



ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

LOOK FORWARD ➤

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Madison, Wisconsin
(A component unit of the State of Wisconsin)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Including Independent Auditors' Report

For the Fiscal Year Ended

June 30, 2024

Prepared by:

The Dedicated Staff of WEDC's Finance Division

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

TABLE OF CONTENTS
As of and For the Year Ended June 30, 2024

INTRODUCTORY SECTION

	Page
Transmittal Letter	1 – 5
Organizational Chart	6
Certificate of Achievement	7
Directory of WEDC Officials	8

FINANCIAL SECTION

Independent Auditors' Report	10 – 13
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 <i>Government Auditing Standards</i>	14 – 15
Management's Discussion and Analysis	16 – 23
Basic Financial Statements	
Statement of Net Position	24
Statement of Activities	25
Balance Sheet – Governmental Funds	26
Reconciliation of the Balance Sheet to the Statement of Net Position	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	30 – 31
Index to Notes to Financial Statements	32
Notes to Financial Statements	33 – 64

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

TABLE OF CONTENTS As of and For the Year Ended June 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION

	Page
Schedule of WEDC's Proportionate Share of the Net Pension Liability (Asset)	66
Schedule of WEDC Contributions to the Wisconsin Retirement System	66
Schedule of WEDC's Proportionate Share of the Total OPEB Liability	67

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – By Object – General Fund	69
-------------------------------------------------------------------------------------------------------------------	----

STATISTICAL SECTION

Statistical Section Contents	71
Changes in Net Position	72
Net Position by Component	73
Change in Fund Balances of Governmental Funds	74
Fund Balances of Governmental Funds	75
Collectible Loan Balances	76 - 77
Ten Largest Loans	78
Ratios of Outstanding Debt	79
Personal Income Statistics	80
Employment Statistics	81
Employees by Function/Program	82 - 83
Operating Indicators by Function	84 - 85
Schedule of Capital Assets	86



INTRODUCTORY SECTION

LOOK FORWARD ►



November 26, 2024

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, 2024, is herein submitted.

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

Sikich CPA LLC has issued an unmodified ("clean") opinion on WEDC's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The Government Finance Officers Association of the 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, 2023. This was the 11th consecutive year WEDC has achieved this prestigious award. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

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



ABOUT WEDC

The Wisconsin Economic Development Corporation (WEDC) is a public-private entity created by 2011 Wisconsin Act 7 to serve as the state's lead agency in promoting economic development. WEDC works collaboratively with economic development partner organizations, educational institutions, 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. WEDC offers a number of tax credit, grant, loan, equity investment, and technical assistance programs to eligible Wisconsin businesses and communities. Program results for each fiscal year can be found in WEDC's Annual Report on Economic Development (ARED). WEDC encourages economic growth by focusing on:

- Business and Community Development (BCD) to ensure that resources are made available to companies and communities to maximize their potential.
- Entrepreneurship and Innovation (E&I) to empower and propel entrepreneurs by supporting and advancing a dynamic ecosystem filled with opportunities and resources that enable startups to thrive—from concept to full-scale growth.
- Global Trade and Investment (GTI) to grow Wisconsin's exports, increase awareness of Wisconsin as a destination for businesses to expand or relocate by promoting the state, and advance high-impact economic development projects that produce a competitive advantage for Wisconsin.
- Productivity and Sustainability (P&S) to accelerate the adoption of innovative technologies, processes, and tools to increase productivity, enhance resilience, and promote economic well-being.

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

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

LONG RANGE PLANNING AND FINANCIAL POLICIES

Throughout FY24, the Wisconsin Economic Development Corporation (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 seasonally adjusted unemployment rate remained among the lowest in the U.S.: 3.4% as of Dec. 31, 2023 (compared to the national average of 3.7%), and 2.9% as of June 30, 2024 (compared to the national average of 4.1%).

Major initiatives implemented during FY24 included:

Wisconsin Investment Fund Initiative

WEDC launched the Wisconsin Investment Fund - the largest public-private investment partnership in the state history - to increase investment in Wisconsin companies and empower small businesses to access capital needed to expand.



The Wisconsin Investment Fund is seeded with \$50 million from the U.S. Department of The Treasury's State Small Business Credit Initiative (SSBCI) over a 10-year period. In May 2024, Governor Tony Evers and WEDC announced the five venture capital management firms who will be administering the first round of fund investments. A sixth capital management firm will be announced later. The venture capital firms must match each dollar of public funds with at least one dollar of private money, which will initially double the state's investment impact. The return from these investments is then reinvested into the Wisconsin Investment Fund to generate a growing pool of capital support and fund even more promising Wisconsin companies.

Wisconsin Workforce Innovation Grant Program

The Wisconsin Workforce Innovation Grant (WIG) program, launched in July 2021, represents a strategic collaboration between WEDC and the Department of Workforce Development (DWD). Backed by more than \$128 million in federal funding from the American Rescue Plan Act, this initiative supports innovative, collaborative, and sustainable solutions to address regional workforce challenges across Wisconsin. By providing financial support to locally developed plans, the program fosters long-term, cutting-edge strategies that empower businesses to connect with qualified workers and equip individuals for family-supporting careers more easily.

The \$128 million investment has funded 27 pilot projects that target critical areas such as housing, transportation, child care, health services, and education—all key factors affecting workforce readiness. Notable deliverables through June 30, 2024, include the development of 211 workforce housing units, the addition of 360 new child care slots, the provision of over 92,000 workforce transportation rides, and enrollment of more than 10,000 individuals in workforce training programs. These pilot projects offer scalable solutions that can be replicated to address workforce needs across the state.

Talent Attraction and Retention Initiatives

Wisconsin is actively addressing critical labor shortages and boosting its economic competitiveness through WEDC's robust Talent Attraction and Retention marketing initiatives. With more than \$10 million invested in the last three years, these efforts include a nationwide digital campaign, out-of-state public relations efforts, and a Marketing Cooperative initiative.

The digital campaign has been featured on major platforms such as Google, Expedia, Zillow, and YouTube, ensuring that Wisconsin's appeal is seen by millions across the country. By showcasing the state's communities and career opportunities, the campaign builds visibility in spaces where people make decisions about where to live, work, and invest. A notable highlight was the state's first-ever TV commercial featured on "Top Chef Wisconsin," which helped bring national attention to Wisconsin's unique culture, thriving food scene, and vibrant communities.

In collaboration with regional partners through the Talent Attraction and Retention Marketing Cooperative initiative, WEDC has maximized the reach and impact of local marketing efforts to solve workforce challenges. This initiative has helped more than 16 organizations market their communities effectively, with access to a library of over 480 marketing assets. This cooperative approach amplifies Wisconsin's collective voice, driving talent attraction and supporting economic growth across the state.



Strategic Plan: Building a Brighter Wisconsin Future

The Wisconsin Economic Development Corporation (WEDC) has honored its commitment to strengthen Wisconsin's economy by making our strategic plan a central part of our daily routines to benefit everyone in Wisconsin.

That plan, introduced in 2022, sets our "True North" with four guiding principles:

- Broadening WEDC's role.
- Shaping our path.
- Encouraging innovation.
- Building a strong culture.

Teams of staff and leadership developed targeted initiatives to bring these principles to life, including recommendations for implementation, resource allocation, and measurement to ensure effective change.

Several initiatives were successfully implemented in FY23 and FY24, while FY25 will focus on completing the implementation and evaluation of the remaining recommendations.

To move ahead with clarity on what an Economy for All means, we developed dimensions of economic well-being that ensure creation of an inclusive, thriving economy:

- **Fueling financial stability:** Creating a foundation for building wealth helps move people toward broader well-being.
- **Educating everyone:** Embracing continuous learning to prepare for the future of work; reducing inequalities of access.
- **Supporting healthy living:** Achieving better health improves productivity and quality of life; reducing health disparities is central to economic growth.
- **Reinforcing community infrastructure:** Supporting people with housing, schools, libraries, arts, recreation, child care, and connections needed to live, learn, and work, including buildings, roads, and broadband.
- **Respecting the environment:** Avoiding pollutants, assuring clean water, and clearing unsafe conditions makes business sense and serves Wisconsin's people.

To advance economic success, WEDC must address today's challenges, with an eye toward future challenges.

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, extend Wisconsin's industry leadership, and 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 also wish to thank all departments for their assistance in providing the data necessary to prepare this report. Finally, we want to recognize the WEDC Board of Directors and the WEDC Audit and Budget Committee for their support for maintaining the highest standards of professionalism in the management of WEDC's finances.

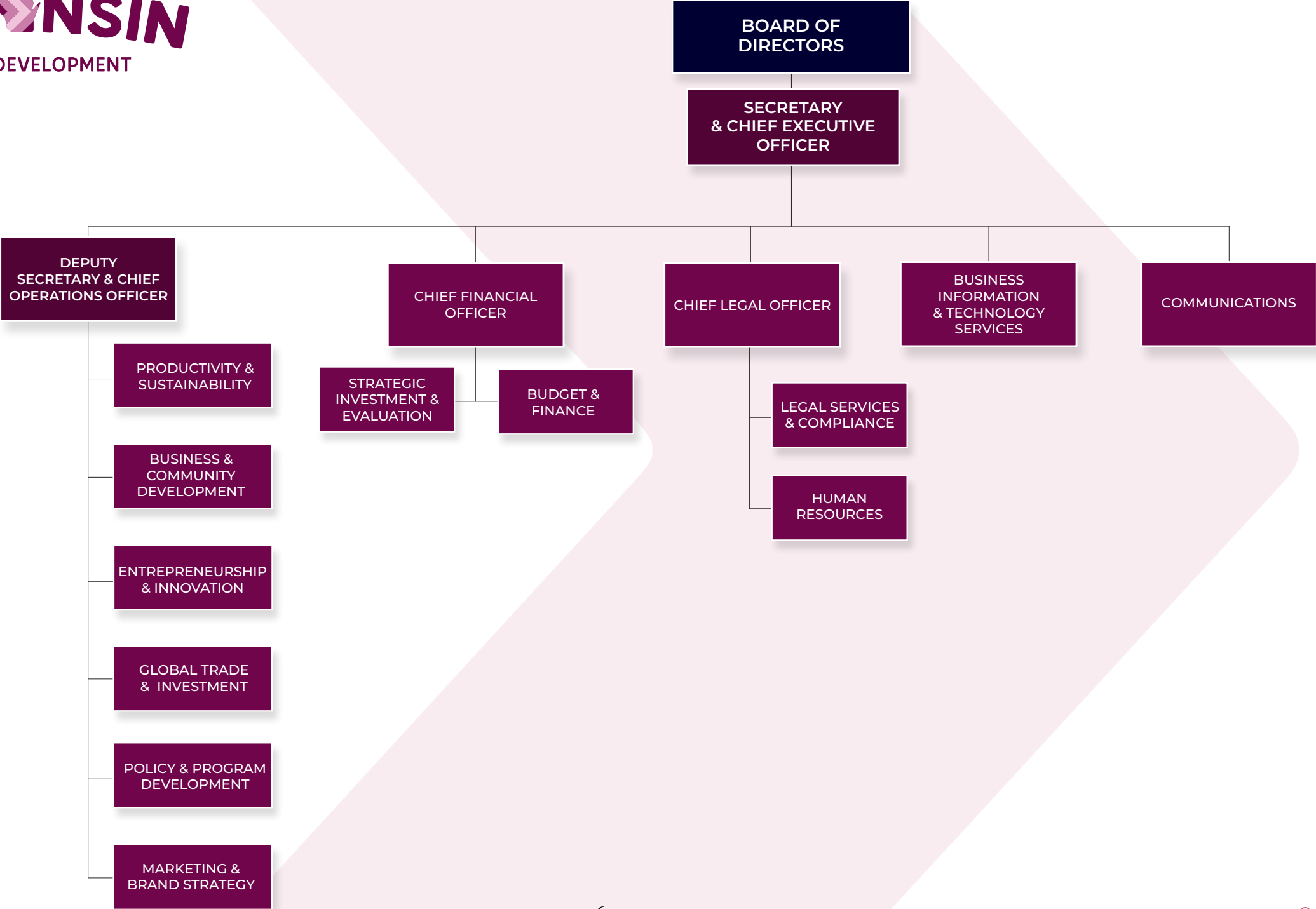
Respectfully submitted,

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

Khadija Mims
Chief Financial Officer

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

Natalya Krutova
Controller





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Wisconsin Economic Development Corporation

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Wisconsin Economic Development Corporation

DIRECTORY OF OFFICIALS

BOARD OF DIRECTORS

Henry Newell (Hank)	Chair
Lisa Mauer	Vice Chair
Mike Kunesh	Treasurer
Eugenia Podesta	Secretary
Rep. Dave Armstrong	Board Member
Rep. Samba Baldeh	Board Member
John Brogan	Board Member
John Casper	Board Member
Sen. Dan Feyen	Board Member
Randy Hopper	Board Member
Jim Ladwig	Board Member
Sen. Brad Pfaff	Board Member
Jack Salzwedel	Board Member
Thelma Sias	Board Member
David Casey	Ex-Officio – Department of Revenue
Kathy Blumenfeld	Ex-Officio – Department of Administration

ADMINISTRATORS

Melissa Hughes	Chief Executive Officer/ Secretary
Sam Ridders	Chief Operation Officer & Deputy Secretary
Jenny Campbell	Chief Legal Counsel
Khadija Mims	Chief Financial Officer
Joshua Robbins	Senior Vice President of Business Information & Technology Services
Shelly Braun	Senior Vice President - Credit & Risk
Shayna Hetzel	Vice President of Entrepreneurship & Innovation
Mike Ward	Vice President of Business & Community Development
Vacant	Vice President of Global Trade & Investment
Francisco Sayu	Vice President of Productivity & Sustainability
Sarah Duchemin	Vice President of Marketing & Brand Strategy
Hayley Hellenbrand	Vice President of Human Resources
Natalya Krutova	Controller
Beth Haskovec	Director of The Office of Rural Prosperity
David Callender	Director of Communications
Flannery Geoghegan	Senior Director of Policy



FINANCIAL SECTION

17335 Golf Parkway, Suite 500
Brookfield, WI 53045
262.754.9400

SIKICH.COM

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, 2024, 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, 2024, 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.

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.

The audit as of and for the period ended June 30, 2023 was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The 2023 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements by Sikich LLP 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 the opinion of Sikich LLP, the information was fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024, on our consideration of WEDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WEDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WEDC's internal control over financial reporting and compliance.

Sikich CPA LLC

Brookfield, Wisconsin
November 26, 2024

17335 Golf Parkway, Suite 500
Brookfield, WI 53045
262.754.9400

SIKICH.COM

**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, 2024, and the related notes to financial statements, which collectively comprise the WEDC's basic financial statements, and have issued our report thereon dated November 26, 2024.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sikich CPA LLC

Brookfield, Wisconsin
November 26, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and For the Year Ended June 30, 2024
(Unaudited)

Wisconsin Economic Development Corporation's management offers this narrative overview and analysis of its financial statements for the year ended June 30, 2024. 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 FY24 were:

Unrestricted Net Position changed by \$(18.2) million.

Total assets changed by \$(0.5) million compared to FY23.

Total liabilities changed by \$(0.3) million, primarily from reduced accounts payable, offset by increases in accrued awards and pension obligations as of June 30, 2024.

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 26-27).

GOVERNMENT-WIDE - STATEMENT OF NET POSITION

The following table summarizes WEDC's Statements of Net Position from 2023 and 2024.

	Governmental activities			
	2023 (000's)	2024 (000's)	Change	% Chg
Current and other assets	\$ 94,893	\$ 89,036	\$ (5,857)	-6.17%
Capital assets	904	6,240	5,336	590.08%
Total assets	95,797	95,276	(521)	-0.54%
Deferred outflows of resources	10,461	7,089	(3,372)	-32.23%
Long-term debt	6,257	6,369	112	1.79%
Other liabilities	8,049	7,677	(372)	-4.62%
Total liabilities	14,306	14,046	(260)	-1.82%
Deferred inflows of resources	6,240	4,538	(1,702)	-27.28%
Net investment in capital assets	345	3,085	2,740	794.14%
Restricted	36,791	50,274	13,483	36.65%
Unrestricted	48,576	30,423	(18,153)	-37.37%
Total net position	\$ 85,712	\$ 83,782	\$ (1,930)	-2.25%

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

Total assets changed by \$(0.5) million, driven by:

- \$1.0 million change in cash and cash equivalents, primarily from an increased segregated economic development fund (SEG).
- \$(5.2) million change in accounts receivables.
- \$(3.1) million change in loan receivables due to \$4.1 million in repayments, \$0.8 million in write-offs, offset by loan draws and reserve adjustments.
- \$5.3 million change in capital assets due to recognition of the new office building lease agreement and leasehold improvement.

Deferred outflows of resources changed by \$(3.4) million and **deferred inflows of resources** changed by \$(1.7) million due to the annual pension and OPEB accruals.

As of June 30, 2024, WEDC reports a net pension liability of \$0.8 million and OPEB liability of \$1.2 million.

Total liabilities changed by \$(0.3) million due to decreases in accounts payable, payroll liabilities, and awards accruals, offset by increases in pension liabilities.

A portion of WEDC's net position represents the **net investment in its capital assets**, based on historical cost. Capital assets are used to provide services; consequently, these assets are not available for future spending. Capital assets are described in more detail on pages 48 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 2023 and 2024.

	Governmental activities			
	2023 (000's)	2024 (000's)	Change	% Chg
REVENUE				
Program revenues				
Operating grants and contributions	\$ 49,761	\$ 2,714	\$ (47,046)	-94.5%
Charges for services	139	124	(15)	-11.1%
Capital grants and contributions	-	626	626	N/A
General revenues				
Intergovernmental revenues not restricted to specific programs	45,418	46,260	842	1.9%
Investment income	2,140	3,836	1,696	79.3%
Miscellaneous	1,242	407	(835)	-67.2%
Total Revenues	<u>98,700</u>	<u>53,967</u>	<u>(44,732)</u>	<u>-45.3%</u>
EXPENDITURES				
General administration	12,512	12,206	(306)	-2.4%
Marketing & brand strategy	7,138	8,570	1,432	20.1%
Economic development	66,068	35,079	(30,989)	-46.9%
Interest and fiscal charges	65	42	(23)	-35.5%
Total Expenditures	<u>85,783</u>	<u>55,897</u>	<u>(29,886)</u>	<u>-34.8%</u>
Total Change in Net Position	12,917	(1,930)	(14,846)	-114.9%
NET POSITION - BEGINNING OF YEAR	72,795	85,712		
NET POSITION - END OF YEAR	<u>\$ 85,712</u>	<u>\$ 83,782</u>		

Program revenues decreased significantly, with a \$47.0 million drop in operating grants and contributions. This was mainly due to reduced funding from the Main Street Bounceback (MSBB) program as well as the State Small Business Credit Initiative (SSBCI), which was fully recognized in FY23. Investment income of \$1.5 million from the SSBCI funds offsets this decrease.

Charges for services changed by \$(15,000) primarily from reduced bond servicing and tax transfer fees.

Capital grants and contributions increased by \$0.6 million due to a lease improvement allowance for the new office building.

Investment income increased by \$1.7 million, driven by higher loan interest income and investment income.

General revenues from intergovernmental sources increased by \$0.8 million, reflecting higher collections from the economic development fund (SEG).

General administration expenditures changed by \$(0.3) million.

Marketing and communication expenditures changed by \$1.4 million due to talent attraction and retention efforts.

Economic development expenditures changed by \$(31.0) million, primarily due to a \$32.4 million decrease in direct award programs primarily from the Main Street Bounceback (MSBB) program, offset by modest increases in other areas.

Interest and fiscal charges changed by \$(23,000) due to changes in the state's pension obligation allocation.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. WEDC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. WEDC has only one fund, the General Fund. The General Fund is a governmental fund type. The fund financial statements can be found on pages 28 and 30 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 29 and 31.

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

The year-end total fund balance of \$79.0 million changed by \$12.0 million, which represents the net change in fund balance which means that revenues exceeded expenditures. WEDC uses its unassigned fund balance and loan principal repayments as fund sources to achieve a balanced budget. WEDC's general fund balance is categorized into four components:

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

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

Non-spendable fund balance for FY24 was \$9.8 million, down from \$13.4 million in FY23. This \$(3.6) million change was due to \$(3.2) million reductions in net loan receivables from repayments exceeding origination, a \$(0.5) million change in the talent attraction prepaids, and \$0.1 million in other prepaid items.

Restricted fund balance for FY24 was \$50.3 million, up from \$36.8 million in FY23, an increase of \$13.5 million. This was driven by a \$16.9 million change in SSBCI restricted activities, offset by reductions of \$(2.8) million in economic development contracts and \$(0.6) million in talent attraction and retention contracts.

Assigned fund balance for FY24 was \$9.2 million, down from \$11.6 million in FY23. The \$(2.4) million change was mainly due to reduced assigned funds for the new office buildout and pension obligations.

Unassigned fund balance for FY24 was \$9.8 million, up from \$5.2 million in FY23, reflecting a \$4.5 million increase. This unassigned balance represents the residual funds available for future operating budgets or program spending. Changes in other fund balance categories drove the increase.

GENERAL FUND - BUDGETARY HIGHLIGHTS

WEDC adopts an annual budget for its General Fund. A budgetary comparison schedule can be found on pages 32-33 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's internal operations.

During fiscal year 2024, WEDC conducted budget amendments to reallocate funds to ensure alignment with anticipated demands and strategic initiatives in accordance with the budget approval policy. A general summary of actual to-budget variances follows:

	General Fund				
	Original Budget 2024 (000's)	Final Budget 2024 (000's)	Actual 2024 (000's)	Variance with Final Budget	% Chg
REVENUE					
Intergovernmental revenues	\$ 80,471	\$ 80,471	\$ 66,301	\$ (14,170)	-17.6%
Charges for services	125	125	124	(1)	-0.9%
Investment income	1,545	1,545	3,836	2,291	148.3%
Miscellaneous	203	203	407	204	100.8%
Total Revenues	82,343	82,343	70,668	(11,676)	-14.2%
EXPENDITURES					
Program grants	27,092	24,855	21,696	(3,159)	-11.7%
Loan loss reserve	500	500	385	(115)	-23.1%
Key strategic partners	17,960	19,853	5,139	(14,714)	-81.9%
Marketing & brand strategy	8,076	10,306	7,857	(2,450)	-30.3%
Payroll and benefits	15,757	15,714	14,987	(727)	-4.6%
Operations and general	8,891	6,740	5,163	(1,577)	-17.7%
Capital	2,000	2,300	5,761	3,461	173.0%
Debt service	300	300	840	540	179.9%
Total Expenditures	80,576	80,568	61,827	(18,741)	-23.3%
Excess (Deficiency) of Revenue Over Expenditures	1,767	1,775	8,840	7,066	
OTHER FINANCING SOURCES (USES)					
Lease issuance	-	-	3,130	3,130	
Total Other Financing Sources (Uses)	-	-	3,130	3,130	
Net Change in Fund Balance	<u>1,767</u>	<u>1,775</u>	11,971	<u>10,196</u>	
FUND BALANCES - BEGINNING OF YEAR			<u>67,049</u>		
FUND BALANCES - END OF YEAR			<u>\$ 79,020</u>		

Revenues for FY24 totaled \$70.7 million, or 86% of the annual budget. The shortfall was primarily due to ARPA projects contracted in FY24, with related revenues not yet recognized since no expenses were incurred this year. Key components included:

- **State funding** of \$47.3 million, slightly higher than budgeted, driven by increased SEG economic development fund surcharge collections.
- **SSBCI revenue** of \$17.4 million, covering program commitments, program income, and administrative costs from the first tranche.
- **ARPA revenue** of \$0.3 million, reflecting actual expenditures incurred in FY24 contracted awards.
- **Interest income** significantly exceeded expectations at \$3.8 million (148% of the budget), mainly due to investment and loan interest income.
- **Other income** of \$0.4 million (101% of the budget) from event sponsorships and program fees.

Expenditures totaled \$61.8 million, or 77% of the annual budget, creating a favorable variance of \$18.7 million. Key factors included:

- **Program grants** with actual draws \$3.2 million less than budgeted.
- **Key strategic partner contracts** with \$14.7 million variance due to contracted awards that had not yet incurred the corresponding expenditures during the reporting period.
- **Marketing and promotions** expenditures were 70% of the budget, including \$4.8 million for talent attraction.
- **Payroll and benefits** were 95% of the budget, while **operations and general expenses** were 82%.
- **Capital expenditures** reached \$5.8 million, including \$1.8 million for a new office buildout.

Changes in Fund Balance: Revenues exceeded expenditures by \$12.0 million, \$10.2 million more than anticipated in the budget.

Program Activity: WEDC disbursed, committed, and contracted \$44.5 million (88% of the amended budget) in grants, loans, and partnerships, with state funded initiatives reaching 100% utilization. Unallocated funds of \$5.9 million are carried forward to the FY25 budget for future projects, including the Strategic Investment Fund and SSBCI programs.

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 35-66 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 68-69.

CAPITAL ASSETS

WEDC's capital asset activity for 2023 and 2024 is summarized below.

Description	Governmental Activities		
	2023	2024	Variance
Software	\$ 691,954	\$ 1,028,278	\$ 336,324
Furniture and fixtures	53,737	464,903	411,166
Leasehold improvements	751,392	2,355,466	1,604,074
Right-to-use lease asset	196,162	3,130,204	2,934,042
SBITA	761,427	761,166	(261)
Total Capital Assets	2,454,672	7,740,017	5,285,345
Less accumulated depreciation and amortization	(1,550,304)	(1,500,154)	50,150
Capital assets, net of depreciation and amortization	\$ 904,368	\$ 6,239,863	\$ 5,335,495

Total capital assets changed by \$5.4 million compared to FY23, mainly due to recognizing the right-to-use assets for the new building lease agreement. Additional information on WEDC's capital assets can be found in Note III C on page 48.

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 changed by \$0.2 million. Variances compared to FY23 are illustrated in the below schedule:

	Governmental Activities		
	2023	2024	Variance
Lease liability	\$ 40,624	\$ 2,895,102	\$ 2,854,478
SBITA liability	518,666	259,284	(259,382)
OPEB liability	1,010,730	1,165,167	154,437
Net pension liability	2,773,621	779,827	(1,993,794)
Compensated absences	936,276	956,417	20,141
Notes payable - State of Wisconsin	1,788,856	1,252,248	(536,608)
Total	<u>\$ 7,068,773</u>	<u>\$ 7,308,045</u>	<u>\$ 239,272</u>

Additional information on WEDC's long-term debt can be found in Note III D on pages 49- 51.

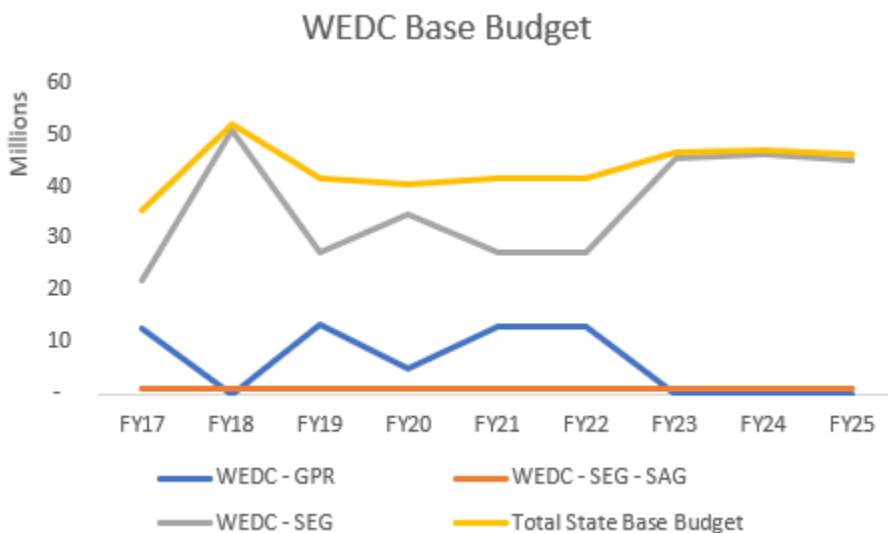
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

WEDC's State appropriation consists of three funds.

1. The segregated (SEG) economic development fund, which is the primary source of WEDC funding from the surcharge imposed upon C corporations and S corporations.
2. The segregated (SAG) environmental fund, restricted for the use of the Brownfield Site Assessment Grants.
3. The general purpose revenue (GPR) fund, which may be used only if there are no unencumbered funds available in the economic development funds. Thus, the first draws should come from the economic development fund until the available balance of the SEG appropriation is depleted.

The annual funding for WEDC is provided in an amount of GPR equal to \$41.5 million minus the amounts from the economic development fund and the environmental fund. However, GPR is capped at \$16.5 million annually. This appropriation structure has two main purposes. First, prioritizing SEG expenditures over GPR expenditures to prevent the economic development fund from accumulating a large, unused balance. Second, it guarantees a minimum or floor funding level for WEDC operations and programs to protect against the risk of lower-than-expected SEG revenues.

In FY23 and FY24, the economic development fund exceeded the minimum funding threshold, eliminating the need for WEDC to use general purpose revenue. As a result, the entirety of state funding came from surcharge collections.



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 2025 budget are:

- \$32.5 million new funding for legislative programs: \$20.0 million GPR fund to support branch campus redevelopment grants; \$7.5 million GPR fund to support the state's designation as a regional technology and innovation hub; and \$5.0 million GPR fund to support opportunity attraction and promotion.
- \$14.1 million revenue from the U.S. Environmental Protection Agency (EPA) for Solar for All initiative: In FY24, WEDC's application was selected for an award of \$62 million over the next five years as part of the Inflation Reduction Act (IRA). This funding is aimed at making solar energy accessible and affordable for all, particularly for low to moderate income households and underserved communities.
- Marketing budget includes \$5.0 million to continue supporting 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, 2024

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,843,914
Cash restricted	18,621,408
Investments	55,009,167
Equity investments	1,623,238
Accounts receivable	1,284,335
Accrued interest on investments	604,465
Prepaid items	428,561
Loans receivable (net of allowances of \$6,435,875)	9,316,235
Interest on loans receivable (net of allowances of \$481,006)	305,094
Other capital assets (net of depr \$1,500,154)	6,239,863
Total Assets	<u>95,276,280</u>
Deferred outflows of resources	
Deferred outflows of resources - pensions	6,587,024
Deferred outflows of resources - OPEB	502,343
Total Deferred Outflows of Resources	<u>7,089,367</u>
LIABILITIES	
Accounts payable	3,531,148
Accrued liabilities	3,206,334
Noncurrent liabilities	
Due within one year	939,238
Due in more than one year	6,368,807
Total Liabilities	<u>14,045,527</u>
Deferred inflows of resources	
Deferred inflows of resources - pensions	4,168,751
Deferred inflows of resources - OPEB	369,549
Total Deferred Inflows of Resources	<u>4,538,300</u>
NET POSITION	
Investment in capital assets (net)	3,085,477
Restricted for:	
R-Economic development	31,699,396
R-Brownfield site assessments	1,370,517
R-SSBCI	17,203,644
Unrestricted	30,422,786
TOTAL NET POSITION	<u><u>\$ 83,781,820</u></u>

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental Activities					
General administration	\$ 12,205,084	\$ 123,933	\$ 313,750	\$ 625,896	\$ (11,141,505)
Marketing & brand strategy	8,570,476	-	83,527	-	(8,486,949)
Economic development	35,079,170	-	2,317,073	-	(32,762,097)
Interest and fiscal charges	42,240	-	-	-	(42,240)
Total Governmental Activities	<u>55,896,970</u>	<u>123,933</u>	<u>2,714,350</u>	<u>625,896</u>	<u>(52,432,791)</u>
General Revenues					
Intergovernmental revenues not restricted to specific programs					46,260,000
Segregated funds					3,836,162
Investment income					406,813
Miscellaneous					<u>50,502,975</u>
Total General Revenues					
Change in Net Position					(1,929,816)
NET POSITION - BEGINNING OF YEAR					<u>85,711,636</u>
NET POSITION - END OF YEAR					<u><u>\$ 83,781,820</u></u>

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2024**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 1,843,914
Cash restricted - SSBCI	18,621,408
Investments	55,009,167
Equity investments	1,623,238
Accounts receivable	1,284,335
Accrued interest on investments	604,465
Prepaid items	428,561
Loans receivable (net of allowances of \$6,435,875)	9,316,235
Interest on loans receivable (net \$481,006)	305,094
Total Assets	<u>\$ 89,036,417</u>
LIABILITIES	
Accounts payable	\$ 3,531,148
Accrued awards	1,919,438
Accrued wages	442,913
Payroll related liabilities	234,206
Other liabilities	609,785
Total Liabilities	<u>6,737,490</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	<u>3,279,295</u>
Total Deferred Inflows of Resources	<u>3,279,295</u>
FUND BALANCES	
Nonspendable - prepaids	428,561
Nonspendable - equity investment program	124,250
Nonspendable - equity from loan warrant conversion	146,988
Nonspendable - long-term receivables	9,066,235
Restricted for	
Economic development	31,699,396
Brownfield site assessment	1,370,517
SSBCI	17,203,644
Assigned for	
Compensated absences	956,417
Note payable to State of Wisconsin	1,252,249
Talent attraction and retention initiative FY25	5,000,000
Program FY25	2,000,000
Unassigned	9,771,375
Total Fund Balances	<u>79,019,632</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 89,036,417</u>

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
As of June 30, 2024

Fund balances - total governmental funds		\$	79,019,632
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds			
Software	1,028,278		
Furniture and fixtures	464,903		
Leasehold improvements	2,355,466		
Right-to-use lease asset	3,130,204		
Right-to-use-SBITA	761,166		
Less: accumulated depreciation, amortization	<u>(1,500,154)</u>		
Total adjustment for capital assets			6,239,863
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	2,717,571		
Pension differences between projected and actual experiences	3,144,255		
Change in proportional share & difference in actual contributions	339,904		
Pension contributions after measurement date	371,962		
Pension changes of actuarial assumptions	<u>13,332</u>		
Total adjustment for pension deferred outflows			6,587,024
Deferred outflows related to OPEB are not current financial resources and, therefore, are not reported in the government funds			
OPEB change in proportion	156,346		
OPEB changes of assumptions	102,217		
OPEB subsequent contributions after measurement date	82,144		
OPEB change in proportional share & difference in actual contributions	<u>161,636</u>		
Total adjustment for OPEB deferred outflows			502,343
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	(4,166)		
Pension differences between projected and actual experiences	<u>(4,164,585)</u>		
Total adjustment for pension deferred inflows			(4,168,751)
Deferred inflows related to OPEB are not current finance resources and, therefore, are not reported in the government funds			
OPEB changes of assumptions	(277,555)		
OPEB changes in proportion	(52,776)		
OPEB differences between expected and actual experience	<u>(39,218)</u>		
Total adjustment for OPEB deferred inflows			(369,549)
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			
			3,279,304
Net pension liability are not current financial resources and, therefore, are not reported in the government funds			
			(779,827)
Total OPEB liability are not current financial resources and, therefore, are not reported in the government funds			
			(1,165,167)
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	(956,417)		
Lease payable	(2,895,102)		
SBITA payable	(259,284)		
Notes payable to State	(1,252,249)		
Total adjustment for long-term obligations			<u>(5,363,052)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u><u>83,781,820</u></u>

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2024

	<u>General Fund</u>
REVENUES	
Intergovernmental	\$ 66,300,630
Charges for services	123,933
Interest income	3,836,162
Other revenues	406,804
Total Revenues	<u>70,667,529</u>
EXPENDITURES	
Current	
General administration	12,839,639
Marketing & brand strategy	9,720,832
Economic development	35,296,720
Debt Service	
Principal retirement	752,629
Interest and fiscal charges	87,019
Capital outlay	3,130,204
Total Expenditures	<u>61,827,043</u>
Excess (Deficiency) of Revenue Over Expenditures	8,840,486
OTHER FINANCING SOURCES (USES)	
Lease issuance	3,130,204
Total Other Financing Sources (Uses)	<u>3,130,204</u>
Net Change in Fund Balance	11,970,690
FUND BALANCES - BEGINNING OF YEAR	<u>67,048,942</u>
FUND BALANCES - END OF YEAR	<u>\$ 79,019,632</u>

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2024**

Net change in fund balances - total governmental funds	\$ 11,970,690
Amounts reported for governmental activities in the statement of activities are different because:	
Net pension liabilities and related deferred inflows/outflows are not current financial resources and, therefore, are not reported in the governmental funds	188,663
Total OPEB liabilities and related deferred inflows/outflows are not current financial resources and, therefore, are not reported in the governmental funds	(19,763)
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	5,760,696
The issuance of the Lease liability is reported as an other financing source in the governmental funds but as an increase of principal outstanding in the statement of activities.	(3,130,204)
Depreciation is reported in the government-wide statements	(1,051,097)
Capital contribution related to leasehold construction allowance	625,896
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	(17,326,272)
Repayments of debt is an expenditure in the governmental funds, but then reduces debt in the statement of net position.	
Notes payable annual recaluculation adjustment	319,087
Principal repaid	752,629
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	(20,141)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (1,929,816)</u></u>

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, 2024

(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental				
State economic development fund (SEG)	\$ 45,870,000	\$ 45,870,000	\$ 46,260,000	\$ 390,000
State brownfield site assessment	1,000,000	1,000,000	1,000,000	-
Federal - STEP Grant	300,000	300,000	244,994	(55,006)
Federal - EDA Grant	44,413	44,413	171,148	126,735
Federal - USDA Grant	237,238	237,238	-	(237,238)
Federal - SSBCI	20,369,865	20,369,865	17,399,086	(2,970,779)
Federal - American Rescue Plan Act	10,165,401	10,165,401	270,458	(9,894,943)
Other intergovernmental revenues	2,483,750	2,483,750	954,944	(1,528,806)
Total Intergovernmental	80,470,667	80,470,667	66,300,630	(14,170,037)
Charges for Services				
Bond servicing fees	10,000	10,000	22,960	12,960
Tax transfer fees	45,000	45,000	65,440	20,440
Loan origination fees	70,000	70,000	35,533	(34,467)
Total Charges for Services	125,000	125,000	123,933	(1,067)
Interest Income				
Interest on loans	845,000	845,000	873,531	28,531
Interest on investments	700,000	700,000	2,962,631	2,262,631
Total Interest Income	1,545,000	1,545,000	3,836,162	2,291,162
Other Revenues				
Sponsorship contributions	80,000	80,000	56,721	(23,279)
Miscellaneous revenue	122,600	122,600	350,083	227,483
Total Other Revenues	202,600	202,600	406,804	204,204
TOTAL REVENUES	82,343,267	82,343,267	70,667,529	(11,675,738)
EXPENDITURES				
General Administration				
Legal services & compliance	1,598,747	1,598,747	1,434,251	164,496
Executive office	5,734,361	5,734,361	1,584,805	4,149,556
Human resources	4,018,276	4,018,276	3,195,422	822,854
Finance	752,813	752,813	693,353	59,460
Business information & technology services	3,093,217	3,093,217	2,741,681	351,536
Strategic investment & evaluation	2,355,444	3,149,718	2,775,259	374,459
Policy & program development	1,408,703	614,430	414,868	199,562
Total General Administration	18,961,561	18,961,562	12,839,639	6,121,923
Marketing & brand strategy	9,259,971	11,489,971	9,720,832	1,769,139

(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, 2024

(concluded)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Economic Development				
Entrepreneurship & innovation	\$ 11,750,120	\$ 9,495,520	\$ 7,479,467	\$ 2,016,053
Business & community development	36,089,167	35,955,867	21,859,746	14,096,121
Global trade & investment	4,215,049	4,365,449	5,957,507	(1,592,058)
Total Economic Development	<u>52,054,336</u>	<u>49,816,836</u>	<u>35,296,720</u>	<u>14,520,116</u>
Debt Service				
Principal retirement	240,000	240,000	752,629	(512,629)
Interest and fiscal charges	60,000	60,000	87,019	(27,019)
Total Debt Service	<u>300,000</u>	<u>300,000</u>	<u>839,648</u>	<u>(539,648)</u>
Capital outlay	-	-	3,130,204	(3,130,204)
TOTAL EXPENDITURES	<u>80,575,868</u>	<u>80,568,369</u>	<u>61,827,043</u>	<u>18,741,326</u>
Excess (Deficiency) of Revenue Over Expenditures	1,767,399	1,774,898	8,840,486	7,065,588
OTHER FINANCING SOURCES (USES)				
Lease issuance	-	-	3,130,204	3,130,204
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,130,204</u>	<u>3,130,204</u>
Net Change in Fund Balance	<u>\$ 1,767,399</u>	<u>\$ 1,774,898</u>	11,970,690	<u>\$ 10,195,792</u>
FUND BALANCES - BEGINNING OF YEAR			67,048,942	
FUND BALANCES - END OF YEAR			<u>\$ 79,019,632</u>	

See accompanying notes to financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

	Page
I. Summary of Significant Accounting Policies	33-39
A. Reporting Entity	33
B. Basis of Presentation	33-34
C. Measurement Focus and Basis of Accounting	35
D. Assets, Liabilities, and Net Position or Equity	35-39
1. Cash, Cash Equivalents, and Investments	35
2. Receivables	35
3. Inventories and Prepaid Expenditures	35
4. Capital Assets	36
5. Pensions	36
6. Other Postemployment Benefit Costs (OPEB)	37
7. Deferred Outflows/Inflows of Resources	37
8. Compensated Absences	37
9. Long-Term Obligations	38
10. Claims and Judgments	38
11. Equity Classifications	38-39
II. Stewardship, Compliance, and Accountability	40
A. Budgetary Information	40
B. Excess Expenditures Over Appropriations	40
III. Detailed Notes on All Funds	41-49
A. Cash, Cash Equivalents, and Investments	41-44
B. Receivables	45
C. Capital Assets	46
D. Long-Term Obligations	47-49
IV. Other Information	50-64
A. General Information about the Pension Plan	50-56
B. General Information about the OPEB Plan	57-61
C. Risk Management	61
D. Commitments and Contingencies	61
E. Effect of New Accounting Standards on Current Period Financial Statements	62-64

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

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

B. BASIS OF PRESENTATION

Government-Wide Financial Statements

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS **As of and For the Year Ended June 30, 2024**

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Cash, Cash Equivalents, and Investments

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

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

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

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. As of June 30, 2024, WEDC loan portfolio did not include any active performance-based loans.

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 10% to 100% on a per loan basis. WEDC also uses 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.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets

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

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

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

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

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

5. Pensions

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Other Postemployment Benefit Costs (OPEB)

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

7. Deferred Outflows/Inflows of Resources

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

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

8. Compensated Absences

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

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Long-Term Obligations

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

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

10. Claims and Judgments

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

11. Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

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

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Equity Classifications (Continued)

Fund Statements (Continued)

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

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

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

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 or transferring funds from economic development programs to WEDC internal operations must be approved by a quorum of the Board following the WEDC Budget Approval Policy.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

The legal level of spending is at the fund level.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

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	\$ 7,619,861	\$ 7,619,861	Custodial credit risk
Money market	19,338,728	19,338,728	Custodial credit risk
Certificate of Deposit	8,459,549	8,459,549	Custodial credit risk
US Agency	40,056,351	40,056,351	Custodial credit, credit, concentration of credit, and interest rate risk
Total	<u>\$ 75,474,489</u>	<u>\$ 75,474,489</u>	

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

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

- Checking and savings accounts;
- 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;
- 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;
- 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;
- 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;
- Bonds and securities issued by the federal government or a commission, board, or other instrumentality of the federal government;
- Bonds of the State of Wisconsin;
- Commercial paper is rated in the highest tier by a nationally recognized rating agency; and
- Overnight repurchase agreements with a public depository as defined in statute 34.01 (5), provided that the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government and held by a third-party custodian. WEDC shall be informed of the specific collateral and investments in the repurchase agreements and the agreement shall be collateralized at least 102% of the value of WEDC's investment.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE III - Detailed Notes on All Funds (Continued)

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

Custodial Credit Risk

Deposits

For a deposit, custodial credit risk is the risk that in the event of a financial institution failure, WEDC's deposits may not be returned to WEDC. The FDIC insures deposits in each local and area bank in the amount of \$250,000 for time and savings accounts (including NOW accounts), and \$250,000 for interest-bearing demand deposit accounts. WEDC has collateral agreements of \$19.3 million for uninsured deposits held at the WEDC's primary bank and the American Deposit Management certificates of deposits as of June 30, 2024. American Deposit Management held the collateral agreements with Bell Bank. The agreement is to prohibit the release of pledged assets without WEDC's authorization; however, the substitution of like collateral (valued and type) is allowed.

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

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, WEDC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2024, \$55.1 million of uninsured investment securities are held at the custodian bank in book-entry form.

Policy

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

Interest Rate Risk

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

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:

Investment	Maturity Term				Total
	< 1 Year	1 - 2 Years	2 - 3 Years	3-4 Years	
Federal Home Loan Bank	\$ 786,784	\$ 820,910	\$ -	\$ -	\$ 1,607,694
Federal National Mortgage Association	1,147,968	-	549,692	-	1,697,660
Federal Home Credit Bank	1,294,787	-	-	-	1,294,787
Federal Home Loan Mortgage Corporation	-	787,920	-	-	787,920
Certificate of Deposit	6,427,115	804,048	1,228,386	-	8,459,549
US Treasury	5,983,878	14,362,130	14,322,282	-	34,668,290
Corporate Short Term Paper	6,493,267	-	-	-	6,493,267
Total	<u>\$ 22,133,799</u>	<u>\$ 16,775,008</u>	<u>\$ 16,100,360</u>	<u>\$ -</u>	<u>\$ 55,009,167</u>

Credit Risk

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

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

Investment	AAA/Aa+	A-1	Not provided
Federal Home Loan Bank	\$ 1,607,694	\$ -	\$ -
Federal National Mortgage Association	1,697,660	-	-
Federal Home Loan Mortgage Corporation	787,920	-	-
Federal Home Credit Bank	1,294,787	-	-
US Treasury	34,668,290	-	-
Corporate Issue	-	-	8,459,549
Corporate Short Term Paper	-	6,493,267	-
Total	<u>\$ 40,056,351</u>	<u>\$ 6,493,267</u>	<u>\$ 8,459,549</u>

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.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

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, 2024:

Investment	Level 1	Level 2	Level 3
US Government Issues	\$ 34,668,290	\$ 11,881,328	\$ -
Certificate of Deposit	-	8,459,549	-
Total Assets	<u>\$ 34,668,290</u>	<u>\$ 20,340,877</u>	<u>\$ -</u>

U.S. Treasury securities of \$34.7 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 \$11.9 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 \$8.5 million, which includes short-term funds (Level 2 inputs).

Equity Investments

Wisconsin Investment Fund: As of June 30, 2024, WEDC has invested \$1,352,000 in Wisconsin companies as part of the Wisconsin Investment Fund (WIF), which is supported by the State Small Business Credit Initiative (SSBCI).

Technology Development Loan Warrant Conversion: As of June 30, 2024, WEDC has converted \$146,988 in warrants into equity as part of the Technology Development Loan (TDL) program.

Wisconsin Pilot Program: As of June 30, 2024, WEDC has invested \$124,250 in the form of Simple Agreement for Future Equity (SAFE) as part of the Wisconsin Investment Pilot (WIP) Program.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

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, \$3,279,295 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. The loans have varying interest rates and maturities. WEDC also participates in loans with lenders as part of the SSBCI funded Capital Catalyst program.

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.

The details of the outstanding loans and interest receivable as of June 30, 2024, are as follows:

	Collectible Loans	Performance Based Loans	Total
Loan receivable	\$ 15,602,110	\$ -	\$ 15,602,110
Loan participation receivable	150,000	-	150,000
Allowance for uncollectible	(6,435,875)	-	(6,435,875)
Net loans receivable	<u>\$ 9,316,235</u>	<u>\$ -</u>	<u>\$ 9,316,235</u>
Interest receivable	\$ 786,100	\$ -	\$ 786,100
Allowance for uncollectible	(481,006)	-	(481,006)
Net interest receivable	<u>\$ 305,094</u>	<u>\$ -</u>	<u>\$ 305,094</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

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, 2024, was as follows:

Capital Assets	Beginning Balance	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	53,737	411,166	-	464,903
Leasehold improvements	476,625	2,323,885	445,044	2,355,466
Total Tangible Capital Assets Being Depreciated	530,362	2,735,051	445,044	2,820,369
Intangible Capital Assets Being Amortized				
Software	691,954	796,163	459,839	1,028,278
Subscription-based IT arrangements	761,427	-	261	761,166
Right-to-use lease asset	196,162	3,130,204	196,162	3,130,204
Total Intangible Capital Assets Being Amortized	1,649,543	3,926,367	656,262	4,919,648
Less: Accumulated Depreciation for Tangible				
Furniture and fixtures	2,406	82,928	-	85,334
Leasehold improvements	476,625	350,945	445,044	382,526
Total Accumulated Depreciation for Tangible	479,031	433,873	445,044	467,860
Less: Accumulated Amortization for Intangible				
Software	668,538	52,645	459,839	261,344
Subscription-based IT arrangements	245,806	248,572	86	494,292
Right-to-use lease asset	156,929	316,007	196,278	276,658
Total Accumulated Amortization for Intangible	1,071,273	617,224	656,203	1,032,294
Total Tangible and Intangible Capital Assets, net	\$ 904,368	\$ 5,610,321	\$ 274,826	\$ 6,239,863

Depreciation/amortization expenditure was charged to functions as follows:

Depreciation/Amortization	
General administration	\$ 984,052
Marketing & brand strategy	67,045
Total Depreciation Expenditure	<u>\$ 1,051,097</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE III - Detailed Notes on All Funds (Continued)

D. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended June 30, 2024, was as follows:

Long-Term Obligation	Beginning Balance	Additions	Deletions	Ending Balance	Current	Long-Term
Lease liability	\$ 40,624	\$ 3,130,204	\$ 275,726	\$ 2,895,102	\$ 311,019	\$ 2,584,083
SBITA liability	518,666	-	259,382	259,284	259,284	-
OPEB liability	1,010,730	1,165,167	1,010,730	1,165,167	38,074	1,127,093
Net pension liability	2,773,621	779,827	2,773,621	779,827	-	779,827
Compensated absences	936,276	827,446	807,305	956,417	93,038	863,379
Note Payable - State of Wisconsin	1,788,856	(319,087)	217,521	1,252,248	237,823	1,014,425
Total Long-Term Obligation	<u>\$ 7,068,773</u>	<u>\$ 5,583,557</u>	<u>\$ 5,344,285</u>	<u>\$ 7,308,045</u>	<u>\$ 939,238</u>	<u>\$ 6,368,807</u>

Lease

WEDC has entered into two property lease agreements for the office spaces in Madison, WI and Milwaukee, WI. The leases do not contain any variable payments, residual value guarantees, or commitments before the commencement of the lease terms. No impairment of the right-to use lease assets existed as of June 30, 2024.

General Administration	Commence-ment Date	Lease Expiration Date	Lease Term (months)	Remaining Lease Term	Remaining Lease Liability	RTU Asset, net	Discount Rate
Madison The Hub	9/1/2023	8/31/2033	120	110	\$ (2,735,554)	\$ 2,695,467	2%
Milwaukee Office	1/1/2024	12/31/2026	36	30	(159,548)	158,079	2%
					<u>\$ (2,895,102)</u>	<u>\$ 2,853,546</u>	

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE III - Detailed Notes on All Funds (Continued)

D. LONG-TERM OBLIGATIONS (Continued)

Lease (Continued)

Maturity of lease liabilities	Principal	Interest	Total
2025	\$ 311,019	\$ 55,074	\$ 366,093
2026	325,333	48,724	374,057
2027	305,441	42,226	347,667
2028	283,943	36,482	320,425
2029	296,141	30,691	326,832
2030 - 2034	1,373,225	59,949	1,433,174
Total future undiscounted lease payments	<u>\$ 2,895,102</u>	<u>\$ 273,146</u>	<u>\$ 3,168,248</u>

Subscription-Based Information Technology Arrangements

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

General Administration	Commence-ment Date	Lease Expiration Date	Lease Term (Months)	Remaining Lease Term	Remaining Lease Liability	RTU Asset, net	Discount Rate
SBITA #1	9/23/2020	9/22/2025	60	14.7	\$ (78,277)	\$ 83,255	2.18%
SBITA #2	7/1/2020	6/30/2025	60	12	(146,762)	146,514	2.18%
SBITA #3	8/1/2022	7/31/2025	36	13	(34,245)	37,105	2.18%
					<u>\$ (259,284)</u>	<u>\$ 266,874</u>	

Maturity of SBITA liabilities	Principal	Interest	Total
2025	\$ 259,284	\$ 5,716	\$ 265,000
Total future undiscounted lease payments	<u>\$ 259,284</u>	<u>\$ 5,716</u>	<u>\$ 265,000</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE III - Detailed Notes on All Funds (Continued)

D. LONG-TERM OBLIGATIONS (Continued)

Notes Payable – State of Wisconsin

The State of Wisconsin (the State) has issued appropriation bonds in order to pay off the unfunded prior service costs for state employees participating in the WRS. The first of these bonds was issued in 2003 and the current final maturity for all of the bonds is in 2032. The State has issued a total of six debt issuances, of which two are variable rate instruments. The total outstanding balance of all of these debt issuances was \$931,040,000 as of June 30, 2024. 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 0.1345% as of July 1, 2023, the most recently available period. The liability reported above, and estimated repayment schedule shown below has been calculated using this percentage. The actual amounts owed will fluctuate from year to year based on WEDC's retirement contributions compared to the other agencies and the variable interest rate component of some of the debt issuances. Adjustments to the estimated amounts owed are shown as adjustments in the notes payable balance on an annual basis. The table shows the future payments under this obligation as currently calculated.

Governmental Activities		
Notes Payable		
Year	Principal	Interest
2025	\$ 237,823	\$ 40,962
2026	261,670	30,777
2027	194,507	19,993
2028	119,228	15,280
2029	121,191	12,070
2030-2032	317,829	15,187
	<u>\$ 1,252,248</u>	<u>\$ 134,269</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE IV - Other Information

A. GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan Description

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

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

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings are the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

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
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%
2023	1.6%	-21.0%

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 \$704,552 in contributions from the employer.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE IV - Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Contributions (Continued)

Contribution rates as of December 31, 2023, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General, Teachers, Executive & Elected Officials	6.8%	6.8%
Protective with Social Security	6.8%	13.2%
Protective without Social Security	6.8%	18.1%

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

At June 30, 2024, WEDC reported a liability of \$779,827 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2023, and the Total Pension Liability (Asset) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. 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, 2023, the WEDC proportion was 0.05245%, which was an increase from its proportion measured as of December 31, 2023, which was 0.05236%.

For the year ending June 30, 2024, the WEDC recognized a pension expense of \$543,319.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE IV - Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

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

On June 30, 2024, the WEDC reported Deferred Outflows of Resources and Deferred Inflows of Resources Related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual experience	\$ 3,144,255	\$ (4,164,585)
Changes in assumptions	13,332	-
Net differences between projected and actual earnings on pension plan investments	2,717,571	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	339,904	(4,166)
Employer contributions subsequent to the measurement date	371,962	-
Total	<u>\$ 6,587,024</u>	<u>\$ (4,168,751)</u>

\$371,962 reported as Deferred Outflows of Resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (Asset) in the year ending June 30, 2025. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension will be recognized in pension expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2025	\$ 419,478
2026	440,807
2027	1,708,661
2028	(522,635)
Thereafter	-
	<u>\$ 2,046,311</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE IV - Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability on December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
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. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

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 geometric real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	40.0%	7.3%	4.5%
Fixed Income	27.0%	5.8%	3.0%
Inflation Sensitive Assets	19.0%	4.4%	1.7%
Real Estate	8.0%	5.8%	3.0%
Private Equity/Debt	18.0%	9.6%	6.7%
Leverage	-12.0%	3.7%	1.0%
Total Core Fund	100.0%	7.4%	4.6%
Variable Fund Asset Class			
US Equities	70.0%	6.8%	4.6%
International Equities	30.0%	7.6%	5.5%
Total Variable Fund	100.0%	7.3%	5.1%

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

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE IV - Other Information (Continued)

A. GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Single Discount Rate

A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 3.77% (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, 2023. 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.

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

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

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
WEDC's proportionate share of the net pension liability (asset)	\$ 7,537,406	\$ 779,827	\$ (3,948,737)

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, 2024, WEDC has no accrued payable to the defined benefit pension plan.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE IV - Other Information (Continued)

B. GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description

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

Benefits Provided

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

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

Contributions

Retiree health insurance OPEB benefits are paid on a "pay-as-you-go" basis. There is no trust and no assets have accumulated for the plan. In the fiscal year 2023, participating employers made actuarially-determined contributions of \$48,817,475 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.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

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, 2023
Measurement Date of Total OPEB Liability	June 30, 2023
Reporting Date	June 30, 2024
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 3.65% for the June 30, 2023 measurement from 3.54% for the June 30, 2022 measurement
Healthcare Cost Trend Rates	
Medical	5.32% then 6.75% grading down 0.25% per year to 4.50%
Prescription Drug	6.44% then 8.75% grading down 0.50% per year to 4.50%
Dental	3.00% every year
Administrative Costs	11.78% 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 2024 is based on the percentage of actual employer contributions during the fiscal year 2023 to correspond with the measurement date.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

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, 2024, WEDC reported a liability of \$1,165,167 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2023, with an actuarial valuation as of January 1, 2022, 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, 2024, the WEDC proportion was 0.1452%, increased by 3.05% from the prior year.

Total OPEB Liability – June 30, 2022	\$ 1,010,730
Service cost	78,819
Interest	38,410
Differences between expected and actual experience	(28,238)
Change of assumptions	103,520
Benefit payments	(38,074)
Total OPEB Liability – June 30, 2023	<u>\$ 1,165,167</u>

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

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Changed in proportion	\$ 156,346	\$ (52,776)
Employer contributions subsequent to the measurement date	82,144	-
Difference between expected and actual experience	161,636	(39,218)
Changes in assumptions	102,217	(277,555)
Total	<u>\$ 502,343</u>	<u>\$ (369,549)</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

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)

\$82,144 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, 2025. 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
2025	\$ (7,524)
2026	(7,524)
2027	(7,524)
2028	(7,524)
2029	39,952
Thereafter	40,794
Total	<u>\$ 50,650</u>

For the year ended June 30, 2024, the WEDC recognized a pension expense of \$103,997:

Service cost	\$ 78,819
Interest	38,410
Recognition of deferred inflows	(13,232)
Total OPEB Expense	<u>\$ 103,997</u>

The following presents the total WEDC's OPEB liability as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate.

	1% Decrease to Discount Rate (2.65%)	Current Discount Rate (3.65%)	1% Increase to Discount Rate (4.65%)
Total OPEB liability	<u>\$ 1,252,402</u>	<u>\$ 1,165,167</u>	<u>\$ 1,083,375</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE IV - Other Information (Continued)

B. GENERAL INFORMATION ABOUT THE OPEB PLAN (Continued)

Sensitivity to Changes

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

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
Total OPEB liability	\$ 1,041,348	\$ 1,165,167	\$ 1,311,390

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 67% of the funding for WEDC comes from the State.

WEDC has entered into contracts to provide future financial assistance to businesses and partners in the State. The remaining unexpended balance on these contracts and commitments is reported as either restricted or assigned fund balance as appropriate. At year-end, a total of \$33,069,913 was reported for these contracts as a restricted fund balance.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE IV - Other Information (Continued)

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. 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 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.
- **GASB Statement No. 102, Certain Risk Disclosures**, this Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following: The concentration or constraint; Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements; Actions taken by the government prior to the issuance of the financial statements to mitigate the risk. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.
- **GASB Statement No. 103, Financial Reporting Model Improvements**, The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended June 30, 2024

NOTE IV - Other Information (Continued)

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

- **Management's Discussion and Analysis** - This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

Unusual or Infrequent Items - This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position - This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

Major Component Unit Information - This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and For the Year Ended June 30, 2024

NOTE IV - Other Information (Continued)

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

Budgetary Comparison Information - This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.



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	12/31/2023
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%	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	\$ 779,827
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	\$ 10,316,616
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%	7.56%
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%	98.85%

SCHEDULE OF WEDC CONTRIBUTIONS to the 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	6/30/2024
Contractually required contributions	\$ 460,187	\$ 485,967	\$ 524,408	\$ 506,508	\$ 554,537	\$ 560,786	\$ 598,898	\$ 589,161	\$ 628,637	\$ 704,552
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	704,552
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	10,316,616
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%	6.8%

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

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

Changes of assumptions:

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

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

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

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

(See independent auditor's report.)

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

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

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

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

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

Benefits Changes: Effective June 30, 2023, and June 30, 2022, there were no changes of benefit terms for any participating employer in OPEB.

Changes of assumptions:

Changes Effective June 30, 2023

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

Changes Effective June 30, 2022

- The healthcare trend rates were updated to reflect recent experience and known premium rates.
- The effective discount rate for June 30, 2022, was 3.54%. The effective discount rate as of June 30, 2021, was 2.16%.

(See independent auditor's report.)



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 fiscal year ended June 30, 2024

	Original Budget FY 2024	Final Budget FY 2024	Actual FY2024	Actual vs Final Budget FY 2024	Actual FY 2023
REVENUES					
Intergovernmental	\$ 80,470,667	\$ 80,470,667	\$ 66,300,630	\$ (14,170,037)	\$ 79,515,289
Charges for services	125,000	125,000	123,933	(1,067)	139,388
Interest income	1,545,000	1,545,000	3,836,162	2,291,162	2,140,003
Other revenues	202,600	202,600	406,804	204,204	374,031
Total Revenues	<u>82,343,267</u>	<u>82,343,267</u>	<u>70,667,529</u>	<u>(11,675,738)</u>	<u>82,168,711</u>
EXPENDITURES					
Program grants	27,092,000	24,854,500	21,695,784	3,158,716	53,075,164
Loan loss reserve	500,000	500,000	384,682	115,318	1,183,293
Key strategic partners	17,959,910	19,853,410	5,139,048	14,714,362	4,744,940
Promotions	8,076,450	10,306,450	7,856,684	2,449,766	6,072,407
Payroll and benefits	15,756,818	15,713,848	14,987,054	726,794	13,973,930
Operations and general	8,890,690	6,740,161	5,163,388	1,576,773	4,609,319
Debt service	300,000	300,000	839,648	(539,648)	1,177,853
Capital	2,000,000	2,300,000	5,760,755	(3,460,755)	362,150
Total Expenditures	<u>80,575,868</u>	<u>80,568,369</u>	<u>61,827,043</u>	<u>18,741,326</u>	<u>85,199,056</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>1,767,399</u>	<u>1,774,898</u>	<u>8,840,486</u>	<u>7,065,588</u>	<u>(3,030,345)</u>
OTHER FINANCING SOURCES (USES)					
Subscription issuance	-	-	-	-	102,750
Lease issuance	-	-	3,130,204	3,130,204	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,130,204</u>	<u>3,130,204</u>	<u>102,750</u>
Net Change in Fund Balance	<u>\$ 1,767,399</u>	<u>\$ 1,774,898</u>	<u>11,970,690</u>	<u>\$ 10,195,792</u>	<u>(2,927,595)</u>
FUND BALANCES - BEGINNING OF YEAR			67,048,942		69,976,537
FUND BALANCES - END OF YEAR			<u>\$ 79,019,632</u>		<u>\$ 67,048,942</u>



STATISTICAL SECTION

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

STATISTICAL SECTION

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

Contents	Page
Financial Trends	72 - 75
These schedules contain trend information to help the reader understand how WEDC's financial performance and well-being have changed over time.	
Revenue Capacity	76 - 78
These schedules contain information to help the reader assess WEDC's most significant own-source revenue source, interest on loans.	
Debt Capacity	79
These schedules present information to help the reader assess the affordability of WEDC's current levels of outstanding debt and WEDC's ability to issue new debt in the future.	
Demographic and Economic Information	80 - 81
These schedules offer demographic and economic indicators to help the reader understand the environment within which WEDC's financial activities take place.	
Operating Information	82 - 86
These schedules contain service and infrastructure data to help the reader understand how the information in WEDC's financial report relates to the services WEDC provides and the activities it performs.	

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL TRENDS CHANGES IN NET POSITION Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
General administration	\$ 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	\$ 12,205,084
Marketing & brand strategy	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	8,570,476
Economic development	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	35,079,170
Interest and fiscal charges	224,989	146,109	121,250	92,921	110,119	80,770	70,515	63,495	65,459	42,240
Total Government Activities Expenses	<u>38,423,381</u>	<u>49,123,368</u>	<u>43,718,613</u>	<u>44,722,442</u>	<u>55,215,079</u>	<u>57,096,324</u>	<u>115,349,317</u>	<u>108,965,573</u>	<u>85,783,288</u>	<u>55,896,970</u>
Program Revenues										
Charges for services	245,162	184,108	223,762	149,989	178,429	126,325	153,840	170,478	139,388	123,933
Operating grants and contributions	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	2,714,350
Capital grants and contributions	-	-	-	-	-	-	-	-	-	625,896
Total Governmental Activities Program Revenues	<u>2,786,186</u>	<u>1,577,307</u>	<u>2,923,572</u>	<u>2,793,899</u>	<u>3,219,453</u>	<u>1,658,886</u>	<u>69,117,220</u>	<u>66,300,994</u>	<u>49,899,892</u>	<u>3,464,179</u>
Net (Expense)/Revenue	<u>(35,637,195)</u>	<u>(47,546,061)</u>	<u>(40,795,041)</u>	<u>(41,928,543)</u>	<u>(51,995,626)</u>	<u>(55,437,438)</u>	<u>(46,232,097)</u>	<u>(42,664,579)</u>	<u>(35,883,396)</u>	<u>(52,432,791)</u>
General Revenues and Other Changes in Net Position										
Intergovernmental revenues not restricted to specific programs	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	46,260,000
Investment income	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	3,836,162
Miscellaneous	195,541	379,681	701,616	798,049	542,809	276,987	393,681	3,030,673	1,242,725	406,813
Total Governmental Activities General Revenues	<u>60,144,642</u>	<u>30,641,625</u>	<u>36,774,844</u>	<u>60,221,296</u>	<u>44,920,428</u>	<u>43,042,668</u>	<u>42,336,883</u>	<u>43,012,085</u>	<u>48,800,428</u>	<u>50,502,975</u>
Special items	-	-	-	-	25,000,000	-	-	-	-	-
Change in Net Position	<u>\$ 24,507,447</u>	<u>\$ (16,904,436)</u>	<u>\$ (4,020,197)</u>	<u>\$ 18,292,753</u>	<u>\$ (32,075,198)</u>	<u>\$ (12,394,770)</u>	<u>\$ (3,895,214)</u>	<u>\$ 347,506</u>	<u>\$ 12,917,032</u>	<u>\$ (1,929,816)</u>

Notes:

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in										
capital assets	\$ 1,501,464	\$ 723,500	\$ 934,349	\$ 1,015,137	\$ 916,953	\$ 574,557	\$ 298,161	\$ 138,463	\$ 345,078	\$ 3,085,477
Restricted	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	50,273,557
Unrestricted	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	30,422,786
Total	<u>\$ 124,266,821</u>	<u>\$ 107,361,385</u>	<u>\$ 102,519,527</u>	<u>\$ 120,812,280</u>	<u>\$ 88,737,082</u>	<u>\$ 76,342,312</u>	<u>\$ 72,447,098</u>	<u>\$ 72,794,604</u>	<u>\$ 85,711,636</u>	<u>\$ 83,781,820</u>

Sources:

Wisconsin Economic Development Corporation

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Intergovernmental	\$ 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	\$ 66,300,630
Charges for services	256,675	184,108	223,762	149,989	178,429	126,325	153,840	170,478	139,388	123,933
Interest on loans	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	3,836,162
Other revenues	242,791	270,391	259,666	419,602	231,981	570,814	160,456	162,059	374,031	406,804
Total Revenues	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	70,667,529
Expenditures										
Current										
General administration	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	12,839,639
Marketing & brand strategy	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	9,720,832
Economic development	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	35,296,720
Capital outlay	110,498	148,449	291,761	432,036	255,355	-	-	1,077,851	102,750	3,130,204
Debt service										
Principal	89,631	85,090	81,424	85,668	63,829	113,250	180,801	820,703	1,093,731	752,629
Interest and fiscal charges	114,491	146,109	121,250	92,921	110,119	80,770	70,515	81,142	84,122	87,019
Total Expenditures	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	61,827,043
Excess (Deficiency) of Revenues										
Over/(Under) Expenditures	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)	8,840,486
Other Financing Sources (Uses)										
Lease issuance	-	-	-	-	-	-	-	1,077,851	-	3,130,204
Subscription issuance	-	-	-	-	-	-	-	-	102,750	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	1,077,851	102,750	3,130,204
Special items	-	-	-	-	(25,000,000)	-	-	-	-	-
Net Change in Fund Balances	\$ 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)	\$ 11,970,690
Capital Asset Additions	\$ 110,498	\$ 148,449	\$ 302,819	\$ 441,842	\$ 263,755	\$ -	\$ 122,331	\$ -	\$ 431,254	\$ 6,661,418
Debt service as a percentage of noncapital expenditures	0.5%	0.5%	0.5%	0.4%	0.3%	0.3%	0.2%	0.8%	1.4%	1.4%

Notes:

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

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

Sources:

Wisconsin Economic Development Corporation

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL TRENDS FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years

Fiscal Year	(As Restated) 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 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	\$ 9,766,034
Restricted	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	50,273,557
Assigned	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	9,208,666
Unassigned	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	9,771,375
Total General Fund	<u>\$ 123,573,198</u>	<u>\$ 108,259,004</u>	<u>\$ 103,682,397</u>	<u>\$ 121,511,457</u>	<u>\$ 90,197,056</u>	<u>\$ 78,483,783</u>	<u>\$ 73,493,732</u>	<u>\$ 69,976,537</u>	<u>\$ 67,048,942</u>	<u>\$ 79,019,632</u>

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 2015	Interest Rate 2015	Loan Balance 2016	Interest Rate 2016	Loan Balance 2017	Interest Rate 2017	Loan Balance 2018	Interest Rate 2018	Loan Balance 2019	Interest Rate 2019
Technology business development investments	\$ 18,347,227	4.1%	\$ 18,461,990	4.4%	\$ 18,532,149	4.7%	\$ 18,159,925	5.1%	\$ 16,438,944	5.1%
Business expansion and retention investment	10,574,580	2.0%	6,364,011	2.0%	5,401,631	2.0%	5,285,425	2.0%	2,098,357	2.0%
Business development loan	-	0.0%	-	0.0%	-	0.0%	-	0.0%	415,849	4.8%
Business opportunity loan fund	13,585,556	2.4%	21,857,415	2.4%	23,277,014	2.4%	17,882,236	2.4%	13,845,929	2.1%
Wisconsin energy independence fund	228,388	2.0%	190,334	2.0%	182,189	2.0%	174,631	2.0%	160,260	2.0%
Special project fund	500,000	5.0%	786,793	5.0%	752,119	5.0%	529,978	5.0%	529,877	5.0%
Commerce - other	4,103,610	2.2%	2,242,740	2.2%	1,378,590	2.2%	532,907	2.2%	406,182	1.4%
Total Balance	<u>\$ 47,339,362</u>		<u>\$ 49,903,283</u>		<u>\$ 49,523,692</u>		<u>\$ 42,565,102</u>		<u>\$ 33,895,398</u>	

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

REVENUE CAPACITY
COLLECTIBLE LOAN BALANCES
Last Ten Fiscal Years

(concluded)

Program	Loan Balance 2020	Interest Rate 2020	Loan Balance 2021	Interest Rate 2021	Loan Balance 2022	Interest Rate 2022	Loan Balance 2023	Interest Rate 2023	Loan Balance 2024	Interest Rate 2024
Technology business development investments	\$ 15,553,979	5.0%	\$ 15,783,524	5.3%	\$ 16,434,280	5.4%	\$ 16,488,365	5.3%	\$ 14,711,966	5.1%
Business expansion and retention investment	1,430,664	2.0%	973,006	2.0%	520,994	2.0%	175,333	2.0%	153,277	2.0%
Business development loan	337,067	3.9%	280,332	3.9%	179,341	3.9%	31,278	3.9%	47,965	3.0%
Business opportunity loan fund	9,061,640	2.2%	5,252,799	2.4%	3,902,985	2.7%	2,035,353	2.8%	340,307	4.0%
Wisconsin energy independence fund	134,125	2.0%	110,583	2.0%	75,716	2.0%	39,137	2.0%	4,960	2.0%
Special project fund	262,640	5.0%	262,640	5.0%	262,640	5.0%	156,039	5.0%	156,039	0.0%
Commerce - other	347,773	1.3%	277,476	1.3%	246,095	1.3%	224,169	2.0%	187,597	1.0%
Total Balance	<u>\$ 27,127,888</u>		<u>\$ 22,940,360</u>		<u>\$ 21,622,051</u>		<u>\$ 19,149,674</u>		<u>\$ 15,602,110</u>	

Sources:

Wisconsin Economic Development Corporation

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

REVENUE CAPACITY
TEN LARGEST LOANS
Nine Years Ago and Current Year

Collectible Loan	Rank	Loan Balance 2014	Percent of Total	Rank	Loan Balance 2024	Percent of Total
Blue Line Battery Inc	-	-	-%	1	\$ 750,000	4.8%
FluGen Inc.	-	-	-%	2	750,000	4.8%
GroupWare Technologies Holdings, Inc.	-	-	-%	3	573,584	3.7%
Immuto Scientific Inc.	-	-	-%	4	500,000	3.2%
Onlume, Inc.	-	-	-%	5	500,000	3.2%
PegEx, Inc.	-	-	-%	6	498,156	3.2%
Forward Health Group, Inc.	-	-	-%	7	455,332	2.9%
AIQ Solutions, Inc.	-	-	-%	8	426,419	2.7%
Void Technologies (USA) Limited	-	-	-%	9	424,164	2.7%
Part Analytics, Inc	-	-	-%	10	403,828	2.6%
SHINE Medical Technologies, LLC	1	\$ 2,668,881	6.6%	-	-	-%
Kestrel Aircraft Company	2	2,000,000	4.9%	-	-	-%
Kestrel Aircraft Company	3	2,000,000	4.9%	-	-	-%
Green Box NA Green Bay, LLC	4	1,116,000	2.8%	-	-	-%
North American Finishing LLC	5	1,000,000	2.5%	-	-	-%
Seneca Foods Corporation	6	1,000,000	2.5%	-	-	-%
Riverside Machine & Engineering Inc	7	1,000,000	2.5%	-	-	-%
Weather Shield Mfg.	8	999,107	2.5%	-	-	-%
Fi-Med Management	9	750,000	1.9%	-	-	-%
J.L. French, LLC	10	757,097	1.9%	-	-	-%
		<u>13,291,086</u>	<u>32.8%</u>		<u>5,281,483</u>	<u>33.9%</u>
Total Loans Outstanding		<u>\$ 40,527,379</u>			<u>\$ 15,602,110</u>	

Sources:

Wisconsin Economic Development Corporation

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

DEBT CAPACITY
RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years

Year	Lease Liability	SBITA Liability	Note Payable	Total Debt	Personal Income* (in millions)	% of Personal Income	Population (in thousands)	Debt per Capita
(Restated)								
2015	\$ -	\$ -	\$ 2,102,329	\$ 2,102,329	\$ 255,165	0%	5,778	0.3639
2016	-	-	2,630,967	2,630,967	266,132	0%	5,794	0.4541
2017	-	-	2,134,044	2,134,044	270,847	0%	5,812	0.3672
2018	-	-	1,945,360	1,945,360	281,980	0%	5,836	0.3333
2019	-	-	2,269,701	2,269,701	295,997	0%	5,859	0.3874
2020	-	-	2,018,041	2,018,041	307,908	0%	5,880	0.3432
2021	196,162	-	1,842,239	2,038,401	326,837	0%	5,897	0.3457
2022	651,381	658,677	1,808,437	3,118,495	355,048	0%	5,880	0.5304
2023	40,624	518,666	1,788,856	2,348,146	362,245	0%	5,891	0.3986
2024	2,895,102	259,284	1,252,249	4,406,635	378,080	0%	5,911	0.8290

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:

2015-2024 U.S. Bureau of Economic Analysis
https://apps.bea.gov/iTable/index_regional.cfm

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

DEMOGRAPHIC AND ECONOMIC INFORMATION PERSONAL INCOME STATISTICS Last Ten Calendar Years

Calendar Year (Restated)	Population		Personal Income*		Per Capita			
	Wisconsin (in thousands)	U.S. (in thousands)	Wisconsin (in millions)	U.S. (in millions)	Wisconsin	U.S.	Wisconsin % Change	U.S. % Change
2015	5,778	319,270	\$ 255,165	\$ 14,778,160	\$ 44,159	\$ 46,287	3.4%	4.2%
2016	5,794	321,829	266,132	15,467,113	45,932	48,060	4.0%	3.8%
2017	5,812	324,368	270,847	15,884,741	46,598	48,971	1.4%	1.9%
2018	5,836	326,623	281,980	16,658,962	48,313	51,004	3.7%	4.2%
2019	5,859	328,542	295,997	17,514,402	50,522	53,309	4.6%	4.5%
2020	5,880	330,233	307,908	18,343,601	52,364	55,547	3.6%	4.2%
2021	5,897	331,527	326,837	19,609,985	55,427	59,151	5.8%	6.5%
2022	5,880	332,049	355,048	21,392,812	60,383	64,427	8.9%	8.9%
2023	5,891	333,271	362,245	21,820,248	61,496	65,473	1.8%	1.6%
2024	5,911	334,915	378,080	22,952,028	63,963	68,531	4.0%	4.7%

Notes:

* Personal income, population, and per capita 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:

2015-2024 U.S. Bureau of Economic Analysis
https://apps.bea.gov/iTable/index_regional.cfm

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

DEMOGRAPHIC AND ECONOMIC INFORMATION EMPLOYMENT STATISTICS Last Ten Fiscal Years

Year	Employment (In Thousands Except Unemployment Rates Data)				U.S. Unemployed Rate
	Civilian Labor Force	Total Employed	Total Unemployed	Wisconsin Unemployed Rate	
(Restated)					
2015	3,126	2,976	149	4.4%	5.3%
2016	3,158	3,019	138	3.9%	4.9%
2017	3,193	3,076	117	3.3%	4.3%
2018	3,178	3,065	112	3.0%	4.0%
2019	3,166	3,050	115	3.2%	3.6%
2020	3,142	2,857	284	8.7%	11.0%
2021	3,156	3,013	143	4.0%	5.9%
2022	3,128	3,024	103	2.9%	3.6%
2023	3,178	3,068	110	3.0%	3.6%
2024	3,176	3,073	103	2.9%	4.1%

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:

2015 - 2024 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	2015		2016		2017		2018		2019	
	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project
General Administration										
Legal services & compliance	5	2	9	2	11	3	8	2	10	1
Executive office	5	-	13	-	11	3	7	1	6	1
Human resources	4	-	5	-	5	-	5	-	6	-
Finance	8	-	5	-	5	-	5	-	5	-
Business information & technology services	6	-	7	-	6	1	7	1	8	-
Strategic investment & evaluation	16	1	9	3	11	1	12	-	13	3
Policy & program development	3	-	5	1	5	1	5	2	5	1
Economic Development										
Entrepreneurship & innovation	4	-	5	-	5	-	4	-	11	-
Business & community development	21	-	20	-	20	-	20	-	20	-
Business & investment attraction	-	-	-	-	3	-	1	-	4	-
Sector strategy development	10	-	8	-	7	-	6	-	-	-
Global trade & investment	9	-	8	1	8	-	8	1	6	-
Office of rural prosperity	-	-	-	-	-	-	-	-	-	-
Operations & program performance	-	-	-	-	-	-	5	4	6	3
Marketing & brand strategy	9	-	8	-	9	-	9	-	9	-
Total Staff	<u>100</u>	<u>3</u>	<u>102</u>	<u>7</u>	<u>106</u>	<u>9</u>	<u>102</u>	<u>11</u>	<u>109</u>	<u>9</u>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

OPERATING INFORMATION EMPLOYEES BY FUNCTION/PROGRAM Last Ten Years

(concluded)

2020		2021		2022		2023		2024	
Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project	Permanent	Temporary/ Project
9	-	11	1	10	1	10	-	11	2
9	1	11	3	7	2	7	2	7	2
5	-	4	-	6	-	6	-	6	1
5	-	5	-	5	1	4	1	5	-
8	-	9	-	10	-	9	1	10	1
13	2	15	3	18	1	18	1	23	3
6	1	6	1	7	1	7	2	1	2
5	-	5	-	6	-	5	1	6	1
22	-	22	-	24	-	26	5	28	8
15	1	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	11	1	10	1	10	-	7	-
-	-	-	-	4	3	-	-	-	-
4	2	-	-	-	-	-	-	-	-
9	-	8	-	10	-	9	-	9	1
110	7	107	9	117	10	111	13	113	21

Notes:

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

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

In 2024 Credit and Risk division was renamed Strategic investment & Evaluation division. Strategic investment & policy division was renamed Policy & program development.

Sources:

Wisconsin Economic Development Corporation

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

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

OPERATING INFORMATION
OPERATING INDICATORS BY FUNCTION
Last Ten Years

(continued)

Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business & Community Development										
Bonding Authority										
Industrial Revenue Bonding	7	4	7	6	5	5	3	3	1	3
Qualified Energy Conservation Bond	-	1	-	-	-	-	-	-	-	-
Grants										
Brownfield Grant Program	13	15	13	14	8	14	8	9	8	5
Capacity Building	5	11	14	10	6	4	10	9	13	17
Community Development Investment	23	18	21	26	30	20	41	41	64	40
Disaster Recovery Microloan	-	-	-	-	6	3	1	-	-	-
Diverse Business Development	-	-	10	-	3	4	8	9	14	12
Ethnic Minority Emergency Grant *	-	-	-	-	-	890	-	-	-	-
Fabrication Laboratories	-	-	-	-	-	-	28	21	25	18
Idle Industrial Sites Redevelopment	4	-	9	5	5	3	6	7	6	10
Legislative Award	-	-	-	1	-	-	-	-	-	-
Main St Bounceback	-	-	-	-	-	-	-	9	-	-
Site Assessment Grants	14	13	11	11	11	9	5	8	6	8
Small Business 20/20	-	-	-	-	-	8	-	-	-	-
Strategic Investment Fund	-	-	-	-	-	-	-	-	-	2
We're All In Small Business Grant	-	-	-	-	-	7	26,108	-	-	-
Workforce Training	2	1	2	2	3	1	-	-	-	-
Loan										
Business Opportunity Loan Fund	17	12	9	-	-	-	-	-	-	-
Business Development Loan Program	-	-	-	1	1	-	-	-	-	-
Manufacturing Clean Energy Revolving Loan	-	1	-	-	-	-	-	-	-	-
Special Project Loan Fund	2	1	1	-	-	-	-	-	-	-
Tax Credits										
Business Development Tax Credit	-	17	62	38	45	23	25	33	26	22
Development Opportunity Zones	1	2	-	-	-	-	-	-	-	-
Economic Development Tax Credits	52	32	-	-	-	-	-	-	-	-
Manufacturing Zone	-	-	-	1	-	-	-	-	-	-
Enterprise Zone	3	2	5	5	3	-	2	-	-	3
Historic Preservation Tax Credit	42	32	67	27	13	24	19	16	23	18
Qualified Rehabilitation	6	2	-	-	-	-	-	-	-	-
Jobs Tax Credit	25	17	-	-	-	-	-	-	-	-

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

OPERATING INFORMATION OPERATING INDICATORS BY FUNCTION Last Ten Years

(concluded)

Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sector Strategy Development										
Grants										
Minority Business Development Revolving	2	4	-	-	-	-	-	-	-	-
Fabrication Laboratories	-	24	22	22	20	31	-	-	-	-
Targeted Industry Projects	11	8	12	13	13	3	-	-	-	-
Entrepreneurship & Innovation										
Grants										
Capital Catalyst	2	4	7	2	4	4	7	4	4	7
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	1
Seed Accelerator	9	8	10	5	8	6	9	-	-	-
We're All Innovating Competition	-	-	-	-	-	-	227	-	-	-
Competitive Selection	-	-	-	-	-	-	-	5	20	17
Open Application	-	-	-	-	-	-	-	19	-	-
Loans										
Technology Development Loan - State	15	16	22	13	17	11	13	15	8	6
Technology Development Loan - SSBCI	-	-	-	-	-	-	-	-	-	4
Loan Participation - SSBCI	-	-	-	-	-	-	-	-	-	3
Investor Credits										
Qualified New Business Venture	25	40	41	54	41	46	46	37	33	44
Qualified Venture Fund Certification	7	6	9	9	9	14	6	7	11	8
Equity										
Wisconsin Investment Pilot	-	-	-	-	-	-	2	1	-	-
Wisconsin Investment Fund - SSBCI	-	-	-	-	-	-	-	-	-	5
International Business Development										
Grants										
Collaborative Market Access Grant	3	1	4	2	5	2	1	3	1	2
Export Education Grant	1	-	-	-	-	-	-	-	-	-
ExporTech	1	1	1	1	1	1	1	1	1	1
International Market Access Grant	57	57	66	58	45	35	44	51	52	64
Targeted Industry Projects	-	-	-	-	-	-	8	12	9	-
Total Awards Contracted	351	353	438	339	313	1,179	26,654	322	327	321

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Economic Development										
Vehicles	6	6	5	6	7	7	5	5	-	-
Computer software	-	-	-	-	-	-	-	1	1	1
General administration										
Leasehold improvements	4	4	4	4	6	6	6	6	6	3
Leasehold improvements - WIP	-	-	-	-	-	-	-	-	3	-
Vehicles	2	2	3	2	2	2	1	1	-	-
Computer software	5	5	4	5	4	4	4	-	1	1
Furniture and fittings	-	-	-	-	-	-	-	-	-	1
Right-to-use lease assets	-	-	-	-	-	-	-	2	1	2
Right-to-use subscriptions	-	-	-	-	-	-	-	-	3	3
Marketing & brand strategy										
Computer software	6	9	7	6	4	4	5	3	3	2
Furniture and fixtures	1	1	1	-	1	1	1	1	2	2
Total Capital Assets	<u>24</u>	<u>27</u>	<u>24</u>	<u>23</u>	<u>24</u>	<u>24</u>	<u>22</u>	<u>19</u>	<u>20</u>	<u>15</u>

Notes:

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

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

Sources:

Wisconsin Economic Development Corporation

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



DEDICATED TO WISCONSIN'S ECONOMIC GROWTH

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

Visit wedc.org to learn more.

WEDC @ The Hub • 2352 S. Park St., Suite 303 • Madison, WI 53713 • wedc.org

LOOK FORWARD ►