



STATE OF WISCONSIN  
**Legislative Audit Bureau**  
NONPARTISAN • INDEPENDENT • ACCURATE

Hearing Date  
February 6, 2024

# State of Wisconsin

## FY 2022-23 Financial Statements

(report 23-26)



# General Fund

Total revenues for the General Fund decreased by \$840.2 million and totaled \$38.6 billion for FY 2022-23.

Total expenditures for the General Fund increased by \$801.5 million and totaled \$34.4 billion for FY 2022-23.

Fund Balance for the General Fund increased from \$4.7 billion as of June 30, 2022, to \$6.7 billion as of June 30, 2023.



# Transportation Fund

The fund balance for the Transportation Fund increased from \$1.3 billion as of June 30, 2022, to \$1.4 billion as of June 30, 2023.

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



# Long-Term Debt

Total long-term debt decreased from \$12.5 billion as of June 30, 2022, to \$12.3 billion as of June 30, 2023.

The State issued \$1.4 billion in new general obligation bonds and notes during FY 2022-23.



# Unemployment Reserve Fund

Unemployment benefit payments decreased from \$683.0 million for FY 2021-22, to \$294.4 million for FY 2022-23.

The Unemployment Reserve Fund's net position increased from \$1.4 billion as of June 30, 2022, to \$1.7 billion as of June 30, 2023.



# UW System

UW System's operating revenues totaled \$4.2 billion and operating expenses totaled \$6.2 billion in FY 2022-23.

UW System's net position declined by \$58.9 million to \$6.4 billion as of June 30, 2023.



# Recommendations—IT

We recommend the Department of Administration:

- complete access reviews;
- take steps to improve its IT policy exception process;
- develop its monitoring plan for reviewing the effectiveness of agency-reported information and continue to update its risk management program; and
- report to the Joint Legislative Audit Committee by March 1, 2024, on the status of its efforts to address the recommendations.



# Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

The State was advanced a total of \$3.0 billion in federal funding under the CSLFRF program.

During FY 2022-23, \$744.9 million in expenditures at 22 state entities were funded by the CSLFRF program.

As of June 30, 2023, \$1.3 billion in funding remained.





# CSLFRF Interest Earnings

Federal guidance indicates that interest earned on CSLFRF funding is not subject to program restrictions.

U.S. Treasury Office of the Inspector General indicated that interest earnings may be expended on CSLFRF activities, non-CSLFRF activities, or both.

As of June 30, 2023, the State earned \$68.3 million in interest on the CSLFRF funding.

As of November 30, 2023, the State had earned a total of \$97.2 million in interest on the funds.



# CSLFRF Interest Earnings

Under s. 20.906 (1), Wis. Stats., all moneys paid into the treasury are to be credited to the general purpose revenues of the General Fund, unless otherwise specifically provided by law.



# Recommendation—CSLFRF Interest

We recommend the Department of Administration:

- record the interest earnings on the CSLFRF funding as general purpose revenues subject to future appropriation;
- review how it records interest earnings for other federal programs with advanced federal funding;
- document procedures for evaluating interest earnings on federal funding; and
- work with the State Controller's Office to update the Wisconsin Accounting Manual.



# Other Recommendations

We made other recommendations related to:

- DOA ensuring appropriations are certified at the close of the fiscal year; and
- DHS developing enhanced procedures related to its financial reporting.





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