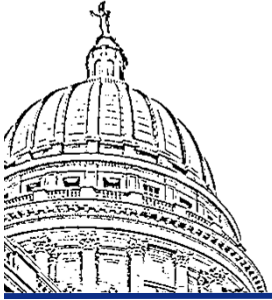


November 13, 2014

A detailed black and white line drawing of the Wisconsin State Capitol dome, showing the ornate architectural details of the dome's exterior, including the base with columns and the top with a statue.

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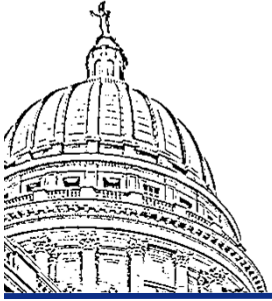


Revenues and Expenditures

WEDC is primarily funded by State general purpose revenue and segregated revenue.

Administrative expenditures were \$11.2 million in FY 2011-12 and \$15.1 million in FY 2012-13.

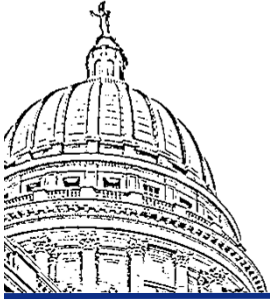
Grant funds expended totaled \$15.2 million in FY 2011-12 and \$14.7 million in FY 2012-13.



Recommendation

Ensure supporting documentation is maintained for its expenditures that demonstrates that each expenditure was incurred, was reasonable, and was approved.

Ensure similar expenditures are consistently recorded in the accounting system in the appropriate account.



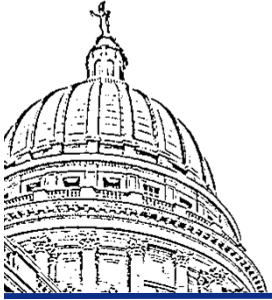
Delinquency Rate as of December 31, 2013

Loan Repayments 90 Days or More Past Due

Loan Repayments 90 Days or More Past Due	Delinquency Rate
<hr/>	<hr/>
Total Outstanding Loan Balance for Loan Portfolio	
<hr/>	<hr/>
\$1.7 million	2.7%
<hr/>	<hr/>
\$62.2 million	

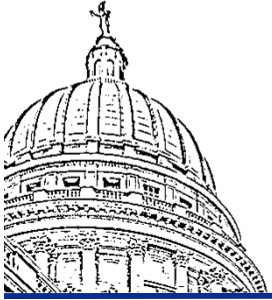
Potentially Uncollectible Loan Balance

Potentially Uncollectible Loan Balance	Delinquency Rate
<hr/>	<hr/>
Total Outstanding Loan Balance for Loan Portfolio	
<hr/>	<hr/>
\$5.5 million	8.8%
<hr/>	<hr/>
\$62.2 million	



Change in Potentially Uncollectible Loan Balance

	Amount	
June 30, 2013 Potentially Uncollectible Loan Balance	\$13.2 million	
Loan balances WEDC wrote off because it turned the loans over to DOA	(3.2 million)	\$7.7 million decrease
Loan balances of loans for which WEDC amended the contracts to defer repayments	(2.1 million)	
Loan balances that WEDC forgave	(1.3 million)	
Other changes	(1.1 million)	
December 31, 2013 Potentially Uncollectible Loan Balance	\$5.5 million	



Recommendation

Establish delinquency rate goals that include both loan repayments 90 days or more past due and the entire loan balance for loans with repayments 90 days or more past due as percentages of the total outstanding loan balance for the loan portfolio, and include these goals into its overall approach for monitoring loans.

Develop formal written procedures for reconciling the loan and grant tracking system with the accounting system.

Report to the Joint Legislative Audit Committee by January 15, 2015, on the status of its efforts to implement these recommendations.

November 13, 2014

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