26,500	19,694	25.7%	51.2%
Total Operation and General	4,360,857	2,767,231	5,064,592	2,297,361	54.6%	42.1%
Pass-through federal grant expenditures	400,936	815,387	640,590	(174,797)	127.3%	6.0%
Capital						
Marketing & Communications - 5000	250,057	-	-	-	0.0%	0.0%
Human Resources - 6100	2,913	3,313	84,000	80,687	3.9%	0.0%
Finance - 6200	38,791	28,471	40,000	11,529	71.2%	0.0%
Information Technology - 6300	-	-	-	-	0.0%	0.0%
Total Capital	291,761	31,784	124,000	92,216	25.6%	0.0%
Debt Service						
Finance - 6200	202,674	-	850,000	850,000	0.0%	0.0%
Total Debt Service	202,674	-	850,000	850,000	0.0%	0.0%
Total	\$ 43,518,130	\$ 19,276,200	\$ 51,041,112	\$ 31,764,912	37.8%	32.8%

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF OPEN COMMITMENTS, CONTRACTS AND GAAP EXPENDITURES - FY18 AND BUDGET
 For the period ended December 31, 2017

Div.	Account No. and Name	FY18 Funding	A			B			C			D=A+B+C			FY18 Pipeline through 01/25/2018		
			Open Commitments	Open Contracts	FY18 Expended	Open Contracts	FY18 Expended	FY18 YTD Expended	Committed/Contract	Unallocated Budget FY18	FY18 % Rec'd or Used	Application Pipeline	Unallocated Budget FY18 Including Pipeline	FY18 % Rec'd or Used			
	Programs																
	2000 6630 - Seed Accelerator Program	1,000,000	-	-	125,600	-	-	125,600	874,400	12.6%	160,000	714,400	28.6%				
	2000 6646 - Entrepreneur Micro Grant Program	200,000	-	-	50,000	-	-	200,000	-	100.0%	-	-	100.0%				
	2000 6650 - Capital Catalyst Program	1,500,000	-	-	-	-	-	500,000	1,500,000	0.0%	-	1,500,000	0.0%				
	2000 6600.1 - Capacity Building Grants - E&I	500,000	500,000	-	-	-	-	1,000,000	-	100.0%	500,000	(500,000)	200.0%				
	2000 6731 - SBIR/STTR Matching Grant	1,000,000	-	-	250,000	-	-	1,000,000	-	100.0%	-	-	100.0%				
	Total E&I Grants	4,200,000	500,000	900,000	425,600	-	-	1,825,600	2,374,400	43.5%	660,000	1,714,400	59.2%				
	3000 6600 - Capacity Building Grants - BCD	500,000	-	-	11,972	-	-	50,000	450,000	10.0%	212,000	238,000	52.4%				
	3000 6620 - Workforce Training Grants	2,000,000	-	-	250,000	-	-	250,000	1,750,000	12.5%	670,000	1,080,000	46.0%				
	3000 6680 - Community Development Inv. Grants	3,000,000	280,125	-	250,000	-	-	2,020,125	979,875	67.3%	2,427,725	(1,447,850)	148.3%				
	3000 6710 - Brownfield Site Assessment Grants	1,000,000	-	-	-	-	-	-	1,000,000	0.0%	520,900	479,100	52.1%				
	3000 6720 - Brownfield Program Grants	4,000,000	-	-	980,900	-	-	980,900	3,009,100	24.8%	1,403,700	1,605,400	59.9%				
	3000 6725 - Idle Sites Program	2,000,000	-	-	-	-	-	-	2,000,000	0.0%	-	2,000,000	0.0%				
	3000 6753 - Revolving Loan Fund - LEG	100,000	-	-	-	-	-	-	100,000	0.0%	-	100,000	0.0%				
	Total BCD Grants	12,600,000	280,125	2,768,928	281,972	-	-	3,311,025	9,288,975	26.3%	5,234,325	4,054,650	67.8%				
	4000 6640 - Targeted Industry Project Grants	3,000,000	600,000	-	-	-	-	1,894,000	1,106,000	63.1%	1,421,103	(315,103)	110.5%				
	4000 6755 - Fabrication Laboratories	500,000	-	-	-	-	-	-	500,000	0.0%	-	500,000	0.0%				
	4000 6754 - FabLab TA - LEG	100,000	-	-	-	-	-	-	100,000	0.0%	-	-	0.0%				
	Total SSD Grants	3,600,000	600,000	1,294,000	-	-	-	1,894,000	1,706,000	52.6%	1,421,103	284,897	92.1%				
	7000 6655 - Exporttech	214,000	-	-	-	-	-	214,000	-	100.0%	-	-	100.0%				
	7000 6665.1 - International Market Access Grant	750,000	-	-	45,000	-	-	45,000	705,000	6.0%	254,600	450,400	39.9%				
	7000 6665.2 - Collaborative Market Access Grant	450,000	-	-	-	-	-	-	450,000	0.0%	-	450,000	0.0%				
	7000 6665.4 - International Market Access Grant - STEP	300,000	-	-	-	-	-	-	300,000	0.0%	-	300,000	0.0%				
	Total IBD Grants	1,714,000	-	259,000	-	-	-	259,000	1,455,000	15.1%	254,600	1,200,400	30.0%				
	8000 6795 - Strategic Initiatives Fund	250,000	-	-	-	-	-	-	250,000	0.0%	-	250,000	0.0%				
	Total OPP Grants	250,000	-	-	-	-	-	-	250,000	0.0%	-	250,000	0.0%				
	Total Grants	22,364,000	1,380,125	5,221,928	687,572	7,289,625	15,074,375	7,570,028	7,504,347	66.4%							

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF OPEN COMMITMENTS, CONTRACTS AND GAAP EXPENDITURES - FY18 AND BUDGET
 For the period ended December 31, 2017

Div./Programs/Loans	Account No. and Name	FY 18 YTD				FY18 % Rec'd or Used	FY18 Pipeline through 01/25/2018	
		A	B	C	D=A+B+C		Application Pipeline	Unallocated Budget Including Pipeline
FY18 Funding	Open Commitments	Open Contracts	FY18 Expended	Committed/Contract Expended	Unallocated Budget FY18	% Rec'd or Used	Application Pipeline	Unallocated Budget FY18
2000 11xx - Technology Development Loans--								
2000 Stalle	3,000,000	-	650,000	650,000	2,350,000	21.7%	1,225,000	1,125,000
2000 11xx - Revolving Technology Development Loans--SSBCI	2,000,000	-	500,000	500,000	1,500,000	25.0%	-	1,500,000
2000 Total E&I Loans	5,000,000	-	1,150,000	1,150,000	3,850,000	23.0%	1,225,000	2,625,000
3000 11xx - New Loan Fund - Collectible Loans	3,000,000	-	-	-	3,000,000	0.0%	-	3,000,000
3000 Total BCD Loans	3,000,000	-	-	-	3,000,000	0.0%	-	3,000,000
Total Loans	8,000,000	-	1,150,000	1,150,000	6,850,000	14.4%	1,225,000	5,625,000
Key Strategic Partners								
2000 5120 - WWBIC	350,000	-	87,500	350,000	-	100.0%	-	-
2000 5130 - WEN (CTC)	540,000	-	232,500	310,000	540,000	0.0%	-	540,000
2000 5140 - Wisconsin Technology Council	310,000	-	77,500	310,000	-	100.0%	-	-
2000 5141 - BrightStar Wisconsin Foundation	50,000	-	50,000	50,000	-	100.0%	-	-
2000 Total E&I KSP	1,250,000	-	485,000	710,000	540,000	56.8%	-	540,000
3000 5155 - Minority Business Development	750,000	-	-	-	750,000	0.0%	-	-
3000 5160 - Regional Economic Development O	547,500	-	155,000	547,500	-	100.0%	-	-
3000 5185 - Wisconsin Procurement Institute	325,000	-	162,500	325,000	-	100.0%	-	-
3000 Total BCD KSP	1,622,500	-	317,500	872,500	750,000	53.8%	-	750,000
4000 5175 - WCMP	1,250,000	-	312,500	1,250,000	-	100.0%	-	-
7000 5105 - Global Partner Network	230,000	-	146,741	230,000	-	100.0%	-	-
Total Key Strategic Partners	4,352,500	-	2,134,241	928,259	3,062,500	70.4%	-	1,290,000
Total	34,716,500	1,380,125	2,765,831	11,502,125	23,214,375	33.1%	8,795,028	14,419,347
Tax Credits								
Business Development Tax Credit	\$ 670,000	2	\$ 4,621,300	16	\$ 5,291,300	18		
Historic Preservation Tax Credit	10,134,112	2	939,859	1	11,073,971	3		
Enterprise Zone	19,500,000	2	37,500,000	3	57,000,000	5		
Electronics and Information Technology Manufacturing Zone	-	-	2,850,000,000	1	2,850,000,000	1		
Qualified New Business Venture	200,000	2	5,285,000	20	5,485,000	22		
Qualified Venture Fund Certification	-	1	-	5	-	6		
Total Tax Credits	\$ 30,504,112	9	\$ 2,890,346,159	46	\$ 2,928,850,271	55		

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF AWARDS CONTRACTED - ANNUAL REPORT ON
ECONOMIC DEVELOPMENT BASIS - FY17, FY18
as of December 31, 2017

Div.	Account No. and Name	FY17 Actual Awards Contracted	FY18 Actual Awards Contracted
Programs			
2000	Capital Catalyst	\$ 2,100,000	\$ -
2000	Entrepreneurial Micro-Grant	200,000	200,000
2000	Seed Accelerator	1,804,000	125,600
2000	Capacity Building - E&I	497,384	-
2000	SBIR/STTR Matching Grant	1,000,000	1,000,000
3000	Brownfields Grant Program	4,439,339	990,900
3000	Capacity Building	598,868	50,000
3000	Community Development Investment	4,634,162	1,740,000
3000	Idle Sites Redevelopment Program	4,300,000	-
3000	Site Assessment Grants	1,207,809	150,000
3000	Workforce Training	850,000	250,000
3000	Minority Business Development	1,325,000	-
4000	Targeted Industry Projects	2,358,532	1,294,000
4000	Fabrication Laboratories Grant	519,613	-
7000	ExporTech	210,000	214,000
7000	GBDG - International Market Access Grant	535,750	70,000
7000	GBDG - STEP	240,150	-
7000	GBDG - Collaborative Market Access Grant	469,200	-
	Total Programs	<u>27,289,807</u>	<u>6,084,500</u>
Loans			
2000	Technology Development Loans	4,982,300	1,000,000
3000	Business Opportunity Loan Fund	8,371,000	-
3000	Special Project Loan Fund	200,000	-
	Total Loans	<u>13,553,300</u>	<u>1,000,000</u>
Bonding Authority			
3000	Industrial Revenue Bond	43,271,681	21,100,000
	Total Bonding Authority	<u>43,271,681</u>	<u>21,100,000</u>
Investor Credits			
2000	Qualified New Business Venture	22,861,250	5,285,000
	Total Investor Credits	<u>22,861,250</u>	<u>5,285,000</u>
Tax Credits			
3000	Electronics and Information Technology M	-	2,850,000,000
3000	Business Development Tax Credit	29,269,000	7,171,300
3000	Enterprise Zone	76,500,000	37,500,000
3000	Historic Preservation Tax Credit	107,931,708	939,859
	Total Tax Credits	<u>213,700,708</u>	<u>2,895,611,159</u>
	Total	<u>\$ 320,676,746</u>	<u>\$ 2,929,080,659</u>

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Cash and Investment Summary
December 31, 2017

Institution	Book	Bank / Market	Maturity Term							Total
	Balance	Value	Difference	Liquid	< 1 Year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	
US Bank										
Checking	\$ 5,249,467	\$ 5,472,755	223,288	5,472,755	-	-	-	-	-	5,472,755
Federal/Payroll	3,451	3,451	-	3,451	-	-	-	-	-	3,451
Total	5,252,918	5,476,206	223,288	5,476,206	-	-	-	-	-	5,476,206
ADM										
American Money Market	14,069,916	14,069,916	-	14,069,916	-	-	-	-	-	14,069,916
CDs	-	-	-	-	-	-	-	-	-	-
Total ADM	14,069,916	14,069,916	-	14,069,916	-	-	-	-	-	14,069,916
US Bank Custodial										
Cash / purchases not settled	35,024	35,024	-	35,024	-	-	-	-	-	35,024
Agencies	45,118,764	45,118,764	-	1,920,126	-	21,008,913	19,955,363	2,234,363	-	45,118,764
Commercial Paper	4,979,180	4,979,180	-	1,995,950	2,983,230	-	-	-	-	4,979,180
Municipal Bonds	572,376	572,376	-	-	-	350,648	221,729	-	-	572,376
Total US Bank	50,705,344	50,705,344	-	3,951,100	2,983,230	21,359,561	20,177,092	2,234,363	-	50,705,344
Total Cash and Investments	\$ 70,028,178	70,251,466	223,288	23,497,222	2,983,230	21,359,561	20,177,092	2,234,363	-	70,251,466
Cash & cash equivalents	19,357,859									
Investments	50,670,319									
	\$ 70,028,178									

Performance Based Benchmark	Actual					
	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017
WEDC	1.05	1.11	1.09	1.15	1.17	1.19
LGP	0.88	1.00	1.03	1.04	1.09	1.21

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Investment Composition Summary
December 31, 2017

Investment Composition - By Type

Cash
Money Market
Commercial Paper
Agencies
Municipal Bonds
Certificates of Deposit
Total

Bank Balances

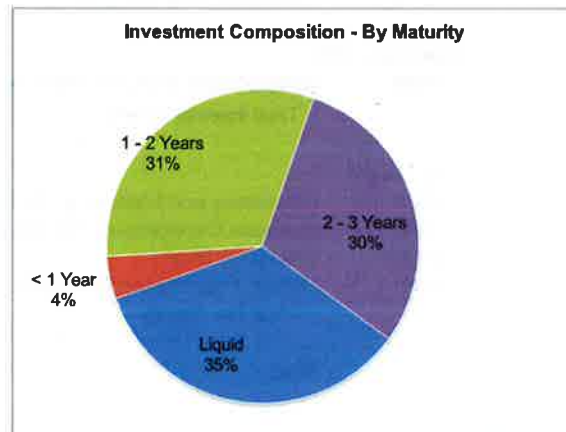
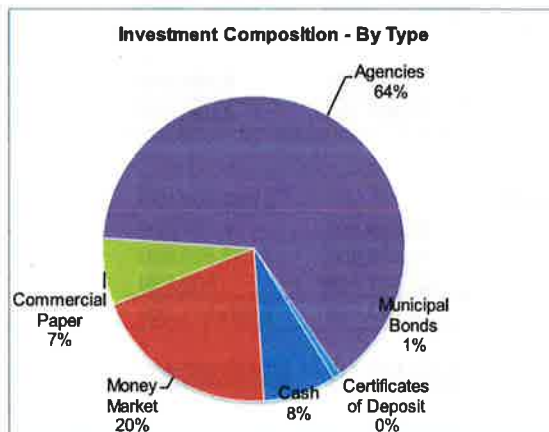
5,511,230
14,069,916
4,979,180
45,118,764
572,376
-
70,251,466

Investment Composition - By Maturity

Liquid
< 1 Year
1 - 2 Years
2 - 3 Years
3 - 4 Years
4 - 5 Years
Total

Bank Balances

23,497,222
2,983,230
21,359,561
20,177,092
2,234,363
-
70,251,466



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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
CASH AND INVESTMENT ACTIVITIES
Quarter Ended December 31, 2017

Agency	Book Balance as of 6/30/2017	Investment Type	Purchased	Matured/Sold	Accrued Interest and Gain/(Loss) on Matured/Sold Assets	Market Value/Statement Balance as of 12/31/2017
US Bank	4,148,244	Cash and Equivalents	8,000,000	8,024,132	-	5,476,206
US Bank Custodial	-	Certificates of Deposit	-	-	-	-
	63,307	Cash and Equivalents	1,129,760	1,149,507	-	35,024
	4,979,200	Commercial Paper	991,962	990,137	6,355	4,979,180
	45,122,218	Agencies	6,052,590	5,917,616	(270,284)	45,118,764
	575,561	Municipal Bonds	-	-	(2,953)	572,376
ADM	14,016,836	American Money Market	8,030,083	8,000,000	-	14,069,916
Total Cash and Investments	\$68,905,366		\$ 24,204,395	\$ 24,081,392	\$ (266,882)	\$ 70,251,466

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
INVESTMENT HOLDINGS
as of December 31, 2017

Institution / Product	Credit Rating	Type	Face	Yield to Maturity	Date Purchased	Market Value
ADMC						
Money Market	insured		\$ 14,069,916	0.90%		\$ 14,069,916
Total ADMC			<u>\$ 14,069,916</u>			<u>\$ 14,069,916</u>
US Bank						
Cash owed for settlements						
First Amer Govt Oblg Fund			\$ 35,024	0.00%		\$ 35,024
			<u>35,024</u>			<u>35,024</u>
Corporate Short Term Obligations						
Bank of Tokyo Missubishi C P	A-1	CP	1,000,000	1.54%	5/2/2017	998,950
BNP Paribas NY Branch C P	A-1	CP	1,000,000	1.52%	7/6/2017	997,000
Credit Agricole Crpion	A-1	CP	1,000,000	1.60%	11/13/2017	993,470
ING US Funding LLC C P	A-1	CP	1,000,000	1.56%	8/4/2017	994,280
JP Morgan Securities C P	A-1	CP	1,000,000	1.54%	7/10/2017	995,480
			<u>-</u>			<u>-</u>
Total Corp Short Term Obligation			<u>5,000,000</u>			<u>4,979,180</u>
US Government Issues						
FHLB	Aaa/AA+		1,500,000	1.49%	3/9/2017	1,491,330
FHLB	Aaa/AA+		4,435,000	0.93%	6/2/2016	4,367,368
FHLB	Aaa/AA+		1,950,000	1.07%	9/9/2016	1,920,126
FNMA	Aaa/AA+		3,500,000	0.97%	5/12/2016	3,466,925
FNMA	Aaa/AA+		1,500,000	0.93%	7/29/2016	1,475,955
FNMA	Aaa/AA+		2,000,000	1.05%	8/31/2016	1,970,500
FNMA	Aaa/AA+		600,000	1.52%	2/24/2017	593,772
FNMA	Aaa/AA+		1,050,000	1.50%	8/1/2017	1,037,012
FHLMC	Aaa/AA+		3,300,000	1.04%	5/12/2016	3,269,805
FHLMC	Aaa/AA+		2,000,000	0.96%	7/19/2016	1,968,720
FHLMC	Aaa/AA+		1,000,000	1.49%	4/19/2017	985,870
US Treasury	Aaa/AA+		3,000,000	1.41%	12/2/2016	2,978,310
US Treasury	Aaa/AA+		1,500,000	1.49%	1/4/2017	1,480,140
US Treasury	Aaa/AA+		2,550,000	1.56%	2/1/2017	2,521,211
US Treasury	Aaa/AA+		1,825,000	1.47%	4/3/2017	1,802,407
US Treasury	Aaa/AA+		2,550,000	1.45%	8/31/2017	2,512,745
US Treasury	Aaa/AA+		1,300,000	1.76%	11/7/2017	1,286,948
US Treasury	Aaa/AA+		2,250,000	1.99%	12/1/2017	2,234,363
US Treasury	Aaa/AA+		50,000	1.63%	3/16/2017	49,147
US Treasury	Aaa/AA+		2,525,000	1.58%	10/4/2017	2,500,154
US Treasury	Aaa/AA+		3,675,000	1.55%	6/29/2017	3,647,879
US Treasury	Aaa/AA+		1,550,000	1.61%	7/6/2017	1,538,081
			<u>-</u>			<u>-</u>
Total Agencies			<u>45,610,000</u>			<u>45,118,764</u>
Municipals Issues						
Wisconsin ST	Aa2/AA	Muni	355,000	1.00%	7/12/2016	350,648
Wisconsin ST	Aa3/AA-		225,000	1.73%	5/2/2017	221,729
Total Municipal Bonds			<u>580,000</u>			<u>572,376</u>
Total US Bank			<u>\$ 51,225,024</u>			<u>\$ 50,705,344</u>
Totals			<u>\$ 65,294,941</u>			<u>\$ 64,775,261</u>

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MEMO



To: Budget and Finance Committee
From: Brian Nowicki, CFO
CC: Mark Hogan, CEO; Tricia Braun, COO
Date: January 16, 2018

Re: Fiscal Year 2018 Budget Amendment

WEDC believes that it is appropriate to complete an amendment of the Fiscal Year 2018 (FY18) budget to better reflect our operating activities and organizational structure which may have changed since July 1, 2017.

The budget serves as a valuable tool to communicate priorities and manage our finances. During any given year, the actual financial results may differ from the budget, which may necessitate periodic adjustments to the budget.

Attached please find the detailed changes related to the FY18 budget amendment. There are three reports for your review:

1. Budget Summary – Revenue and Expense
2. Budget Breakout of Expenses by Department
3. Summary of Unallocated Program Funds

Significant changes have been summarized below:

- **Revenues** - Revised from \$38.66 million to \$38.77 million, or an increase of \$110,000 (<1%). The change is the result of additional state funding to be received to assist in funding a Key Business Liaison position related to the Foxconn award.
- **Expenditures** – Revised from \$51.04 million to \$56.47 million, or an increase of \$5.43 million (11%). The primary changes are:
 - (\$2.90 million) in additional program grants to reduce our unassigned fund balance and address programmatic need. See Program Activity below for further explanation.
 - (\$2.70 million) additional loan loss reserve, due to larger reserve requirements needed for Appleton Coated.
 - (\$195,000) for additional operating expenses due primarily to legal fees related to the Foxconn contract negotiation and a budget adjustment related to this year's Marketplace conference.
 - \$384,000 savings in payroll expenses, resulting mainly from an increase in our vacancy assumption year-to-date.

- Program Activity – The following changes to program grant and loan budgets for FY18 were made.

Grants - \$2.90 million

- \$2.50 million in additional funds to Community Development Investment (CDI) Grant Program.
- \$350,000 in additional funds to the SBIR Program.
- \$350,000 in additional funds to the Targeted Industry Project Grant Program.
- \$50,000 in additional funds to the Entrepreneur Micro Grant Program.
- (\$100,000) reduction in the FABLAB Legislative Award, moving those funds to the TIP Program.
- (\$250,000) reduction in the Strategic Initiatives Fund, moving those funds to the TIP Program.

Loans – (\$1.50 million)

- (\$1.50 million) reduction in anticipated activity for the new loan program, due to the mid-year timing of the program implementation.

- Unassigned Fund Balance – Revised from \$3.53 million to \$4.12 million, or an increase of \$592,000 (3%).

Recommendation:

For the Budget and Finance Committee to recommend for approval by the Board, the fiscal year 2018 budget amendment resolution.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Budget Summary - By Object

	FY 16 Actual	FY 17 Actual	FY 18 YTD Nov	FY 18 Amended Budget	FY 18 Original Budget	Variance □ Favorable (Unfavorable)	% Chg □ Favorable (Unfavorable)
Revenues							
State General Purpose Revenue	\$ 6,974,700	\$ 12,474,700	\$ 759,750	\$ 1,519,500	\$ 1,519,500	\$ -	0%
State Economic Development Fund (SEG)	21,776,000	21,776,000	16,365,600	32,731,200	32,731,200	-	0%
State Brownfield Site Assessment	1,000,000	1,000,000	500,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	393,199	1,699,810	524,392	1,028,590	1,028,590	-	0%
Interest on Loans	1,120,827	1,665,556	684,650	1,475,000	1,475,000	-	0%
Charges for services	233,108	288,837	115,000	282,000	282,000	-	0%
Interest on Investments	390,417	156,972	39,907	425,000	425,000	-	0%
Other Revenues	221,391	194,591	137,078	311,602	201,602	110,000	55%
Total Revenues	\$ 32,109,642	\$ 39,256,466	\$ 19,126,377	\$ 38,772,892	\$ 38,662,892	\$ 110,000	0%
Expenditures							
Program Grants	18,190,422	15,977,765	4,167,244	25,264,000	22,364,000	(2,900,000)	-13%
Loan loss reserve -Collectible	4,637,799	4,280,430	2,851,520	3,700,000	1,000,000	(2,700,000)	-270%
Loan loss reserve - Performance Based	4,374,037	1,089,006	-	1,500,000	1,500,000	-	0%
Key Strategic Partners	3,567,123	3,499,409	586,010	4,352,500	4,352,500	-	0%
Promotions	3,173,972	3,075,629	1,157,070	3,900,528	3,885,528	(15,000)	0%
Payroll and Benefits	9,439,874	10,340,618	3,799,162	10,876,009	11,259,902	383,893	3%
Operations and General	3,975,904	4,359,902	2,486,540	5,259,592	5,064,592	(195,000)	-4%
Pass-through federal grant expenditures	-	400,936	545,260	640,590	640,590	-	0%
Capital	148,449	291,761	31,784	124,000	124,000	-	0%
Debt Service	231,199	202,674	-	850,000	850,000	-	0%
Total Expenditures	47,738,779	43,518,130	15,624,590	56,467,219	51,041,112	(5,426,107)	-11%
Net Change in Fund Balance	(15,629,137)	(4,261,664)	3,501,787	(17,694,327)	(12,378,220)	(5,316,107)	43%
Beginning Fund Balance	123,573,198	107,944,061	103,682,397	103,682,397	95,911,038	7,771,359	8%
Ending Fund Balance	\$ 107,944,061	\$ 103,682,397	\$ 107,184,184	\$ 85,988,070	\$ 83,532,818	\$ 2,455,252	3%
Projected Ending Fund Balance Composition							
Nonspendable	29,573,758	38,991,331	33,626,458	39,651,782	43,622,682		
Restricted	17,984,574	41,738,825	38,967,990	38,938,657	20,014,063		
Assigned	13,722,294	3,964,935	4,613,835	3,274,488	16,365,403		
Program FYXX	-	15,728,097	-	-	-		
Unassigned	46,663,435	3,259,209	29,975,901	4,123,143	3,530,670		
Total	\$ 107,944,061	\$ 103,682,397	\$ 107,184,184	\$ 85,988,070	\$ 83,532,818		

**Wisconsin Economic Development Corporation
Budget Summary - by Department**

	FY 16 Actual	FY 17 Actual	FY 18 YTD Nov	FY 18 Amended Budget	FY 18 Original Budget	Variance □ Favorable (Unfavorable)	% Chg □ Favorable (Unfavorable)
Revenues							
State General Purpose Revenue	\$ 6,974,700	\$ 12,474,700	\$ 759,750	\$ 1,519,500	\$ 1,519,500	\$ -	0%
State Economic Development Fund (SEG)	21,776,000	21,776,000	16,365,600	32,731,200	32,731,200	-	0%
State Brownfield Site Assessment	1,000,000	1,000,000	500,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	393,199	1,699,810	524,392	1,028,590	1,028,590	-	0%
Interest on Loans	1,120,827	1,665,556	684,650	1,475,000	1,475,000	-	0%
Charges for services	233,108	288,837	115,000	282,000	282,000	-	0%
Interest on Investments	390,417	156,972	39,907	425,000	425,000	-	0%
Other Revenues	221,391	194,591	137,078	311,602	201,602	110,000	55%
Total Revenues	\$ 32,109,642	\$ 39,256,466	\$ 19,126,377	\$ 38,772,892	\$ 38,662,892	\$ 110,000	0%
Expenditures							
Operational Divisions							
Entrepreneurship & Innovation - 2000	\$ 6,811,956	\$ 8,837,787	\$ 2,776,541	7,217,566	\$ 6,515,762	\$ (701,804)	-11%
Business and Community Development - 3000	22,856,218	15,271,962	5,361,703	23,908,003	18,955,648	(4,952,355)	-26%
Business & Investment Attraction - 3500	-	731,624	458,336	894,191	888,303	(5,888)	-1%
Sector Strategy Development - 4000	4,621,263	4,184,020	1,124,944	6,623,373	6,413,420	(209,953)	-3%
Marketing & Communications - 5000	3,961,364	4,056,969	1,449,619	4,727,525	4,700,454	(27,071)	-1%
International Business Development - 7000	2,671,688	2,309,042	1,167,607	3,661,527	3,672,083	10,556	0%
Legal Services - 1100	801,359	1,002,658	485,114	1,253,281	1,136,668	(116,613)	-10%
Executive Office - 1200	1,238,814	1,739,858	367,940	1,183,156	1,237,673	54,517	4%
Operations & Program Performance - 1300	-	-	138,126	471,198	407,762	(63,436)	-16%
Human Resources - 6100	972,091	1,139,335	556,205	1,401,286	1,503,681	102,395	7%
Finance - 6200	858,404	870,773	228,132	1,438,804	1,464,277	24,473	2%
Information Technology - 6300	1,886,571	1,990,915	998,323	2,214,645	2,303,876	89,231	4%
Credit and Risk - 6600	1,011,792	870,095	318,966	974,123	1,067,168	93,045	9%
Office of Public Policy - 8000	447,259	513,092	193,034	497,541	774,337	276,796	36%
Total Expenditures	\$ 47,738,779	\$ 43,518,130	\$ 15,624,590	56,467,219	\$ 51,041,112	\$ (5,426,107)	-11%
Net Change in Fund Balance	(15,629,137)	(4,261,664)	3,501,787	(17,694,327)	(12,378,220)	5,316,107	-43%
Beginning Fund Balance	123,573,198	107,944,061	103,682,397	103,682,397	95,911,038	(7,771,359)	-8%
Ending Fund Balance	\$ 107,944,061	\$ 103,682,397	\$ 107,184,184	\$ 85,988,070	\$ 83,532,818	\$ 2,455,252	3%
Projected Ending Fund Balance Composition							
Nonspendable	35,538,497	38,991,331	33,626,458	39,851,782	43,622,682		
Restricted	25,471,389	41,738,825	38,967,990	38,938,657	20,014,063		
Assigned	21,434,223	3,964,835	4,613,835	3,274,488	16,365,403		
Program FYXX	-	15,728,097	-	-	-		
Unassigned	25,489,952	3,259,209	28,975,901	4,123,143	3,530,670		
Total	\$ 107,944,061	\$ 103,682,397	\$ 107,184,184	\$ 85,988,070	\$ 83,532,818		

**Wisconsin Economic Development Corporation
Program Grants and Loans**

Div.	Account No. and Name	FY 16 Actual	FY 17 Actual	FY 18 Amended Budget	FY 18 Original Budget	% Chg □ Favorable (Unfavorable)
	Program Grants					
2000	6600.1 - Capacity Building Grants - E&I	\$ -	\$ 497,384	\$ 500,000	\$ 500,000	0.0%
2000	6630 - Seed Accelerator	1,234,990	979,000	1,000,000	1,000,000	0.0%
2000	6646 - Entrepreneur Micro Grant Program	175,000	200,000	250,000	200,000	25.0%
2000	6650 - Capital Catalyst	625,000	1,475,000	1,500,000	1,500,000	0.0%
2000	6731 - SBIR / STTR Matching Grant	1,275,000	1,000,000	1,350,000	1,000,000	35.0%
2000	6756 - Business Incubator	250,000	-	-	-	0.0%
3000	6600 - Capacity Building Grants - BCD	516,125	420,743	500,000	500,000	0.0%
3000	6620 - Workforce Training Grants	450,000	850,000	2,000,000	2,000,000	0.0%
3000	6670 - Minority Business Development RLF	-	750,000	-	-	0.0%
3000	6680 - Community Development Investment Grant	2,751,900	3,425,145	5,500,000	3,000,000	83.3%
3000	6710 - Site Assessment Grants	1,149,158	871,496	1,000,000	1,000,000	0.0%
3000	6720 - Brownfield Grants	4,071,040	3,956,047	4,000,000	4,000,000	0.0%
3000	6725 - Idle Industrial Sites Redevelopment	2,300,000	2,000,000	2,000,000	2,000,000	0.0%
3000	6753 - Revolving Loan Fund - LEG	-	-	100,000	100,000	0.0%
4000	6640 - Targeted Industry Projects Grants	2,198,332	1,970,200	3,350,000	3,000,000	11.7%
4000	6670 - Minority Business Development RLF	575,000	-	-	-	0.0%
4000	6754 - FabLab TA - LEG	-	-	-	100,000	-100.0%
4000	6755 - Fabrication Laboratories	598,923	494,809	500,000	500,000	0.0%
7000	6655 - Exportech	210,000	210,000	214,000	214,000	0.0%
7000	6665.1 - International Market Access Grant	654,019	423,400	750,000	750,000	0.0%
7000	6665.2 - Collaborative Market Access Grant	207,960	319,200	450,000	450,000	0.0%
7000	6665.4 - International Market Access Grant - STEP	168,650	160,650	300,000	300,000	0.0%
8000	6795 - Strategic Initiatives Fund	-	-	-	250,000	-100.0%
		-	-	-	-	0.0%
	Total Program Grants	\$ 19,411,097	\$ 20,003,074	\$ 25,264,000	\$ 22,364,000	13.0%
	Loans					
2000	11xx - Technology Development Loans--State	3,000,000	2,905,500	3,000,000	3,000,000	0.0%
2000	11xx - Technology Development Loans--SSBCI	1,470,000	1,450,000	-	-	0.0%
2000	11xx - New Technology Development Loans - SSBCI	-	-	2,000,000	2,000,000	0.0%
3000	11xx - Business Development Loan Program	-	-	1,500,000	3,000,000	-50.0%
3000	11xx - Business Opportunity Loan Fund- Collectible Lo	6,602,000	3,450,000	-	-	0.0%
3000	11xx - Business Opportunity Loan Fund - Performance	-	-	-	-	0.0%
3000	11xx - Special Project Loan Fund	378,700	-	-	-	0.0%
		-	-	-	-	0.0%
	Total Loans Gross	11,450,700	7,805,500	6,500,000	8,000,000	-18.8%
	Less: expected loan repayments	(9,381,426)	(8,731,619)	(7,319,297)	(6,103,876)	19.9%
	Less: loan loss reserve in expenditures	(9,011,836)	(5,369,436)	(5,200,000)	(2,500,000)	108.0%
	Net funding for loans	(6,942,562)	(6,295,555)	(6,019,297)	(603,876)	896.8%
	Total Direct Economic Development	\$ 30,861,797	\$ 27,808,574	\$ 31,764,000	\$ 30,364,000	

Wisconsin Economic Development Corporation Resolution of the Board of Directors

February 22, 2018

Re: Resolution Amending the Fiscal Year 2018 Budget

The following resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board held on the date set forth above, following the required notice and with quorum of the Board present pursuant to Chapter 238 of the Wisconsin Statutes:

WHEREAS, WEDC was created to be the State of Wisconsin's lead economic development organization.

WHEREAS, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor its fiscal management.

WHEREAS, on July 13, 2017 the Board did adopt the fiscal year 2018 budget.

NOW, THE BOARD OF DIRECTORS RESOLVES:

RESOLVED, that the fiscal year 2018 budget as amended on the attached which is made a part of this resolution, is approved.

RESOLVED, that the CEO may, if deemed necessary, authorize the transfer of budget from operations to programs for the remainder of this fiscal year. The CEO shall notify the Board of any transfer of funds from operations to programs. The transfer of budget from division to division may only be authorized by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board for the remainder of the fiscal year.

This Resolution shall take effect immediately upon its adoption on February 22, 2018.

MEMO



To: WEDC Board of Directors
From: Faye Bokelman
CC: Audit Committee Members
Date: February 13, 2018

Re: Summary of the November 6, 2017 & January 22, 2018 Audit Committee Meetings

November 6, 2017

The Committee reviewed the Comprehensive Annual Financial Report (CAFR) and Auditor's Communication from Sikich and approved sending the CAFR to the Board for final approval.

The Committee reviewed WEDC's responses to the LAB Audit and approved sending the responses to the Board for final approval.

The Committee examined the first quarter updates to WEDC's FY18 Compliance Plan.

January 22, 2018

The Committee reviewed the updated responses to the LAB Audit – these responses identified the progress made since the November 6, 2017 status update and represented the final responses to be submitted to the Joint Legislative Audit Committee (JLAC) on February 1, 2018. The Committee approved sending the responses to the Board for final approval.

The Committee examined the second quarter updates to WEDC's FY18 Compliance Plan.

Please contact WEDC staff if you would like copies of the materials distributed to the Committee.

MEMO



To: WEDC Board of Directors
From: Faye Bokelman
CC: Budget & Finance Committee Members
Date: February 13, 2018

Re: Summary of the November 6, 2017 and January 16, 2018 Budget & Finance Committee Meetings

November 6, 2017

The Committee reviewed the quarterly financials as of September 30, 2017.

The Committee approved a RFP for contracting with CliftonLarsonAllen on a three-year contract to perform WEDC's Agreed Upon Procedures for Verification of Annual Performance Measurements.

The Committee approved an amendment to the Best Judgment Purchasing waiver relating to WEDC's engagement of Foley & Lardner LLP as outside counsel for the Foxconn economic development project. The amendment authorized an increase in approved funds to accommodate the additional legal review needed to finalize the Foxconn EITMZ contract.

January 16, 2018

The Committee approved a RFP for contracting with CoreBTS on a three-year contract to provide managed services to WEDC's I.T. department.

The Committee approved a sole source waiver to enter into a three-year Enterprise Agreement with Microsoft Corporation and CDW Direct, an authorized reseller, to provide Microsoft products to WEDC.

The Committee reviewed a FY18 budget amendment and approved sending the resolution to the Board for final approval.

Please contact WEDC staff if you would like copies of the materials distributed to the Committee.

MEMO



To: WEDC Board of Directors
From: Faye Bokelman
CC: Awards Administration Committee Members
Date: February 13, 2018

Re: Summary of the November 7, 2017; December 20, 2017; and January 22, 2018 Awards Administration Committee Meetings

November 7, 2017

The Committee reviewed and approved updates to the Enterprise Zone, Qualified New Business Venture, Business Development Tax Credit, and Historic Tax Credit program guidelines.

The Committee reviewed and approved four amendments and four staff reviews in closed session. Three of the amendments and two of the awards were sent to the Board for final approval.

December 20, 2017

The Committee reviewed and approved updates to the Business Development Loan program (BDL) guidelines.

The Committee reviewed and approved three amendments and four staff reviews in closed session. One of the amendments and two of the awards were sent to the Board for final approval.

January 22, 2018

The Committee reviewed and approved reviewed the changes to the Awards Administration Committee charter.

The Committee reviewed and approved two amendments and one staff review in closed session.

Please contact WEDC staff if you would like copies of the materials distributed to the Committee.

AWARDS ADMINISTRATION COMMITTEE CHARTER

Mission

WEDC's Board Awards Administration Committee is charged with evaluating recommendations for and approving certain economic development awards. The committee will approve loans amounting to over \$500,000 up to \$1 million, grants amounting to over \$500,000 and up to \$2 million, tax credits (except enterprise zones which must go to the Board regardless of amount) amounting to over \$3.5 million and up to \$10 million, and, pursuant to the motion enacted by the Board of Directors on December 13, 2016, amendments to awards, for which the application was received after February 1, 2017, where jobs must be retained or created and there has been reduction in the awardee's statewide employment. The Board Awards Administration Committee will also approve WEDC exercising an option to convert a loan into an equity investment. In addition, the Board Awards Administration Committee will serve in an advisory capacity to WEDC to ensure the Awards Administration Policy in the WEDC Code of Ethics and Conduct remains up to date and is in compliance with current industry standards.

Authority and Responsibilities

Award Approvals

This committee will have final approval on all award requests and award amendments that fall within its approval authority. Any award or amendment that exceeds this limit will first be presented to this committee, and then will be routed to the full Board for final approval. The Board Awards Administration Committee will also approve WEDC exercising an option to convert a loan into an equity investment.

Award Charge-Off

The committee will be notified of management's award charge-off recommendations.

Program Guidelines

The committee will review new program guidelines which will be routed to the full Board for final approval. The committee will approve substantive midyear revisions to existing program guidelines.

Inform the Board

Inform the full Board of Directors of substantive actions taken by the Board Awards Administration Committee and of issues arising at committee meetings.

Organization

Membership, Structure, Quorum

The Board Awards Administration Committee shall consist of: two Board members, WEDC's Chief Executive Officer, WEDC's Chief Operating Officer, WEDC's Chief Financial Officer, and at least two individuals with experience in the financial services industry or other related experience. The committee chair shall be appointed by the Board chair or elected by the committee. A quorum of any meeting of the Board Awards Administration Committee shall consist of one WEDC Board member, one outside committee member, and one WEDC staff member of the committee. Committee members may participate by teleconference. If a committee member is unable to attend a meeting, they may provide written notice designating an individual to participate in that particular meeting on their behalf. The designee may not vote on behalf of the Awards Committee member.

Staff Designee

WEDC legal counsel and administrative support will be provided at the committee meetings.

Agenda, Minutes, and Reports

The committee chair and WEDC staff, shall be responsible for establishing the agendas for meetings. An agenda, together with the relevant materials, shall be sent to committee members in advance of the meeting.

Minutes for all meetings shall be drafted by WEDC staff, reviewed by the committee chair, and approved by the committee members at the following meeting. Committee meetings are subject to the open meetings laws.