ANNUAL COMPREHENSIVE

FINANCIAL REPORT

INCLUDING INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023. A COMPONENT UNIT OF THE STATE OF WISCONSIN.

LOOK FORWARD

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

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November 20, 2023

To the Wisconsin Economic Development Corporation Board and the Citizens of the State of Wisconsin:

The Annual Comprehensive Financial Report of the Wisconsin Economic Development Corporation (WEDC) as of and for the year ended June 30, 2023, is herein submitted.

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

Sikich LLP has issued an unmodified ("clean") opinion on the Wisconsin Economic Development Corporation's financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to WEDC for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the tenth consecutive year WEDC has achieved this prestigious award. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

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

ABOUT WEDC

WEDC was created by 2011 Wisconsin Act 7 to serve as the State's lead economic development entity. WEDC works collaboratively with economic development partner organizations, educational institutions, businesses, and other local and state government entities to advance our shared mission of helping businesses and communities in Wisconsin take advantage of new opportunities for economic growth through innovative, market-driven programs. Program results for each fiscal year can be found in WEDC's Annual Report on Economic Development (ARED Report). WEDC encourages economic growth by focusing on the following:

- Business and Community Development – To ensure resources are available to companies and communities to maximize their potential.
- Entrepreneurship and Innovation – To strengthen new business innovation through supporting startups from seed to growth stage.
- Global Trade and Investment – To grow Wisconsin's exports, to increase awareness of Wisconsin as a destination for businesses to expand or relocate by promoting the state, and to advance high-impact economic development projects that produce a competitive advantage for Wisconsin.

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

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

LONG-RANGE PLANNING AND FINANCIAL POLICIES

Throughout FY23, WEDC continued to leverage its connections with state agencies and key strategic partners throughout the State to coordinate services and ensure resources were available to businesses, institutions, industry groups, and local economic development representatives that are working together to build an economy for all.

During this time, Wisconsin's unemployment rate remained among the lowest in the U.S.: 3.0% as of December 31, 2022 (compared to the national average of 3.5%), and 2.5% as of June 30, 2023 (compared to the national average of 3.6%).

Major initiatives implemented during FY23 included:

Main Street Bounceback Grant Program (MSBB)

The Main Street Bounceback Grant program allocated $75.0 million in FY22 using federal American Rescue Plan Act funds. The program provided one-time grants of $10,000 to businesses and nonprofits that moved or expanded into previously vacant commercial spaces. WEDC collaborated with nine economic development organizations to deploy grant funding to eligible businesses and nonprofit organizations.

In FY23, an additional investment of $25.0 million was announced to support the greater-than-expected demand for these grants. Eligibility for the program ended on December 31, 2022. As of June 30, 2023, a total of more than 9,400 small businesses and nonprofits across all 72 counties had been approved for $10,000 MSBB grants during the term of the program.

Wisconsin Workforce Innovation Grant Program (WIG)

The Wisconsin Workforce Innovation Grant program is a collaboration between WEDC and the Department of Workforce Development (DWD). The program was announced in July 2021, funded by more than $100.0 million in federal American Rescue Plan Act funds. The program provides grants of up to $10.0 million to regional organizations to design and implement innovative plans to address local workforce needs. This program encourages the development of leading-edge, long-term sustainable solutions that enable businesses to more easily find workers and empower workers to prepare for and connect to family-supporting careers more successfully.

A first round of awards totaling $59.5 million was announced in December 2021 for 12 regional projects. A second round of grants for $68.8 million was announced in February 2022 for 15 regional projects.

Talent Attraction and Retention Initiatives

During FY23, WEDC invested over $3.0 million in comprehensive talent attraction and retention strategies. These efforts included a national digital advertising campaign targeting potential relocating workers; out-of-state public relations generating significant positive media impressions; collaboration with military and veterans organizations; a cooperative initiative to support the talent attraction and retention efforts of 16 partner organizations; a talent-marketing toolkit; support for refugees' career services; and grants for vibrant community spaces and Fab Labs aimed at helping students master high-demand skills.

Wisconsin Investment Fund Initiative

In FY23, WEDC established the Wisconsin Investment Fund (WIF) to increase public and private investment in Wisconsin companies and to provide small businesses access to much-needed capital. The funds allocated under this initiative are intended to fuel entrepreneurship and expand access to startup capital statewide.

Through the WIF, WEDC will invest equity capital in Wisconsin small businesses by utilizing external venture capital fund managers. The Wisconsin Investment Fund's initial capital will come from a $50.0 million grant from the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI).

Strategic Plan: Building a Brighter Wisconsin Future

In FY22, WEDC introduced its strategic plan, guided by the first and second Wisconsin Tomorrow: Building an Economy for All reports. The initial stage involved the identification and prioritization of specific initiatives and marked the inception of WEDC's "True North" with guiding principles centered on broadening WEDC's role, shaping our path, promoting innovation, and building a strong internal culture.

During FY23, the focus shifted to a thorough and detailed examination of specific facets within each initiative. This close exploration helped WEDC create clear plans for how to put these ideas into action, allocate resources, and measure progress.

FY24 will focus on implementing and evaluating these plans. By tailoring WEDC's initiatives within the strategic plan's principles, WEDC's team will address challenging issues, bring renewed energy and purpose to its work, and realize its vision of an economy in which all Wisconsinites have an opportunity to thrive. WEDC will measure the effectiveness of change and respond to those metrics with transparency and care. Continuous improvement, accountability, and a keen focus on creating excellent customer experiences are fundamental goals. They will make WEDC a more effective, team-based organization driving Wisconsin's economic success well into the future.

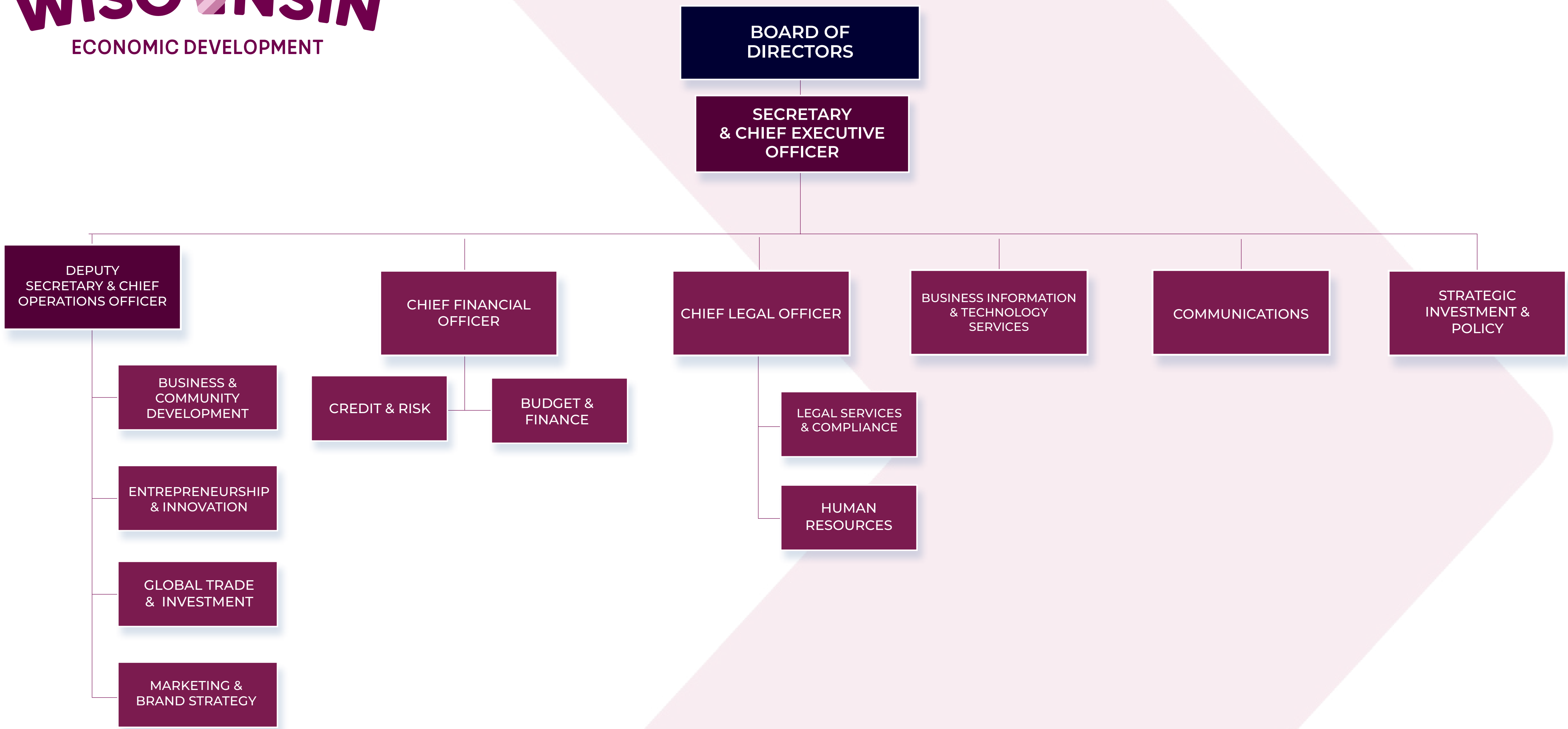
WEDC's long-range plan is to continue to address the needs of Wisconsin businesses and residents, make strategic investments, implement collaborative strategies, encourage and support entrepreneurship and rural development, help Wisconsin companies tap global markets, to extend Wisconsin's industry leadership, and to maintain and promote Wisconsin's exceptional quality of life.

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

Respectfully submitted,

Khadija Mims Chief Financial Officer	Natalya Krutova Controller

WISCONSIN ECONOMIC DEVELOPMENT



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Wisconsin Economic Development Corporation

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

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Sam Rikkers	Chief Operation Officer & Deputy Secretary
Jenny Campbell	Chief Legal Counsel
Khadija Mims	Chief Financial Officer
Joshua Robbins	Senior Vice President of Business Information & Technology
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Mike Ward	Vice President of Business & Community Development
Katy Sinnott	Vice President of Global Trade & Investment
Scott Champion	Vice President of Marketing & Brand Strategy
Natalya Krutova	Controller
Flannery Geoghegan	Senior Director of Policy
Beth Haskovec	Director of The Office of Rural Prosperity
David Callender	Director of Communications

WISCONSIN ECONOMIC DEVELOPMENT

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Wisconsin Economic Development Corporation (WEDC), a component unit of the State of Wisconsin, as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise WEDC's basic financial statements as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Wisconsin Economic Development Corporation, a component unit of the State of Wisconsin, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison statement for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WEDC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the WEDC's ability to continue as a going concern for a reasonable period of time.

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

Change in Accounting Principle

WEDC adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Further information on the change in accounting principle can be found in note III D. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of governmental activities and the major fund of WEDC as of and for the year ended June 30, 2022, and we expressed unmodified opinions on those basic financial statements. That audit was conducted for purposes of forming an opinion on the basic financial statements as a whole. The 2022 comparative information included on the budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2023, on our consideration of WEDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WEDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WEDC's internal control over financial reporting and compliance.

Sikich LLP

Brookfield, Wisconsin
November 20, 2023

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and major fund of the Wisconsin Economic Development Corporation (WEDC) as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the WEDC's basic financial statements, and have issued our report thereon dated November 20, 2023.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sikich LLP

Naperville, Illinois
November 20, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and For the Year Ended June 30, 2023
(Unaudited)

Wisconsin Economic Development Corporation's management offers this narrative overview and analysis of its financial statements for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal, which can be found preceding the independent auditor's report.

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to WEDC's basic financial statements, which are comprised of three components:

1. government-wide financial statements,
2. fund financial statements, and
3. notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

FINANCIAL HIGHLIGHTS

The most significant activities that impacted WEDC's government-wide financial picture during FY23 were:

- Unrestricted Net Position increased by $18.4 million
- Total Assets increased by $4.1 million
- Total Liabilities decreased by $2.5 million

Total assets increased by $4.1 million compared to FY22, mainly due to the following:

a) Cash and investment accounts increased by $4.8 million, mainly due to $19 million received from the State Small Business Credit Initiative (SSBCI) as the first tranche of the Capital Program, offset by $7.3 million cash used for the Main Street Bounceback (MSBB) program, where cash was received in FY22 and disbursed in FY23. The remaining variance is due to increased cash used for operations and award draws.
b) Accounts receivable increased by $5.2 million, primarily attributed to a $4.9 million increase in state funding resulting from an increase in the economic development fund (SEG) collection, which was received in August 2023.
c) Net loan receivable decreased by $2.7 million due to loan repayments of $4.7 million, offset by $3.2 million in loan draws, $1.2 million write-offs, $1.5 million in loan forgiveness for the last performance-based loan, and $1.5 million increase in allowance for loan reserve.

Total liabilities decreased by $2.5 million, mainly as a result of a $5.3 million decrease in accounts payable and accrued awards, offset by a $2.8 million increase in pension obligations as of June 30, 2023.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of WEDC's finances, in a manner similar to a private-sector business. They are presented in two statements, the Statement of Net Position and the Statement of Activities (pages 25-26).

GOVERNMENT-WIDE - STATEMENT OF NET POSITION

The following table summarizes WEDC's Statements of Net Position from 2022 and 2023.

	Governmental activities			
	2022 (000's)	2023 (000's)	Change	% Chg
Current and other assets	$ 90,929	$ 94,893	$ 3,964	4.36%
Capital assets	790	904	114	14.43%
Total assets	91,719	95,797	4,078	4.45%
Deferred outflows of resources	8,308	10,461	2,153	25.91%
Long-term debt	3,233	6,257	3,024	93.54%
Other liabilities	13,618	8,049	(5,569)	-40.89%
Total liabilities	16,851	14,306	(2,545)	-15.10%
Deferred inflows of resources	10,381	6,240	(4,141)	-39.89%
Net investment in capital assets	138	345	207	150.00%
Restricted	41,603	36,791	(4,812)	-11.57%
Unrestricted	31,054	48,576	17,522	56.42%
Total net position	$ 72,795	$ 85,712	$ 12,917	17.74%

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

Total assets increased by $4.1 million, primarily due to a $4.8 million increase in cash and cash equivalents, a $5.2 million increase in accounts receivables, and a $0.6 increase in prepaid items. Total increases were partially offset by a $2.7 million decrease in loan receivables.

The $4.8 million increase in cash and cash equivalents is due to the $19 million received from SSBCI funds as the first tranche of the Capital Program, offset by $7.3 million cash used for the Main Street Bounceback (MSBB) program. The remaining variance is due to increased cash used for operations and award draws.

Loan receivables decreased by $2.7 million because of $4.7 million in loan repayments, offset by $3.2 million new loan disbursements and $1.2 million in loan write-offs, $1.5 million in loan forgiveness for the last performance-based loan and $1.5 million increase in allowance for loan reserve.

Capital assets and long-term debt are described in more detail in those sections of this report, see pages 47-50.

Deferred outflows of resources increased by $2.2 million and deferred inflows of resources decreased by $4.1 million. All deferred outflows of resources and deferred inflows of resources are direct results of our annual pension and OPEB accruals. As of June 30, 2023, WEDC is reporting a net pension liability of $2.8 million and a total OPEB liability of $1.0 million. For additional information on the pension plan, see pages 51-57. For additional information on the OPEB, see pages 58-62.

Total liabilities decreased by $2.5 million and include accounts payable, payroll liabilities, lease liabilities, OPEB liability, and year-end accruals for awards not yet disbursed. The reduction is mainly driven by a $5.4 million decrease in accounts payable and accrued awards, partially offset by a $2.8 million increase in pension liabilities and a long-term note payable for the State of Wisconsin.

A portion of WEDC's net position represents the net investment in its capital assets, based on historical cost. Capital assets are used to provide services; consequently, these assets are not available for future spending. Capital assets are described in more detail on page 47 of this report.

A portion of WEDC's net position represents resources that are subject to external restrictions on how they may be used. The restricted net position primarily consists of contractual obligations WEDC has made related to its economic development programs and awards.

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

GOVERNMENT-WIDE - STATEMENT OF ACTIVITIES

The Statement of Activities presents information showing how WEDC's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The table below summarizes the Statements of Activities for 2022 and 2023.

	Governmental activities			
	2022 (000's)	2023 (000's)	Change	% Chg
REVENUE				
Program revenues				
Charges for services	$ 170	$ 139	$ (31)	-18.2%
Operating grants and contributions	66,131	49,761	(16,370)	-24.8%
General revenues				
Intergovernmental revenues not restricted to specific programs	40,551	45,418	4,867	12.0%
Investment income	(569)	2,140	2,709	-476.1%
Miscellaneous	3,031	1,241	(1,790)	-59.1%
Total Revenues	109,314	98,699	(10,615)	-9.7%
EXPENSES				
General administration	9,750	12,512	2,762	28.3%
Marketing & brand strategy	3,906	7,137	3,231	82.7%
Economic development	95,246	66,068	(29,178)	-30.6%
Interest and fiscal charges	64	65	1	1.6%
Total Expenses	108,966	85,782	(23,184)	-27.0%
Total Change in Net Position	348	12,917	12,569	3611.8%
NET POSITION - BEGINNING OF YEAR	72,447	72,795		
NET POSITION - END OF YEAR	$ 72,795	$ 85,712		

Program revenues are those revenues that can be directly related to a particular activity, whereas general revenues represent revenues that are not directly related to one specific function. Compared to FY22:

<u>Charges for services</u> decreased by $31,000 primarily due to bond servicing and tax transfer fees.

<u>Operating grants and contributions</u> decreased by $16.4 million due to the following:

- In FY22, WEDC received $64.7 million for the Main Street Bounceback (MSBB) program as part of the American Rescue Plan Act (ARPA), whereas in FY23, the funding was $32.5 million.
- In FY23, WEDC received $19.0 million from the State Small Business Credit Initiative (SSBCI) as the first tranche of the Capital Program.
- $0.3 million increase in revenue from the State Brownfield Site Assessment fund.

<u>Intergovernmental revenues not restricted to specific programs</u> represent WEDC state funding, which increased by $4.9 million due to increased collections from the economic development fund (SEG).

Investment income increased by $2.7 million due to the following:

- Investment income is reported at $1.2 million compared to a loss of $1.3 million in FY22, reflecting favorable market conditions.
- Loan interest income increased from $0.7 million in FY22 to $0.9 million in FY23.

Miscellaneous revenues represent other income from trade and events and deferred revenue.

General administration expenditures increased by $2.8 million. Payroll and benefit expenditures increased by $2.4 million due to the recognition of pension liability, and capital expenditures increased by $0.3 million as a result of the implementation of GASB 96, *Subscription-Based Information Technology Arrangements (SBITA)* and GASB 87, *Lease* standards.

Marketing and communication expenditures increased by $3.2 million, mainly due to an increase in spending related to talent attraction and retention initiatives.

Economic development expenditures decreased by $29.2 million due to a $31.5 million decrease in WEDC's direct award programs, primarily related to the Main Street Bounceback (MSBB) program. The Key Strategic Partner program expenditures decreased by $0.2 million. This decrease is partially offset by increases in payroll and benefits of $0.3 million, professional services of $0.2 million, business travel of $0.4 million, and $1.6 million increased in bad debt for collectible loans.

Interest and fiscal charges increased by $1,000 due to the State's calculation of WEDC's pension obligation allocation.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. WEDC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. WEDC has only one fund, the General Fund. The General Fund is a governmental fund type. The fund financial statements can be found on pages 27 and 29 of this report.

Since WEDC only reports one fund, the results of operations for the General Fund are similar to the government-wide financial statements. The primary difference being that the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. In practical terms, this means that capital assets, which represent assets to be used in future periods, and debt, which is expected to be paid in future periods, are not included in the fund financial statements. The details of these adjustments are found within the Reconciliation of the Balance Sheet to the Statement of Net Position and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, see pages 28 and 30.

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

General Fund – Fund Balance

Year-end total fund balance of $67.0 million decreased by $2.9 million, which represents the net change in fund balance as WEDC continues to budget expenditures that exceed revenues. WEDC uses its unassigned fund balance and loan principal repayments as fund sources to achieve a balanced budget. WEDC's general fund balance is categorized into four components:

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

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

The non-spendable fund balance for 2023 fiscal year-end was $13.4 million, compared to $15.4 million in 2022 fiscal year-end, and primarily represents loans receivable from awardees and prepaid items. Although these items represent assets to WEDC, the payments on them are not due in the near term and therefore are not available for spending. The $2.0 million decrease compared to FY22 is primarily due to a $2.7 million reduction in net loan receivable balance, resulting from loan principal repayments exceeding loan originations during the year. This decrease was partially offset by a $0.7 million increase in prepaid items related to activities for the fiscal year 2024.

The restricted fund balance for 2023 fiscal year-end was $36.8 million, compared to $41.6 million in 2022 fiscal year-end. The restricted fund balance of the general fund and the restricted net position of the government-wide statement of fund balance are very similar, representing revenues that can only be used for specific purposes, primarily for economic development activities. The $4.8 million reduction compared to FY22 is primarily due to a $5.7 million decrease in restricted funds for economic development contracts, offset by increases of $0.3 million for SSBCI program income and $0.6 million restricted fund for talent attraction and retention initiatives.

The assigned fund balance for 2023 fiscal year-end was $11.6 million, compared to $7.6 million in 2022 fiscal year-end, representing funds intended to be used for specific purposes. FY23 year-end balance includes $6.9 million assigned for talent attraction and retention initiatives for the FY2023-25 biennium, $2.0 million assigned for WEDC new office buildout, $1.8 million related to pension obligations to the State, and $0.9 million for compensated absences. The $4.1 million increase compared to FY22 is primarily due to an increase in assigned funds for talent attraction and retention initiatives.

The unassigned fund balance for 2023 fiscal year-end was $5.2 million, compared to $5.4 million in 2022 fiscal year-end, and represents the residual classification for the General Fund. Amounts over the established target of one-sixth of WEDC's annual administrative costs will be used to help fund future operating budgets or to increase program spending in the current fiscal year. The $3.0 million decrease compared to FY22 is a result of changes in the above fund balance categories and total fund balance.

GENERAL FUND - BUDGETARY HIGHLIGHTS

WEDC adopts an annual budget for its General Fund. A budgetary comparison schedule can be found on pages 31-32 of this report. Our Budget Approval Policy allows WEDC's management to approve budget amendments at the following levels:

a) Funds must be transferred within a department or division between programs and operation or within programs, but transfers do not exceed WEDC's total budget in aggregate.
b) Funds need to be transferred between departments or divisions without exceeding WEDC's budget in aggregate and without moving funds from programs to WEDC internal operations.

During fiscal year 2023, WEDC conducted internal budget amendments to reallocate funds to ensure alignment with anticipated demands in accordance with the budget approval policy. A general summary of actual to-budget variances follows:

	General Fund				
	Original Budget 2023 (000's)	Final Budget 2023 (000's)	Actual 2023 (000's)	Variance with Final Budget	% Chg
REVENUE					
Intergovernmental revenues	$100,466	$ 100,466	$ 79,515	$ (20,951)	-20.9%
Charges for services	120	120	140	20	16.7%
Investment income	700	700	2,140	1,440	205.7%
Miscellaneous	346	346	373	27	7.8%
Total Revenues	101,632	101,632	82,168	(19,464)	-19.2%
EXPENDITURES					
Program grants	59,827	59,621	53,075	(6,546)	-11.0%
Loan loss reserve	500	500	1,183	683	136.6%
Key strategic partners	5,088	5,088	4,745	(343)	-6.7%
Marketing & brand strategy	8,071	8,071	6,073	(1,998)	-24.8%
Payroll and benefits	14,533	14,533	13,974	(559)	-3.8%
Operations and general	9,800	9,800	4,609	(5,191)	-53.0%
Capital	2,000	2,000	362	(1,638)	100.0%
Debt service	279	279	1,178	899	322.2%
Total Expenditures	100,098	99,892	85,199	(14,693)	-14.7%
Excess (Deficiency) of Revenue Over Expenditure	1,534	1,740	(3,031)	(4,771)	
OTHER FINANCING SOURCES (USES)					
Subscription issuance	-	-	103	103	
Total Other Financing Sources (Uses)	-	-	103	103	
Net Change in Fund Balance	1,534	1,740	(2,928)	(4,668)	
FUND BALANCES - BEGINNING OF YEAR			69,977		
FUND BALANCES - END OF YEAR			$ 67,049		

Revenues – Total actual revenue for FY23 is $82.2 million, representing 81% of the annual budget. FY23 budget of $101.6 million includes $44.4 million for intergovernmental funds, $32.3 million for ARPA funds (MSBB), and $23.7 million for SSBCI funding. FY23 actual revenues of $82.2 million include $47.1 million in intergovernmental funds, $32.5 million ARPA funds (MSBB), $0.3 million SSBCI revenue.

- WEDC's state funding consists of three funds: The segregated (SEG) economic development fund, the general purpose revenue (GPR) fund, and the segregated environmental fund restricted for the use of the brownfield site assessment grants (SAG). Total state funding for FY23 is reported at $46.4 million, compared to $41.5 million annual budget. The actual collections from the economic development fund (SEG) for FY23 came higher than anticipated in the budget. As a result, WEDC state funding available for FY23 increased by $4.9 million compared to FY23 budget.

State Funding	Budget 2023	Actual Available Funding 2023	Variance
GPR	$ 4,550,700	$ -	$ (4,550,700)
SEG	36,000,000	45,417,700	9,417,700
SAG	1,000,000	1,000,000	-
Total	$ 41,550,700	$ 46,417,700	$ 4,867,000

- Federal funding from SSBCI shows $0.03 million, representing revenue recognized to offset SSBCI related costs for FY23. Wisconsin's application for the technical assistance program budgeted at $1.9 million is still pending Treasury's approval.
- Federal ARPA funding for the MSBB program shows $32.4 million. Out of the $100 million allocated for the MSBB program over the last two years, WEDC has deployed approximately $96.8 million, assisting more than 9,400 businesses across 72 counties in Wisconsin. The remaining unused funds were returned to the Department of Administration (DOA).
- Charges for services – actual results of $0.1 million or 116% of the annual budget include tax transfer fees and loan origination fees.
- Interest income – actual results of $2.1 million or 306% of the annual budget. This includes $0.9 million of interest earned on loans and $1.2 million of investment income.
- Other income – actual income of $0.4 million or 108% of the annual budget includes sponsorships for Marketplace, registration fees for the Wisconsin Economic Summit, and GTI trade ventures participant fees.

Expenditures – Total expenditures of $85.1 million represent 88% of the annual budget. A favorable variance of $14.7 million, or 14.7%, is due to the following:

- Program grants favorable variance is $6.5 million, as actual cash disbursements from current and prior year program awards were less than their program budgets (which, in addition to current year cash disbursements, also include current year commitments and contract activity). To the extent that committed and contracted activities are not recognized as an expenditure in the current fiscal year, the related funds are restricted on the balance sheet.

- Loan loss reserve, a provision for bad debt on loans that WEDC collects, increased by $0.7 million. WEDC estimates loan reserves based on outstanding loan balances and evaluation for risk of non-payment at the program and individual loan levels.
- Key strategic partners' favorable variance of $0.3 million is due to strategic initiatives scheduled in fiscal year 2024.
- Marketing and promotions – actual expenditures of $6.0 million represent 75% of the annual budget and include $2.7 million for talent attraction and retention initiatives. An additional $0.6 million in talent attraction and retention activities are part of the restricted fund balance on the balance sheet representing reimbursement-based contracts.
- Payroll and benefits – actual expenditures of $14.0 million represent 96% of the annual budget.
- Operations and general – actual expenditures of $4.6 million represent 47% of the annual budget. Underspending is primarily related to SSBCI activities that were not incurred during the year due to the delay in application approval.
- Capital - actual expenditures of $0.4 million include $0.2 million marketing equipment and research tools and $0.2 million related to the new office build-out (the remaining budgeted amount for the office buildout will be incurred in FY24 to align with the construction schedule.
- Debt service represents the State's calculation of WEDC's allocation of the State's pension obligation, in addition to the principal and interest portion of WEDC office lease and SBITA payments.

Other Financing Sources (Uses) – include transfers in and out and the proceeds from the issuing of long-term debt such as software-based information technology agreements and building leases.

Changes in Fund Balance – For the fiscal year 2023, expenditures exceeded revenues by $3.0 million, which is $4.8 million less than budgeted.

Fiscal Year 2023 Program Activity – For the fiscal year 2023, we continued to see an increased demand for our programs. As of June 30, 2023, WEDC disbursed, committed, and contracted for $60.2 million in grants, loans, and key strategic partners, which represents 69% of the $86.9 million annual budget. The remaining 31% or $26.7 million unallocated funds include $21.5 million for SSBCI activities, and $5.2 million for other programs and key strategic partner initiatives.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 34-65 of this report. The information provided below on capital assets and long-term debt can also be found within the footnotes to the financial statements. The notes to the required supplementary information can be found on pages 66-67.

CAPITAL ASSETS

WEDC's capital asset activity for 2022 and 2023 is summarized below.

	Governmental Activities		
Description	2022	2023	Variance
Software	$ 1,806,224	$ 691,954	$(1,114,270)
Furniture and fixtures	69,728	53,737	(15,991)
Leasehold improvements	476,625	751,392	274,767
Right-to-use lease asset	1,274,013	196,162	(1,077,851)
SBITA	658,677	761,427	102,750
Vehicles	108,916	-	(108,916)
Total Capital Assets	4,394,183	2,454,672	(1,939,511)
Less accumulated depreciation and amortization	(2,945,662)	(1,550,304)	1,395,358
Capital assets, net of depreciation and amortization	$ 1,448,521	$ 904,368	$ (544,153)

Total capital assets decreased by $1.9 million compared to FY22, mainly due to elimination of WEDC software and website of $1.1 million and $1.1 million for the right to use lease asset. WEDC canceled the fleet program and sold vehicles in FY23. Additional information on WEDC's capital assets can be found in Note III C on page 47.

LONG-TERM DEBT

WEDC does not have a debt limit. The long-term debt consists of lease liability, SBITA liability, OPEB liability, compensated absences, and notes payable to the State of Wisconsin. Total long-term debt increased by $2.8 million. Variances compared to FY22 are illustrated in the below schedule:

	Governmental Activities		
	2022	2023	Variance
Lease liability	$ 651,381	$ 40,624	$ (610,757)
SBITA liability*	-	518,666	518,666
OPEB liability	948,745	1,010,730	61,985
Net pension liability	-	2,773,621	2,773,621
Compensated absences	849,725	936,276	86,551
Notes payable - State of Wisconsin	1,808,437	1,788,856	(19,581)
Total	$ 4,258,288	$ 7,068,773	$ 2,810,485

Additional information on WEDC's long-term debt can be found in Note III D on pages 48-50.

Economic Factors and Next Year's Budget

WEDC annually reviews its economic development programs to find innovative ways to encourage business growth within the State of Wisconsin. Some of the significant changes that are included in the fiscal year 2024 budget are:

- Total state base funding increased from $41.5 million to $46.9 million due to re-estimating the collections from the segregated economic development fund (SEG).
- $20.4 million in new federal funding from the State Small Business Credit Initiative (SSBCI) to support Entrepreneurship and Innovation programs and initiatives (Capital Catalyst, Technology Development Loans, Wisconsin Investment Fund, and technical assistance).
- Marketing budget includes $2.8 million to support talent attraction and retention initiatives.

Requests For Information

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

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF NET POSITION
As of June 30, 2023

		Primary Government
		Governmental Activities
ASSETS		
Cash and cash equivalents	$	21,908,068
Investments		52,518,915
Equity investment program		124,250
Equity from loan warrant conversion		146,988
Accounts receivable		6,434,509
Accrued interest on investments		252,931
Prepaid items		820,837
Loans receivable (net of allowances of $6,833,932)		12,315,742
Interest on loans receivable (net of alowances of $559,702)		369,954
Capital assets not being depreciated		274,767
Other capital assets (net of depreciation $1,550,304)		629,601
Total Assets		95,796,562
Deferred outflows of resources		
Deferred outflow of resources - pension		10,033,730
Deferred outflow of resources - OPEB		427,367
Total Deferred Outflows of Resources		10,461,097
LIABILITIES		
Accounts payable		2,918,549
Accrued liabilities		4,319,128
Noncurrent liabilities		
Due within one year		811,772
Due in more than one year		6,257,001
Total Liabilities		14,306,450
Deferred inflows of resources		
Deferred inflow of resources - pension		5,810,326
Deferred inflow of resources - OPEB		429,247
Total Deferred Inflows of Resources		6,239,573
NET POSITION		
Investment in capital assets (net)		345,078
Restricted for:		
Economic development		34,465,143
Brownfield site assessments		1,416,760
SSBCI		309,309
Talent attraction and retention initiative		600,000
Unrestricted		48,575,346
TOTAL NET POSITION	$	85,711,636

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government				
Governmental Activities				
General administration	$ 12,512,410	$ 139,388	$ 210,614	$ (12,162,408)
Marketing & brand strategy	7,137,480	-	11,175	(7,126,305)
Economic development	66,067,939	-	49,538,715	(16,529,224)
Interest and fiscal charges	65,459	-	-	(65,459)
Total Governmental Activities	$ 85,783,288	$ 139,388	$ 49,760,504	(35,883,396)
General Revenues				
Intergovernmental revenues not restricted to specific programs				
Segregated funds				45,417,700
Investment income				2,140,003
Miscellaneous				1,242,725
Total General Revenues				48,800,428
Change in Net Position				12,917,032
NET POSITION - BEGINNING OF YEAR				72,794,604
NET POSITION - END OF YEAR				$ 85,711,636

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2023

		General Fund
ASSETS		
Cash and cash equivalents	$	21,908,068
Investments		52,518,915
Equity investment program		124,250
Equity from loan warrant conversion		146,988
Accounts receivable		6,434,509
Accrued interest on investments		252,931
Prepaid items		820,837
Loans receivable (net of allowances of $6,833,932)		12,315,742
Interest on loans receivable (net of alowances of $559,702)		369,954
Total Assets		94,892,194
LIABILITIES		
Accounts payable	$	2,918,551
Accrued awards		2,724,099
Accrued wages		469,029
Payroll related liabilities		189,447
Other liabilities		936,551
Total Liabilities		7,237,677
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue		20,605,575
Total Deferred Inflows of Resources		20,605,575
FUND BALANCES		
Nonspendable - prepaids		320,837
Nonspendable - talent attraction and retention		500,000
Nonspendable - equity investment program		124,250
Nonspendable - equity from loan warrant conversion		146,988
Nonspendable - long-term receivables		12,315,742
Restricted for		
Economic development		34,465,143
Brownfield site assessment		1,416,760
SSBCI		309,309
Talent attraction and retention initiative		600,000
Assigned for		
Compensated absences		936,276
Note payable to State of Wisconsin		1,788,856
Talent attraction and retention initiative FY24		3,900,000
Talent attraction and retention initiative FY25		3,000,000
Lease		2,000,000
Unassigned		5,224,781
Total Fund Balances		67,048,942
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$	94,892,194

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
As of June 30, 2023

Fund balances - total governmental funds		$ 67,048,942
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds		
Construction in progress	274,767	
Software	691,954	
Furniture and fixtures	53,737	
Leasehold improvements	476,625	
Right-to-use lease asset	196,162	
Right-to-use-SBITA	761,427	
Less: accumulated depreciation, amortization	(1,550,304)	
Total adjustment for capital assets		904,368
Deferred outflows related to pensions are not current financial resources and, therefore, are not reported in the government funds		
Net pension difference between projected and actual investment earnings on pension plan investment	4,711,742	
Pension differences between projected and actual experiences	4,417,520	
Change in proportional share & difference in actual contributions	545,408	
Pension contributions after measurement date	345,287	
Pension changes of actuarial assumptions	13,773	
Total adjustment for pension deferred outflows		10,033,730
Deferred outflows related to OPEB are not current financial resources and, therefore, are not reported in the government funds		
OPEB change in proportion	142,549	
OPEB changes of assumptions	50,829	
OPEB subsequent contributions after measurement date	68,800	
OPEB change in proportional share & difference in actual contributions	165,189	
Total adjustment for OPEB deferred outflows		427,367
Deferred inflows related to pensions are not current finance resources and, therefore, are not reported in the government funds		
Pension changes in proportion and differences between employer contributions and proportionate share of contributions	(6,697)	
Pension differences between projected and actual experiences	(5,803,629)	
Total adjustment for pension deferred inflows		(5,810,326)
Deferred inflows related to OPEB are not current finance resources and, therefore, are not reported in the government funds		
OPEB changes of assumptions	(326,144)	
OPEB changes in proportion	(59,381)	
OPEB differences between expected and actual experience	(43,722)	
Total adjustment for OPEB deferred inflows		(429,247)
Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements		20,605,575
Net pension liability are not current financial resources and, therefore, are not reported in the government funds		(2,773,621)
Total OPEB liability are not current financial resources and, therefore, are not reported in the government funds		(1,010,730)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this adjustment are as follows		
Net adjustment for compensated absences	(936,276)	
Lease payable	(40,624)	
SBITA payable	(518,666)	
Notes payable to State	(1,788,856)	
Total adjustment for long-term obligations		(3,284,422)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 85,711,636

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2023

	General Fund
REVENUES	
Intergovernmental	$ 79,515,289
Charges for services	139,388
Interest income	2,140,003
Other revenues	374,031
Total Revenues	82,168,711
EXPENDITURES	
Current	
General administration	10,817,790
Marketing & brand strategy	7,108,308
Economic development	65,992,355
Debt Service	
Principal retirement	1,093,731
Interest and fiscal charges	84,122
Capital outlay	102,750
Total Expenditures	85,199,056
Excess (Deficiency) of Revenue Over Expenditures	(3,030,345)
OTHER FINANCING SOURCES (USES)	
Subscription issuance	102,750
Total Other Financing Sources (Uses)	102,750
Net Change in Fund Balance	(2,927,595)
FUND BALANCES - BEGINNING OF YEAR	69,976,537
FUND BALANCES - END OF YEAR	$ 67,048,942

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2023

Net change in fund balances - total governmental funds	$	(2,927,595)
Amounts reported for governmental activities in the statement of activities are different because:		
Net pension liabilities and related deferred inflows/outlows are not current financial resources and, therefore, are not reported in the governmental funds		(746,206)
Total OPEB liabilities and related deferred inflows/outlows are not current financial resources and, therefore, are not reported in the governmental funds		(14,193)
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities. Capital assets contributions are set up at value with a corresponding amount of revenue recognized		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		362,150
Capital assets contribution		69,104
Depreciation is reported in the government-wide statements		(972,531)
Reversal of revenue from disposal of capital assets		(2,876)
Receivables not currently available are reported as deferred inflows in the fund financial statements but are recognized as revenue when earned in the government-wide statements		
Prior year deferred revenue reversed in current year		16,465,381
Repayments of debt is an expenditure in the governmental funds, but the reduces debt in the statement of net position.		
Notes payable annual recalculation adjustment		(220,632)
Principal repaid		1,093,731
The issuance of SBITA liabilities is reported as an other financing source in the governmental funds but as an increase of principal outstanding in the statement of activities		(102,750)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(86,551)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	12,917,032

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the fiscal year ended June 30, 2023

(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental				
Federal - STEP Grant	$ 400,000	$ 400,000	$ 160,082	$ (239,918)
Federal - EDA Grant	-	-	116,391	116,391
Federal - SSBCI	23,727,161	23,727,161	29,121	(23,698,040)
Federal - American Rescue Plan Act	32,320,000	32,320,000	32,425,750	105,750
State general purpose revenue (GPR)	6,650,700	6,650,700	-	(6,650,700)
State economic development fund (SEG)	33,900,000	33,900,000	45,417,700	11,517,700
State brownfield site assessment	1,205,124	1,205,124	846,990	(358,134)
Other intergovernmental revenues	2,263,000	2,263,000	519,255	(1,743,745)
Total Intergovernmental	100,465,985	100,465,985	79,515,289	(20,950,696)
Charges for Services				
Bond servicing fees	25,000	25,000	-	(25,000)
Tax transfer fees	45,000	45,000	73,467	28,467
Loan origination fees	50,000	50,000	65,921	15,921
Total Charges for Services	120,000	120,000	139,388	19,388
Interest Income				
Interest on loans	1,200,000	1,200,000	892,484	(307,516)
Interest on investments	(500,000)	(500,000)	1,247,519	1,747,519
Total Interest Income	700,000	700,000	2,140,003	1,440,003
Other Revenues				
Sponsorship contributions	65,000	65,000	66,000	1,000
Miscellaneous revenue	280,500	280,500	308,031	27,531
Total Other Revenues	345,500	345,500	374,031	28,531
TOTAL REVENUES	101,631,485	101,631,485	82,168,711	(19,462,774)
EXPENDITURES				
General Administration				
Legal services & compliance	1,516,696	1,516,696	1,329,953	186,743
Executive office	1,840,352	1,840,352	1,590,912	249,440
Human resources	3,871,633	3,871,633	1,372,373	2,499,260
Finance	1,113,600	1,113,600	749,926	363,674
Business information & technology services	2,923,660	2,923,660	2,639,139	284,521
Credit & risk	2,020,731	2,020,731	2,037,519	(16,788)
Strategic investment & policy	1,584,437	1,584,438	1,097,968	486,470
Total General Administration	14,871,109	14,871,110	10,817,790	4,053,320
Marketing & brand strategy	9,116,937	9,116,937	7,108,308	2,008,629

(This statement is continued on the following page.)

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the fiscal year ended June 30, 2023

(concluded)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Economic Development				
Entrepreneurship & innovation	$ 14,267,396	$ 14,002,543	$ 8,001,618	$ 6,000,925
Business & community development	55,773,692	55,832,545	51,923,602	3,908,943
Rural Prosperity	10,000	10,000	-	10,000
Global trade & investment	5,781,114	5,781,114	6,067,135	(286,021)
Total Economic Development	75,832,202	75,626,202	65,992,355	9,633,847
Debt Service				
Principal retirement	213,000	213,000	1,093,731	(880,731)
Interest and fiscal charges	66,000	66,000	84,122	(18,122)
Total Debt Service	279,000	279,000	1,177,853	(898,853)
Capital outlay	-	-	102,750	(102,750)
TOTAL EXPENDITURES	100,099,248	99,893,249	85,199,056	14,694,193
Excess (Deficiency) of Revenue Over Expenditures	1,532,237	1,738,236	(3,030,345)	(4,768,581)
OTHER FINANCING SOURCES (USES)				
Subscription issuance	-	-	102,750	102,750
Total Other Financing Sources (Uses)	-	-	102,750	102,750
Net Change in Fund Balance	$ 1,532,237	$ 1,738,236	(2,927,595)	$ (4,665,831)
FUND BALANCES - BEGINNING OF YEAR			69,976,537	
FUND BALANCES - END OF YEAR			$ 67,048,942	

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

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

B. BASIS OF PRESENTATION

Government-Wide Financial Statements

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Cash, Cash Equivalents, and Investments

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

Investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The equity investment program (Wisconsin Investment Pilot program) is equity positions held in companies, with the primary purpose of supporting technology-based startup and emerging growth companies in Wisconsin. These equity funds are treated under the Simple Agreement for Future Equity (SAFE) agreement and classified as investments.

2. Receivables

WEDC administers two types of loans: loans to be repaid and performance-based loans. Loans to be repaid include loans made to businesses that have established repayment schedules. Performance-based loans include loans made to businesses that include certain provisions allowing for the total forgiveness of the loan upon the business meeting certain criteria as documented in the loan agreement.

WEDC uses the allowance method of providing for loan losses. The provision for loan losses charged to expense is based on the loan program type and an adjustment for specific loans based on their past due payment status. WEDC's allowance ranges from 2% to 100% on a per loan basis. WEDC also provides an allowance equal to the balance of all performance-based loans since it is anticipated that all conditions for forgiveness will be met by the loan recipient.

3. Inventories and Prepaid Expenses

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

4. Capital Assets

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

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

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

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

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

5. Pensions

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

6. Other Postemployment Benefit Costs (OPEB)

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

7. Deferred Outflows/Inflows of Resources

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

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

8. Compensated Absences

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

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Long-Term Obligations

All long-term obligations to be repaid from governmental activities are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of compensated absences, leases, SBITAs, and notes payable.

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

10. Claims and Judgments

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

11. Equity Classifications

Government-Wide Statements

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

a) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, lease liability, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

c) Unrestricted net position - All other net position that does not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

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

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Equity Classifications (Continued)

Fund Statements (Continued)

- Restricted – fund balance is reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of WEDC's highest level of decision-making authority. This action must occur prior to year-end. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action employed to previously commit those amounts. WEDC does not have any committed fund balance. WEDC's highest level of decision-making authority is WEDC's eighteen-member board and commitments made by the WEDC Board are done through the adoption of a resolution passed by a quorum of the Board.

- Assigned – includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by (a) the governing board itself or (b) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The WEDC board delegates authority to the CEO or the CFO to establish assignments of fund balance.

- Unassigned – fund balance is the residual classification for the General Fund.

WEDC Board adopted FIN 104 Fund Balance Policy. The policy has established a target for its unassigned fund balance on June 30th of each fiscal year to equal one-sixth of the annual administrative expenditures. If the unassigned fund balance exceeds the established target, WEDC will look for ways of reducing the unassigned fund balance over time, which may include the use of a portion of the unrestricted fund balance to help fund future operating budgets or to increase program spending in the current fiscal year.

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

NOTE II – Stewardship, Compliance, and Accountability

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting as described in Note I C.

A budget has been adopted for the General Fund. Appropriations lapse at year-end. Budgets are adopted at the department level of expenditure. The budgeted amounts presented include any amendments adopted during the year. Changes to the overall budget must be approved by a quorum of the Board.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

The legal level of spending is at the fund level.

NOTE III – Detailed Notes on All Funds

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

	Statement Balance	Carrying Value	Associated Risks
Demand deposits	$ 5,599,107	$ 5,599,107	Custodial credit risk
Money market	20,460,160	20,460,160	Custodial credit risk
Certificate of Deposit	4,414,041	4,414,041	Custodial credit risk
US Agency	43,403,675	43,403,675	Custodial credit, credit, concentration of credit, and interest rate risk
State of WI Issue	550,000	550,000	Custodial credit, credit, concentration of credit, and interest rate risk
Total	$ 74,426,983	$ 74,426,983	

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

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

a) Checking and savings accounts;

b) Local government investment pools are either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation, such as the Local Government Investment Pool and Wisconsin Investment Series Cooperative;

c) Non-negotiable certificates of deposits, certificates of deposit purchased through the Certificate of Deposit Account Registry Service (CDARS), another fully insured certificate of deposit programs such as the money market account offered by American Deposit Management Company or purchased via a registered investment advisor/company;

d) Negotiable certificate of deposits if the issuer/financial institution has a rating in the second highest tier, or higher by a nationally recognized rating agency;

e) Stable Net Asset Value Money market mutual funds regulated by Rule 2a-7 of the Securities and Exchange Commission and whose portfolios consist of only dollar-denominated securities;

f) Bonds and securities issued by the federal government or a commission, board, or other instrumentality of the federal government;

g) Bonds of the State of Wisconsin;

h) Commercial paper is rated in the highest tier by a nationally recognized rating agency; and

i) Overnight repurchase agreements with a public depository as defined in statute 34.01 (5), provided that the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government and held by a third-party custodian. WEDC shall be informed of the specific collateral and investments in the repurchase agreements and the agreement shall be collateralized at least 102% of the value of WEDC's investment.

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

Custodial Credit Risk

Deposits

For a deposit, custodial credit risk is the risk that in the event of a financial institution failure, WEDC's deposits may not be returned to WEDC. The FDIC insures deposits in each local and area bank in the amount of $250,000 for time and savings accounts (including NOW accounts), and $250,000 for interest-bearing demand deposit accounts. WEDC has collateral agreements of $20.5 million for uninsured deposits held at the WEDC's primary bank and the American Deposit Management certificates of deposits as of June 30, 2023. American Deposit Management held the collateral agreements with Bank of Lakes Mills, Bell Bank, Capitol Bank, DMB Community Bank, First Business Bank, and First Community CU of Beloit agreement is to prohibit the release of pledged assets without WEDC's authorization; however, the substitution of like collateral (valued and type) is allowed.

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

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, WEDC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2023, $52.7 million of uninsured investment securities are held at the custodian bank in book-entry form.

Policy

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

Interest Rate Risk

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

NOTE III – Detailed Notes on All Funds (Continued)

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

Interest Rate Risk (Continued)

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

	Maturity Term				
Investment	< 1 Year	1 - 2 Years	2 - 3 Years	3-4 Years	Total
Federal Home Loan Bank	$ -	$ 1,706,255	$ -	$ -	$ 1,706,255
Federal National Mortgage Association	1,322,379	1,101,696	-	-	2,424,075
Federal Home Credit Bank	-	1,286,883	-	-	1,286,883
Federal Home Loan Mortgage Corporation	3,389,914	537,779	772,872	-	4,700,565
Certificate of Deposit	3,221,285	390,788	801,968	-	4,414,041
State of WI Issue	550,000	-	-	-	550,000
US Treasury	8,308,242	13,674,027	11,303,628	-	33,285,897
Corporate Short Term Paper	4,151,199	-	-	-	4,151,199
Total	$ 20,943,019	$ 18,697,428	$ 12,878,468	$ -	$ 52,518,915

Credit Risk

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

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

Investment	AAA/Aa+	A-1	Not provided
Federal Home Loan Bank	$ 1,706,255	$ -	$ -
Federal National Mortgage Association	2,424,075	-	-
Federal Home Loan Mortgage Corporation	4,700,565	-	-
Federal Home Credit Bank	1,286,883	-	-
State of WI Issue	-	-	550,000
US Treasury	30,898,353	-	2,387,544
Corporate Issue	-	-	4,414,041
Corporate Short Term Paper	-	4,151,199	-
Total	$ 41,016,131	$ 4,151,199	$ 7,351,585

The Concentration of Credit Risk

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

NOTE III – Detailed Notes on All Funds (Continued)

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

Fair Value Measurement

WEDC categorized its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

WEDC has the following recurring fair value measurements as of June 30, 2023:

Investment	Level 1	Level 2	Level 3
US Government Issues	$ 33,285,897	$ 14,268,977	$ -
Certificate of Deposit	-	4,414,041	-
State of WI Issue	-	550,000	-
Total Assets	$ 33,285,897	$ 19,233,018	$ -

U.S. Treasury securities of $33.3 million are valued using quoted market prices of these assets (Level 1 inputs).

Government Sponsored Entity (GSE) securities, which include FHLB, FFCB, FHLMC, FNMA, and Corporate short-term paper of $14.3 million, are valued using quoted market prices of these or similar assets using various market and industry inputs (Level 2 inputs).

Certificate of Deposit of $4.4 million, which includes short-term funds (Level 2 inputs).

State of WI Issue $0.5 million is valued based on various market and industry inputs (Level 2 inputs).

Equity Investment Program

As of June 30, 2023, $124,250 of funds were invested by WEDC in Wisconsin companies, as part of the Wisconsin Investment Pilot program, under Simple Agreement for Future Equity (SAFE).

Loan Warrant Conversion from Loan Receivable Program

As of June 30, 2023, $146,988 of equity from loan warrant conversion was exercised by WEDC on loan receivables due from the awardees, under the Equity from loan warrant conversion program.

NOTE III – Detailed Notes on All Funds (Continued)

B. RECEIVABLES

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, $20,605,575 was considered to be earned but not available.

Loans Receivable

WEDC holds a number of loans with Wisconsin businesses, some of which are to be repaid and some which can be forgiven provided the business meets certain criteria detailed in each loan agreement. An allowance for uncollectible loans is provided on the outstanding balance. Performance-based loans are considered to be uncollectible as it is anticipated that the businesses will meet the specified criteria. The loans have varying interest rates and maturities.

Interest accrued but not received on outstanding loans is recorded as interest receivable. Similar to the loans, an allowance has been provided for uncollectible interest on the outstanding balance. Interest accrued on performance-based loans is also considered to be uncollectible. As of June 30, 2023, the WEDC loan portfolio doesn't include performance-based loans. The details of the outstanding loans and interest receivable are as follows:

	Repayable Loans	Performance Based Loans	Total
Loans receivable	$19,149,674	$ -	$19,149,674
Allowance for uncollectible	(6,833,932)	-	(6,833,932)
Allowance for performance based loans	-	-	-
Net loans receivable	$12,315,742	$ -	$12,315,742
Interest receivable	$ 929,656	$ -	$ 929,656
Allowance for uncollectible	(559,702)	-	(559,702)
Allowance for performance based loans	-	-	-
Net interest receivable	$ 369,954	$ -	$ 369,954

NOTE III – Detailed Notes on All Funds (Continued)

C. CAPITAL ASSETS

Intangible assets represent the agency's right-to-use leased assets and software. The right-to-use assets are defined by GASB Statements No. 87, *Leases* for lease contracts of nonfinancial assets including vehicles and equipment, and No.96, *Subscription-Based Information Technology Arrangements*, for subscription contracts of nonfinancial assets including software, respectively. The capital asset includes the non-depreciable portion of tangible assets, which consist of activities related to the construction of the new office building. Capital asset activity for the year ended June 30, 2023 was as follows:

Capital Assets	Beginning Balance (Restated*)	Additions	Deletions	Ending Balance
Tangible Capital Assets Not Being Depreciated				
Construction in Progress	$ -	$ 274,767	$ -	$ 274,767
Total Tangible Capital Assets Not Being Depreciated	-	274,767	-	274,767
Tangible Capital Assets Being Depreciated				
Furniture and fixtures	69,728	53,737	69,728	53,737
Leasehold improvements	476,625	-	-	476,625
Vehicles	108,916	-	108,916	-
Total Tangible Capital Assets Being Depreciated	655,269	53,737	178,644	530,362
Intangible Capital Assets Being Amortized				
Software	1,806,224	-	1,114,270	691,954
Subscription-based IT arrangements*	658,677	102,750	-	761,427
Right-to-use lease asset	1,274,013	-	1,077,851	196,162
Total Intangible Capital Assets Being Amortized	3,738,914	102,750	2,192,121	1,649,543
Less: Accumulated Depreciation for Tangible				
Furniture and fixtures	69,728	2,406	69,728	2,406
Leasehold improvements	472,569	4,056	-	476,625
Vehicles	95,553	10,487	106,040	-
Total Accumulated Depreciation for Tangible	637,850	16,949	175,768	479,031
Less: Accumulated Amortization for Intangible				
Software	1,690,422	92,386	1,114,270	668,538
Subscription-based IT arrangements	-	245,806	-	245,806
Right-to-use lease asset	617,390	617,390	1,077,851	156,929
Total Accumulated Amortization for Intangible	2,307,812	955,582	2,192,121	1,071,273
Total Tangible and Intangible Capital Assets, net	$ 1,448,521	$ (541,277)	$ 2,876	$ 904,368

Depreciation/amortization expenditure was charged to functions as follows:

Depreciation/Amortization	
General administration	$ 877,739
Marketing & brand strategy	62,291
Business & community development	32,501
Total Depreciation Expense	$ 972,531

NOTE III – Detailed Notes on All Funds (Continued)

D. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended June 30, 2023 was as follows:

Long-Term Obligation	Beginning Balance (Restated*)	Additions	Deletions	Balance	Current	Long-Term
Lease liability	$ 651,381	$ -	$ 610,757	$ 40,624	$ 40,624	$ -
SBITA liability*	658,677	102,750	242,761	518,666	404,117	114,549
OPEB liability	948,745	1,010,730	948,745	1,010,730	11,264	999,466
Net pension liability	-	2,773,621	-	2,773,621	-	2,773,621
Compensated absences	849,725	781,156	694,605	936,276	91,023	845,253
Note payable - State of Wisconsin	1,808,437	220,632	240,213	1,788,856	264,744	1,524,112
Total Long-Term Obligations	$ 4,916,965	$ 4,888,889	$ 2,737,081	$ 7,068,773	$ 811,772	$ 6,257,001

*In the fiscal year ended June 30, 2023, WEDC implemented the requirements of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA), w*ith an implementation date of July 1, 2022. The adoption of the Statement resulted in recognizing an intangible right-to-use subscription-based information technology agreements asset and SBITA liability as of the implementation date. The adoption of the Statement resulted in a restatement of the beginning balance of assets and liabilities with no change in the net position of the governmental activities as follows:

GOVERNMENTAL ACTIVITES	
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	$ 72,794,604
Recording of Right-to-use SBITA asset	658,677
Recording of SBITA liability	(658,677)
Total net restatement	-
BEGINNING NET POSITION, AS RESTATED	$ 72,794,604

Lease

WEDC has entered into two property lease agreements for the office spaces in Milwaukee, WI and Madison, WI. The leases do not contain any variable payments, residual value guarantees, or commitments before the commencement of the lease terms. No impairment of the right-to use lease assets existed as of June 30, 2023.

NOTE III – Detailed Notes on All Funds (Continued)

D. LONG-TERM OBLIGATIONS (Continued)

Lease (Continued)

WEDC has entered into a lease agreement for the office space in Milwaukee with Water Accelerator, LLC. beginning September 1, 2016. The lease terms have been amended in December 2018. The agreement will be expired on December 31, 2023, with the option to renew. Also, WEDC signed a lease with the State of Wisconsin Department of Administration for the Madison office. The contract is intended to cover the period of March 19, 2018, through June 30, 2021. The contract is renewed from July 1, 2021, through June 30, 2023.

Maturity of lease liabilities	Principal	Interest	Total
2024	$ 40,624	$ 169	$ 40,793
Total future undiscounted lease payments	$ 40,624	$ 169	$ 40,793

Subscription-Based Information Technology Arrangements

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

- As of August 1, 2022, the WEDC entered into a subscription-based information technology arrangement (SBITA) with a vendor for its business intelligence solutions system. The arrangement is for three years, after which both the WEDC and the vendor may mutually agree to extend the contract with the same terms. At June 30, 2023, the WEDC reported a corresponding SBITA asset and liability in the amount of $69,119. Principal reduction of $33,631 was reported for the year ended June 30, 2023.

- As of September 23, 2020 WEDC entered into a subscription-based information technology arrangement (SBITA) with a vendor for its business attraction and investment solutions system. The arrangement is for five years without automatic renewal. At June 30, 2023, the WEDC reported a corresponding SBITA asset and liability in the amount of $152,518. Principal reduction of $66,357 was reported for the year ended June 30, 2023.

- As of July 1, 2020 WEDC entered into a subscription-based information technology arrangement (SBITA) with a vendor for its economic modeling solutions system. The arrangement is for five years without automatic renewal. At June 30, 2023, the WEDC reported a corresponding SBITA asset and liability in the amount of $297,029. Principal reduction of $142,773 was reported for the year ended June 30, 2023.

Maturity of SBITA liabilities	Principal	Interest	Total
2024	$ 404,117	$ 5,883	$ 410,000
2025	114,549	451	115,000
Total future undiscounted lease payments	$ 518,666	$ 6,334	$ 525,000

D. LONG-TERM OBLIGATIONS (Continued)

Notes Payable – State of Wisconsin

The State of Wisconsin (the State) has issued appropriation bonds in order to pay off the unfunded prior service costs for state employees participating in the WRS. The first of these bonds was issued in 2003 and the current final maturity for all of the bonds is in 2032. The State has issued a total of six debt issuances, of which two are variable rate instruments. The total outstanding balance of all of these debt issuances was $1,092,765,000 as of June 30, 2023. The full details of these debt issues can be found within the State's annual financial statements.

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

The amount reported as WEDC's share of the total outstanding debt is calculated at 0.1637% as of July 1, 2022, the most recently available period. The liability reported above, and estimated repayment schedule shown below has been calculated using this percentage. The actual amounts owed will fluctuate from year to year based on WEDC's retirement contributions compared to the other agencies and the variable interest rate component of some of the debt issuances. Adjustments to the estimated amounts owed are shown as adjustments in the notes payable balance on an annual basis. The table shows the future payments under this obligation as currently calculated.

Governmental Activities

	Notes Payable	
Year	Pricipal	Interest
2024	$ 264,744	$ 60,621
2025	289,454	49,855
2026	318,478	37,459
2027	236,735	24,334
2028	145,112	18,597
2029-2032	534,333	33,174
	$ 1,788,856	$ 224,040

A. GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings are the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on the employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

NOTE IV – Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Post-Retirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%

Contributions

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

During the reporting period, the WRS recognized $628,637 in contributions from the employer.

NOTE IV – Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Contributions (Continued)

Contribution rates as of June 30, 2023 are:

Employee Category	Employee	Employer
General, Teachers, Executive & Elected Officials	6.5%	6.5%
Protective with Social Security	6.5%	12.0%
Protective without Social Security	6.5%	16.4%

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

At June 30, 2023, WEDC reported an liability of $2,773,621 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The WEDC's proportion of the net pension liability (asset) was based on the WEDC's share of contributions to the pension plan relative to the contributions of all participating employers. On December 31, 2022, the WEDC proportion was 0.0524%, the same as the proportion measured as of December 31, 2021, which was 0.0524%.

For the year ending June 30, 2023, the WEDC recognized a pension expense of $1,410,599.

NOTE IV – Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

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

On June 30, 2023, the WEDC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 4,417,520	$ (5,803,629)
Changes in assumptions	13,773	-
Net differences between projected and actual earnings on pension plan investments	4,711,742	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	545,408	(6,697)
Employer contributions subsequent to the measurement date	345,287	-
Total	$ 10,033,730	$ (5,810,326)

$345,287 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to a pension will be recognized in pension expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2024	$ 163,706
2025	802,087
2026	823,379
2027	2,088,945
Thereafter	-
	$ 3,878,117

NOTE IV – Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability on December 31, 2022, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Actuarial Cost Method:	Entry-Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	Wisconsin 2020 Mortality Table
Post-retirement Adjustments*	1.7%

**No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality, and separation rates.

NOTE IV – Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Long-Term Expected Return on Plan Assets

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	48.0%	7.6%	5.0%
Fixed Income	25.0%	5.3%	2.7%
Inflation Sensitive Assets	19.0%	3.6%	1.1%
Real Estate	8.0%	5.2%	2.6%
Private Equity/Debt	15.0%	9.6%	6.9%
Total Core Fund	115.0%	7.4%	4.8%
Variable Fund Asset Class			
US Equities	70.0%	7.2%	4.6%
International Equities	30.0%	8.1%	5.5%
Total Variable Fund	100.0%	7.7%	5.1%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

The investment policy used the Core Fund involves reducing equity exposure by leveraging lower- volatility assets, such as fixed-income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Single Discount Rate

A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the WEDC's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, as well as what the WEDC's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
WEDC's proportionate share of the net pension liability (asset)	$ 9,205,560	$ 2,773,621	$ (1,651,000)

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

At June 30, 2023, WEDC has no accrued payable to the defined benefit pension plan.

B. GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description

The State of Wisconsin's Health Insurance Plan, defined as a single employer plan under Governmental Accounting Standards Boards Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, is an employer-sponsored program (not administered as a trust) offering group medical coverage to eligible employees and retirees of State and component unit employers. Created under Chapter 40 of the Wisconsin Statutes, the State Department of Employee Trust Funds and the Group Insurance Board have program administration and oversight responsibilities under Wis. Stat. Sections 15.165(2) and 40.03(6). As of January 2021, the most recent actuarial valuation date, there were 62,805 active and 8,219 retirees and beneficiaries participating in the plan. There were also 1,214 vested terminated members that are entitled to receive benefits but are not currently participating.

Benefits Provided

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

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

Contributions

Retiree health insurance OPEB benefits are paid on a "pay-as-you-go" basis. There is no trust and no assets have accumulated for the plan. In the fiscal year, 2022 participating employers made actuarially-determined contributions of $47,688,079 for the implicit rate subsidy.

Measurement Focus and Basis of Accounting

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

NOTE IV – Other Information (Continued)

B. GENERAL INFORMATION ABOUT THE OPEB PLAN (Continued)

Actuarial Assumptions

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

Actuarial Valuation Date	January 1, 2021
Measurement Date of Total OPEB Liability	June 30, 2022
Reporting Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	N/A
Inflation	2.40%
Salary Increases	Separate merit and longevity increase rates by employer and service, plus 3%
Discount Rate	Discount rate was changed to 3.54% for the June 30, 2022 measurement from 2.16% for the June 30, 2021 measurement
Healthcare Cost Trend Rates	
Medical	4.10% and 7.67% for the first two years then 6.50% grading down 0.25% per year to 4.50%
Prescription Drug	10.67% and 9.39% for the first two years then 7.25% grading down 0.25% per year to 4.50%
Dental	0.00% and 2.89% for the first two years then 3.00% every year after
Administrative Costs	(4.03) % and (5.60) % for the first two years then 3.00% every year after
Mortality Rates	Wisconsin 2020 Mortality Table

Discount Rate

The discount rate is equal to the yield or index rate of 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher in accordance with paragraph 155 of GASB 75 pertaining to nontrusted OPEB plans.

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

The allocation of the employers' proportionate shares of the OPEB amounts for the fiscal year 2023 is based on the percentage of actual employer contributions during the fiscal year 2022 to correspond with the measurement date.

NOTE IV – Other Information (Continued)

B. GENERAL INFORMATION ABOUT THE OPEB PLAN (Continued)

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

At June 30, 2023, WEDC reported a liability of $1,010,730 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2022, with an actuarial valuation as of January 1, 2021, adjusted for expected changes from the census date to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The WEDC's proportion of the total OPEB liability was based on the WEDC share of contributions to the OPEB plan relative to the contributions of all participating employers. On June 30, 2023, the WEDC proportion was 0.1409%, increased by 5.86% from the prior year.

Total OPEB Liability – June 30, 2021	$	948,745
Service cost		87,308
Interest		22,860
Differences between expected and actual experience		(34,908)
Change of assumptions		(2,011)
Benefit payments		(11,264)
Total OPEB Liability – June 30, 2022	$	1,010,730

The Total Deferred Inflows and Outflows of Resources are amortized over the average active participant's service life of 10 years. Total Deferred Inflows and Outflows of Resources to be recognized in the current OPEB expense are as follows:

	Outflows of Resources	Inflows of Resources
Changed in proportion	$ 142,549	$ (59,381)
Employer contributions subsequent to the measurement date	68,800	-
Difference between expected and actual experience	165,189	(43,722)
Changes in assumptions	50,829	(326,144)
Total	$ 427,367	$ (429,247)

B. GENERAL INFORMATION ABOUT THE OPEB PLAN (Continued)

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

$68,800 as deferred outflows related to OPEB resulting from the State Retiree Health Plan contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2024	$ (18,281)
2025	(18,281)
2026	(18,281)
2027	(18,281)
2028	(18,281)
Thereafter	20,725
Total	$ (70,680)

For the year ended June 30, 2023, the WEDC recognized a pension expense of $86,735:

Service cost	$ 87,308
Interest	22,860
Recognition of deferred inflows	(23,433)
Total OPEB Expense	$ 86,735

Sensitivity to Changes

The following presents the total WEDC's OPEB liability as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate.

	1% Decrease to Discount Rate (2.54%)	Current Discount Rate (3.54%)	1% Increase to Discount Rate (4.54%)
Total OPEB liability	$ 1,085,993	$ 1,010,730	$ 939,940

B. GENERAL INFORMATION ABOUT THE OPEB PLAN (Continued)

Sensitivity to Changes (Continued)

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

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
Total OPEB liability	$ 896,002	$ 1,010,730	$ 1,146,434

C. RISK MANAGEMENT

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

D. COMMITMENTS AND CONTINGENCIES

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

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

Approximately 93% of the funding for WEDC comes from the State.

WEDC has entered into a property lease agreement with Urban League of Greater Madison, Inc on June 30, 2022, for the new office space in Madison, WI. The lease term is ten (10) years beginning on the commencement date, subject to tenant's option to extend. The commencement date is contingent upon substantial completion of construction, currently targeted on November 6, 2023.

D. COMMITMENTS AND CONTINGENCIES (Continued)

WEDC has entered into contracts and provides offers of financial assistance to businesses and partners in the State for future financial assistance. The remaining unexpended balance on these contracts and commitments has been reported as either restricted or assigned fund balance as appropriate. At year-end, $35,881,903 was reported in total for these contracts as a restricted fund balance.

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

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

- GASB Statement No. 99, Omnibus 2022, addresses a variety of topics including: Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments,

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

clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirements related to leases, PPPs, and SBITAs is the fiscal year ending June 30, 2023. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is the fiscal year ending June 30, 2024.

- GASB Statement No. 100, Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ended June 30, 2024.

- GASB Statement No. 101, Compensated Absences, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the

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

gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ended June 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

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

Measurement Date	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
WEDC's proportion of the net pension liability (asset)	0.0445%	0.0471%	0.0488%	0.0500%	0.0509%	0.0519%	0.0528%	0.0524%	0.0524%
WEDC's proportionate share of the net pension liability (asset)	$ (1,094,106)	$ 765,867	$ 402,113	$ (1,483,782)	$ 1,810,922	$ (1,674,048)	$ (3,296,542)	$ (4,219,880)	$ 2,773,621
WEDC's covered payroll	$ 6,574,065	$ 6,960,140	$ 7,291,932	$ 7,495,150	$ 6,343,336	$ 8,561,631	$ 8,872,595	$ 8,728,319	$ 9,649,297
WEDC's a proportionate share of net pension liability (asset) as a percentage of covered payroll	-16.64%	11.00%	5.51%	-19.80%	28.55%	-19.55%	-37.15%	-48.35%	28.74%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%	102.93%	96.45%	102.96%	105.26%	106.02%	95.72%

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

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

WEDC Fiscal Year	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Contractually required contributions	$ 460,187	$ 485,967	$ 524,408	$ 506,508	$ 554,537	$ 560,786	$ 598,898	$ 589,161	$ 628,637
Contributions in relation to the contractually required contributions	460,187	485,967	524,408	506,508	554,537	560,786	598,898	589,161	628,637
Contributions deficiency (excess)	-	-	-	-	-	-	-	-	-
WEDC's covered payroll	7,162,116	7,046,322	7,396,180	7,891,861	8,460,428	9,052,039	8,980,116	9,920,141	10,016,719
Contributions as a percentage of covered payroll	7.0%	6.7%	6.7%	6.7%	6.6%	6.6%	6.8%	5.9%	6.3%

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

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

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

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

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

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

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

Measurement Date	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
WEDC's proportion of the total OPEB liability (asset)	0.1264%	0.1292%	0.1292%	0.1324%	0.1419%	0.1331%	0.1409%
WEDC's proportionate share of the total OPEB liability (asset)	$ 979,908	$ 929,312	$ 697,142	$ 903,558	$ 911,024	$ 948,745	$ 1,010,730
WEDC's covered-employee payroll	7,291,932	7,495,150	6,343,336	7,127,276	7,355,349	7,066,276	7,278,265
WEDC's proportionate share of total OPEB liability (asset) as a percentage of covered employee payroll	13.44%	12.40%	10.99%	12.68%	12.39%	13.43%	13.89%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Benefits Changes: Effective June 30, 2022, and June 30, 2021, there were no changes of benefit terms for any participating employer in OPEB.

'Changes of assumptions: Changes Effective June 30, 2021

- The healthcare claims cost and trend rates were updated to reflect the most recent experience and known premium rates.
- Active retiree participation rates for eligible retirees were changed from 80% immediately upon retirement with 2.5% per year of the active deferrals choosing to be covered for 8 years to 60% immediately upon retirement with an additional 1% per year of the active deferrals choosing to be covered over the next 5 years.
- Deferred vested participation rate were changed from 12.5% per year for 8 years to 5% per year for 8 years.
- Retiree health participation lapse rates changed from 10% to 5%.
- The marital assumption for future retirees were changed from being based on the participant's current healthcare tier status in the active population to assuming 60% of future retirees elected to cover a spouse.
- The effective discount rate for June 30, 2021, was 2.16%. The effective discount rate as of June 30, 2020, was 2.21%. An experience study was completed for the Wisconsin Retirement System in 2021 based on data for the period 2018-2020. The following updates were made based on the
  - Termination rates before retirement were updated for all groups to reflect the most recent experience.
  - Disability rates were updated for all groups to reflect the most recent experience.
  - Retirement rates were updated for all groups to reflect the most recent experience.
  - Mortality rates changed from using the Wisconsin 2018 Mortality
  - For future retirees, husbands are assumed to be 2 years older than their wives. Previously, husbands were assumed to be 3 years older than their wives.

SUPPLEMENTARY INFORMATION

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT
(WITH COMPARATIVE ACTUALS)
GENERAL FUND
For the fisal year ended June 30, 2023

	Actual FY 2022	Original Budget FY 2023	Final Budget FY 2023	Actual FY 2023	Actual vs Final Budget FY 2023
REVENUES					
Intergovernmental	$ 106,681,216	$ 100,465,985	$ 100,465,985	$ 79,515,289	$ (20,950,696)
Charges for services	170,478	120,000	120,000	139,388	19,388
Interest income	(569,288)	700,000	700,000	2,140,003	1,440,003
Other revenues	162,059	345,500	345,500	374,031	28,531
Total Revenues	106,444,465	101,631,485	101,631,485	82,168,711	(19,462,774)
EXPENDITURES					
Program grants	84,571,788	59,827,123	59,621,124	53,075,164	6,545,960
Loan loss reserve	(429,475)	500,000	500,000	1,183,293	(683,293)
Key strategic partners	4,913,494	5,088,792	5,088,792	4,744,940	343,852
Promotions	2,815,090	8,070,780	8,070,780	6,072,407	1,998,373
Payroll and benefits	13,112,315	14,533,170	14,533,170	13,973,930	559,240
Operations and general	4,011,600	9,800,383	9,800,383	4,609,319	5,191,064
Capital	1,142,854	2,000,000	2,000,000	362,150	1,637,850
Debt service	901,845	279,000	279,000	1,177,853	(898,853)
Total Expenditures	111,039,511	100,099,248	99,893,249	85,199,056	14,694,193
Excess (Deficiency) of Revenue Over Expenditures	(4,595,046)	1,532,237	1,738,236	(3,030,345)	(4,768,581)
OTHER FINANCING SOURCES (USES)					
Lease issuance	1,077,851	-	-	-	-
Subscription issuance	-	-	-	102,750	102,750
Total Other Financing Sources (Uses)	1,077,851	-	-	102,750	102,750
Net Change in Fund Balance	$ (3,517,195)	$ 1,532,237	$ 1,738,236	(2,927,595)	$ (4,665,831)
FUND BALANCES - BEGINNING OF YEAR				69,976,537	
FUND BALANCES - END OF YEAR				$ 67,048,942	

(See independent auditor's report.)

WISCONSIN ECONOMIC DEVELOPMENT

STATISTICAL SECTION

STATISTICAL SECTION

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

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL TRENDS
CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
General administration	$ 6,201,310	$ 7,621,160	$ 7,963,400	$ 8,369,482	$ 8,234,566	$ 10,059,902	$ 10,301,894	$ 9,218,421	$ 9,750,409	$ 12,512,410
Marketing & brand strategy	5,662,794	5,428,254	4,106,688	4,095,388	5,113,107	8,874,239	7,189,698	6,543,550	3,905,897	7,137,480
Economic development	27,750,545	25,148,978	36,907,171	31,132,493	31,281,848	36,170,819	39,523,962	99,516,831	95,245,772	66,067,939
Interest and fiscal charges	108,128	224,989	146,109	121,250	92,921	110,119	80,770	70,515	63,495	65,459
Total Government Activities Expenses	39,722,777	38,423,381	49,123,368	43,718,613	44,722,442	55,215,079	57,096,324	115,349,317	108,965,573	85,783,288
Program Revenues										
Charges for services	191,796	245,162	184,108	223,762	149,989	178,429	126,325	153,840	170,478	139,388
Operating grants and contributions	1,759,196	2,541,024	1,393,199	2,699,810	2,643,910	3,041,024	1,532,561	68,963,380	66,130,516	49,760,504
Total Governmental Activities Program Revenues	1,950,992	2,786,186	1,577,307	2,923,572	2,793,899	3,219,453	1,658,886	69,117,220	66,300,994	49,899,892
Net (Expense)/Revenue	(37,771,785)	(35,637,195)	(47,546,061)	(40,795,041)	(41,928,543)	(51,995,626)	(55,437,438)	(46,232,097)	(42,664,579)	(35,883,396)
General Revenues and Other Changes in Net Position										
Intergovernmental revenues not restricted to specific programs	39,900,700	58,300,700	28,750,700	34,250,700	57,681,563	40,550,700	39,550,700	40,550,700	40,550,700	45,417,700
Investment income	1,135,416	1,648,401	1,511,244	1,822,528	1,741,684	3,826,919	3,214,981	1,392,502	(569,288)	2,140,003
Miscellaneous	58,969	195,541	379,681	701,616	798,049	542,809	276,987	393,681	3,030,673	1,242,725
Total Governmental Activities General Revenues	41,095,085	60,144,642	30,641,625	36,774,844	60,221,296	44,920,428	43,042,668	42,336,883	43,012,085	48,800,428
Special items	-	-	-	-	-	25,000,000	-	-	-	-
Change in Net Position	$ 3,323,300	$ 24,507,447	$ (16,904,436)	$ (4,020,197)	$ 18,292,753	$ (32,075,198)	$ (12,394,770)	$ (3,895,214)	$ 347,506	$ 12,917,032

Notes:
In 2013 loan loss reserve and performance based loan reserve expenses were reported with in the general administration function.
Beginning in 2014, these expenses are reported within the economic development function.
In 2021 and 2023, WEDC received Federal grants to support WI small businesses.

Sources:
Wisconsin Economic Development Corporation
https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL TRENDS
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	$ 1,872,245	$ 1,501,464	$ 723,500	$ 934,349	$ 1,015,137	$ 916,953	$ 574,557	$ 298,161	$ 138,463	$ 345,078
Restricted	25,471,389	33,799,765	30,074,692	41,738,826	52,928,688	48,448,573	41,037,446	41,209,014	41,602,573	36,791,212
Unrestricted	72,415,740	88,965,592	76,563,193	59,846,352	66,868,455	39,371,556	34,730,309	30,939,923	31,053,568	48,575,346
Total	$ 99,759,374	$ 124,266,821	$ 107,361,385	$ 102,519,527	$ 120,812,280	$ 88,737,082	$ 76,342,312	$ 72,447,098	$ 72,794,604	$ 85,711,636

Sources:
Wisconsin Economic Development Corporation
https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Intergovernmental	$ 41,580,556	$ 60,800,655	$ 30,143,899	$ 36,950,510	$ 60,235,473	$ 43,591,724	$ 41,083,261	$ 109,514,080	$ 106,681,216	$ 79,515,289
Charges for services	221,258	256,675	184,108	223,762	149,989	178,429	126,325	153,840	170,478	139,388
Interest on loans	1,102,791	1,661,869	1,511,244	1,822,528	1,741,684	3,826,919	3,214,981	1,392,502	(569,288)	2,140,003
Other revenues	138,309	242,791	270,391	259,666	419,602	231,981	570,814	160,456	162,059	374,031
Total Revenues	43,042,914	62,961,990	32,109,642	39,256,466	62,546,748	47,829,053	44,995,381	111,220,878	106,444,465	82,168,711
Expenditures										
Current										
General administration	5,474,861	6,793,593	6,766,661	7,882,348	7,968,542	9,038,736	9,936,186	9,905,997	9,911,168	10,817,790
Marketing & brand strategy	5,286,566	5,317,052	3,831,345	3,806,912	4,953,572	8,670,380	7,047,876	6,486,977	3,753,531	7,108,308
Economic development	27,734,152	25,014,023	36,761,125	31,334,435	31,274,949	36,005,035	39,530,572	99,566,639	95,395,116	65,992,355
Capital outlay	1,555,670	110,498	148,449	291,761	432,036	255,355	-	-	1,077,851	102,750
Debt service										
Principal	161,929	89,631	85,090	81,424	85,668	63,829	113,250	180,801	820,703	1,093,731
Interest and fiscal charges	108,128	114,491	146,109	121,250	92,921	110,119	80,770	70,515	81,142	84,122
Total Expenditures	40,321,306	37,439,288	47,738,779	43,518,130	44,807,688	54,143,454	56,708,654	116,210,929	111,039,511	85,199,056
Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,721,608	25,522,702	(15,629,137)	(4,261,664)	17,739,060	(6,314,401)	(11,713,273)	(4,990,051)	(4,595,046)	(3,030,345)
Other Financing Sources (Uses)										
Lease issuance	-	-	-	-	-	-	-	-	1,077,851	-
Subscription issuance	-	-	-	-	-	-	-	-	-	102,750
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	1,077,851	102,750
Special items	-	-	-	-	-	(25,000,000)	-	-	-	-
Net Change in Fund Balances	$ 2,721,608	$ 25,522,702	$ (15,629,137)	$ (4,261,664)	$ 17,739,060	$ (31,314,401)	$ (11,713,273)	$ (4,990,051)	$ (3,517,195)	$ (2,927,595)
Capital Asset Additions	$ 1,209,599	$ 110,498	$ 148,449	$ 302,819	$ 441,842	$ 263,755	$ -	$ 122,331	$ -	$ 431,254
Debt service as a percentage of noncapital expenditures	0.7%	0.5%	0.5%	0.5%	0.4%	0.3%	0.3%	0.2%	0.8%	1.4%

Notes:
In 2013, loan loss reserve and performance based loan reserve expenses were reported within the general administration function. Beginning in 2014, these expenses are reported within the economic development function.
In 2021 -2023, WEDC received Federal funding to support Wisconsin's COVID-19 pandemic response and recovery.

Sources:
Wisconsin Economic Development Corporation
https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL TRENDS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Fiscal Year	(As Restated) 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	$ 35,538,497	$ 42,556,241	$ 43,185,830	$ 38,991,331	$ 31,236,400	$ 26,641,664	$ 20,515,661	$ 17,854,427	$ 15,420,163	$ 13,407,817
Restricted	25,471,389	33,799,765	30,074,692	41,738,826	52,928,688	48,448,573	41,037,446	41,209,014	41,602,573	36,791,212
Assigned	21,434,223	45,180,264	31,671,775	19,693,031	3,419,326	7,779,303	10,727,840	9,694,608	7,557,341	11,625,132
Unassigned	15,606,387	2,036,928	3,326,707	3,259,209	33,927,043	7,327,516	6,202,836	4,735,683	5,396,460	5,224,781
Total General Fund	$ 98,050,496	$ 123,573,198	$ 108,259,004	$ 103,682,397	$ 121,511,457	$ 90,197,056	$ 78,483,783	$ 73,493,732	$ 69,976,537	$ 67,048,942

Sources:
Wisconsin Economic Development Corporation
https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

REVENUE CAPACITY
COLLECTIBLE LOAN BALANCES
Last Ten Fiscal Years

(continued)

Program	Loan Balance 2014	Interest Rate 2014	Loan Balance 2015	Interest Rate 2015	Loan Balance 2016	Interest Rate 2016	Loan Balance 2017	Interest Rate 2017	Loan Balance 2018	Interest Rate 2018
Technology business development investments	$ 17,348,908	4.1%	$ 18,347,227	4.1%	$ 18,461,990	4.4%	$ 18,532,149	4.7%	$ 18,159,925	5.1%
Business expansion and retention investment	12,151,861	2.0%	10,574,580	2.0%	6,364,011	2.0%	5,401,631	2.0%	5,285,425	2.0%
Business development loan	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Business opportunity loan fund	5,273,126	2.7%	13,585,556	2.4%	21,857,415	2.4%	23,277,014	2.4%	17,882,236	2.4%
Wisconsin energy independence fund	396,445	2.0%	228,388	2.0%	190,334	2.0%	182,189	2.0%	174,631	2.0%
Special project fund	-	-	500,000	5.0%	786,793	5.0%	752,119	5.0%	529,978	5.0%
Commerce - other	5,357,039	2.5%	4,103,610	2.2%	2,242,740	2.2%	1,378,590	2.2%	532,907	2.2%
Total Balance	$ 40,527,379		$ 47,339,362		$ 49,903,283		$ 49,523,692		$ 42,565,102	

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

REVENUE CAPACITY
COLLECTIBLE LOAN BALANCES
Last Ten Fiscal Years

(concluded)

Program	Loan Balance 2019	Interest Rate 2019	Loan Balance 2020	Interest Rate 2020	Loan Balance 2021	Interest Rate 2021	Loan Balance 2022	Interest Rate 2022	Loan Balance 2023	Interest Rate 2023
Technology business development investments	$ 16,438,944	5.1%	$ 15,553,979	5.0%	$ 15,783,524	5.3%	$ 16,434,280	5.4%	$ 16,488,365	5.3%
Business expansion and retention investment	2,098,357	2.0%	1,430,664	2.0%	973,006	2.0%	520,994	2.0%	175,333	2.0%
Business development loan	415,849	4.8%	337,067	3.9%	280,332	3.9%	179,341	3.9%	31,278	3.9%
Business opportunity loan fund	13,845,929	2.1%	9,061,640	2.2%	5,252,799	2.4%	3,902,985	2.7%	2,035,353	2.8%
Wisconsin energy independence fund	160,260	2.0%	134,125	2.0%	110,583	2.0%	75,716	2.0%	39,137	2.0%
Special project fund	529,877	5.0%	262,640	5.0%	262,640	5.0%	262,640	5.0%	156,039	5.0%
Commerce - other	406,182	1.4%	347,773	1.3%	277,476	1.3%	246,095	1.3%	224,169	2.0%
Total Balance	$ 33,895,398		$ 27,127,888		$ 22,940,360		$ 21,622,051		$ 19,149,674	

Sources:
Wisconsin Economic Development Corporation
https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

REVENUE CAPACITY
TEN LARGEST LOANS
Nine Years ago and Current Year

Collectible Loan	Rank	Loan Balance 2013	Percent of Total	Rank	Loan Balance 2023	Percent of Total
SHINE Medical Technologies, LLC	-	-	-	1	$ 873,570	4.6%
FluGen Inc.	-	-	-	2	750,000	3.9%
Blue Line Battery Inc	-	-	-	3	750,000	3.9%
GroupWare Technologies Holdings, Inc.	-	-	-	4	650,000	3.4%
Forward Health Group, Inc.	-	-	-	5	585,909	3.1%
Immuto Scientific Inc.	-	-	-	6	500,000	2.6%
Void Technologies (USA) Limited	-	-	-	7	500,000	2.6%
Onlume, Inc	-	-	-	8	500,000	2.6%
PegEx, Inc.	-	-	-	9	498,156	2.6%
AIQ Solutions, Inc	-	-	-	10	451,540	2.4%
Kestrel Aircraft Company	1	$ 2,000,000	5.3%	-	-	-
Flambeau River Biofuels Financial Group, Inc.	2	1,981,895	5.2%	-	-	-
J.L. French, LLC	3	1,124,342	3.0%	-	-	-
Green Box NA Green Bay, LLC	4	1,116,000	2.9%	-	-	-
Flambeau River Biofuels Financial Group, Inc.	5	1,000,000	2.6%	-	-	-
Milwaukee Forge, LLC	6	731,329	1.9%	-	-	-
Flambeau River Papers, LLC	7	560,405	1.5%	-	-	-
Flambeau River Papers, LLC	8	556,738	1.5%	-	-	-
Prolitec Inc.	9	522,531	1.4%	-	-	-
Flambeau River Papers, LLC	10	516,547	1.4%	-	-	-
		10,109,787	26.6%		6,059,175	31.6%
Total Loans Outstanding		$ 38,070,216			$ 19,149,674	

Sources:
Wisconsin Economic Development Corporation
https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

DEBT CAPACITY
RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years

Year	Lease Liability	SBITA Liability	Note Payable	Total Debt	Personal Income* (in millions)	% of Personal Income	Population (in thousands)	Debt per Capita
(Restated)								
2014	$ 31,900	$ -	$ 1,850,356	$ 1,882,256	$ 245,382	0%	$ 5,743	0.3277
2015	-	-	2,102,329	2,102,329	255,753	0%	5,758	0.3651
2016	-	-	2,630,967	2,630,967	264,988	0%	5,768	0.4561
2017	-	-	2,134,044	2,134,044	273,189	0%	5,779	0.3693
2018	-	-	1,945,360	1,945,360	274,729	0%	5,792	0.3359
2019	-	-	2,269,701	2,269,701	295,073	0%	5,814	0.3904
2020	-	-	2,018,041	2,018,041	311,983	0%	5,822	0.3466
2021	196,162	-	1,842,239	2,038,401	323,635	0%	5,833	0.3495
2022	651,381	658,677	1,808,437	3,118,495	349,263	0%	5,885	0.5299
2023	40,624	518,666	1,788,856	2,348,146	367,379	0%	5,899	0.3981

Notes:
* Personal income and population data used is for the calendar year ending during the fiscal year.
For example, calendar year 2014 is used for the fiscal year 2015 spanning 7/1/2014 - 6/30/2015.

Sources:
2012-2017 Wisconsin Department of Workforce Development
http://worknet.wisconsin.gov/worknet/daincome.aspx?menuselection=da
2018-2023 U.S. Bureau of Economic Analysis
https://apps.bea.gov/iTable/index_regional.cfm

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

DEMOGRAPHIC AND ECONOMIC INFORMATION
PERSONAL INCOME STATISTICS
Last Ten Calendar Years

	Population		Personal Income		Per Capita			
Calendar Year	Wisconsin (in thousands)	U.S. (in thousands)	Wisconsin (in millions)	U.S. (in millions)	Wisconsin	U.S.	Wisconsin % Change	U.S. % Change
(Restated)								
2013	5,743	316,205	$ 245,382	$ 14,068,960	$ 42,728	$ 44,493	0.4%	0.5%
2014	5,758	318,563	255,753	14,801,624	44,414	46,464	3.9%	4.4%
2015	5,768	320,897	264,988	15,463,981	45,942	48,190	3.4%	3.7%
2016	5,779	323,128	273,189	16,017,781	47,275	49,571	2.9%	2.9%
2017	5,792	325,417	274,729	16,326,942	47,430	50,172	0.3%	1.2%
2018	5,814	327,167	295,073	17,572,929	50,756	53,712	7.0%	7.1%
2019	5,822	328,239	311,984	18,599,062	53,583	56,663	5.6%	5.5%
2020	5,833	329,484	323,635	19,679,715	55,487	59,729	3.6%	5.4%
2021	5,885	332,536	349,263	21,158,044	59,346	63,626	7.0%	6.5%
2022	5,899	334,033	367,379	22,234,384	62,278	66,564	4.9%	4.6%
2023				Not available				

Sources:
2012-2017 Wisconsin Department of Workforce Development
https://www.wisconsin.gov/Pages/Home.aspx
2017-2023 U.S. Bureau of Economic Analysis
https://apps.bea.gov/iTable/index_regional.cfm

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

DEMOGRAPHIC AND ECONOMIC INFORMATION
EMPLOYMENT STATISTICS
Last Ten Fiscal Years

Employment
(In Thousands Except Unemployment Rates Data)

Year	Civilian Labor Force	Total Employed	Total Unemployed	Wisconsin Unemployed Rate	U.S. Unemployed Rate
(Restated)					
2014	3,085	2,918	167	5.4%	6.2%
2015	3,095	2,954	141	4.6%	5.3%
2016	3,120	2,991	129	4.1%	4.9%
2017	3,152	3,048	104	3.3%	4.4%
2018	3,133	3,039	94	3.0%	3.9%
2019	3,105	3,001	104	3.3%	3.7%
2020	3,065	2,873	192	6.3%	8.1%
2021	3,087	2,996	91	2.9%	3.6%
2022	3,114	3,037	77	2.5%	3.6%
2023			Not Available		

Notes:
The unemployment rate increased in 2020 due to the coronavirus disease 2019 (COVID-19). The pandemic led businesses to suspend operations or close, resulting in a record number of temporary layoffs.

Sources:
2012-2016 Wisconsin Department of Workforce Development
http://worknet.wisconsin.gov/worknet/daincome.aspx?menuselection=da
2017 U.S. Bureau of Economic Analysis
https://apps.bea.gov/iTable/index_regional.cfm
2018 - 2022 WI Job Center
https://www.jobcenterofwisconsin.com/wisconomy/query

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

OPERATING INFORMATION
EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Years

(continued)

Function/Program	2014 Permanent	2014 Temporary/ Project	2015 Permanent	2015 Temporary/ Project	2016 Permanent	2016 Temporary/ Project	2017 Permanent	2017 Temporary/ Project	2018 Permanent	2018 Temporary/ Project
General Administration										
Legal services & compliance	6	1	5	2	9	2	11	3	8	2
Executive office	6	1	5	-	13	-	11	3	7	1
Human resources	4	-	4	-	5	-	5	-	5	-
Finance	6	-	8	-	5	-	5	-	5	-
Business information & technology services	5	1	6	-	7	-	6	1	7	1
Credit & risk	13	1	16	1	9	3	11	1	12	-
Process improvement	-	-	-	-	-	-	-	-	-	-
Strategic investment & policy	3	-	3	-	5	1	5	1	5	2
Customer service	-	-	-	-	-	-	-	-	-	-
Economic Development										
Entrepreneurship & innovation	5	-	4	-	5	-	5	-	4	-
Business & community development	22	-	21	-	20	-	20	-	20	-
Business & investment attraction	-	-	-	-	-	-	3	-	1	-
Sector strategy development	9	-	10	-	8	-	7	-	6	-
Global trade & investment	5	3	9	-	8	1	8	-	8	1
Office of Rural Prosperity	-	-	-	-	-	-	-	-	-	-
Operations & program performance	-	-	-	-	-	-	-	-	5	4
Marketing & brand strategy	8	-	9	-	8	-	9	-	9	-
Total Staff	92	7	100	3	102	7	106	9	102	11

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

OPERATING INFORMATION
EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Years

(concluded)

2019		2020		2021		2022		2023	
Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project
10	1	9	-	11	1	10	1	10	-
6	1	9	1	11	3	7	2	7	2
6	-	5	-	4	-	6	-	6	-
5	-	5	-	5	-	5	1	4	1
8	-	8	-	9	-	10	-	9	1
13	3	13	2	15	3	18	1	18	1
-	-	-	-	-	-	-	-	-	-
5	1	6	1	6	1	7	1	7	2
-	-	-	-	-	-	-	-	-	-
11	-	5	-	5	-	6	-	5	1
20	-	22	-	22	-	24	-	26	5
4	-	15	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
6	-	-	-	11	1	10	1	10	-
-	-	-	-	-	-	4	3	-	-
6	3	4	2	-	-	-	-	-	-
9	-	9	-	8	-	10	-	9	-
109	9	110	7	107	9	117	10	111	13

Notes:
In 2021 Business and investment attraction division was consolidated with Global trade and investment division as well as Operations and program performance with Credit and risk division.
In 2022 Office of rural prosperity division was consolidated with the Business & community development division.

Sources:
Wisconsin Economic Development Corporation
https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

OPERATING INFORMATION
OPERATING INDICATORS BY FUNCTION
Last Ten Years

(continued)

Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business & Community Development										
Bonding Authority										
Industrial Revenue Bonding	7	7	4	7	6	5	5	3	3	1
Qualified Energy Conservation Bond	-	-	1	-	-	-	-	-	-	-
Grants										
Brownfield Grant Program	11	13	15	13	14	8	14	8	9	8
Capacity Building	3	5	11	14	10	6	4	10	9	13
Community Development Investment	15	23	18	21	26	30	20	41	41	64
Disaster Recovery Microloan	-	-	-	-	-	6	3	1	-	-
Diverse Business Development	-	-	-	10	-	3	4	8	9	14
Ethnic Minority Emergency Grant *	-	-	-	-	-	-	890	-	-	-
Fabrication Laboratories	-	-	-	-	-	-	-	28	21	25
Idle Industrial Sites Redevelopment	6	4	-	9	5	5	3	6	7	6
Legislative Award	-	-	-	-	1	-	-	-	-	-
Main St Bounceback	-	-	-	-	-	-	-	-	9	-
Regional Revolving Loan Fund Expansion	1	-	-	-	-	-	-	-	-	-
Site Assessment Grants	17	14	13	11	11	11	9	5	8	6
Small Business 20/20	-	-	-	-	-	-	8	-	-	-
We're All In Small Business Grant	-	-	-	-	-	-	7	26,108	-	-
Workforce Training	4	2	1	2	2	3	1	-	-	-
Loan										
Business Retention and Expansion	9	-	-	-	-	-	-	-	-	-
Business Opportunity Loan Fund	10	17	12	9	-	-	-	-	-	-
Business Development Loan Program	-	-	-	-	1	1	-	-	-	-
Manufacturing Clean Energy Revolving Loan	-	-	1	-	-	-	-	-	-	-
Emergency Loan Guaranty for Certified Propane Dealers	4	-	-	-	-	-	-	-	-	-
Special Project Loan Fund	-	2	1	1	-	-	-	-	-	-
Tax Credits										
Business Development Tax Credit	-	-	17	62	38	45	23	25	33	26
Development Opportunity Zones	4	1	2	-	-	-	-	-	-	-
Economic Development Tax Credits	64	52	32	-	-	-	-	-	-	-
Electronics and Information Technology Manufacturing Zone	-	-	-	-	1	-	-	-	-	-
Enterprise Zone	2	3	2	5	5	3	-	2	-	-
Historic Preservation Tax Credit	8	42	32	67	27	13	24	19	16	23
Historic Preservation Tax Credit - Qualified Rehabilitation	2	6	2	-	-	-	-	-	-	-
Jobs Tax Credit	16	25	17	-	-	-	-	-	-	-

OPERATING INFORMATION
OPERATING INDICATORS BY FUNCTION
Last Ten Years

(concluded)

Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sector Strategy Development										
Grants										
Minority Business Development Revolving	4	2	4	-	-	-	-	-	-	-
Opportunity Research Project	3	-	-	-	-	-	-	-	-	-
Fabrication Laboratories	-	-	24	22	22	20	31	-	-	-
Targeted Industry Projects	12	11	8	12	13	13	3	-	-	-
Entrepreneurship & Innovation										
Grants										
Capital Catalyst	7	2	4	7	2	4	4	7	4	4
Capacity Building - E&I	-	-	-	11	11	9	9	24	-	-
Entrepreneurial Micro-Grant	1	1	1	1	1	1	1	1	1	1
Business Incubator	-	-	1	-	-	-	-	-	-	-
SBIR/STTR Matching Grant	-	1	1	1	1	1	1	1	1	1
Seed Accelerator	4	9	8	10	5	8	6	9	-	-
We're All Innovating Competition	-	-	-	-	-	-	-	227	-	-
Entrepreneurship Partner Grant - Competitive Selection	-	-	-	-	-	-	-	-	5	20
Entrepreneurship Partner Grant - Open Application	-	-	-	-	-	-	-	-	19	-
Loans										
Technology Development Loan	17	15	16	22	13	17	11	13	15	8
Investor Credits										
Qualified New Business Venture	26	25	40	41	54	41	46	46	37	33
Qualified Venture Fund Certification	5	7	6	9	9	9	14	6	7	11
Equity										
Wisconsin Investment Pilot	-	-	-	-	-	-	-	2	1	-
International Business Development										
Grants										
Collaborative Market Access Grant	2	3	1	4	2	5	2	1	3	1
Export Development Grant	-	-	-	-	-	-	-	-	-	-
Export Education Grant	3	1	-	-	-	-	-	-	-	-
ExporTech	1	1	1	1	1	1	1	1	1	1
International Market Access Grant	48	57	57	66	58	45	35	44	51	52
Targeted Industry Projects	-	-	-	-	-	-	-	8	12	9
Total Awards Contracted	316	351	353	438	339	313	1,179	26,654	322	327

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

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

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

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

Sources:

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

OPERATING INFORMATION
SCHEDULE OF CAPITAL ASSETS
Last Ten Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Economic development										
Vehicles	6	6	6	5	6	7	7	5	5	-
Computer software	-	-	-	-	-	-	-	-	1	1
General administration										
Leasehold improvements	4	4	4	4	4	6	6	6	6	6
Leasehold improvements-WIP	-	-	-	-	-	-	-	-	-	3
Vehicles	2	2	2	3	2	2	2	1	1	-
Computer software	5	5	5	4	5	4	4	4	-	1
Right-to-use lease assets	-	-	-	-	-	-	-	-	2	1
Right-to-use subscriptions	-	-	-	-	-	-	-	-	-	3
Marketing & brand strategy										
Computer software	4	6	9	7	6	4	4	5	3	3
Furniture and fixtures	1	1	1	1	-	1	1	1	1	2
Total Capital Assets	22	24	27	24	23	24	24	22	19	20

Notes:
GASB-87 was adopted in the 2022 adding right-to-use leased assets
GASB-96 was adopted in the 2023 adding right-to-use subscription assets

Sources:
Wisconsin Economic Development Corporation
https://wedc.org/inside-wedc/transparency/?fwp_org_reports_categories=wedc-performance&fwp_paged=2

WISCONSIN ECONOMIC DEVELOPMENT

DEDICATED TO WISCONSIN'S ECONOMIC GROWTH

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

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