



STATE OF WISCONSIN
Legislative Audit Bureau
NONPARTISAN • INDEPENDENT • ACCURATE

Hearing Date
February 2, 2021

State of Wisconsin
FY 2019-20 Financial Statements
(report 20-30)



State of Wisconsin Financial Statement Audit

Provided unmodified or, “clean” opinions on the State’s financial statements as presented in the Comprehensive Annual Financial Report (CAFR).

Reported internal control findings related to financial reporting and information technology.

Provided information on federal funding related to the public health emergency.



State of Wisconsin Financial Statement Audit

The State's financial statements in the CAFR are prepared on the basis of generally accepted accounting principles prescribed by the Governmental Accounting Standards Board.

Includes financial activity that provides a more complete picture of the State's financial condition.



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General Fund

Total revenues for the General Fund increased from \$27.8 billion as of June 30, 2019, to \$29.4 billion as of June 30, 2020, or by \$1.6 billion.

Total expenditures for the General Fund increased from \$25.5 billion as of June 30, 2019, to \$26.8 billion as of June 30, 2020, or by \$1.3 billion.

Fund Balance for the General Fund increased from a deficit of \$763.1 million as of June 30, 2019, to a surplus of \$1.5 million as of June 30, 2020, or by \$764.6 million.



Transportation Fund

The fund balance for the Transportation Fund increased from \$694.5 million as of June 30, 2019, to \$835.2 million as of June 30, 2020, or by \$140.7 million.

This fund balance is restricted by the Wisconsin Constitution to be used for transportation purposes.



Long-Term Debt

Total long-term debt decreased from \$13.4 billion as of June 30, 2019, to \$13.1 billion as of June 30, 2020.

The State issued \$1.5 billion in new general obligation bonds and notes during FY 2019-20.



Unemployment Reserve Fund

Unemployment benefit payments increased from \$387.0 million for the year ended June 30, 2019, to \$3.4 billion for the year ended June 30, 2020.

The Unemployment Reserve Fund's net position declined from \$2.0 billion as of June 30, 2019, to \$1.7 billion as of June 30, 2020, or by \$345.4 million.



Clearing Appropriations

DOA is responsible for ensuring clearing appropriation balances are “cleared” at the end of the fiscal year.

We identified 7 clearing appropriations with a balance of a positive or negative \$1.0 million or more, on a budgetary basis, as of June 30, 2020.

We recommend DOA develop a written plan and timeline for resolving clearing appropriation balances, provide training, and report to the Joint Legislative Audit Committee by April 15, 2021, on the status of its efforts.



Federal Funding Related to the Public Health Emergency

During FY 2019-20, \$219.8 million in expenditures at 31 state entities were funded by the Coronavirus Relief Fund.

Through June 30, 2020, the State received \$370.8 million in additional federal funds for the MA program as a result of the increase in Wisconsin's FMAP.

The federal CARES Act created several new types of unemployment insurance benefits.



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Recommendations – Financial Reporting

We recommend the Department of Workforce Development revise its procedures for calculating UI benefit payables as of the end of the fiscal year.

We recommend the Department of Employee Trust Funds improve its calculation of the compensated absence liability estimate.

We recommend DOA improve the CAFR compilation process.



Recommendations – IT

We recommend DOA take steps to fully complete/update projects to implement the written procedures, practices, and settings of the Division of Enterprise Technology.

We recommend DOA improve its oversight and monitoring of executive branch agency IT operations.

We recommend UW System continue development and maintenance of a comprehensive information security program.





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