Report 09-5
March 2009

An Audit

State of Wisconsin 2007-08

2009-2010 Joint Legislative Audit Committee Members

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Legislative Audit Bureau

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Janice Mueller
State Auditor

March 31, 2009

Senator Kathleen Vinehout, and
Representative Peter Barca, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Vinehout and Representative Barca:

We have completed our annual financial and compliance audit of the State of Wisconsin. This audit satisfies state agencies' audit requirements under the federal Single Audit Act of 1984, as amended, and federal Office of Management and Budget Circular A-133. It also assists us in meeting audit requirements under s. 13.94, Wis. Stats.

This audit covers $10.0 billion in federal financial assistance that state agencies administered in fiscal year 2007-08. We assessed the propriety of revenues and expenditures and tested internal controls and compliance with laws and regulations for 23 federal programs that were selected for review using risk-based assessment criteria established by the federal government.

Our report contains the auditor's reports on internal control over financial reporting and on compliance with program requirements, and our unqualified audit opinion on the State of Wisconsin Schedule of Expenditures of Federal Awards. We also discuss the results of our follow-up to prior audit findings. Overall, state agencies have complied with federal grant requirements and have taken steps to address findings included in last year's single audit report. However, we report several new and continuing internal control deficiencies and areas of federal noncompliance. The federal government will contact state agencies to resolve the findings and questioned costs included in our report.

We appreciate the courtesy and cooperation extended to us by state agency staff during our audit. Agencies' comments on individual findings, along with their corrective action plans to address our concerns, are included within the agency narratives.

Respectfully submitted,

Janice Mueller
State Auditor

JM/BN/ss

Introduction ■

The State of Wisconsin administered $10.0 billion in federal financial assistance during fiscal year (FY) 2007-08, consisting of almost $8.8 billion in cash assistance and $66.4 million in noncash assistance reported in the Schedule of Expenditures of Federal Awards, and $1.2 billion in outstanding loan balances. As a condition of receiving federal funds, the State must meet the audit requirements of the federal Single Audit Act of 1984, as amended, and federal Office of Management and Budget (OMB) Circular A-133. We performed this audit for FY 2007-08 at the request of the various state agencies that received federal financial assistance, and to meet our audit responsibilities under s. 13.94, Wis. Stats.

We are required by federal rules to:

- render an opinion on the State's financial statements;
- issue a report on the State's internal control and compliance related to financial reporting; and
- issue a report on the State's compliance with requirements applicable to each major program, on its internal control over compliance, and on its schedule of expenditures of federal awards.

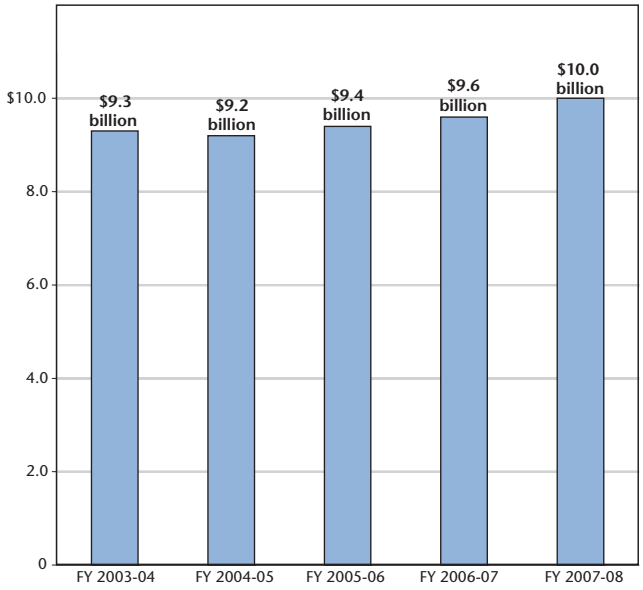
Our opinion on the State's FY 2007-08 financial statements was included in the Comprehensive Annual Financial Report issued by the Wisconsin Department of Administration (DOA) in December 2008 and is available from the State Controller's Office. The other required auditor's reports, along with the agencies' responses to our findings and their corrective action plans, are included in this single audit report, which we have submitted to the federal government along with

other required information. Doing so fulfills the State's single audit report distribution requirements under OMB Circular A-133.

Federal financial assistance has increased from $9.3 billion in FY 2003-04 to $10.0 billion in FY 2007-08, or $0.7 billion over the five-year period shown in Figure 1.

Figure 1

Total Federal Financial Assistance
FY 2003-04 through FY 2007-08



While federal funding decreased for some programs during FY 2007-08, it increased for many of the State's larger programs that assist individuals. For example, funding for the Medicaid Cluster, which provides medical assistance to low-income households, increased $136.9 million during FY 2007-08, and funding for the Food Stamp Cluster increased $36.5 million. Further, expenditures under the Unemployment Insurance (UI) program, which is financed primarily by employer contributions but is subject to federal rules and regulations, increased $68.6 million in FY 2007-08. Finally the Student Financial Aid Cluster, which provides financial assistance to students attending a University of Wisconsin (UW) institution, increased $48.7 million.

The State of Wisconsin expended $8.8 billion in federal cash and noncash assistance during FY 2007-08. As shown in Table 1, 12 programs accounted for 83.2 percent of federal expenditures. Appendix 1 shows federal expenditures under these 12 programs from FY 2003-04 through FY 2007-08.

Table 1

Federal Expenditures
FY 2007-08

Federal Program	Primary Grant Recipient	FY 2007-08 Expenditures	Percentage of Federal Expenditures
Medicaid Cluster	DHFS (DHS)[1]	$2,971,893,272	33.7%
Unemployment Insurance[2] (UI)	DWD	1,014,626,862	11.5
Student Financial Aid Cluster	UW System	697,226,500	7.9
Highway Planning and Construction Cluster	DOT	669,207,630	7.6
Research and Development Cluster	UW System	508,241,063	5.8
Food Stamp Cluster	DHFS (DHS)[1]	442,174,709	5.0
Temporary Assistance for Needy Families (TANF)	DWD (DCF)[1]	235,585,190	2.7
Special Education Cluster	DPI	199,091,985	2.2
Title I Grants to Local Educational Agencies	DPI	177,443,570	2.0
Child Nutrition Cluster	DPI	160,846,921	1.8
Child Care and Development Fund Cluster	DWD (DCF)[1]	160,591,084	1.8
State Children's Insurance Program (CHIP)	DHFS (DHS)[1]	102,904,792	1.2
Subtotal		7,339,833,578	83.2
Other Federal Programs		1,481,870,438	16.8
Total		**$8,821,704,016**[3]	**100.0%**

[1] Responsibility for program administration was assumed by the new agencies effective July 1, 2008.

[2] Consists primarily of insurance benefits paid from employer contributions, in accordance with federal requirements.

[3] Represents cash and noncash assistance, such as food commodities, but does not include $1.2 billion in outstanding loan balances. Cash and noncash assistance plus outstanding loan balances equal the total federal financial assistance administered by the State of Wisconsin during FY 2007-08, which was $10.0 billion.

Beginning July 1, 2008, administrative responsibility for 5 of the 12 largest federal programs changed under 2007 Wisconsin Act 20, which eliminated the Department of Health and Family Services (DHFS) and created the Department of Health Services (DHS) and the Department of Children and Families (DCF).

DHS has assumed responsibility for the Medicaid Cluster, which is the largest federal program administered by the State of Wisconsin and accounted for 33.7 percent of its federal cash and noncash assistance in FY 2007-08. The Medicaid Cluster includes the Medical Assistance (MA) Program, under which Wisconsin expended $3.0 billion in federal funds, plus $2.0 billion in state funding provided from general purpose revenue (GPR) and the Medical Assistance Trust Fund. The State also disbursed $442.2 million in federal funds and benefits under the Food Stamp Cluster and $102.9 million under the State Children's Insurance Program (CHIP), which helps to provide health insurance to uninsured children and low-income families.

DCF has assumed responsibility for the Temporary Assistance for Needy Families (TANF) program and the Child Care and Development Fund Cluster. During FY 2007-08, both programs were administered by the Department of Workforce Development (DWD), which disbursed $235.6 million in federal TANF funds and $160.6 million under the Child Care and Development Fund Cluster. DWD continues to administer the UI program.

Other state agencies administering large federal grant programs include UW System, which expended $697.2 million for student financial aid and $508.2 million under a variety of research and development grants; the Department of Transportation (DOT), which expended $669.2 million for the Highway Planning and Construction Cluster; and the Department of Public Instruction (DPI), which expended $537.4 million to provide funds to local schools and other entities under the Special Education Cluster, the Title I grant program, and the Child Nutrition Cluster.

During FY 2007-08, the State of Wisconsin administered more than 728 individual grant programs and 963 research and development grants. As required by OMB Circular A-133, we tested compliance with laws and regulations related to the State's administration of federal programs. Federal rules allow the auditor to use judgment to select those grant programs that may contain a higher risk of noncompliance with federal regulations. OMB Circular A-133 categorizes federal programs as "type A" (large programs) and "type B" (smaller programs). For the State of Wisconsin, type A programs are those for which it expended $26.5 million or more in federal funds. We reviewed and tested the type A programs that we believe are subject to a higher risk of noncompliance. Federal rules allow the auditor to test lower-risk type A programs every three years, rather than each year. In addition, we audited a selection of type B programs, which are those with expenditures under the $26.5 million threshold.

Our compliance review focused on the 20 type A programs and 3 type B programs listed in Note 2 to the Schedule of Expenditures of Federal Awards. These programs were administered by nine different state agencies, including UW System, and accounted for 74.8 percent of the federal financial assistance administered by the State of Wisconsin. We also followed up on findings included in our prior single audit report for the State of Wisconsin (report 08-5).

In addition to satisfying federal audit requirements, the audit work performed at state agencies assists in meeting state audit requirements identified in s. 13.94, Wis. Stats. The scope of the single audit did not include the federal awards administered by the Wisconsin Housing and Economic Development Authority, which were audited separately by other auditors.

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Auditor's Report ■

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Wisconsin as of and for the year ended June 30, 2008, and have issued our report thereon dated December 11, 2008. The basic financial statements and related auditor's opinions have been included in the State of Wisconsin's Comprehensive Annual Financial Report for fiscal year 2007-08. Our report was modified to include a reference to other auditors. In addition, our report was modified to qualify our opinion on the aggregate discretely presented component units.

We conducted our audit in accordance with 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. Other auditors audited the financial statements of the Wisconsin Department of Transportation Revenue Bond Program and Commercial Paper Program; the Badger Tobacco Asset Securitization Fund; the Environmental Improvement Fund; the College Savings Program Trust; the Wisconsin Housing and Economic Development Authority; the University of Wisconsin Hospitals and Clinics Authority; and the Balance Sheet for the University of Wisconsin Foundation, as described in our opinion on the State of Wisconsin's financial statements. While the financial statements of the Wisconsin Housing and Economic Development Authority were audited in accordance with auditing standards

generally accepted in the United States of America and *Government Auditing Standards,* the financial statements of the other funds and component units audited by other auditors were audited in accordance with auditing standards generally accepted in the United States of America, but not in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that may have been reported separately by those auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the State's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the State's basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in Section II of the Schedule of Findings and Questioned Costs as findings WI-08-36 through WI-08-42 to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that none of the significant deficiencies described in Section II of the Schedule of Findings and Questioned Costs is a material weakness.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the State of Wisconsin's basic financial statements are free of 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 determination of financial statement amounts. 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*.

The State's written responses to findings identified during our audit are described in Section II of the Schedule of Findings and Questioned Costs. We did not audit the responses and, accordingly, express no opinion on them.

We noted certain additional matters, which we will report or have already reported to the management of certain state agencies in separate communications.

This independent auditor's report is intended for the information and use of management of the State of Wisconsin, the Wisconsin Legislature, federal awarding agencies, and pass-through entities. This report is a matter of public record and its distribution is not limited. However, because we do not express an opinion on the effectiveness of the State's internal control or on compliance, this report is not intended to be used by anyone other than these specified parties.

LEGISLATIVE AUDIT BUREAU

December 11, 2008 by

Bryan Naab
Deputy State Auditor for Financial Audit

Auditor's Report ■

Independent Auditor's Report on the State of Wisconsin's Compliance with Requirements Applicable to Each Major Program, Internal Control over Compliance, and the Schedule of Expenditures of Federal Awards, in Accordance with OMB Circular A-133

Compliance

We have audited the State of Wisconsin's compliance with the types of compliance requirements described in the federal Office of Management and Budget Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The State of Wisconsin's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs, as well as in Note 2 of the accompanying Notes to the State of Wisconsin Schedule of Expenditures of Federal Awards for the year ended June 30, 2008. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the management of Wisconsin state agencies. Our responsibility is to express an opinion on the State of Wisconsin's compliance based on our audit.

The State of Wisconsin's basic financial statements include the operations of the Wisconsin Housing and Economic Development Authority. This entity expended $147.3 million in federal awards that are not included in the State of Wisconsin's Schedule of Expenditures of Federal Awards for the year ended June 30, 2008. Our federal compliance audit, as described in the following paragraph, did not include the operations of the Wisconsin Housing and Economic Development Authority because this component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance that could have a direct and material effect on a major federal program occurred for the types of compliance requirements referred to in the first paragraph. An audit includes examining, on a test basis, evidence about the State of Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the State of Wisconsin's compliance with those requirements.

In our opinion, the State of Wisconsin complied, in all material respects, with the requirements referred to in the first paragraph that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying agency report narratives and in Section III of the Schedule of Findings and Questioned Costs as findings WI-08-1 through WI-08-3, WI-08-5, WI-08-7, WI-08-9 through WI-08-16, WI-08-18, WI-08-19, WI-08-24, WI-08-25, WI-08-28, WI-08-32, WI-08-33, and WI-08-35.

INTERNAL CONTROL OVER COMPLIANCE

The management of Wisconsin state agencies is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State of Wisconsin's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Wisconsin's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies, and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying agency report narratives and in Section III of the Schedule of Findings and Questioned Costs as findings WI-08-2, WI-08-3, WI-08-5, WI-08-7 though WI-08-16, WI-08-18, WI-08-24, WI-08-25, WI-08-28, and WI-08-30 through WI-08-35 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control described in the accompanying agency report narratives and Section III of the Schedule of Findings and Questioned Costs, we consider findings WI-08-32 and WI-08-35 to be material weaknesses.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Wisconsin as of and for the year ended June 30, 2008, which collectively comprise the State of Wisconsin's basic financial statements, and have issued our report thereon dated December 11, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Wisconsin's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The information in the schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements, as well as certain additional procedures performed through March 20, 2009, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We noted certain additional matters, which have been included in the agency report narratives as findings WI-08-4, WI-08-6, WI-08-17, WI-08-20 through WI-08-23, WI-08-26, WI-08-27, and WI-08-29.

Wisconsin state agencies' responses and corrective action plans to the findings identified in our audit are described in the accompanying report narratives. We did not audit the responses and corrective action plans and, accordingly, we express no opinion on them.

This independent auditor's report is intended for the information and use of management of the State of Wisconsin, the Wisconsin Legislature, federal awarding agencies, and pass-through entities. This report is a matter of public record and its distribution is not limited. However, this report is not intended to be used by anyone other than these specified parties.

LEGISLATIVE AUDIT BUREAU

December 11, 2008
March 20, 2009

by

Bryan Naab
Deputy State Auditor for Financial Audit

Statewide Issues ■

As part of our current audit, we followed up on issues identified in prior audits that affected more than one state agency and multiple federal grant programs. We found the Department of Administration has not followed the process for addressing lapses that had been described to us in a prior audit. In addition, excess balances continue to be generated in various cost pools in the Technology Services internal service fund.

Finding WI-08-1: Excess Balances in and Lapses from Internal Service Funds

Centrally, the State provides various services to other state agencies through several internal service funds and accounts administered by DOA. During FY 2007-08, DOA administered centralized computer processing, telecommunications and networking services, fleet services, financial services, facilities operations and maintenance services, procurement services, and risk management. DOA billed state agencies for services based on an established billing rate and their level of use. State agencies, in turn, charged user fees to state and federal accounts and sought reimbursement from the federal government for its share of the charges.

DOA is responsible for setting billing rates for these central services that are sufficient to recover its costs but not generate profits. For each internal service fund, account, and in some cases individually billable cost pool, federal rules outlined in OMB Circular A-87 allow DOA to maintain a working capital reserve of no more than 60 days' operating expenses. If a fund, account, or billable cost pool generates a balance in excess of the allowed reserve, the State has the option to reduce the surplus balance by providing a rebate to users or by adjusting user rates, both of which would free up state agency grant funds to be used on other grant-related

activity. In lieu of adjusting user charges or providing a rebate, federal rules also allow the State to return the federal government's share of any excess balances that accumulate.

In prior single audit reports, we have recommended that the State use the preferred option and provide user rebates or reduce user rates, which allows the State to maximize the federal funds made available for federal programs. However, while DOA has adjusted some user rates, DOA has generally chosen to return the federal share of excess balances to the federal government. It appears this option was chosen to allow the State's share of excess balances to offset budget shortfalls. As noted in our prior single audit (report 08-5), since we first identified this concern, the State has returned $39.0 million to the federal government that otherwise could have been retained by state agencies and made available to further federal programs.

During our current audit, we found that the Financial Services Fund and, most likely, several individually billable cost pools accounted for in the Technology Services Fund had excess balances as of June 30, 2007. DOA calculated and, in March 2008, returned $311,697 to the federal government, representing its share of the excess balance in the Financial Services Fund. However, as of February 2009, DOA has not yet calculated and returned to the federal government its share of any excess balances in the Technology Services Fund. Therefore, we question an undetermined amount related to excess balances that may exist in individually billable cost pools in the Technology Services Fund.

The federal government also requires the State to use amounts available in the 60-day working capital reserve only for purposes of providing the related internal services. If the State uses the working capital reserve for other purposes, the federal government requires the State to return to the federal government its share of the amounts used for other purposes.

Due to continuing budget shortfalls, state agencies have again been directed to lapse various amounts to the General Fund. To meet its lapse requirements, in June 2008, DOA lapsed $2.2 million to the General Fund from the Financial Services Fund's working capital reserve. Staff in the DOA Division of Administrative Services calculated the federal government's share related to this lapse to be $449,645. On October 28, 2008, DOA staff prepared a check for $449,645 and intended to return the funds to the federal government. However, DOA's State Budget Office directed that these funds not be returned and, on October 31, 2008, the funds were redeposited to the Financial Services Fund. The State used the Financial Services Fund's working capital reserve for the purpose of meeting a state lapse requirement, and therefore, we question $449,645.

We communicated our concerns to DOA in an interim audit communication. In its response, DOA indicated that it may now wait for federal resolution before returning the federal share of any amounts lapsed from or excess balances in the internal service funds, accounts, or individually billable cost pools. This methodology would likely result in additional interest, and possibly penalties, being owed to the federal government because of the extra time needed for DOA to negotiate a final resolution with the federal government.

☑ Recommendation

We recommend the Wisconsin Department of Administration:

- *calculate the allowable reserve for the cost pools in the Technology Services Fund and return to the federal government its share of any excess balances; and*

- *remit $449,645 to the federal government, representing its share of the Financial Services Fund's working capital reserve that was used for other purposes.*

Finding WI-08-01: Excess Balances in and Lapses from the Internal Service Funds

Multiple Programs

Questioned Costs: $449,645, Plus an Undetermined Amount

DOA Response and Corrective Action Plan: DOA acknowledges that under OMB Circular A-87 the State is allowed to maintain a working capital reserve of no more than 60 days' operating expenses and that the federal share of any excess balances that accumulate must be returned to the federal government. DOA also acknowledges that the federal government requires the State to use amounts available in the 60-day working capital reserve only for the purpose of providing the related internal services. Finally, DOA acknowledges lapsing $2.2 million in June 2008 to the General Fund from the Financial Services Fund working capital reserve.

DOA and the U.S. Department of Health and Human Services' Division of Cost Allocation have settled and finalized the federal liability for excess balances in and lapses from DOA's internal service funds through FY 2004-05, and all federal liability amounts have been paid. It is important to note, however, that discussions regarding the federal liability for FYs 2005-06, 2006-07, and 2007-08 are still in process. Furthermore, DOA has yet to receive a determination from the federal government for any of the excess balances or lapses that occurred during the past three fiscal years, including the $2.2 million lapse in FY 2007-08 from the Financial Services Fund. Therefore, while calculations regarding the amounts owed in FYs 2005-06, 2006-07, and 2007-08 may have been prepared by DOA staff and in some cases funds have been remitted, DOA has not remitted all of those amounts because a determination has yet to be received from the federal government. Once a determination is received and negotiations are settled and finalized for FYs 2005-06, 2006-07, and 2007-08, DOA will remit to the federal government its share of excess balances in and lapses from DOA's internal service funds.

Wisconsin Department of Administration
Summary of Findings and Questioned Costs
FY 2007-08

Noncompliance Findings Affecting Multiple Programs

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-1		Multiple Programs	Excess Balances in and Lapses from Internal Service Funds	$ 449,645 Plus an Undetermined Amount

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix 2 of this report.

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Department of Health Services ■

On July 1, 2008, the Wisconsin Department of Health Services assumed responsibility for administering state and federal programs involving public health, mental health, substance abuse, long-term care, services to the disabled, and medical assistance. In FY 2007-08, its predecessor—the Department of Health and Family Services—disbursed $7.4 billion, including $4.1 billion in direct federal grants related to such programs, as well as programs for children and their families that were transferred to the newly created Department of Children and Families under 2007 Wisconsin Act 20.

As part of our standard audit procedures, we reviewed internal controls over revenues, expenditures, and the administration of federal grant programs that are currently the responsibility of DHS. We tested compliance with grant requirements for five type A programs and two type B programs, and we followed up on the progress DHS has made in addressing prior audit findings WI-07-1, WI-07-2, WI-07-5, and WI-07-6. Our prior audit follow-up related to Finding WI-07-4 is discussed in the chapter concerning the Department of Children and Families.

Prior Audit Follow-Up

As noted on page 122 of the Summary Schedule of Prior Audit Findings, our prior audit concerns related to TANF funds spent through the Social Service Block Grant (CFDA #93.667) (Finding WI-07-2) have been addressed. However, continued effort is needed to ensure that follow-up is completed for discrepancies identified through computer data matches between CARES and other databases, that subrecipient audit reports are reviewed in a timely manner, and that allocable costs are appropriately allocated based on complete reporting of work effort.

Finding WI-08-2: Computer Data Matches

For purposes of administering the Medical Assistance (MA) Program (CFDA #93.778), which pays for health care services provided to qualified individuals, DHS has entered into contracts with counties and tribes that determine eligibility for program services by, for example, obtaining information from applicants for various income-maintenance programs and entering the information into the statewide CARES computer system. To assist county and tribal staff in making eligibility determinations, DHS has provided manuals and other documentation of policies and procedures.

Federal regulations require states to use the Income Eligibility and Verification System (IEVS) to verify the reasonableness of wage and other information provided by applicants for assistance and used in making eligibility determinations. As part of IEVS, DHS is required to perform data matches to compare the information recorded in CARES with information contained in other computer databases, including:

- state wage information collected by the Division of Unemployment Insurance within the Department of Workforce Development, which is Wisconsin's state wage information collection agency (SWICA);

- unemployment compensation (UC) information maintained by the Division of Unemployment Insurance within the Department of Workforce Development;

- all available information from the Social Security Administration, including Supplemental Security Income (SSI) payments; and

- unearned income information reported by the Internal Revenue Service (IRS).

In our prior audits, we reported that all required data matches—including the IRS data matches— had been performed, but because federal regulations prohibit access to IRS information by outside personnel, including auditors, we could not test the effectiveness of efforts to review IRS data matches.

While the Social Security Administration data matches automatically update CARES for social security numbers and SSI payments, caseworkers in the counties and tribes are required to follow up on the SWICA and UC data matches, resolve any discrepancies identified, and update information in CARES as appropriate. Previously, we reported that the State has taken some steps to ensure counties and tribes follow up on SWICA and UC data matches in a timely manner. For example, according to DHS staff, counties and tribes are required to review a random sample of MA cases for compliance with data match review requirements. However, as reported in our prior audit, these efforts have not been sufficient to ensure that

counties and tribes comply with the requirements to investigate and complete action on at least 80 percent of the SWICA and UC data matches within 45 days of the data match, and on all of the data matches within 90 days of the match (Finding WI-07-6).

Because of other priorities and resource constraints, DHS had not implemented additional corrective action during our audit period to address concerns in this area. For example, DHS had not enhanced the CARES instructions for counties and tribes by providing detailed steps for correctly processing data matches, although a prior corrective action plan indicated that doing so would be considered after taking into account competing priorities and available resources.

During our current audit, we again found that county and tribal caseworkers are not timely in following up on SWICA and UC data matches. For example, we found 12 timeliness exceptions for the 20 SWICA data matches we tested, and 9 timeliness exceptions for the 20 UC data matches we tested. In addition, the required data match for unearned income reported by the IRS was not performed for FY 2007-08.

Because county and tribal caseworkers are not following up on the identified data match exceptions, and because the required IRS data match has not been performed for FY 2007-08, it is not known whether the most accurate information available was used to make eligibility determinations, and it is possible that some individuals received services for which they were not eligible and for which DHS received federal reimbursement. Therefore, we question an undetermined amount related to the MA Program.

☑ Recommendation

We recommend the Wisconsin Department of Health Services comply with our previous recommendation to ensure that counties and tribes follow up in a timely manner on data matches between CARES and other databases. In addition, we recommend the Department complete the required data matches for unearned income reported by the Internal Revenue Service.

Finding WI-08-2: Computer Data Matches

Medical Assistance Program (CFDA #93.778)

Award Numbers	Award Years
050405WI5028	2004
050505WI5028	2005
050605WI5028	2006
050705WI5028	2007
050805WI5028	2008

Questioned Costs: Undetermined

DHS Response and Corrective Action Plan: DHS has already implemented several of the corrective actions recommended by the auditors. In February 2009, a rewritten chapter on data exchanges was published on the Web site used by CARES workers. The new chapter provides guidance and technical assistance to county workers on how to use the wage information effectively in determining eligibility. It also provides three new flowcharts that clarify for workers what should be done with data matches in both the application and the review process. Another flowchart explains steps to be taken in the event a worker becomes aware of a discrepancy between information provided by the applicant and information available through the data exchanges.

This information can be found in the Process Help Handbook, Chapter 44.1-44.4. The handbook is available only through the secured CARES Worker Web site.

In addition, DHS requires data match training for all new income maintenance workers. Training materials were updated in October 2008 and were converted to a distance learning model. Many topics developed for the distance learning model will be accessible and marketed to current workers as refresher training.

With respect to the IRS data matches, DHS intends to assign the appropriate resources necessary to complete the IRS data match process during FY 2008-09. IRS data for calendar year 2007 will be available in June 2009. Targeted match criteria will be developed to maximize the effectiveness of the matches and resulting cost savings.

Finding WI-08-3: Subrecipient Monitoring

DHS is the state cognizant agency for counties, Indian tribes, and various other entities. According to OMB Circular A-133 and *State Single Audit Guidelines* published by Wisconsin's Department of Administration, DHS is to receive audit reports from subrecipients required to have audits and to perform desk reviews, issue timely management decisions on audit findings, and require subrecipients to take timely corrective action on deficiencies identified in audits. The *State Single Audit Guidelines* and the OMB Circular A-133 Compliance Supplement require that these tasks be completed within 180 days of receipt of the audit report. After they are completed, it is DHS policy to provide a final letter of resolution to the subrecipient and applicable program divisions.

During our FY 2005-06 and 2006-07 audits, we found that the 180-day guideline was not met based on the reports we reviewed (Findings WI-06-5 and WI-07-5). To address our concerns, DHS now performs more limited reviews of reports from subrecipients receiving less than $100,000, and a vacant staff position was filled in April 2008. However, the position remained vacant for most of our audit period,

and therefore it is not unexpected that the 180-day guideline for reviewing and resolving subrecipient audit reports was not met during FY 2007-08.

When we reviewed audit reports for calendar year 2006, for which the review process should have been completed during our audit period, we found that the review process had not been completed within 180 days for 41 of the 86 entities, or 48 percent, for which DHS is the cognizant agency. As of January 2009, DHS had completed the review process for all of these entities except five. DHS is taking steps to obtain the audit report from one of these five entities and is working through the resolution process for the other four.

DHS has improved timeliness for completing reviews of subrecipient audit reports, and Single Audit Section staff anticipate that with the steps taken thus far, the timeliness of the audit report reviews will continue to improve for FY 2008-09. While one of the staff auditor positions was transferred to the Department of Children and Families on July 1, 2008, DHS staff indicate that the responsibility for reviewing several audit reports was likewise transferred.

☑ Recommendation

We recommend the Wisconsin Department of Health Services continue its efforts to meet timeliness standards for reviewing subrecipient audit reports.

Finding WI-08-3: Subrecipient Monitoring

Multiple Programs

Questioned Costs: None

DHS Response and Corrective Action Plan: DHS agrees with the auditors' finding and recommendation. The most significant factor in taking longer than 180 days to complete the reviews is having enough people to perform those reviews as well as other work related to subrecipient audits. A vacant professional position has been filled, and the auditors have noted improvement in the overall timeliness of reviews compared to the previous period. However, DHS has not been able to fill a program assistant position, which will continue to affect its ability to meet timeliness goals.

DHS must also balance the need for timeliness of reviews of audit reports against other critical functions, which include providing technical assistance and training to auditees and independent auditors, consulting with its own staff on compliance and audit issues, preparing annual updates to the audit guidance that independent auditors use when auditing DHS programs, ensuring timely collection of the audit reports, and confirming independent auditors' qualifications to perform audits.

Finding WI-08-4: Costs Allocated Based on the Time and Task Time Study

As required for administering a variety of programs that receive federal funding, DHS develops and submits its cost allocation plan (CAP), which contains multiple cost allocation methodologies, to the U.S. Department of Health and Human Services for review and approval.

The CAP includes the Time and Task process used within the DHS divisions of Mental Health and Substance Abuse Services, Long Term Care, and Enterprise Services, as well as in the DHS Office of Policy Initiatives and Budget and in the Division of Children and Family Services, which was transferred to the Department of Children and Families effective July 1, 2008. The Time and Task process has two components: the Time and Task reporting system used to accumulate work effort, and the Quarterly Time Study through which the cost allocations are determined.

The CAP states that all staff included in the Time and Task process are to report 100 percent of their work effort on biweekly time sheets that are to be approved by supervisors. Quarterly, DHS staff in the Bureau of Fiscal Services summarize the actual work effort and calculate the percentage worked on the various state and federal programs. These percentages are used to allocate certain costs, including salaries, fringe benefits, and supplies and services, to the various state and federal programs administered by the areas using the Time and Task process.

Because the State may subsequently receive reimbursement for the federal government's share of costs allocated to the federal programs, it is important that employees appropriately report work effort in a timely manner to ensure the percentages are accurate and costs are properly allocated. In addition, costs allocated through the Time and Task process should be only those that benefit more than one state or federal program and should not include costs directly related to individual programs. For example, travel costs directly related to a single grant program should be charged to that program and not included in the costs allocated to all programs.

During our prior audit, we identified three concerns related to the Time and Task process: 1) some time sheets were not included in the calculation of the quarterly percentages used to allocate costs to state and federal programs; 2) some costs that directly benefited a specific program were erroneously allocated through the Time and Task process; and 3) the summarization of reported work effort for the Time and Task process included an error. As a result, some costs were inaccurately allocated to various state and federal programs during FY 2006-07 (Finding WI-07-1).

During our current audit, we found that continued improvements are needed to fully address our concerns. Although Bureau of Fiscal Services staff stated that additional efforts were made to obtain missing time sheets, we again found that some time sheets were not included in the calculation of the quarterly percentages used to allocate costs to state and federal programs. For example, 15 time sheets for staff in the Division of Long Term Care were not included in the Time and Task process for the quarter ended December 31, 2007, including 4 of the 6 time sheets for one individual. DHS staff with whom we spoke believe the effect of these missing time sheets on the amounts allocated to federal programs to be minimal. However, we note that staff have not performed any analysis to support their conclusion. Also, as previously noted, the CAP requires all staff to report 100 percent of their work effort as part of the Time and Task process.

Bureau of Fiscal Services staff also indicated that staff covered by the Time and Task process have been trained to ensure costs directly benefiting one program are charged to that program, rather than allocated to a variety of programs through the Time and Task process. However, of the 12 transactions we selected for review, 3 directly benefited specific programs but were allocated through the Time and Task process. Program staff associated with the following costs agreed that these costs directly benefited a specific program:

- $3,527 of travel costs directly benefiting the Foster Care—Title IV-E program (CFDA #93.658);
- $2,976 of travel and training costs directly benefiting the Child Abuse and Neglect program (CFDA# 93.669); and
- $1,213 of travel costs directly benefiting the Child Care and Development Fund (CFDA# 93.596).

Bureau of Fiscal Services staff indicated that to ensure the reasonableness of the Time and Task allocations, they started a quarter-to-quarter comparison of the costs allocated by program for each division. However, this comparison had not been completed as of the time of our fieldwork. For example, costs for the last quarter of FY 2007-08 had not been entered into an electronic spreadsheet for one of the two divisions we selected for review, and variances of allocated costs from one quarter to the next had not been calculated for either division.

Because corrective action to address our prior audit concerns has not been implemented, DHS is not assured that the amounts allocated or directly charged to federal programs are in accordance with the CAP. Therefore, we question an undetermined amount related to grants administered by the divisions of Children and Families Services, Mental Health and Substance Abuse Services, Long Term Care, and Enterprise Services, as well as the Office of Policy Initiatives and Budget.

☑ Recommendation

We recommend the Wisconsin Department of Health Services:

- *ensure that all staff report work effort for the Time and Task process, as required by the Department's cost allocation plan, or seek to amend the cost allocation plan to allow less than 100 percent of the work effort to be included in the Time and Task process;*

- *ensure costs directly benefiting specific programs are charged to those programs, rather than allocated through the Time and Task process; and*

- *continue its efforts to ensure costs are appropriately allocated through the Time and Task process.*

Finding WI-08-4: Costs Allocated Based on the Time and Task Time Study

Multiple Programs

Questioned Costs: Undetermined

DHS Response and Corrective Action Plan: Missing Time Sheets—DHS agrees that a small number (less than 1 percent) of the time sheets in the quarter ending December 31, 2007, were not included in the cost allocation percentages. Increased effort, including bureau or division management involvement in obtaining delinquent time sheets, has been implemented since that time. The rate of missing time sheets has been reduced substantially. For example, for the quarter ended December 31, 2008, only 1 time sheet out of more than 800 was not included in the calculations.

Direct Charges—Division staff responsible for monitoring expenses are reviewing expense documentation carefully in order to identify travel, training, and other expenses that should be charged directly to specific programs. In the Bureau of Aging and Disability Resources, those staff review and approve travel voucher coding prior to processing, and the Bureau of Fiscal Services returns unprocessed any travel vouchers without approval by the assigned division staff.

Appropriate Allocation through Time and Task—A number of steps have been taken in recent months to improve the monitoring of Time and Task data, including reviewing time sheet entries. In addition, monthly reports have been developed to allow more proactive review and management of staff activity to better utilize available program funding. Time and activity and allocation results are reviewed for accuracy and reasonableness by division staff prior to quarterly posting to the accounting system.

Periodic training sessions are being conducted with staff to better explain the goals and requirements of Time and Task reporting and to familiarize them with resources available for assistance.

While we continue to make improvements to the Time and Task system, a long-range project is underway to utilize a time and activity reporting system that will be more consistent with the state standard.

Wisconsin Department of Health Services
Summary of Findings and Questioned Costs
FY 2007-08

U.S. Department of Health and Human Services

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-2	93.778	Medical Assistance Program	Computer Data Matches*	Undetermined

Noncompliance Findings Affecting Multiple Programs

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-3		Multiple Programs	Subrecipient Monitoring*	$ 0
WI-08-4[1]		Multiple Programs	Costs Allocated Based on the Time and Task Time Study*	Undetermined

* Repeat finding from audit report 08-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 2 of this report.

[1] Finding WI-08-4 is excluded from Section III of the Schedule of Findings and Questioned Costs, as it was not considered a reportable finding under Section 510(a) of OMB Circular A-133.

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Department of Workforce Development ■

The Wisconsin Department of Workforce Development administers programs for unemployment insurance, workers' compensation, equal rights in employment and housing, apprenticeship job training, employment services and training, vocational rehabilitation, and other related programs. Excluding unemployment insurance benefits, DWD disbursed $1.99 billion during FY 2007-08; direct federal grants financed $651.7 million of that amount. In addition, during FY 2007-08 the Wisconsin Unemployment Reserve Fund financed $919.9 million in unemployment insurance benefits and $30.5 million in federally funded benefits. Effective July 1, 2008, programs providing services to children and their families were transferred to the newly created Department of Children and Families.

As part of our standard audit procedures, we reviewed DWD's internal controls over revenues, expenditures, and the administration of federal programs. We tested compliance with grant requirements for three type A programs received directly from the federal government. We identified concerns related to allowable costs for the Unemployment Insurance (UI) (CFDA #17.225) program and program income for Rehabilitation Services—Vocational Rehabilitation Grants to States (CFDA #84.126).

Finding WI-08-5: Idle Facilities

During FY 2007-08, DWD spent $64.5 million under the UI program to administer the State's unemployment insurance program. OMB Circular A-87 requires that costs charged to federal grants be reasonable and necessary to achieve the purposes of the federal program and provides specific guidance for certain types of costs, such as space rental costs. OMB Circular A-87 states that costs of idle facilities are generally unallowable charges for federal grant programs, but does allow these costs to be

charged to federal grants for up to one year after they become idle if the facilities were previously necessary for the program but became idle for various specified reasons.

Prior to our audit period, the Division of Unemployment Insurance was assigned three additional rooms in a state office building for staff and contractors to develop, test, and implement two new computer systems that were to be used in administering the UI program. Two of these rooms became vacant in November 2005, when one of the new computer systems was completed. DWD continued to charge rental costs for these two idle rooms to the UI grant program from November 2005 through October 2006. Beginning in November 2006, DWD began charging rental costs for these two rooms to other sources. However, for reasons that are not clear, in August 2008 DWD resumed charging the UI grant program for the second room, which continues to be idle. A total of $11,612 for space rental costs for the second room was charged to the UI grant program from August 2008 through December 2008. Because the UI grant program was not charged any unallowable costs for these two rooms during our current audit period, which ended June 30, 2008, we do not question any costs. However, as noted, the second room is not currently being used by the UI grant program, and DWD will need to transfer any unallowable idle space rental costs incurred during FY 2008-09 to appropriate funding sources by the end of FY 2008-09.

The third room became vacant during March 2007, when the second computer system project was terminated. DWD continued to charge space rental costs to the UI grant program from March 2007 through July 2008. However, only space rental costs from March 2007 through February 2008 are allowable costs of the UI grant program. Therefore, we question $26,483, representing idle space rental costs that DWD charged the UI grant program from March 2008 through June 2008. We further note that $6,621 of unallowable idle space rental costs for July 2008 that were charged to the UI grant program during FY 2008-09 will need to be transferred to appropriate funding sources by the end of FY 2008-09.

☑ Recommendation

We recommend the Wisconsin Department of Workforce Development:

- *return $26,483 to the federal government, representing the federal reimbursement for unallowable idle space rental costs charged to the Unemployment Insurance grant program during FY 2007-08;*

- *transfer $18,233 of unallowable idle space rental costs charged to the Unemployment Insurance grant program during FY 2008-09 to appropriate funding sources by the end of FY 2008-09; and*

- *comply with allowable space rental costs for the Unemployment Insurance grant program in the future.*

Finding WI-08-5: Idle Facilities

Unemployment Insurance (CFDA #17.225)

Award Number	Award Year
UI167821G	2008

Questioned Costs: $26,483

DWD Response and Corrective Action Plan: DWD agrees with the recommendations and will transfer the FY 2007-08 questioned costs of $26,483 and the FY 2008-09 questioned costs of $11,612 from the federal UI grant to a nonfederal account. A transaction has already been completed to transfer $6,621 of the FY 2008-09 questioned costs from the UI federal grant to a nonfederal account. Completing these transfers effectively returns funds to the federal government.

The premises worksheets used to charge rent payments have been reviewed to ensure that the UI federal grant program is no longer being charged for idle spaces.

Finding WI-08-6: Program Income

The Division of Vocational Rehabilitation (DVR) within DWD administers Rehabilitation Services—Vocational Rehabilitation Grants to States. This program assists eligible individuals with disabilities so that they can prepare for and engage in gainful employment.

During FY 2007-08, DWD received $1.6 million in program income from the Social Security Administration (SSA), which reimburses states for the costs of certain vocational rehabilitation services provided to clients receiving Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI).

Clients who are eligible for disability benefits under SSI or SSDI are presumed to be eligible for vocational rehabilitation services, provided the clients intend to achieve gainful employment. Federal rules allow DWD to recover the costs associated with the vocational rehabilitation services from SSA if, among other things, the clients achieve "substantial gainful activity" for at least 9 months within a 12-month period following receipt of services and the reimbursement claims are submitted to SSA within 12 months after clients meet the substantial gainful activity requirement.

Sound financial management requires that state agencies maximize federal reimbursements in order to reduce the need to expend state resources. However, as we first reported during our FY 2002-03 single audit, DWD has had significant deficiencies in its internal control procedures and, as a result, has not been able to ensure that it claims SSA reimbursement for all eligible cases and that

reimbursement claims are submitted within 12 months after the clients fulfill the substantial gainful activity requirement.

As reported in prior audits, DWD has taken some steps to improve controls, including establishing written procedures. In addition, as reported in our prior single audit, DWD developed an Access database to monitor the status of SSI and SSDI cases. However, while DWD started using the Access database in January 2008, DVR staff informed us during our current audit that the Access database was ineffective and that they no longer use it. Instead, effective February 2009, a new function has been added to the Integrated Rehabilitation Information System (IRIS), which DVR uses to administer the vocational rehabilitation program, to allow staff to better monitor the status of SSI and SSDI cases.

Because the Access database was ineffective, DWD was at increased risk that DVR staff did not seek federal reimbursement for all eligible SSI and SSDI cases. We selected 59 of the cases most likely to be eligible for reimbursement from the 617 SSI and SSDI cases that closed during the first two quarters of FY 2007-08, plus 1 additional case closed during the quarter ending December 31, 2006, to determine the extent to which DWD could have sought federal reimbursement but did not. While DVR staff appropriately identified and sought federal reimbursement for 16 of the cases, we identified an additional 20 cases for which DVR should have, but did not, seek federal reimbursement as of the date we requested the claim documentation.

We discussed our concerns with staff, who agreed that the procedures in place during our audit period were not sufficient to ensure that DVR sought federal reimbursement for all cases eligible for federal reimbursement. As a result of our audit, DWD either plans to claim, or has already claimed, $227,167 from SSA for the 20 cases we identified as being eligible for reimbursement. However, we note that for six of these cases, the 12-month claim submission deadline had elapsed by the time of our audit. DWD staff indicated they will request that SSA grant a waiver of the 12-month deadline, explaining that the cases had been previously overlooked for claiming reimbursements. Staff acknowledge that an additional but undetermined number of SSI and SSDI cases could still be claimed for reimbursement.

As noted, we first identified weaknesses during our FY 2002-03 audit, and it is uncertain whether the enhancements to IRIS will, in fact, allow DWD to implement appropriate corrective actions to adequately address concerns in this area. Therefore, we believe that DWD needs to give priority to ensure that DVR is consistently following its own written procedures and maximizing federal reimbursements for eligible SSI and SSDI cases.

☑ Recommendation

We recommend the Wisconsin Department of Workforce Development consistently follow its procedures for submitting claims for reimbursement to the Social Security Administration to ensure they are submitted in a timely manner.

We also recommend the Department take immediate action to ensure claims for all eligible vocational rehabilitation services related to Supplemental Security Income and Social Security Disability Insurance cases closed during FY 2007-08 are appropriately submitted to the Social Security Administration in a timely manner. In addition, for cases closed during FY 2008-09 and in the future, the Department should:

- *consistently determine whether cases meet the substantial gainful activity requirement and are eligible for Social Security Administration reimbursement; and*
- *claim all eligible Social Security Administration reimbursements in a timely manner.*

Finding WI-08-6: Program Income

Rehabilitation Services—Vocational Rehabilitation Grants to States (CFDA #84.126)

Award Numbers	Award Years
H126A070074	2007
H126A080074	2008

Questioned Costs: None

DWD Response and Corrective Action Plan: DWD agrees with the recommendations and has developed a plan to help ensure compliance. DWD is committed to maximizing federal reimbursements from SSA in a timely manner. DVR has updated its data collection in IRIS. DVR will have the capability to query corporate reports from DWD's data warehouse that will track the SSA reimbursement process in a central location. An advantage of having this tracking system in IRIS is that it will provide transparency to management and staff. Claim documents will be attached to IRIS. SSA decisions on claims approved will be entered into IRIS. This information will provide central office and Workforce Development Area management and field staff instant access to SSA claim reports.

In addition, management will assign the Ticket to Work Coordinator to provide peer support to the SSA reimbursement staff. SSA claims will be sent in as frequently as needed when all documents are available for reimbursements.

DVR will request a waiver from SSA for the six cases that have exceeded the 12-month deadline. In addition, the currently identified cases that are eligible for SSA reimbursement will be sent to SSA by March 13, 2009. DVR staff will also review all federal FY 2007-08 cases that meet SSA's criteria for reimbursement by April 30, 2009.

Wisconsin Department of Workforce Development
Summary of Findings and Questioned Costs
FY 2007-08

U.S. Department of Labor

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-5	17.225	Unemployment Insurance	Idle Facilities	$ 26,483

U.S. Department of Education

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-6[1]	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Program Income	$ 0

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 2 of this report.

[1] Finding WI-08-6 is excluded from Section III of the Schedule of Findings and Questioned Costs, as it was not considered a reportable finding under Section 510(a) of OMB Circular A-133.

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Department of Children and Families ■

On July 1, 2008, the Wisconsin Department of Children and Families assumed responsibility for a number of programs that had been administered by the Department of Health and Family Services—which ceased to exist under 2007 Wisconsin Act 20—and the Department of Workforce Development.

As part of our standard audit procedures, we reviewed internal controls over revenues, expenditures, and the administration of four type A federal programs supporting children and their families that are currently administered by DCF: Temporary Assistance for Needy Families (CFDA #93.558) and the Child Care and Development Fund Cluster (CFDA #93.575/93.596), which were previously administered by the Department of Workforce Development, and Foster Care—Title IV-E (CFDA #93.658) and Adoption Assistance (CFDA #93.659), which were previously administered by the Department of Health and Family Services.

We identified two new concerns related to Foster Care—Title IV-E. In addition, our follow-up on the State's implementation of corrective action to address findings WI-07-4, WI-07-7, and WI-07-8 of our prior single audit report identified ongoing concerns related to federal reporting of foster care and adoption assistance expenditures, TANF computer data matches, and the 60-month limit on TANF benefits.

Finding WI-08-7: Foster Care Provider Background Checks for Licensing

Foster Care—Title IV-E provides funding for foster care providers that are fully licensed by the proper state authority and provide substitute care for eligible children who are under the State's jurisdiction and need temporary placement and care outside their homes. Foster care providers are usually licensed for an initial

six-month probationary period, with subsequent renewals granted for two-year periods. Section 48.685(3)(a), Wis. Stats., requires each foster care provider and any other adults residing in the foster home to pass a full criminal background check at least once every four years. Foster care providers who do not do so are not considered properly licensed until they pass another background check. Any foster care maintenance payments made during the period a provider is not properly licensed are not eligible for federal reimbursement under Foster Care—Title IV-E and, instead, must be paid from state funds.

Program staff indicated that the status of required background check renewals is reviewed every two years during the license renewal process. At that time, if licensing specialists note that a background check renewal is not due for several more months, they may renew the license and opt to obtain the renewed background check at a date closer to four years after the previous background check. Licensing specialists rely on a computer application referred to as the Children's Licensing Information Center (CLIC) to inform them when the provider's next background check is due.

During our audit, we found that full background checks had not been completed in a timely manner for two of the ten foster care providers we reviewed. Because no Foster Care—Title IV-E reimbursable children resided within these homes during the period the providers were not properly licensed, we did not identify any inappropriate maintenance payments charged to the federal government. Nevertheless, we discussed our concerns with DCF staff.

To allow time to perform a background check and ensure the provider remains properly licensed, CLIC should alert licensing specialists that a background check is needed before the four-year period has expired. However, for unknown reasons, CLIC was programmed to alert the licensing specialists four-and-one-half years after the date that the last background check was performed. Therefore, although we did not identify any inappropriate maintenance payments charged to the federal government in our selection of ten providers, it is possible that maintenance payments to other foster care providers that did not meet the requirements to pass a background check once every four years may have been inappropriately charged to the federal government.

After discussing our concerns with staff, DCF instructed the regional licensing offices to review all foster care provider background checks due since the start of our audit period—July 1, 2007—for compliance with the four-year requirement. We were informed that the regional offices identified two foster care providers with lapses between the dates the background checks were required to be performed and the dates that they were actually performed. These two foster care providers were group homes and provided care for both Foster Care—Title IV-E reimbursable children and non-reimbursable children. DCF identified three children who resided in these homes during the background check lapse who were eligible for federal reimbursement. Because the foster care providers were not properly licensed during the period for which the required background checks were not performed, DCF should have charged maintenance payments for both the reimbursable as well as the non-reimbursable children to the State. However, DCF inappropriately charged the maintenance payments for the three reimbursable

children, which totaled $49,900, to Foster Care—Title IV-E. Therefore, we question $49,900 in ineligible foster care maintenance payments.

☑ Recommendation

We recommend the Wisconsin Department of Children and Families ensure compliance with criminal background check requirements for foster care providers.

Finding WI-08-7: Foster Care Provider Background Checks for Licensing

Foster Care—Title IV-E (CFDA #93.658)

Award Numbers	Award Years
G0701WI1401	2007
G0801WI1401	2008

Questioned Costs: $49,900

DCF Response and Corrective Action Plan: DCF agrees with the recommendation and will ensure compliance with caregiver background check requirements for foster care providers. As of February 26, 2009, all DCF Bureau of Early Care Regulation child welfare licensed facilities have been reviewed, and DCF is in complete compliance with background check requirements.

In addition, the Bureau has changed its internal policy to require full caregiver background checks on all licensed child welfare facilities on a two-year basis, rather than on a four-year basis. This policy change will ensure that no child welfare group homes or residential care centers will have gaps in caregiver background checks in the future. Changes to CLIC will be assessed for future enhancements to better support completion of caregiver background checks on this revised schedule.

DCF agrees with the amount of $49,900 in ineligible foster care maintenance payments claimed on behalf of Foster Care—Title IV-E eligible children placed in child welfare group homes and residential care centers not in compliance with caregiver background check requirements. This amount has already been refunded to the U.S. Department of Health and Human Services through a Foster Care—Title IV-E claim adjustment.

Finding WI-08-8: Foster Care Eligibility Determinations

Foster Care—Title IV-E helps the State provide safe, appropriate substitute care for children who are under its jurisdiction and need temporary placement and care outside their homes. The Wisconsin Statewide Automated Child Welfare Information System (WiSACWIS) is the computer system used to maintain case

files and generate payments to support children in substitute care. WiSACWIS also determines whether these maintenance payments are eligible for federal reimbursement based on the information entered into each child's case file.

Maintenance payments may be eligible for federal reimbursement under Foster Care—Title IV-E depending on a variety of factors, including whether the State obtained judicial evidence that it made reasonable efforts to prevent the removal of the child from the home and developed a permanency plan outlining the child's future placement goals. If a case does not meet all of the eligibility requirements, the related maintenance payments are not federally reimbursable and are instead made with state funds. A new determination of federal reimbursement eligibility must be made each time a child enters substitute care under Foster Care—Title IV-E, regardless of any previous determinations made for past episodes of substitute care.

We reviewed the eligibility determinations for 65 cases of children receiving substitute care under Foster Care—Title IV-E. For 63 of these cases, WiSACWIS appropriately determined federal reimbursement eligibility based on the information present in each child's case file. However, for the remaining two cases, we found that WiSACWIS inappropriately determined that the maintenance payments were eligible for federal reimbursement when, based on the information present in WiSACWIS, they were not. As a result, the State reported $55 in federal reimbursement for ineligible maintenance payments. Through discussions with program staff, we found that because of a programming error in WiSACWIS, the eligibility determination from a child's previous episode of substitute care is applied when complete information for the current episode is not present in WiSACWIS.

While the two overpayments we identified are small, it is likely that excess federal reimbursements occurred for additional cases because of this WiSACWIS programming error. Program staff indicated that this WiSACWIS programming error was corrected in January 2009, that all cases determined to be federally reimbursable were reevaluated, and that any excess reimbursements would be returned to the federal government. Therefore, we do not make a recommendation at this time but will review the steps taken to resolve this issue during next year's single audit. In addition, we do not question costs because the total federal overpayment is at this time undeterminable but is believed to be less than $10,000.

Finding WI-08-8: Foster Care Eligibility Determinations

Foster Care—Title IV-E (CFDA #93.658)

Award Numbers	Award Years
G0701WI1401	2007
G0801WI1401	2008

Questioned Costs: None

Prior Audit Follow-Up

As part of our current audit, we followed up on progress made in addressing findings WI-07-4, WI-07-7, and WI-07-8 of our FY 2006-07 single audit report. We continue to have concerns related to the accuracy of quarterly reports prepared for the Foster Care—Title IV-E and Adoption Assistance programs, the Income Eligibility and Verification System computer data matches, and the 60-month limit on individual assistance payments under the TANF program.

Finding WI-08-9: Federal Reporting and Claiming of Expenditures—Foster Care and Adoption Assistance

The State receives federal funds under Foster Care—Title IV-E to help provide safe, appropriate substitute care for children who are under its jurisdiction and need temporary placement and care outside their homes. The State also receives federal funds under the Adoption Assistance program to help it find adoptive homes for children and provide monthly subsidy payments to adoptive parents.

As a part of receiving federal funds under these programs, the State is required to prepare a quarterly expenditure report for the Foster Care—Title IV-E and Adoption Assistance programs. This report includes payments to foster care providers and adoptive families for federally eligible cases and program administration costs and is critical because it is used to calculate the federal government's share of both programs' costs. Preparation of the report is complex and time-consuming because costs are accumulated from various sources, including WiSACWIS, the agency's accounting system records, various time studies, and the Community Aids Reporting System (CARS). Amounts from these sources are manually entered into various spreadsheets used to calculate the amounts included in the report and the claim for federal reimbursement.

Since our FY 2003-04 audit, we have identified and reported various errors in the quarterly reports and have made recommendations for improvement. While we noted some corrective action to address our concerns during the subsequent years, we continued to note various errors in the quarterly reports that resulted from staff turnover and for other reasons. During our FY 2006-07 audit, we reported that the State returned $298,789 to the federal government because of reporting errors that we identified, and we recommended continued efforts to ensure accurate quarterly reporting, including additional supervisory review and the reduction of manual data entry (Finding WI-07-4). As noted in our prior report, the position responsible for federal reporting was filled in December 2007. The employee worked with the supervisor to learn the process for preparing the quarterly reports, and the supervisor developed written procedures to prepare the quarterly report. However, no other specific corrective action was taken to ensure the accuracy of the federal reports, such as reducing the amount of manual entry needed to prepare the reports.

During our current audit, we reviewed the report for the quarter ending December 31, 2007, and did not identify any errors. However, we also reviewed amounts reported for the subsidized guardianship waiver program under

Foster Care—Title IV-E for each quarter ending during FY 2007-08. We found that, apparently because of staff oversight, amounts included in a portion of the report for the quarter ending March 31, 2008, did not agree with supporting documentation, and certain totals were not correctly calculated. As a result, the State underclaimed a total of $9,524 in federal reimbursements for the subsidized guardianship waiver program on that report. Because of the types of errors involved and the cumulative nature of this portion of the quarterly report, these errors also affected the calculation of the federal share of amounts included on the report for the quarter ending June 30, 2008, resulting in an overclaim of $3,713 for this program on that report. For similar reasons, reports for quarters ending after June 30, 2008, may include in additional underclaims or overclaims for federal reimbursement.

While the errors identified during our current audit were not significant, DCF staff acknowledge that continued improvement is needed in the quarterly financial reporting process. In addition, the supervisor over federal reporting recently left state service, and the employee responsible for preparing these reports is expected to be on maternity leave and not available to complete some of the reports during 2009.

☑ Recommendation

We recommend the Wisconsin Department of Children and Families correct for the errors we identified and determine the additional amounts, if any, either owed by or owed to the federal government for the subsidized guardianship waiver program. In addition, we recommend the Department continue its efforts to ensure future quarterly reports are accurately prepared, such as through secondary review by knowledgeable staff and reduction of manual data entry.

Finding WI-08-9: Federal Reporting and Claiming of Expenditures—Foster Care and Adoption Assistance

Foster Care—Title IV-E (CFDA #93.658)

Award Numbers	Award Years
G0701WI1401	2007
G0801WI1401	2008

Questioned Costs: None

Adoption Assistance (CFDA #93.659)

Award Numbers	Award Years
G0701WI1407	2007
G0801WI1407	2008

Questioned Costs: None

DCF Response and Corrective Action Plan: DCF will adjust for the costs identified above and determine any additional amounts either owed by or owed to the federal government related to the subsidized guardianship waiver program. As a new agency, DCF is actively seeking to automate processes wherever possible and agrees the number of manual data entry points should be reduced in the preparation of future quarterly reports.

Finding WI-08-10: Computer Data Matches

As the State's administering agency for TANF, DCF is responsible for, among other things, determining the eligibility of individuals applying for assistance and maintaining program integrity. For purposes of administering this program, DCF has entered into contracts with counties and W-2 agencies. These contracts require that the counties and W-2 agencies determine eligibility for program services by, for example, obtaining information from program applicants and entering the information into the statewide Client Assistance for Reemployment and Economic Support (CARES) computer system that is used for determining eligibility for various income maintenance programs.

Federal regulations require states to use the Income Eligibility and Verification System to verify the reasonableness of wage and other information provided by applicants for assistance and to make eligibility determinations. As part of IEVS, DCF is required to perform data matches to compare information recorded in CARES with information contained in other computer databases, including:

- unearned income information reported by the Internal Revenue Service (IRS);
- information from the Immigration and Naturalization Service;
- state wage information collected by the Division of Unemployment Insurance within the Department of Workforce Development, which is Wisconsin's state wage information collection agency (SWICA);
- unemployment compensation (UC) information maintained by the Division of Unemployment Insurance; and
- all available information from the Social Security Administration, including Supplemental Security Income (SSI) payments.

In our prior audits, we reported that all required data matches had been performed except for the match with INS databases, because the INS has not yet programmed its computers to allow for data matches. We also reported that we could not test the effectiveness of the State's efforts to review IRS data matches, because federal regulations prohibit access to IRS information by outside personnel, including auditors.

While the Social Security Administration data matches automatically update CARES for social security numbers and SSI payments, caseworkers in the counties and W-2 agencies are required to follow up on the SWICA and UC data matches, resolve any discrepancies identified, and update information in CARES as appropriate. Previously, we reported that the State did not ensure compliance with federal requirements to investigate and complete actions on at least 80 percent of the identified data matches within 45 days of the data match, and on all identified data matches within 90 days of the match (Finding WI-07-7).

During our current audit, we followed up on efforts to address data matching concerns and found that DCF continues to assist caseworkers in following up on identified data matches in a timely manner. As reported during our prior single audit, a self-study guide has been developed, and in April 2007 caseworkers received training in how to follow up on data matches. In addition, a new screen was added to CARES in July 2007 to allow caseworkers to obtain a listing of all incomplete data match dispositions for their assigned cases, self-study training materials in the DCF Learning Center have been updated, and caseworkers have been advised to use the materials for processing data match dispositions. However, DCF staff told us they are unsure how many caseworkers have used the self-study materials, since DCF currently does not track who has completed them.

DCF staff also monitor the disposition of the SWICA data matches by reviewing CARES monitoring reports to identify data matches that have not been reviewed and acted upon within the required time frames. It is noted, however, that DCF staff are not able to monitor the status of UC data matches because the CARES reports could not be designed to do so.

Despite these efforts, county and W-2 agencies continue to be untimely in following up on SWICA and UC data matches. For our current audit period, we tested the follow-up efforts for 20 cases for which a SWICA data match occurred and 20 cases for which a UC data match occurred. We found 7 timeliness exceptions for the 20 SWICA data matches and 3 timeliness exceptions for the 20 UC data matches. We do note that the CARES monitoring report as of June 30, 2008, did not identify any outstanding SWICA data matches that had not been investigated and acted upon within 90 days. However, as of January 25, 2009, the CARES monitoring report identified 211 cases for which a SWICA data match had been identified but not completed in a timely manner. Of the 211 cases outstanding as of January 25, 2009, 150 cases were from Milwaukee County.

In addition, we found that for FY 2007-08, the required data match for unearned income reported by the IRS was not performed. While DCF obtained the data from the IRS in July 2008, at the time of our fieldwork it had not matched that data with data in CARES. DCF staff explain that this data match has yet to be performed because certain required changes in the reporting process have yet to be finalized due to other priorities.

Because county and W-2 agency caseworkers are not following up on all of the identified data match exceptions, and because DCF has not performed the required IRS data match, the State is not assured that the most recent and reliable data were used to make eligibility determinations and to establish the level of benefits and

assistance received under the TANF program. Therefore, it is possible that some individuals received TANF benefits for which they were not eligible.

☑ Recommendation

We recommend the Wisconsin Department of Children and Families continue efforts to comply with our previous recommendation to ensure that counties and W-2 agencies follow up in a timely manner on data matches between CARES and other databases. In addition, we recommend the Department complete the required data matches for unearned income reported by the Internal Revenue Service.

Finding WI-08-10: Computer Data Matches

Temporary Assistance for Needy Families (CFDA #93.558)

Award Numbers	Award Years
G-0401WITANF	2004
G-0501WITANF	2005
G-0602WITANF	2006
G-0701WITANF	2007
G-0802WITANF	2008

Questioned Costs: Undetermined

DCF Response and Corrective Action Plan: DCF agrees with the recommendation. DCF will continue to provide assistance to counties and W-2 agencies and will encourage timely follow-up on data matches between CARES and other databases. As it enters the second half of the first fiscal year of its existence, DCF will continue to work to allocate scarce staff resources to review the CARES monitoring report. In addition, DCF will work to finalize the changes in the reporting that will allow it to match the data from CARES to the IRS data.

Finding WI-08-11: TANF 60-Month Limit

Federal TANF rules impose a 60-month lifetime limit for cash assistance, although assistance to families may be extended based on hardship, as defined by a state, or if a family member has been battered or subjected to extreme cruelty. CARES tracks the number of months that families participate in the TANF program and prevents assistance payments beyond the 60-month limit unless an extension has been granted. However, on occasion a caseworker may retroactively determine that an individual was eligible for cash assistance for a prior month. In such cases, the caseworker is to make a special entry into CARES to allow CARES to count the additional months for which assistance payments were made for purposes of tracking the 60-month limit.

During prior audits, we found that caseworkers did not consistently make the necessary entries into CARES for months for which retroactive eligibility was granted (Finding WI-07-8). In FY 2006-07, we identified and questioned $2,698 in costs for two cases for which benefit payments beyond the 60-month limit had been provided without approved extensions.

During our current audit, we found that DCF has taken some initial steps to address our prior audit concerns, including developing a report to identify cases for which CARES counted 53 monthly benefit payments although more than 53 monthly benefit payments had been made. However, apparently due to a lack of resources, DCF has not implemented further corrective action and has neither reviewed the report nor followed up on the identified cases to ensure the case count in CARES is accurate. In addition, DCF staff indicated there are no current plans to identify and follow up on cases that received more than 60 months of benefit payments but were counted in CARES as having received 60 or fewer months of benefit payments. Finally, at the time of our fieldwork, DCF had not returned to the federal government the $2,698 in questioned costs we identified during our prior audit.

Because corrective action has not been implemented, DCF continues to be at risk of noncompliance with the 60-month lifetime limit for TANF cash assistance. For our current audit, we selected 12 cases that reached the 60-month limit. We identified two cases for which $1,574 in benefit payments had been made beyond the 60-month limit without approved extensions. We question $628, which is the federal share of the unallowed benefit payments for these two cases.

☑ Recommendation

We recommend the Wisconsin Department of Children and Families comply with our previous recommendation to enforce the 60-month lifetime limit for TANF assistance payments.

Finding WI-08-11: TANF 60-Month Limit

Temporary Assistance for Needy Families (CFDA #93.558)

Award Numbers	Award Years
G-0501WITANF	2005
G-0602WITANF	2006
G-0701WITANF	2007
G-0802WITANF	2008

Questioned Costs: $628

DCF Response and Corrective Action Plan: DCF agrees with the recommendation and will develop new strategies to comply with the recommendation. DCF has returned to the federal government the questioned costs of $2,698 for FY 2006-07 and $628 for FY 2007-08, which were identified during the prior and current audit.

Wisconsin Department of Children and Families
Summary of Findings and Questioned Costs
FY 2007-08

U.S. Department of Health and Human Services

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-10	93.558	Temporary Assistance for Needy Families	Computer Data Matches*	Undetermined
WI-08-11	93.558	Temporary Assistance for Needy Families	TANF 60-Month Limit*	$ 628
WI-08-7	93.658	Foster Care—Title IV-E	Foster Care Provider Background Checks for Licensing	49,900
WI-08-8	93.658	Foster Care—Title IV-E	Foster Care Eligibility Determinations	0
WI-08-9	93.658	Foster Care—Title IV-E	Federal Reporting and Claiming of Expenditures*	0
WI-08-9	93.659	Adoption Assistance	Federal Reporting and Claiming of Expenditures*	0

* Repeat finding from audit report 08-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 2 of this report.

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University of Wisconsin System ■

The University of Wisconsin System, which provides postsecondary academic education for approximately 173,000 students, consists of 13 campuses, UW Colleges, UW-Extension, and UW System Administration. The 18-member Board of Regents establishes policies to govern UW System and plans for the future of public higher education in Wisconsin. Each of the 13 campuses awards bachelor's and master's degrees; UW-Madison and UW-Milwaukee also confer doctoral degrees. UW Colleges are 13 two-year branch campuses that offer general education associate degrees and course credits that transfer to other degree-granting universities. UW-Extension, in cooperation with the UW campuses, provides continuing education courses in classrooms and via distance education, as well as wide-ranging public service programs to Wisconsin residents. UW System Administration is the UW President's staff to assist the Board of Regents in establishing policies; reviewing policy administration; and planning the programmatic, financial, and physical development of UW System.

UW System, which had operating costs that totaled approximately $3.9 billion, disbursed $1.3 billion in federal financial assistance during FY 2007-08, including $508.2 million in awards under the Research and Development Cluster and $697.2 million under the Student Financial Aid Cluster. As required by OMB Circular A-133, we tested compliance with laws and regulations related to the federal programs, contracts, and subgrants that UW System administered during the audit period. Our compliance review for FY 2007-08 focused on the Research and Development Cluster and on the Student Financial Aid Cluster.

The Research and Development Cluster, which is a major type A program, is defined by OMB Circular A-133 as including all research activities, both basic and applied, and all development activities that are supported at universities, colleges, and nonprofit institutions. "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development"

is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. The research and development grants, which were administered by all 13 UW campuses, as well as by UW Colleges and UW-Extension, accounted for 38.9 percent of federal funds disbursed by UW System during FY 2007-08.

The Student Financial Aid Cluster is defined by OMB Circular A-133 as including those programs of general student assistance in which institutions participate, such as those authorized by Title IV of the Higher Education Act of 1965, as amended. It does not include programs that provide fellowships or similar awards to students on a competitive basis. The Student Financial Aid Cluster accounted for 53.4 percent of federal funds disbursed by UW System during FY 2007-08. Federal student financial aid programs are administered by all 13 UW campuses, as well as UW Colleges.

In addition, for our FY 2007-08 audit, we reviewed the Foster Care—Title IV-E (CFDA #93.658) program at UW-Milwaukee. Under agreements with the Wisconsin Department of Children and Families, UW-Milwaukee provides financial assistance to students enrolled in its Master of Social Work (MSW) program and also provides training for foster care program workers and foster parents. We performed a limited review of UW-Milwaukee's administration of this program.

We also included the Wisconsin Humanities Council in our FY 2007-08 audit of UW System and audited the Promotion of the Humanities—Federal/State Partnership (CFDA #45.129) program. The Council is a nonprofit organization tied to UW System through its relationship with UW-Extension, which is responsible for fiscal and personnel administration of the Council. We documented and tested controls used in administering the grant and tested federal grant requirements.

Finally, we followed up on progress made at all UW campuses on findings included in our prior single audit report. The narrative that follows reports our findings by UW campus. Those campuses not listed did not have findings to report.

University of Wisconsin-Madison

UW-Madison, which provides instruction to 41,600 students seeking undergraduate or graduate degrees, had operating costs totaling $2.2 billion in FY 2007-08. Federal grant expenditures for that period totaled $700.7 million, including $481.9 million for the Research and Development Cluster and $172.5 million for the Student Financial Aid Cluster.

During our current audit, we followed up on the efforts of UW-Madison to address concerns included in our FY 2006-07 single audit report. We found that UW-Madison has resolved concerns related to the return of student financial aid funds (Finding WI-07-9). However, we continue to have concerns related to the timeliness of requests for federal reimbursement.

Finding WI-08-12: Cash Management

Student financial aid funds are requested from the U.S. Department of Education on a reimbursement basis. Effective cash management procedures include requesting reimbursement as soon as possible after disbursing the funds to students. Such procedures ensure that neither the federal government nor the State earns interest income at the expense of the other.

During our prior audit, we found that UW-Madison did not complete regular and timely reviews of student financial aid account balances to be able to request reimbursement on a timely basis. We recommended UW-Madison ensure it requests federal reimbursement of student financial aid expenditures to minimize the time between when it disburses aid to students and when it receives reimbursement (Finding WI-07-10). In its corrective action plan, UW-Madison stated it would review its existing procedures to develop a process to improve the timing between financial aid expenditures and the subsequent draw of federal funds.

However, during our current audit, we found that UW-Madison did not implement corrective action and continued to draw student financial aid funds in an untimely manner. In addition, new for this year, we found UW-Madison has not sought reimbursement for the full amount of disbursements to date, apparently due to errors in its recently implemented billing module. For example, UW-Madison disbursed $1,210,495 in Federal Supplemental Educational Opportunity Grants (FSEOG) funds and $4,261,982 in Federal Pell Grant funds on August 24, 2008, but did not request federal reimbursement until November 20, 2008, or 88 days later. Further, on that date, UW-Madison requested only a portion of the disbursed amounts—$258,598 in FSEOG funds and $1,141,135 in Federal Pell Grant funds—because of errors in the upload of disbursements from the financial aids system to the billing module and general ledger.

For the spring 2009 semester, UW-Madison's largest disbursement occurred on January 10, 2009, when it disbursed $993,393 in FSEOG funds and $4,493,684 in Federal Pell Grant funds. UW-Madison requested reimbursement on January 22, 2009, which was more timely. However, staff requested only $1,251,626 in FSEOG funds and $4,354,994 in Federal Pell Grant funds.

Further, we noted that UW-Madison incurred delays in requesting reimbursements related to the Federal Work-Study (FWS) Program in both the fall 2008 and spring 2009 semesters. UW-Madison disbursed approximately $1,200,000 in FWS funds in the fall 2008 semester and sought federal reimbursement of only $401,656 on November 20, 2008. As of March 2, 2009, no additional federal reimbursements were requested for FWS. Finally, we note that UW-Madison has not requested reimbursement for approximately $2.0 million related to a variety of other financial aid disbursements during the fall 2008 and spring 2009 semesters.

As of March 5, 2009, total unreimbursed financial aid disbursements on the general ledger were $6.7 million. As a result of these deficiencies, we estimate lost interest to the State of at least $45,400.

☑ Recommendation

We recommend the University of Wisconsin-Madison:

- *immediately draw $6.7 million in federal student financial aid funds that related to disbursements incurred during the fall 2008 and spring 2009 semesters, and determine any additional disbursements that are eligible for reimbursement at this time;*
- *correct the problems with uploading transactions to the billing module and the general ledger, to ensure federal reimbursement requests are being made for the total disbursements to date; and*
- *implement procedures to ensure it requests federal reimbursement of student financial aid expenditures in a timely manner.*

Finding WI-08-12: Cash Management

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)

Federal Work-Study Program (CFDA #84.033)

Federal Pell Grant Program (CFDA #84.063)

Award Numbers	Award Year
Various	FY 2008-09

Questioned Costs: None

UW-Madison Response and Corrective Action Plan: UW-Madison has drawn the federal student financial aid funds for the fall 2008 and spring 2009 semesters. In addition, UW-Madison will take steps to ensure that the transaction uploads and subsequent requests for federal reimbursements occur on a timely basis.

University of Wisconsin-Milwaukee

UW-Milwaukee, which provides instruction to 29,300 students seeking undergraduate or graduate degrees, had operating costs totaling $445.0 million in FY 2007-08. Federal grant expenditures for that period totaled $165.1 million, including $19.2 million for the Research and Development Cluster and $135.8 million for the Student Financial Aid Cluster.

We documented and tested UW-Milwaukee's internal controls used in administering the Student Financial Aid Cluster. In addition, we tested compliance with grant requirements for the Student Financial Aid Cluster. Overall, UW-Milwaukee's internal controls appear adequate to ensure compliance with grant requirements for the Student Financial Aid Cluster. However, we identified concerns regarding UW-Milwaukee's timeliness of requests for federal reimbursement and enrollment reporting.

In addition, we performed a limited review of Foster Care—Title IV-E funds expended by UW-Milwaukee under contracts with the Department of Children and Families. Under these agreements, UW-Milwaukee spent $2.3 million, or 2.5 percent of the State's $92.9 million in total funding for foster care programs during FY 2007-08, of which $48.3 million was funded by federal Foster Care—Title IV-E funds. As a result of our work, we identified concerns with UW-Milwaukee's administration of the program.

Finally, we followed up on prior year concerns with UW-Milwaukee's administration of the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant (Finding WI-07-11 and Finding WI-07-12) and found that UW-Milwaukee implemented appropriate corrective action to address our concerns.

Finding WI-08-13: Cash Management

Student financial aid funds are requested from the U.S. Department of Education on a reimbursement basis. Effective cash management procedures include requesting reimbursement as soon as possible after disbursing the funds to students. Such procedures ensure that neither the federal government nor the State earns interest income at the expense of the other.

In prior years, UW-Milwaukee staff requested reimbursement for student financial aid expenditures on a monthly basis. However, staff noted that reimbursement requests became less frequent after the retirement, at the end of FY 2005-06, of the employee who performed the drawdowns. Further, UW-Milwaukee implemented a new system for requesting federal funds in FY 2007-08, and staff noted that with these changes and limited staff, reviews of expenditures did not occur consistently and, as a result, reimbursement requests became less frequent.

For example, UW-Milwaukee disbursed $5,563,757 in Federal Pell Grant funds on August 27, 2007, but did not request federal reimbursement until September 25, 2007, or 29 days later. Further, we noted that UW-Milwaukee did not request reimbursement for FSEOG funds or FWS funds for the fall 2007 or spring 2008 semesters until we notified staff in May 2008 that no funds had been requested during our audit period. UW-Milwaukee disbursed FSEOG funds of $798,666 on August 27, 2007, and $659,960 on January 12, 2008, and $836,899 in FWS funds from July 1, 2007, to May 17, 2008. We estimate lost interest earnings to the State of $82,100.

☑ Recommendation

We recommend the University of Wisconsin-Milwaukee develop and implement procedures to ensure it requests federal reimbursement of student financial aid expenditures to minimize the time between when the University disburses aid to students and when it receives reimbursement.

Finding WI-08-13: Cash Management

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)

Federal Work-Study Program (CFDA #84.033)

Federal Pell Grant Program (CFDA #84.063)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-Milwaukee Response and Corrective Action Plan: Beginning in March 2009, UW-Milwaukee's Graduate School will draw funds on a weekly basis based on expenses posted to the general ledger for the accounts in question. The University's Financial Aid Office will also monitor the draw activity.

Finding WI-08-14: Enrollment Reporting

The National Student Loan Data System (NSLDS) periodically provides UW-Milwaukee with a roster file containing information on students receiving federal student loans. According to federal regulations, each institution must certify the information and report to NSLDS any student enrollment status changes, such as withdrawals and graduations, within 30 days of the roster file being created. Although UW-Milwaukee uses a third-party servicer for NSLDS reporting, UW-Milwaukee is ultimately responsible for timely and accurate enrollment reporting. It is important that this information is accurate since financial institutions may use NSLDS enrollment data to determine eligibility for transfer students or to determine when students' grace periods end and when students must begin repaying their loans.

During our audit, we selected nine students who received federal student loans and had withdrawn during the audit period, to test whether their enrollment status was reported to NSLDS accurately and timely. We identified the following exceptions:

- two students were initially reported by UW-Milwaukee to the third-party servicer as having withdrawn, but were reported by NSLDS as half-time. One student's status was corrected to

withdrawn, but not until 101 days after the withdrawal date. The second student, who withdrew in November 2007, was still reported as half-time in January 2009; and

- one student's enrollment change was not reported on the NSLDS roster file that immediately followed her withdrawal. The student continued to be reported as enrolled for 53 days after the NSLDS roster file was created.

As a result of these errors, these students may not have been required to begin repaying their loans in a timely manner, or had these students transferred to a new institution, they may have appeared ineligible for financial aid at their new institutions.

In addition to these errors, we identified concerns with the enrollment status report used to report to NSLDS. UW-Milwaukee uses its student information system to run reports of enrollment status changes. One enrollment status report is run prior to the beginning of the semester, showing whether each student is a full-time or half-time student. Another enrollment status report is run after the add/drop deadline of the semester. However, we found that if a student withdraws from UW-Milwaukee between the time when these two reports are run, the student is deleted from the report. As a result, these students are being reported to NSLDS as having withdrawn during the previous semester. For example, we found two students who withdrew in September 2007 but were reported by NSLDS as having withdrawn in May 2007, the end of the spring 2007 semester, and a student who withdrew in February 2008 but was listed as having withdrawn in December 2007, the end of the fall 2007 semester. As a result of these errors, students may have been required to begin repayment on loans earlier than required by federal regulations.

☑ Recommendation

We recommend the University of Wisconsin-Milwaukee:

- *work with and monitor the third-party servicer to ensure enrollment changes for students who receive federal student loans are provided to the National Student Loan Data System in a timely manner;*

- *take steps to ensure that the student information system is correctly reporting withdrawal dates for students who withdrew between the beginning of the semester and the add/drop deadline; and*

- *review all students who had enrollment changes between the beginning of the semester and the add/drop deadline, to ensure they are being correctly reported to the National Student Loan Data System.*

Finding WI-08-14: Enrollment Reporting

Federal Direct Student Loans (CFDA #84.268)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-Milwaukee Response and Corrective Action Plan: UW-Milwaukee contacted the third-party servicer to get a better understanding of when it provides enrollment status files to NSLDS and found that the third-party servicer is only required to submit enrollment files to NSLDS semiannually. As such, despite the fact that UW-Milwaukee submits enrollment files to the third-party servicer on a monthly basis, those enrollment submissions are not shared with NSLDS on an ongoing basis unless the submitting institution specifically requests that its enrollment files be submitted to NSLDS monthly. UW-Milwaukee has requested that its enrollment files now be sent to NSLDS from the third-party servicer on a monthly schedule, immediately following UW-Milwaukee's submission to the third-party servicer.

UW-Milwaukee will continue to audit the information submitted to the third-party servicer for accuracy. UW-Milwaukee's student information system correctly lists student withdrawal dates, except in rare cases where retroactive withdrawals are granted. It appears that the incorrect reporting of withdrawal dates has occurred within the third-party servicer's submission to NSLDS, and the business process changes that are outlined in this response should address this issue.

UW-Milwaukee does not certify students as fully enrolled until after the last day of the add/drop period; prior to that point the students are considered to be in a "registered" or "pre-enrolled" status. UW-Milwaukee sends an "early submission" file to the third-party servicer prior to the start of the semester, but those students are not considered fully enrolled at the time of that submission. Given this institutional practice, a student who withdraws from the institution during the interval between the beginning of the semester and the add/drop deadline would not previously have been reported to the third-party servicer as having been enrolled for that term. UW-Milwaukee's past practice in conducting enrollment reporting submissions to the third-party servicer was to "overwrite" the early submission file data with that of the first-of-term submission file data (sent after the term's add deadline). As such, no historical record existed with the third-party servicer if a student changed his or her status during the first two weeks of classes.

Beginning with its next cycle of third-party servicer submissions, UW-Milwaukee will alter its business practice so that it will be appending to the

previously submitted enrollment files instead of overwriting the data in its entirety. As such, a historical enrollment record will be available for the student, and any status changes will be correctly tracked by the third-party servicer and reported accurately to NSLDS.

Finding WI-08-15: Administration of Foster Care Funds

Foster Care—Title IV-E funds are available to provide financial support to students who are pursuing an MSW degree and who agree to work in the public child welfare field upon graduation for a period of time equal to the time financial support was received. Under agreements with the Department of Children and Families, UW-Milwaukee provides financial assistance to help pay for these students' tuition, books, and in some cases living costs. During FY 2007-08, approximately 64 full- and part-time students were enrolled in UW-Milwaukee's MSW program, although at least 11 of these students left the program prior to graduation. In addition, the UW-Milwaukee Helen Bader School of Social Welfare spent foster care funds to develop, provide, and administer training to state and contract staff and to foster parents.

Because UW-Milwaukee's share of expenditures was only 2.5 percent of the State's total funding for foster care programs during FY 2007-08, our review focused primarily on the allowability of costs charged to the Foster Care—Title IV-E program by UW-Milwaukee. We identified two primary concerns.

First, apparently due to staff error, UW-Milwaukee overcharged the program $112,943 for tuition for MSW students attending the summer 2007 session. Tuition was paid twice, first on an initial tuition billing and then on a final billing that incorporated various adjustments. Had we not detected this overcharge in our testing, UW-Milwaukee would retain $112,943 in state and federal funds for costs that it did not incur.

Second, the School of Social Welfare used multiple electronic spreadsheets to track whether the students' postgraduate employment requirements were fulfilled. However, these spreadsheets contained inconsistent information, and some entries were based on conversations with contract agency staff that were not supported by other documentation. For instance, in our review of seven files, we found that one did not contain sufficient documentation of a determination that the student had fulfilled her postgraduate employment requirement. Therefore, it is unknown whether this student should have been required to repay some or all of the financial assistance she received as a student. School of Social Welfare staff told us that a new system for tracking the postgraduate employment requirement was implemented in November 2008. We will review the effectiveness of this system during next year's single audit.

We also noted one minor instance of noncompliance with state and federal purchasing rules. The School of Social Welfare made a $244 purchase that did not

comply with purchasing rules because it was made on a purchasing card by someone other than the approved cardholder, and UW-Milwaukee did not obtain an itemized receipt or other acceptable supporting documentation.

The process used to claim federal reimbursement is complex, and it would be difficult and time-consuming to determine the exact federal share of unallowable costs. Therefore, we question the entire $113,187 of potentially unallowable costs identified during our review, but note UW-Milwaukee will need to work with the Department of Children and Families to determine the actual amount that will need to be returned to the federal government.

☑ Recommendation

We recommend the University of Wisconsin-Milwaukee take steps to improve internal control over its administration of Foster Care—Title IV-E to ensure funds are spent in compliance with federal and state requirements. We also recommend the University of Wisconsin-Milwaukee work with the Department of Children and Families to determine and pay any amounts owed to the federal government because of the questioned costs.

Finding WI-08-15: Administration of Foster Care Funds

Foster Care—Title IV-E (CFDA #93.658)

Award Numbers	Award Years
G0701WI1401	2007
G0801WI1401	2008

Questioned Costs: $113,187

UW-Milwaukee Response and Corrective Action Plan: UW-Milwaukee is committed to maintaining effective internal control over the administration of all foster care funds and will work with the Department of Children and Families to promptly pay all amounts owed to the federal government.

With respect to the specific findings, UW-Milwaukee will reverse the $112,943 transaction, and by March 31, 2009, will process a refund for the overbilling. UW-Milwaukee has reviewed its accounting practices related to billing for tuition and has made changes to prevent overbilling in the future.

UW-Milwaukee acknowledges concerns about the multiple spreadsheets that were used to track students' postgraduate employment requirements. UW-Milwaukee will ensure that a single comprehensive record of all participants is maintained. UW-Milwaukee is confident that no student who has participated in the program has failed to fulfill his or her employment or monetary-repayment obligation, and the auditors do not cite any evidence that this occurred. However, UW-Milwaukee agrees that written confirmation from employers is needed after each student's work obligation

is completed. UW-Milwaukee will make certain the new tracking system it implemented last fall continues to meet that standard.

The $244 purchase was for allowable program supplies for which the vendor did not supply a fully itemized receipt, either initially or after several subsequent requests. While this is a highly unusual transaction, UW-Milwaukee will refund the $244 to the program by March 31, 2009, and will take measures to correct any oversight of this kind in the future. These measures include: (1) reinforcing the policy requiring fully itemized receipts with staff and; (2) enhancing internal controls by adding an "itemized documentation" check-off box to both expense and payment request forms, to remind staff to obtain proper documentation and to ensure that no expense is paid without such documentation.

Allowing one staff member to make purchases with a purchasing card listed in another's name is not the standard practice of the program. This purchase was initiated and overseen by the cardholder. Another staff member was allowed to pick up the purchase for the sake of efficiency and maximizing the use of staff time. All staff have been reminded that only cardholders may make purchases and that no exceptions will be allowed in the future.

University of Wisconsin-Green Bay

UW-Green Bay, which provides instruction to 6,100 students seeking undergraduate or graduate degrees, had operating costs totaling $70.4 million in FY 2007-08. Federal grant expenditures for that period totaled $24.1 million, including $885,600 for the Research and Development Cluster and $22.3 million for the Student Financial Aid Cluster.

During our current audit, we followed up on the efforts of UW-Green Bay to address concerns included in our FY 2006-07 single audit report. We found that UW-Green Bay has resolved concerns related to federal reporting within the Fiscal Operations Report and Application to Participate (FISAP) (Finding WI-07-14) and the return of student financial aid funds (Finding WI-07-16 and Finding WI-07-17). However, UW-Green Bay needs to continue its efforts to resolve concerns related to reporting of student enrollment changes.

Finding WI-08-16: Enrollment Reporting

The National Direct Student Loan Data System periodically provides UW-Green Bay with a roster file containing information on students receiving federal student loans. According to federal regulations, each institution must certify the information and report to NSLDS any student enrollment status changes, such as withdrawals and graduations, within 30 days of the roster file being created. Although UW-Green Bay uses a third-party servicer for NSLDS reporting, UW-Green Bay is

ultimately responsible for timely and accurate enrollment reporting. It is important that this information is accurate since financial institutions may use NSLDS enrollment data to determine eligibility for transfer students or to determine when students' grace periods end and when students must begin repaying their loans.

During our prior audit, we identified concerns with timely reporting of enrollment status changes to NSLDS, and we recommended UW-Green Bay work with and monitor the third-party servicer to ensure enrollment changes for students who receive federal student loans are provided to NSLDS in a timely manner (Finding WI-07-15). In its corrective action plan, UW-Green Bay indicated that it would report monthly to the third-party servicer, which would report enrollment status changes to NSLDS each month.

However, in following up on this concern during our current audit, we found UW-Green Bay has not fully implemented corrective action. While UW-Green Bay established a process for monthly reporting of enrollment changes to the third-party servicer, the reporting was not completed during the summer months. As a result, students who withdrew or dropped out near the end of the spring semester or graduated were not reported to NSLDS on a timely basis.

We tested records for five students who graduated in May 2008 and found that enrollment status changes for all of these students were not reported to NSLDS in a timely manner. Four of the students continued to be reported as enrolled until October 27, 2008, or 148 days after the NSLDS roster files were created, and the other student continued to be reported as enrolled until December 23, 2008, or 205 days after the NSLDS roster files were created. In addition, we found one student who withdrew on March 10, 2008, but her enrollment status change has not been reported to NSLDS. While UW-Green Bay reported the enrollment status change to the third-party servicer in March 2008, UW-Green Bay did not monitor to ensure the third-party servicer reported the change to NSLDS.

Because of these delays, some students graduating in May or withdrawing near the end of the semester may not have been required to begin repaying their loans in a timely manner. Further, transfer students may have appeared ineligible for financial aid at their new institutions.

☑ Recommendation

We recommend the University of Wisconsin-Green Bay follow its schedule and report enrollment status changes to the third-party servicer on a monthly basis. Further, we recommend the University of Wisconsin-Green Bay continue to monitor the third-party servicer to ensure enrollment changes for students who receive federal student loans are provided to the National Student Loan Data System accurately and in a timely manner.

Finding WI-08-16: Enrollment Reporting

Federal Family Education Loans (CFDA #84.032)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-Green Bay Response and Corrective Action Plan: UW-Green Bay will continue to report enrollment status changes to its third-party servicer on a monthly basis. UW-Green Bay has requested that the third-party servicer report enrollment status changes to NSLDS on a monthly basis. Further, UW-Green Bay will monitor the third-party servicer to ensure enrollment status changes are being reported to NSLDS accurately and timely.

University of Wisconsin-Oshkosh

UW-Oshkosh, which provides instruction to 12,800 students seeking undergraduate or graduate degrees, had operating costs totaling $139.0 million in FY 2007-08. Federal grant expenditures for that period totaled $53.8 million, including $987,500 for the Research and Development Cluster and $46.7 million for the Student Financial Aid Cluster.

We documented and tested UW-Oshkosh's internal controls used in administering the Student Financial Aid Cluster. In addition, we tested compliance with grant requirements for the Student Financial Aid Cluster. Overall, UW-Oshkosh's internal controls appear adequate to ensure compliance with grant requirements for the Student Financial Aid Cluster. However, we identified concerns regarding UW-Oshkosh's return of student financial aid funds and the timeliness of requests for federal reimbursement.

Finding WI-08-17: Return of Student Financial Aid Funds

Student financial aid funds are awarded and disbursed to UW-Oshkosh students to offset attendance costs, such as tuition and housing. When a financial aid recipient withdraws from school, the student may no longer be eligible for the full amount of funds that he or she was originally awarded. Therefore, if the amount disbursed to the student is greater than the amount "earned," as determined by the percentage of school days attended, UW-Oshkosh must calculate, in accordance with federal regulations, the amount to be returned to the financial aid programs. Both the school and the student may be responsible for returning funds to the programs.

Students may withdraw from school by providing official notification of their plans to withdraw or, if no withdrawal notification is provided, by ceasing attendance at classes. Federal regulations require schools to identify students who withdraw without official notification and determine each student's withdrawal date within 30 days of the end of the semester. Federal regulations also require the school to return funds to the appropriate student financial aid programs as soon as possible, but no later than 45 days after the institution determines the withdrawal date.

UW-Oshkosh has procedures in place for identifying students who officially withdraw during the semester and for ensuring that a return-of-funds calculation is accurately completed for these students. We tested records for ten students who officially withdrew during the semester and found that return calculations were completed accurately and on a timely basis.

However, while UW-Oshkosh has procedures in place for determining "unofficial" student withdrawals, its procedures do not require the determination be completed within 30 days of the end of the semester. At the time of our fieldwork in April 2008, UW-Oshkosh had not determined withdrawal dates or completed return calculations for students who had unofficially withdrawn during the summer 2007 and fall 2007 semesters. UW-Oshkosh staff indicated that they were unaware of the federal requirement to determine each unofficially withdrawn student's withdrawal date within 30 days of the end of the semester. Therefore, UW-Oshkosh is in noncompliance with the federal time lines for determining unofficial withdrawal dates and completing return calculations.

☑ Recommendation

We recommend the University of Wisconsin-Oshkosh implement procedures to ensure:

- *that a timely determination of withdrawal dates is made for students who have withdrawn without providing official notification; and*
- *that any funds that need to be returned to the applicable financial aid programs are returned within the required time period.*

Finding WI-08-17: Return of Student Financial Aid Funds

Student Financial Aid Cluster

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-Oshkosh Response and Corrective Action Plan: UW-Oshkosh concurs with the recommendation. UW-Oshkosh will work to ensure that any funds needing to be returned to financial aid programs are returned within the required time period. UW-Oshkosh is also researching alternatives for determining unofficially withdrawn students, with implementation later this year.

Finding WI-08-18: Cash Management

Student financial aid funds are requested from the U.S. Department of Education on a reimbursement basis. Effective cash management procedures include requesting reimbursement as soon as possible after disbursing the funds to students. Such procedures ensure that neither the federal government nor the State earns interest income at the expense of the other.

To request federal reimbursement, UW-Oshkosh staff receive a cash flow statement from the general ledger that details the balances of the student financial aid accounts. If the statement shows a negative cash balance, a request for reimbursement is processed. To properly reflect balances, the general ledger must be manually updated with amounts received from the Financial Aid Office. Staff in the Student Accounts Office are responsible for completing these manual updates and making the request for reimbursement. However, during our audit, we found that updates to the general ledger, and therefore requests for reimbursement, were not being made on a timely basis. Staff in the Student Accounts Office indicated that they were performing additional duties with fewer staff than in prior years and were unable to complete the reimbursement requests on a timely basis.

For example, UW-Oshkosh disbursed approximately $2.8 million in Pell and FSEOG funds on September 13, 2007, but did not request federal reimbursement until November 12, 2007, or 60 days later. During the spring semester, approximately $3.0 million in Pell and FSEOG funds were disbursed on February 11, 2008, but reimbursement was not requested until April 28, 2008, or 77 days later. Similarly, Academic Competitiveness Grant and National Science and Mathematics Access to Retain Talent Grant funds were disbursed by UW-Oshkosh on March 5, 2008, but a request for federal reimbursement was not made until April 28, 2008, or 54 days later. Finally, UW-Oshkosh disbursed funds related to the FWS Program throughout the FY 2007-08 academic year, but did not request reimbursement from the program until May 2008. As a result of these delays, we estimate lost interest to the State of $56,000.

☑ Recommendation

We recommend the University of Wisconsin-Oshkosh ensure it requests federal reimbursement of student financial aid expenditures to minimize the time between when it disburses aid to students and when it receives reimbursement.

Finding WI-08-18: Cash Management

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)

Federal Work-Study Program (CFDA #84.033)

Federal Pell Grant Program (CFDA #84.063)

Academic Competitiveness Grant (CFDA #84.375)

National Science and Mathematics Access to Retain Talent Grant (CFDA #84.376)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-Oshkosh Response and Corrective Action Plan: UW-Oshkosh concurs with the recommendation. Due in part to the staff shortages in the Student Accounts Office and in part to departmental functionality, the responsibility for completion of the drawdowns has been placed with a grants accountant position. UW-Oshkosh will continue to work to minimize the time between the disbursement of aid and requests for federal reimbursement.

University of Wisconsin-Parkside

UW-Parkside, which provides instruction to 5,000 students seeking undergraduate or graduate degrees, had operating costs totaling $54.8 million in FY 2007-08. Federal grant expenditures for that period totaled $21.4 million, including $121,300 for the Research and Development Cluster and $19.8 million for the Student Financial Aid Cluster.

We documented and tested UW-Parkside's internal controls used in administering the Student Financial Aid Cluster. In addition, we tested compliance with grant requirements for the Student Financial Aid Cluster. Overall, UW-Parkside's internal controls appear adequate to ensure compliance with grant requirements for the Student Financial Aid Cluster. However, we identified concerns regarding satisfactory academic progress and reconciliation procedures.

Finding WI-08-19: Satisfactory Academic Progress

Federal regulations require that students receiving federal student financial aid must complete a minimum percentage of credit hours attempted each semester they are enrolled to ensure steady progress toward degree completion. UW-Parkside's policy states that freshmen and sophomores must complete 60 percent of credit hours attempted, while all other students must complete 75 percent of credit hours attempted. Completion is defined as earning a passing grade of at least

a D. A student who fails to meet this requirement for one semester is to be placed on financial aid probation. A student who fails to meet this requirement during consecutive semesters is no longer eligible to receive federal financial aid unless he or she seeks and is granted an appeal because of personal injury or illness, death of a relative, or other special circumstances.

To identify students who are not meeting the satisfactory academic progress criteria, UW-Parkside staff run a program in the student information system before each semester begins. The program identifies students who should be placed on financial aid probation and students who are not eligible for federal student financial aid during the upcoming semester. However, during our audit, we identified an error in the program resulting in the failure to identify some students who should, in fact, have been placed on financial aid probation or been made ineligible for student financial aid. As a result, some students were inappropriately awarded and disbursed federal student financial aid.

Specifically, we found the program is not properly classifying students based on their withdrawal dates. Students who withdraw after the "census date," which is the last day a student may withdraw and receive a 100 percent tuition refund, are supposed to be considered enrolled during that semester. However, the program appears to be considering any student who withdrew from all classes during the semester as not being enrolled at any point during the semester for purposes of calculating his or her percentage of completion. Therefore, that semester would not be considered in determining probationary status or student financial aid eligibility, and UW-Parkside staff would consider such students eligible for federal student financial aid.

For example, we identified one student who completed 46 percent of the credits she attempted during the fall 2006 semester and none of the credits she attempted during the spring 2007 semester. This student withdrew from some classes during the fall 2006 semester and from all of her classes after the census date during the spring 2007 semester. As a result, this student was not eligible to receive federal financial aid in the fall 2007 semester. However, UW-Parkside awarded and disbursed a total of $1,617 in Pell Grant funds, $150 in FSEOG funds, and $3,149 in Federal Family Education Loans (FFEL) funds to this student for the fall 2007 semester. Further, because this student completed only 30 percent of the credits attempted for the fall 2007 semester, she was not eligible to receive federal financial aid in the spring 2008 semester. However, the program identified her as being on student financial aid probation, rather than ineligible for aid, and therefore UW-Parkside inappropriately awarded and disbursed a total of $2,155 in Pell Grant funds, $150 in FSEOG funds, and $3,149 in FFEL funds to this student for the spring 2008 semester.

After we discussed our concerns with UW-Parkside staff, they reviewed records for all students during the fall 2006, spring 2007, and fall 2007 semesters and identified three additional students who did not meet the satisfactory academic progress requirements. For the fall 2007 and spring 2008 semesters, these students were awarded and disbursed $3,567 in Pell Grant funds, $150 in FSEOG funds, $528 in Perkins Loan funds, and $14,367 in FFEL funds. Therefore, we question total costs

of $28,982 for the four students who were inappropriately awarded and disbursed student financial aid. We also note that these students were awarded and received state student financial aid, which is subject to the same satisfactory academic progress rules as federal student financial aid.

☑ Recommendation

We recommend the University of Wisconsin-Parkside takes steps to correct the error in the student information system program and ensure staff are properly identifying students who are not meeting the satisfactory academic progress eligibility requirement.

Finding WI-08-19: Satisfactory Academic Progress

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)

Federal Family Education Loans (CFDA #84.032)

Federal Perkins Loan Program (CFDA #84.038)

Federal Pell Grant Program (CFDA #84.063)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: $28,982

UW-Parkside Response and Corrective Action Plan: UW-Parkside agrees with the finding that four students (out of approximately 4,000) have been identified as receiving financial aid when they did not meet the satisfactory academic progress criteria. After a thorough examination of its Satisfactory Academic Program Review software, UW-Parkside noted an error within the written SQR program that inaccurately included this small group of students as meeting eligibility requirements. UW-Parkside has since made the necessary programming changes to ensure this issue has been addressed and that its program will run properly in the future.

Finding WI-08-20: Reconciliation Procedures

UW-Parkside initiates student financial aid transactions on the financial aid system. At least weekly, a file is created from the financial aid system for Perkins and FSEOG disbursements, which the Bursar's Office posts to student accounts on the financial aid system. Financial aid disbursements are then included in the nightly interface with the general ledger. For FWS, earnings information from the payroll system is uploaded to the general ledger and to the financial aid system each pay period. To ensure student financial aid transactions are properly recorded, it is important that UW-Parkside complete regular reconciliations between the financial aid system and the general ledger. In addition, federal regulations require that these reconciliations for FWS, FSEOG, and Perkins be completed at least monthly.

However, we found that UW-Parkside does not perform monthly reconciliations between its financial aid system and general ledger for the FWS, FSEOG, and Perkins Loan programs. These reconciliations were not performed because the financial aid system and general ledger are part of the same overall PeopleSoft system, and thus staff believed a reconciliation was not required. Without monthly reconciliations, UW-Parkside is not assured that all records correctly upload from the financial aid system to the general ledger, and therefore UW-Parkside is not in compliance with federal regulations.

☑ Recommendation

We recommend the University of Wisconsin-Parkside comply with the federal requirements to complete monthly reconciliations of the student financial aid programs, to ensure Federal Work-Study Program earnings and Federal Supplemental Educational Opportunity Grants and Federal Perkins Loan Program disbursements are properly recorded on the student financial aid system and the general ledger.

Finding WI-08-20: Reconciliation Procedures

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)

Federal Work-Study Program (CFDA #84.033)

Federal Perkins Loan Program (CFDA #84.038)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-Parkside Response and Corrective Action Plan: UW-Parkside has been performing some reconciliations between the financial aid system and the general ledger. However, these reconciliations are performed on a periodic basis, usually when large amounts of financial aid transactions take place, and always at year-end. UW-Parkside has not necessarily been performing these reconciliations on a monthly basis, as it thought its process was sufficient. UW-Parkside agrees to begin to perform the reconciliations on a monthly basis to be in compliance with federal regulations.

University of Wisconsin-River Falls

UW-River Falls, which provides instruction to 6,500 students seeking undergraduate or graduate degrees, had operating costs totaling $83.3 million in FY 2007-08. Federal grant expenditures for that period totaled $28.6 million, including $64,100 for the Research and Development Cluster and $26.8 million for the Student Financial Aid Cluster.

During our current audit, we followed up on the efforts of UW-River Falls to address concerns included in our FY 2006-07 single audit report. We found that UW-River Falls has resolved concerns related to the return of student financial aid funds (Finding WI-07-22) and has implemented proper separation of duties over student payroll processing (Finding WI-07-20). However, UW-River Falls needs to continue its efforts to resolve concerns related to federal reporting within the Fiscal Operations Report and Application to Participate, reconciliation procedures, documentation of student payroll, and enrollment reporting.

Finding WI-08-21: Federal Reporting

After each academic year, UW-River Falls is required to complete the FISAP to report financial activity for the Perkins Loan, FSEOG, and FWS financial aid programs. The FISAP is used as a basis for determining future financial aid awards from the U.S. Department of Education. Therefore, it is critical that the information in the FISAP is both accurate and properly supported. Further, under the provisions of 34 CFR 668.24(e)(1), schools must retain the FISAP and any records necessary to support FISAP data for three years after the end of the award year for which the report is submitted.

During our prior audit, we tested UW-River Falls' FY 2005-06 FISAP, which was filed with the Department of Education in September 2006. UW-River Falls staff provided us with supporting documentation that we used to verify the accuracy of the report. However, we found that the supporting documentation provided by UW-River Falls staff did not always agree with the information in the FISAP. We recommended UW-River Falls review the amounts reported on the FISAP and ensure they were accurate and agreed with appropriate supporting documentation (Finding WI-07-18).

While UW-River Falls corrected the errors in the FY 2005-06 FISAP and resubmitted the revised report to the Department of Education, we continued to identify documentation concerns with the FY 2006-07 FISAP. We tested UW-River Falls' FY 2006-07 FISAP, which was filed with the Department of Education in September 2007, and found two areas where amounts reported did not agree with supporting documentation.

First, in Part V, Sections F, G, and H, schools must report the number of students who worked in the Job Location and Development Program, Community Service Activities, and Reading Tutors of Children. UW-River Falls was unable to provide us documentation to support the information it included in the report.

Second, in Part VI, Section A, schools must disclose the number of program recipients and expenditures by income level and type of student for Perkins Loan, FSEOG, and FWS programs. Most of the student counts and expenditure amounts listed for FWS did not trace to the supporting documentation provided to us. UW-River Falls staff were unable to explain to us how the reported amounts were determined.

After bringing these concerns to their attention, UW-River Falls staff indicated that these errors occurred because of staff turnover.

☑ Recommendation

We recommend the University of Wisconsin-River Falls:

- *review the amounts reported on the Fiscal Operations Report and Application to Participate and ensure they are accurate and agree with appropriate supporting documentation; and*
- *maintain supporting documentation used to prepare the Fiscal Operations Report and Application to Participate, as required by federal regulations.*

Finding WI-08-21: Federal Reporting

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)

Federal Work-Study Program (CFDA #84.033)

Federal Perkins Loan Program (CFDA #84.038)

Award Numbers	Award Year
Various	FY 2006-07

Questioned Costs: None

UW-River Falls Response and Corrective Action Plan: UW-River Falls understands that it is required to completely and accurately document all items entered into the FISAP and any other report, and that it is required to retain all documentation. UW-River Falls will document accordingly, and retain all documentation, starting with the next FISAP.

Finding WI-08-22: Reconciliation Procedures

UW-River Falls initiates student financial aid transactions on the financial aid system. At least weekly, a file is created from the financial aid system for Perkins and FSEOG disbursements and is posted to student accounts on the financial aid system. Financial aid disbursements are then included in the nightly interface with the general ledger. For FWS, earnings information from the payroll system is uploaded to the general ledger and to the financial aid system each pay period. To ensure student financial aid transactions are properly recorded, it is important that UW-River Falls complete regular reconciliations between the financial aid system and the general ledger. In addition, federal regulations require these reconciliations for FWS, FSEOG, and Perkins be completed at least monthly.

During our prior audit, we found that UW-River Falls did not perform monthly reconciliations between its financial aid system and general ledger for the FWS, FSEOG, and Perkins programs. We recommended UW-River Falls comply with the federal requirements to complete these monthly reconciliations to ensure FWS earnings and FSEOG and Perkins disbursements are properly recorded on the student financial aid system and the general ledger (Finding WI-07-19). In its corrective action plan, UW-River Falls agreed to implement monthly reconciliations.

During our current audit, we found UW-River Falls staff developed written procedures for completing monthly reconciliations for FWS, FSEOG, and Perkins. However, apparently due to staff turnover, UW-River Falls has not prepared any monthly reconciliations through January 2009, although an annual reconciliation was performed at the time the FISAP was prepared. Therefore, UW-River Falls continues to be in noncompliance with federal requirements to perform monthly reconciliations for the FWS, FSEOG, and Perkins programs.

☑ Recommendation

We recommend the University of Wisconsin-River Falls comply with the federal requirements to complete monthly reconciliations of the student financial aid programs to ensure Federal Work-Study Program earnings and Federal Supplemental Educational Opportunity Grants and Federal Perkins Loan Program disbursements are properly recorded on the student financial aid system and the general ledger.

Finding WI-08-22: Reconciliation Procedures

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)

Federal Work-Study Program (CFDA #84.033)

Federal Perkins Loan Program (CFDA #84.038)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-River Falls Response and Corrective Action Plan: The Financial Aid Informational Technology (IT) functional lead, who worked on the written procedures for reconciliations, left the Financial Aid Office in the summer of 2008 and this position was not filled until late September. The following month, the former director left. It was not until working on these recent audit findings that UW-River Falls discovered this was left undone and unassigned.

The Financial Aid Director and Financial Aid IT functional lead have already met with the new internal auditor to ensure that UW-River Falls is now performing reconciliations on a monthly basis.

Finding WI-08-23: Internal Controls over Student Payroll

UW-River Falls participates in the FWS Program. As part of our prior audit, we reviewed internal controls over the processing and distribution of student payroll checks, and we tested for compliance with FWS requirements. As a result of our work, we reported on concerns in three areas:

- We identified concerns with the separation of payroll processing and disbursement of paychecks. In the prior year, some student paychecks were held at the Payroll Office, where with proper identification students could pick up their paychecks. We expressed concern because these paychecks were held by the student payroll coordinator, who had the ability to add new students to the payroll system and to enter hours worked onto the student payroll system. These conflicting duties gave the student payroll coordinator position the ability to enter a fictitious employee on the system and receive the paycheck.

- We noted that the student paychecks were not secured in a locked cabinet during the day. Rather they were placed on a bulletin board beneath the desk of the student payroll coordinator in the Payroll Office. We noted that stronger control over student payroll processing could be maintained if these checks were disbursed from the Cashier's Office, rather than the Payroll Office.

- We identified some concerns with documentation, including that for one student the appointment screen on the student payroll system showed a pay rate of $7.00 per hour, but the student had been paid at a rate of $6.75 per hour. UW-River Falls staff explained that the difference may have occurred if the student had been given a pay rate increase. However, UW-River Falls staff were unable to provide documentation to support the student's starting wage or any increase in pay rate.

We previously recommended the University of Wisconsin-River Falls implement procedures to properly separate duties, and review our concerns with the student payroll system to ensure documentation of payroll activity, including changes in pay rates, is maintained (Finding WI-07-20).

In its corrective action plan, UW-River Falls indicated that all student payroll checks would be secured and distributed by the Cashier's Office. Further, UW-River Falls indicated that to ensure documentation of payroll activity, such as pay rate changes, is maintained, starting with the summer 2008 session this information would be sent to the Student Payroll Office via correspondence memorandum and maintained by the student payroll coordinator.

During our current audit, we found that student payroll checks are now secured and distributed by the Cashier's Office. We also found that, in response to our concerns, UW-River Falls implemented an annual review of payroll processing at the different departments. The review is performed by Human Resources staff and includes testing time sheets to ensure the necessary information, such as employee and supervisor signatures, is included; testing that time sheets match entries in the student payroll system; and determining whether the department is reviewing the payroll edit reports. The first review was conducted in April 2008 and found exceptions in eight of the ten departments reviewed. However, apparently because of staff shortages, Human Resources did not follow up on these errors.

We again performed compliance testing related to FWS, and while we did not identify any concerns with pay rates, we did find documentation concerns such as:

- one student was paid for an additional one-half hour of work;
- two time sheets were dated by the employee prior to the end of the pay period; and
- two time sheets were not submitted for payment until several pay periods later.

While it appears UW-River Falls has addressed some of our concerns, there continue to be documentation issues with student payroll.

☑ Recommendation

We recommend the University of Wisconsin-River Falls take steps to ensure payroll processing procedures are being followed, and appropriate and complete documentation is being maintained.

Finding WI-08-23: Internal Controls over Student Payroll

Federal Work-Study Program (CFDA #84.033)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-River Falls Response and Corrective Action Plan: The Financial Aid Director has already met with the new Human Resources Director, who fully appreciates and supports the need for accuracy in procedures and documentation. A meeting is scheduled in March 2009 with the appropriate staff members in the Human Resources Office and in the various colleges to re-examine the processes for student payroll and implement any changes required. Changes should be implemented by April 2009.

The Financial Aid Director has also designated one of the financial aid counselors in the Financial Aid Office to be the central contact and administrator for FWS, something UW-River Falls has not had for some time. While UW-River Falls cannot, and should not, bring any payroll duties into the Financial Aid Office, having a designated FWS coordinator will ensure that all processes are being maintained properly and supported as necessary.

Finding WI-08-24: Enrollment Reporting

The National Student Loan Data System periodically provides UW-River Falls with a roster file containing information on students receiving federal student loans. According to federal regulations, each institution must certify the information and report to NSLDS any student enrollment status changes, such as withdrawals and graduations, within 30 days of the roster file being created. Although UW-River Falls uses a third-party servicer for NSLDS reporting, UW-River Falls is ultimately responsible for timely and accurate enrollment reporting. It is important that this information is accurate, since financial institutions may use NSLDS enrollment data to determine eligibility for transfer students or to determine when students' grace periods end and when students must begin repaying their loans.

During our prior audit, we identified concerns with timely reporting of enrollment status changes to NSLDS, and we recommended UW-River Falls work with and monitor the third-party servicer to ensure enrollment changes for students who receive federal student loans are provided to NSLDS in a timely manner (Finding WI-07-21).

In its prior audit corrective action plan, UW-River Falls indicated that staff report enrollment status changes on a monthly basis to the third-party servicer, which then reports to NSLDS. However, we tested records for seven students who graduated in May 2008 and found that enrollment status changes for all of these students were not reported to NSLDS in a timely manner. The seven students continued to be reported as enrolled until November 27, 2008, or 170 days after the NSLDS roster file was created. In reviewing UW-River Falls' schedule for reporting to the third-party servicer, we found that no submissions were scheduled or made during the summer months. Therefore, students who withdrew or dropped out near the end of the spring semester or who graduated would not have been

reported to NSLDS on a timely basis. As a result, the students graduating in May would not have been required to begin repaying their loans in a timely manner. Further, transfer students may have appeared ineligible for financial aid at their new institutions.

☑ Recommendation

We recommend the University of Wisconsin-River Falls follow its schedule and report enrollment status changes to the third-party servicer on a monthly basis.

Finding WI-08-24: Enrollment Reporting

Federal Family Education Loans (CFDA #84.032)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-River Falls Response and Corrective Action Plan: UW-River Falls agrees with this recommendation. The Financial Aid Director has met with staff in the Registrar's Office, the Registrar, and the Associate Vice Chancellor for Enrollment Services, asking for support in enforcement of this routine but critical task.

The Financial Aid Director has also requested and received documentation that transmission dates for submissions though summer 2009 are already scheduled. The Financial Aid Director will continue to request a regular transmission log for documentation that this task is being performed henceforth.

University of Wisconsin-Stout

UW-Stout, which provides instruction to 8,500 students seeking undergraduate or graduate degrees, had operating costs totaling $125.3 million in FY 2007-08. Federal grant expenditures for that period totaled $46.8 million, including $149,800 for the Research and Development Cluster and $41.9 million for the Student Financial Aid Cluster.

During our current audit, we followed up on the efforts of UW-Stout to address concerns included in our FY 2006-07 single audit report. While some progress has been made, we found UW-Stout needs to continue its efforts to resolve concerns related to enrollment reporting.

Finding WI-08-25: Enrollment Reporting

The National Student Loan Data System periodically provides UW-Stout with a roster file containing information on students receiving federal student loans. According to federal regulations, each institution must certify the information and report to NSLDS any student enrollment status changes, such as withdrawals and graduations, within 30 days of the roster file being created. Although UW-Stout uses a third-party servicer for NSLDS reporting, UW-Stout is ultimately responsible for timely and accurate enrollment reporting. It is important that this information is accurate, since financial institutions may use NSLDS enrollment data to determine eligibility for transfer students or to determine when students' grace periods end and when students must begin repaying their loans.

We first identified concerns with the reporting of enrollment status changes during our FY 2005-06 audit. In following up on these concerns during our FY 2006-07 audit, we found that UW-Stout attempted to address our prior audit concerns and revised its reporting procedures to report to the third-party servicer more frequently. However, it appears the third-party servicer did not report enrollment status changes to NSLDS on a more frequent basis, and UW-Stout did not adequately monitor to ensure the third-party servicer reported the changes on a timely basis. We continued to identify that enrollment status changes for students were not reported on the NSLDS roster file that immediately followed their withdrawals.

As a result, we recommended UW-Stout continue to work with and monitor the third-party servicer to ensure enrollment changes for students who receive federal student loans are provided to NSLDS in a timely manner (Finding WI-07-24). In its corrective action plan, UW-Stout indicated plans to:

- increase the number of times it reports to the third-party servicer;
- work with NSLDS to synchronize its schedule to the third-party servicer's schedule; and
- conduct tests on a quarterly basis to monitor the performance of both the third-party servicer and NSLDS.

UW Stout indicated that corrective action would be implemented effective April 7, 2008.

During our current audit, we found UW-Stout took the steps noted in its corrective action plan; however, it appears that these corrective actions did not result in the third-party servicer reporting enrollment status changes to NSLDS on a more timely basis. During its October 2008 review of the performance of the third-party servicer, UW-Stout identified that two of ten students had not been accurately reported to NSLDS. Staff discovered that UW-Stout had been reporting graduating students with open graduation dates, indicating that they still had minor requirements to meet after graduation. As a result, these students were erroneously reported as graduating at a date later than the actual graduation date, which

caused them not to be reported in a timely manner. We noted similar discrepancies in our testing. We tested records for ten students who graduated, withdrew, or dropped out after April 7, 2008, and found that enrollment status changes for six of these students were not reported on the NSLDS roster file that immediately followed their withdrawals. The six students, four of whom were reported with open graduation dates, continued to be reported as enrolled for between 47 and 134 days after the NSLDS roster files were created. UW-Stout indicated that it plans to report all graduated students as of the date of graduation.

☑ Recommendation

We recommend the University of Wisconsin-Stout continue to work with and monitor the third-party servicer to ensure enrollment changes for students who receive federal student loans are provided to the National Student Loan Data System in a timely manner.

Finding WI-08-25: Enrollment Reporting

Federal Family Education Loans (CFDA #84.032)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-Stout Response and Corrective Action Plan: UW-Stout will implement the following actions, which will resolve remaining reporting issues. Effective March 1, 2009, UW-Stout will:

- implement a 45-day limit for clearing students to graduate;
- change official graduation dates to three terms only—fall, spring, summer; and
- modify the roster schedule to ensure graduates are reported in accordance with the changes in bullets one and two.

Further, UW-Stout's internal auditor will sample student enrollment change data after each graduation term to ensure UW-Stout is in compliance.

University of Wisconsin-Superior

UW-Superior, which provides instruction to 2,800 students seeking undergraduate or graduate degrees, had operating costs totaling $44.0 million in FY 2007-08. Federal grant expenditures for that period totaled $16.8 million, including

$1.6 million for the Research and Development Cluster and $14.3 million for the Student Financial Aid Cluster.

We documented and tested UW-Superior's internal controls used in administering the Student Financial Aid Cluster. In addition, we tested compliance with grant requirements for the Student Financial Aid Cluster. Overall, UW-Superior's internal controls appear adequate to ensure compliance with grant requirements for the Student Financial Aid Cluster. However, we identified concerns regarding internal controls over student payroll processing, access to the student information system, enrollment reporting, and the calculation of return of federal student financial aid funds.

Finding WI-08-26: Internal Controls over Student Payroll

UW-Superior participates in the FWS Program. As part of our audit, we reviewed internal controls over the processing and distribution of student payroll checks, and we tested for compliance with FWS requirements. We identified a concern with separation of duties related to student payroll.

Proper internal controls over payroll processing are important to ensure payments are authorized and accurate. One important control is to separate the responsibility for entry of new employees and the entry of time in the time-reporting system from the approval of payroll. However, we found that the same employee is responsible for entering new student employees into the payroll system, entering time into the time-reporting system, and granting final approval for payroll transactions. In addition, this employee is responsible for reviewing reports used to ensure that payroll is processing correctly. Because these duties have not been separated, this employee could enter a fictitious employee into the payroll system, enter hours worked into the time-reporting system, approve the transactions, and receive an unauthorized check. In addition, since the same employee reviews reports from the payroll system, fraudulent payments may not be detected.

☑ Recommendation

We recommend the University of Wisconsin-Superior develop and implement procedures that either properly separate the duties for processing student payroll or provide for effective review of payroll reports by someone not involved in the payroll process.

Finding WI-08-26: Internal Controls over Student Payroll

Federal Work-Study Program (CFDA #84.033)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-Superior Response and Corrective Action Plan: UW-Superior is considering procedures for an individual not involved in the payroll process to review payroll reports as recommended. UW-Superior anticipates this new procedure will be implemented by March 15, 2009.

Finding WI-08-27: Access to Student Information System

UW-Superior is responsible for administering and safeguarding its student information system, E-Hive, which is used to award student financial aid and contains personal information on students. It is important that UW-Superior take steps to protect this information from accidental or malicious dissemination, modification, or deletion. In order to ensure that information is appropriately safeguarded, access to the system should be limited to that necessary for individuals to complete their properly separated job duties.

We reviewed access to E-Hive and identified three concerns. First, we found that access to transactions exceeds that needed for employees' job duties. For example, five Cashier's Office staff, two Business Office staff, two Registrar's Office staff, and six IT staff have access to update and correct financial aid information, even though this access is not needed to perform their job duties. As a result of this access, student financial aid awards could be inappropriately changed, or personally identifiable information could be inappropriately disseminated.

Second, to maintain accountability, each user should be assigned a separate log-on ID. However, we found that student workers in the financial aid office are not assigned their own log-on ID for accessing E-Hive. Rather, one of the financial aid staff logs in and allows the student worker to use his or her account. As a result, a student worker could change his or her aid award, and the financial aid office would be unable to detect who made the change.

Finally, due to turnover, current IT staff do not appear to be knowledgeable about the procedures to properly set up user access to the E-Hive system. As a result, when a new user account needs to be established, the current access profile of a different user is copied, potentially providing the new user more access than may be needed for his or her job duties.

☑ Recommendation

We recommend the University of Wisconsin-Superior:

- *immediately review access to the E-Hive system and limit access to that needed for employees to perform their job duties, and establish procedures to periodically review access to ensure it remains consistent with employees' current job duties;*

- *require all E-Hive system users to use their own log-on ID and password; and*

- *provide training as needed to ensure IT staff have the skills necessary to establish appropriate access to the E-Hive system.*

Finding WI-08-27: Access to Student Information System

Student Financial Aid Cluster

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-Superior Response and Corrective Action Plan: UW-Superior Technology Services provides accounts for the student information system to all employees and all students. Security is assigned by role—students have access to view only their own personal information. Employees are assigned access based on their job functions. However, the PeopleSoft product is organized in distinct software modules that do not always align all functions and tasks to the campus organization chart. Therefore, security access is constructed of a combination of access to screens from the necessary modules. Additionally, many job functions require access to view information in the companion software modules, and full view and change access had been granted rather than just view access.

UW-Superior experienced turnover of five of seven experienced applications programming staff members between October 2006 and May 2007. This included the individual who designed and administered PeopleSoft security at UW-Superior. As of February 2009, Technology Services has filled each of these positions:

- An IT staff member is now beginning the process to be trained in PeopleSoft security design and maintenance. Training is planned using a combination of online training and in-person Oracle/PeopleSoft security courses. A second individual will be identified in the IT staff to also be trained in this function during the next 12 months. This training will be applied to creating procedures for periodic review by functional offices of security access.

- UW-Superior will in the next 12 months undertake an evaluation process with the functional managers of the software modules and the newly trained IT staff, to reevaluate all security access roles. Functional users will need to determine and document the proper separation of duties so that new account roles can be created and existing account roles corrected to reflect the separation of duties determined.

- UW-Superior will, during the next 12 months, establish a new method for providing office student workers access to complete their assigned tasks. It will be based on the functional managers' review and will narrow student access to limited tasks defined by the functional office.

- Additionally, UW-Superior will, during the next 12 months, create a discreet method for IT staff security access for production system support.

Finding WI-08-28: Enrollment Reporting

The National Student Loan Data System periodically provides UW-Superior with a roster file containing information on students receiving federal student loans. According to federal regulations, each institution must certify the information and report to NSLDS any student enrollment status changes, such as withdrawals and graduations, within 30 days of the roster file being created. Although UW-Superior uses a third-party servicer for NSLDS reporting, UW-Superior is ultimately responsible for timely and accurate enrollment reporting. It is important that this information is accurate, since financial institutions may use NSLDS enrollment data to determine eligibility for transfer students or to determine when students' grace periods end and when students must begin repaying their loans.

However, UW-Superior has not taken steps to ensure compliance with federal regulations. During our audit, we selected ten students who received federal student loans and had withdrawn or graduated during the audit period, to test whether their enrollment status was reported to NSLDS accurately and in a timely manner. We identified the following exceptions:

- Three students' enrollment changes were not reported on the NSLDS roster file that immediately followed their withdrawals. The students continued to be reported as enrolled from 47 to 204 days after the NSLDS roster file was created.

- Two other students were initially reported by UW-Superior to the third-party servicer as having withdrawn and not as having graduated until 79 days after the NSLDS roster file was created.

- Another student who unofficially withdrew on October 29, 2007, was not reported as withdrawn as of the end of January 2009.

As a result of these errors, students no longer enrolled would not have been required to begin repaying their loans in a timely manner. Further, if the students were to transfer, they may appear ineligible for financial aid at their new institutions.

☑ Recommendation

We recommend the University of Wisconsin-Superior work with and monitor the third-party servicer to ensure enrollment changes for students who receive federal student loans are provided to the National Student Loan Data System in a timely manner.

Finding WI-08-28: Enrollment Reporting

Federal Direct Student Loans (CFDA #84.268)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-Superior Response and Corrective Action Plan: UW-Superior began submitting enrollment changes to the third-party servicer every 30 days in July 2008. The campus is monitoring the NSLDS roster file to ensure accurate and timely enrollment information.

Finding WI-08-29: Return of Student Financial Aid Funds

Student financial aid funds are awarded and disbursed to UW-Superior students to offset attendance costs, such as tuition and housing. When a financial aid recipient withdraws from school, the student may no longer be eligible for the full amount of funds that he or she was originally awarded. Therefore, if the amount disbursed to the student is greater than the amount "earned," as determined by the percentage of school days attended, UW-Superior must calculate, in accordance with federal regulations, the amount to be returned to the financial aid programs. Both the school and the student may be responsible for returning funds to the programs. Federal regulations also state that no amounts need to be returned to the federal aid programs if a student remains in attendance for at least 60 percent of the semester. We identified two concerns with UW-Superior's return-of-funds calculation.

First, we found that by not consistently including a nine-day institutional break period in the return calculations, UW-Superior staff incorrectly determined the amount of financial aid earned for students who withdrew during the 2008 spring semester. The return calculations are performed electronically using UW-Superior's student information system, E-Hive. For the spring 2008 semester, due to apparent oversight, UW-Superior did not manually exclude all of the spring break days for four of the six students we selected for review, and manually excluded only a five-day institutional break for two other students. As a result, the system incorrectly calculated the amounts to be returned to the financial aid programs. For

these students, we found that UW-Superior returned $260 more than it should have to the Federal Direct Student Loans program.

After we brought this to their attention, UW-Superior staff recalculated the amounts that should have been returned to the financial aid programs for all 29 students who withdrew during the 2008 spring semester. We reviewed the recalculated amounts for our original selection of six students and found that UW-Superior had correctly revised its calculation of the amounts to return to the financial aid programs. In total, UW-Superior staff recalculated overpayments to the following federal programs for all students who withdrew during the 2008 spring semester:

- $32 to the Pell Grant Program; and
- $402 to the Federal Direct Student Loans program.

UW-Superior plans to adjust the financial aid program accounts accordingly.

Second, we found that UW-Superior did not perform a return-of-funds calculation for a student for the summer 2007 term. An incorrect withdrawal date was used that indicated the student had completed 60 percent of the summer term, and therefore financial aid staff believed no calculation was needed. When we performed the calculation using the correct withdrawal date, we found UW-Superior should have returned $1,460 to the Federal Direct Student Loans program, and the student should have returned $558 to the program.

☑ Recommendation

We recommend the University of Wisconsin-Superior take steps to ensure that:

- *institutional break periods are correctly considered when completing student financial aid return calculations; and*
- *correct withdrawal dates are used when completing student financial aid return calculations.*

Finding WI-08-29: Return of Federal Student Financial Aid Funds

Federal Pell Grant Program (CFDA #84.063)

Federal Direct Student Loans (CFDA #84.268)

Award Numbers	Award Year
Various	FY 2007-08

Questioned Costs: None

UW-Superior Response and Corrective Action Plan: UW-Superior recalculated refunds for all students who withdrew during the spring 2008 semester and is in the process of returning funds as appropriate with a targeted completion date of March 15, 2009. UW-Superior is also reviewing the setup of break periods to ensure accurate calculations in the future.

UW-Superior has reviewed the questioned refund for the summer 2007 semester and has determined a refund to the Federal Direct Student Loans program is appropriate. Funds will be returned as appropriate by March 15, 2009.

Wisconsin Humanities Council

The Council expended $524,600 in federal funds under the Promotion of the Humanities—Federal/State Partnership grant during FY 2007-08. Administrative costs, such as payroll for Council staff, make up 84 percent of these expenditures. The remaining funding is used to provide "regrants" to nonprofit organizations throughout Wisconsin for use in various humanities projects. The Council contracts with UW-Extension for accounting services. UW-Extension is responsible for processing payments, requesting federal funding, and preparing federal financial reports for the Promotion of the Humanities grant. During our audit, we identified concerns with UW-Extension's procedures for requesting federal funding, as well as concerns with matching for this grant.

Finding WI-08-30: Cash Management

National Endowment for the Humanities (NEH) regulations allow grant funds to be requested on an advance basis. According to NEH rules, humanities councils should normally draw funding at least once a month and should have procedures in place to ensure funds on hand do not exceed the council's cash needs for a 30-day period.

To meet these cash management requirements, UW-Extension estimates the amount of funding to request near the middle of each month for that monthly period. For example, a funding request was made on July 23, 2007, for the month of July. To determine the amount of funding to request, UW-Extension staff estimate cash needs based on expenditures to date for that month, as well as anticipated expenditures for the remaining days of the month. In addition, consideration is given to the cash balance at the beginning of the month. UW-Extension staff use spreadsheets to track expenditures and funding requests. Using the information in the spreadsheets, UW-Extension staff prepare the Request for Advance or Reimbursement report, which is reviewed by another UW-Extension employee prior to submission to NEH.

As part of our audit work, we identified three types of errors in the supporting spreadsheets that UW-Extension used to request advance funding. First, we found the ending cash balance for one month did not always match the beginning cash balance for the subsequent month. For example, the ending cash balance for November 2007 was $4,000, but in calculating the advance request for December, staff used a beginning cash balance of $13,400. This error appears to have occurred because expenditures for the prior month, which are used to calculate the beginning cash balance, were not entered correctly into the supporting spreadsheets.

Second, we found that for some months, the beginning cash balances were correct in the supporting spreadsheets, but the amounts carried over to the advance request form were incorrect. For example, the beginning cash balance for September 2007 as calculated on the spreadsheet was $3,400, but the amount entered as the beginning cash balance for September 2007 in the advance request form was ($3,400).

Finally, we identified a formula error in the spreadsheets involving the calculation of estimated expenditures that were used to prepare the advance request reports. For example, in the July supporting spreadsheets, the expenditures reported on the accounting system were entered into the spreadsheet properly, but the total expenditures did not calculate correctly because of a formula error, and were reported as $49,531. This formula error caused the expenditure estimate for the month to be understated by $703. This error continued until the October report, when it was identified and corrected by UW-Extension staff.

These errors generally did not result in UW-Extension requesting and receiving more federal funding than necessary for a month. The largest positive monthly ending cash balance was $5,091 during FY 2007-08. Given that NEH guidelines allow humanities councils 30 days to spend the funding and to keep $250 of interest earnings per fiscal year, we do not believe any interest penalties would be due to the federal government. However, these control deficiencies could have resulted in UW-Extension requesting funding in an amount greater than needed for the month.

☑ Recommendation

We recommend the University of Wisconsin-Extension improve its process for reviewing requests for advances to ensure the amounts reported on the Request for Advance or Reimbursement reports are accurate and agree with appropriate supporting documentation.

Finding WI-08-30: Cash Management

Promotion of the Humanities—Federal/State Partnership
(CFDA #45.129)

Award Number	Award Year
SO-50285-08	FY 2007-08

Questioned Costs: None

Wisconsin Humanities Council Response and Corrective Action Plan: UW-Extension agrees with the recommendation to improve its process for reviewing the Requests for Advance and its supporting documentation. UW-Extension intends to change the current process in the near future. UW-Extension has been given verbal approval from NEH to change the method of requesting funds from an advance basis to a cost-reimbursable basis. That will eliminate the need for this process. We will implement the change of the reimbursement basis of this grant to cost-reimbursable as soon as written approval has been received from NEH.

Finding WI-08-31: Matching

The Promotion of the Humanities grant program has a five-year grant period, with annual grant awards. The Wisconsin Humanities Council is required to match federal funding on a dollar-for-dollar basis. Matching requirements can be met through cash expenditures or in-kind expenditures. Federal regulations require that matching expenditures charged to the grant program be allowable costs. For example, indirect costs may be charged to the program as matching expenditures if the Council has an NEH-approved indirect cost rate in place or the charge for indirect costs does not exceed 10 percent of direct costs, up to a maximum of $5,000 in indirect costs per year. If an NEH-approved indirect cost rate is not in place, documentation must be maintained to support indirect costs charged to the grant.

UW-Extension reports matching expenditures on the annual financial status report. Most matching expenditures for the Promotion of the Humanities grant are in the form of in-kind contributions provided by regrantees as they complete a project funded by the federal grant program. However, UW-Extension also reports indirect costs as matching expenditures.

We tested the financial status report for the year ended October 31, 2007, the third year of the five-year grant period, and noted that UW-Extension reported $1,542,792 in cumulative federal expenditures and an equal amount for cumulative matching expenditures for the Promotion of the Humanities grant. UW-Extension was able to provide supporting documentation for $1,234,096 in match from regrantees. We were told the remaining reported match of $308,696 was indirect costs based on UW-Extension's approved indirect cost rate of 30 percent. UW-Extension staff calculated that there was a total of $411,293 in indirect costs as of October 31, 2007, but reported only $308,696, which was the minimum amount necessary to match the cumulative federal expenditures.

However, we are concerned with the appropriateness of applying UW-Extension's indirect cost rate to the Promotion of the Humanities grant because this rate has not been approved by NEH for use by the Council. Further, indirect costs typically include items such as salaries and fringe benefits of executive officers, the costs of operating and maintaining facilities, accounting and legal services, and office supplies. UW-Extension already bills the Council for the accounting services it provides. Therefore, reporting UW-Extension's indirect costs as matching

expenditures appears to be double-counting at least some costs and including other costs that may not be allowable because they relate to UW-Extension's indirect costs, and may not be reflective of the Council's indirect costs. Finally, according to NEH requirements, without an approved indirect cost rate, no more than $5,000 in indirect costs may be charged to the grant each year.

UW-Extension staff indicated that while they report indirect costs as matching expenditures in the annual financial status reports, they believe that by the end of the five-year grant period, the cumulative match that will be reported will consist solely of regrantee certified match, and will not include the indirect cost component. However, it is unclear in federal regulations whether match is required to be met on an annual basis or solely at the end of the five-year grant period.

☑ Recommendation

We recommend the University of Wisconsin-Extension and the Wisconsin Humanities Council:

- *work with the National Endowment for the Humanities to determine whether matching requirements need to be met on an annual basis or whether match is only required to be met by the end of the five-year grant period; and*

- *limit the amount of indirect costs charged as matching expenditures to the Promotion of the Humanities grant to $5,000, and maintain documentation to support those costs or seek NEH approval to use the UW-Extension indirect cost rate for the Promotion of the Humanities grant.*

Finding WI-08-31: Matching

Promotion of the Humanities—Federal/State Partnership
(CFDA #45.129)

Award Number	Award Year
SO-50285-08	FY 2007-08

Questioned Costs: None

Wisconsin Humanities Council Response and Corrective Action Plan: UW-Extension agrees with the recommendation to review the practice of using unrecovered indirect costs as match on the interim annual financial reports. UW-Extension intends to change this current practice. UW-Extension has been given verbal guidance by NEH that match is not required to meet expenditures on an annual basis, but solely at the conclusion of the five-year grant period. By the end of the five-year grant period enough matching will be documented from other sources that the use of unrecovered indirect costs should not be necessary.

University of Wisconsin System
Summary of Findings and Questioned Costs
FY 2007-08

National Endowment for the Humanities

Wisconsin Humanities Council

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-30	45.129	Promotion of the Humanities—Federal/State Partnership	Cash Management	$ 0
WI-08-31	45.129	Promotion of the Humanities—Federal/State Partnership	Matching	0

U.S. Department of Education

University of Wisconsin-Madison

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-12	84.007	Federal Supplemental Educational Opportunity Grants	Cash Management*	$ 0
WI-08-12	84.033	Federal Work-Study Program	Cash Management*	0
WI-08-12	84.063	Federal Pell Grant Program	Cash Management*	0

University of Wisconsin-Milwaukee

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-13	84.007	Federal Supplemental Educational Opportunity Grants	Cash Management	$ 0
WI-08-13	84.033	Federal Work-Study Program	Cash Management	0
WI-08-13	84.063	Federal Pell Grant Program	Cash Management	0
WI-08-14	84.268	Federal Direct Student Loans	Enrollment Reporting	0

University of Wisconsin-Green Bay

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-16	84.032	Federal Family Education Loans	Enrollment Reporting*	$ 0

University of Wisconsin-Oshkosh

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-17[1]	Various	Student Financial Aid Cluster	Return of Student Financial Aid Funds	$ 0
WI-08-18	84.007	Federal Supplemental Educational Opportunity Grants	Cash Management	0
WI-08-18	84.033	Federal Work-Study Program	Cash Management	0
WI-08-18	84.063	Federal Pell Grant Program	Cash Management	0
WI-08-18	84.375	Academic Competitiveness Grant	Cash Management	0
WI-08-18	84.376	National Science and Mathematics Access to Retain Talent Grant	Cash Management	0

University of Wisconsin-Parkside

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-19	84.007	Federal Supplemental Educational Opportunity Grants	Satisfactory Academic Progress	$ 450
WI-08-19	84.032	Federal Family Education Loans	Satisfactory Academic Progress	20,665
WI-08-19	84.038	Federal Perkins Loan Program	Satisfactory Academic Progress	528
WI-08-19	84.063	Federal Pell Grant Program	Satisfactory Academic Progress	7,339
WI-08-20[1]	84.007	Federal Supplemental Educational Opportunity Grants	Reconciliation Procedures	0
WI-08-20[1]	84.033	Federal Work-Study Program	Reconciliation Procedures	0
WI-08-20[1]	84.038	Federal Perkins Loan Program	Reconciliation Procedures	0

University of Wisconsin-River Falls

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-21[1]	84.007	Federal Supplemental Educational Opportunity Grants	Federal Reporting*	$ 0
WI-08-21[1]	84.033	Federal Work-Study Program	Federal Reporting*	0
WI-08-21[1]	84.038	Federal Perkins Loan Program	Federal Reporting*	0

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-22[1]	84.007	Federal Supplemental Educational Opportunity Grants	Reconciliation Procedures*	0
WI-08-22[1]	84.033	Federal Work-Study Program	Reconciliation Procedures*	0
WI-08-22[1]	84.038	Federal Perkins Loan Program	Reconciliation Procedures*	0
WI-08-23[1]	84.033	Federal Work-Study Program	Internal Controls over Student Payroll*	0
WI-08-24	84.032	Federal Family Education Loans	Enrollment Reporting*	0

University of Wisconsin-Stout

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-25	84.032	Federal Family Education Loans	Enrollment Reporting*	$ 0

University of Wisconsin-Superior

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-26[1]	84.033	Federal Work-Study Program	Internal Controls over Student Payroll	$ 0
WI-08-27[1]	Various	Student Financial Aid Cluster	Access to Student Information System	0
WI-08-28	84.268	Federal Direct Student Loans	Enrollment Reporting	0
WI-08-29[1]	84.063	Federal Pell Grant Program	Return of Student Financial Aid Funds	0
WI-08-29[1]	84.268	Federal Direct Student Loans	Return of Student Financial Aid Funds	0

U.S. Department of Health and Human Services

University of Wisconsin-Milwaukee

WI-08-15	93.658	Foster Care—Title IV-E	Administration of Foster Care Funds	$113,187

* Repeat finding from audit report 08-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix 3 of this report.

[1] This finding is excluded from Section III of the Schedule of Findings and Questioned Costs, as it was not considered a reportable finding under Section 510(a) of OMB Circular A-133.

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Department of Transportation ■

The Wisconsin Department of Transportation is responsible for providing leadership in the development and operation of a safe and efficient transportation system in Wisconsin. DOT administers both state and federal transportation programs, including those affecting highways, bridges, airports, harbors, and railroads. DOT disbursed $2.7 billion during FY 2007-08; federal grants financed $762.1 million of that amount.

As part of our standard audit procedures, we reviewed DOT's internal controls over revenues, expenditures, and the administration of federal grant programs. We tested its compliance with grant requirements for two type A programs—the Highway Planning and Construction (CFDA #20.205) program and the Airport Improvement Program (CFDA #20.106). Overall, DOT has appropriate procedures to administer these federal grant programs. However, we noted concerns with monitoring compliance with the Davis-Bacon Act for the Airport Improvement Program and continuing concerns with materials testing for the Highway Planning and Construction program.

Finding WI-08-2: Davis-Bacon Act

DOT's Bureau of Aeronautics (BOA) disbursed $50.8 million in federal funds during FY 2007-08 under the Airport Improvement Program. This program provides funding for up to 95 percent of the cost to acquire, construct, or improve buildings and systems related to the safe and efficient operation of airports. Most airports in the State of Wisconsin are owned by municipalities or counties; none are owned by the State. However, for most construction projects funded by the Airport Improvement Program, it is BOA rather than local governmental entities that contracts for construction services.

As a condition of receiving federal financial assistance for construction projects, the State is required to ensure compliance with the Davis-Bacon Act. The Davis-Bacon Act requires the State, contractors, and subcontractors to pay prevailing wages to laborers and mechanics who work on construction projects funded in part with federal funds. Specifically, the State should:

- include the federal prevailing wage rate requirements in construction contracts, along with a listing of the prevailing wages;

- require the contractors or subcontractors to submit to the State weekly copies of their payroll records and to certify that they are in compliance with the Davis-Bacon Act requirements. This information must include employee name, address, social security number, job classification, hourly wage rate including fringe benefits, hours worked, deductions made, and actual wages paid; and

- upon receipt of the copies of the payroll records, verify that the prevailing wages were, in fact, paid to the laborers and mechanics.

In addition, the State is required to perform periodic visits to project sites to ensure compliance with prevailing wage requirements. These visits could include, for example, ensuring the contractor has posted the prevailing wage information, reconciling the contractor's payroll records to the information submitted with the certification, and interviewing employees of the contractor to ensure they are being paid the rates indicated by the contractor.

We found that BOA's contracts with the contractors properly included the provision for prevailing wage rates and schedules of prevailing wage rates issued by the U.S. Department of Labor, as well as the requirements that the contractors and subcontractors submit weekly payroll records and to certify their compliance with Davis-Bacon Act requirements. However, BOA has not taken sufficient steps to verify that prevailing wages are, in fact, paid, and to perform periodic site visits.

BOA contracts with project consultants to ensure compliance with prevailing wage requirements. However, the language in the contract between BOA and the consultants does not clearly indicate the responsibilities that BOA expects the consultants to assume. For example, it is not clear whether the consultant is to review payroll records and perform site visits to ensure compliance with the Davis-Bacon Act requirements. In addition, it does not appear that BOA monitors the consultants' performance as it relates to prevailing wage requirements.
We reviewed payroll records for eight construction projects for the week ending

November 4, 2007. These payroll records cover 26 different employers and 111 different employees who were subject to the prevailing wage requirements of the Davis-Bacon Act. Based on the information provided, we found that:

- 13 employees, or 11.7 percent of the total reviewed, were paid less than the prevailing wage;
- fringe benefit information was not provided for 8 employees, and thus based on the information provided, the employees were not paid the prevailing wage; and
- the job classification for 15 employees was not specific enough to determine whether the prevailing wage was, in fact, paid.

As a result, we questioned a total of $974 related to the 13 employees that were paid less than the prevailing wage and the 8 employees for whom fringe benefit information was not provided, plus an undetermined amount for those employees for whom incomplete information was submitted and for other projects and pay periods that were not tested.

We are also concerned because, according to BOA staff, neither the consultants nor BOA staff have performed any project site visits to ensure compliance with Davis-Bacon Act requirements.

☑ Recommendation

We recommend the Wisconsin Department of Transportation take the necessary steps to ensure compliance with Davis-Bacon Act requirements. If the Department continues to contract with project consultants to meet these requirements, steps could include:

- *ensuring agreements with project consultants appropriately outline the consultants' responsibilities to ensure that payroll records are being reviewed and site visits are occurring; and*
- *establish procedures to monitor the consultants' performance as it relates to prevailing wage requirements.*

Finding WI-08-32: Davis-Bacon Act

Airport Improvement Program (CFDA #20.106)

Award Numbers	Award Years
Various	Various

Questioned Costs: $974, Plus an Undetermined Amount

DOT Response and Corrective Action Plan: BOA agrees with the recommendation and will take the following steps to help ensure compliance:

- develop policies and procedures describing the responsibilities of prime contractors, project consultants, and BOA staff for preparing compliant payroll records and completing site visits;
- modify project consultant contracts to require Davis-Bacon Act compliance training, along with emphasizing their responsibilities for payroll review and site visits;
- strengthen language in the contractor's affidavit of wage compliance regarding responsibilities for listing correct employee classification, wage, and fringe data;
- discuss Davis-Bacon Act requirements at preconstruction meetings with contractors and project consultants;
- develop a reporting process to monitor consultant performance related to prevailing wage requirements; and
- provide Equal Rights Officer expertise to monitor and support compliance efforts by prime contractors, project consultants, and BOA staff.

Finding WI-08-33: Materials Acceptance Testing

DOT uses a variety of materials, such as asphalt mixtures, concrete, and coated high-strength bar steel reinforcement in highway and bridge construction projects. Each type of material must meet minimum specifications. Under 23 CFR 637.207, the Federal Highway Administration requires the State to have a quality assurance program to ensure highway project materials meet minimum specifications. For example, for every 50,000 pounds of coated high-strength bar steel reinforcements used in a project, the State is required to test for certain attributes, such as the strength of the bar. DOT's Construction and Materials Manual contains DOT's materials sampling, testing, and acceptance policies and procedures, which encompass the minimum federal requirements for testing and acceptance of materials.

The State's quality assurance program includes the use of:

- pre-approved materials, which are materials tested by DOT and identified as acceptable for any contractor to use in construction projects;

- certified materials, which are materials that the supplier or contractor certifies meet the minimum federal requirements; and

- project-specific materials that are tested by DOT staff or consultants to ensure they meet established criteria.

DOT uses the Materials Tracking System (MTS) to track and monitor materials testing results and certifications. DOT staff or consultants enter the test results and certifications received into MTS. It is the responsibility of DOT regional project leaders and managers to ensure that MTS is updated for the certifications and testing results within 60 days of contract completion.

At DOT's central office in Madison, the Independent Program Assurance Coordinator is responsible for annually reviewing 5 percent of the completed projects to ensure materials acceptance testing was performed as outlined in DOT's Construction and Materials Manual and as required by federal regulations. The Independent Program Assurance Coordinator is to notify the appropriate regional director if required materials testing has not been performed or documented.

Since FY 1999-2000, we have raised concerns that MTS was not being updated for all materials testing results or certifications and, as a result, that DOT could not be assured all materials used in projects met the minimum federal requirements. During our prior audit, we again recommended DOT follow its established procedures to ensure that required materials testing is, in fact, completed and entered into MTS (Finding WI-07-26). In response to our recommendation, DOT held several training sessions to ensure project managers were aware of the testing and documentation requirements. DOT staff also indicated that materials acceptance testing requirements were discussed at monthly meetings with project managers and consultants.

However, based on our current audit, we again found DOT's efforts have not been sufficient to ensure that all required materials testing and certifications are completed and entered into MTS. We reviewed 15 projects with at least one contract completed between July 2007 and June 2008. The Independent Program Assurance Coordinator provided us with a summary of the required materials acceptance testing, including which materials had test results or certifications entered into MTS. Based on the information provided by DOT, 405 tests and 111 certifications were required for these 15 projects. However, we found that only 330 of the 405 tests, or 81 percent, and 98 of the 111 certifications, or 88 percent, were entered into MTS at the time of our fieldwork.

As a result of these deficiencies, DOT is not in compliance with federal materials and acceptance testing requirements and is not assured that the proper number of tests and certifications are being completed, or that materials used in the projects met the minimum federal specifications.

☑ Recommendation

We again recommend that the Wisconsin Department of Transportation ensure that:

- *required materials testing is completed and required certifications are obtained; and*
- *documentation of the required tests and certifications is entered into the Materials Tracking System on a timely basis.*

Finding WI-08-33: Materials Acceptance Testing

Highway Planning and Construction (CFDA #20.205)

Award Numbers	Award Years
Various	Various

Questioned Costs: None

DOT Response and Corrective Action Plan: DOT's Bureau of Technical Services, Materials Management Section has reviewed the noted testing deficiencies and determined that the majority of them involve testing of companion cylinders. DOT's federally approved Quality Assurance Program includes testing of companion cylinders; however, since this testing is not an integral part of DOT's concrete acceptance process, DOT will remove companion cylinder testing from its Quality Assurance Program and request Federal Highway Administration approval of the change.

The Bureau of Technical Services acknowledges that not all certifications are being entered into MTS. In most cases, staff were able to verify that paper documentation resides in the project files even though the certifications were not recorded on MTS.

Correct and timely materials testing and certifications are core responsibilities of DOT. To help ensure the required testing and certifications have been completed, staff will continue outreach efforts to the regions through various monthly and quarterly meetings. Staff will also provide training on materials sampling, testing, and documentation to consultants and region staff.

Wisconsin Department of Transportation
Summary of Findings and Questioned Costs
FY 2007-08

U.S. Department of Transportation

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-32	20.106	Airport Improvement Program	Davis-Bacon Act	$ 974 Plus an Undetermined Amount
WI-08-33	20.205	Highway Planning and Construction	Materials Acceptance Testing*	0

* Repeat finding from audit report 08-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix 2 of this report.

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Department of Public Instruction ■

The Wisconsin Department of Public Instruction is responsible for providing direction for public elementary and secondary education in Wisconsin and for ensuring access to public library services to all Wisconsin citizens. DPI disbursed $6.2 billion during FY 2007-08; direct federal grants to the State financed $707.3 million of that amount.

As part of our standard audit procedures, we reviewed DPI's internal controls over revenues, expenditures, and the administration of federal grant programs. We tested its compliance with grant requirements for two type A programs—Title I Grants to Local Educational Agencies (CFDA #84.010) and the Special Education Cluster (CFDA #s 84.027 and 84.173)—and one type B program—Charter Schools (CFDA #84.282). We also followed up on the progress DPI has made in addressing Finding WI-07-27 of our prior single audit report.

Overall, DPI has appropriate procedures to administer these federal grant programs. However, we identified concerns with compilation of state per pupil expenditure data required to be submitted to the U.S. Department of Education under the Title I grant. We also continued to have concerns related to reporting and monitoring of match expenditures for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) (CFDA #84.334).

Finding WI-08-34: State Per Pupil Expenditure Reporting

DPI uses the National Public Education Finance Survey (NPEFS) to annually submit state per pupil expenditure data to the U.S. Department of Education, which uses the data to make allocations under several Elementary and Secondary Education Act

programs, including Title I, under which DPI expended $177.4 million during FY 2007-08. The per pupil expenditure data include salaries and fringe benefit expenditures, supplies expenditures, and other expenditures; however, certain expenditures such as capital outlays are excluded.

DPI currently delegates the responsibility for compiling the state per pupil expenditure data to one employee, without requiring supervisory review before submission. However, the manual process used to prepare the data for the NPEFS is susceptible to human error, which can result in inaccurate submissions. Therefore, it is important that DPI ensure appropriate supervisory review of the NPEFS before submission to the federal government.

We reviewed the state per pupil expenditure data for the 2006-07 school year, which was summarized and submitted to the U.S. Department of Education during FY 2007-08, and identified the following errors:

- Expenditure information for schools operated by the Department of Health Services and the Department of Corrections was not updated for the current school year. For example, DPI reported salaries of $1,371,401, when actual salaries expenditures for the 2006-07 school year were $1,709,237. In total, DPI underreported expenditures for these schools by $892,486.

- Inaccurate data were included for the Wisconsin School for the Blind and Visually Impaired, which is operated by DPI. In addition to misclassifying expenditures between lines on the NPEFS, we noted errors in two reporting lines that resulted in total expenditures being underreported by $73,156.

After these errors were brought to DPI's attention, it revised and resubmitted the state per pupil expenditure data to the U.S. Department of Education.

☑ Recommendation

We recommend the Wisconsin Department of Public Instruction develop and implement a process to formally review the state per pupil expenditure data prior to submission to the federal government.

Finding WI-08-34: State Per Pupil Expenditure Reporting

Title I Grants to Local Educational Agencies (CFDA #84.010)

Award Number	Award Year
S010A070049	2008

Questioned Costs: None

DPI Response and Corrective Action Plan: DPI will develop a checklist of the key components of the per pupil calculation process that a team member other than the primary contact will use to review the calculation once completed. The proposed checklist will include a review of key data elements of the process, a review of the calculation itself, and a risk analysis.

By the next NPEFS submission, DPI will develop a multi-year longitudinal data analysis tool that it can use to check the reasonableness of the data elements and the per pupil expenditure calculation. The longitudinal data analysis tool will be the focus of a meeting between the primary contact, the secondary team member who has completed the checklist, and the School Financial Services Team supervisor. This meeting will be the final step in the calculation sign-off and submission process.

Finding WI-08-35: Reporting and Monitoring of Match Expenditures for GEAR UP

DPI administers the GEAR UP program. GEAR UP includes an early intervention component and a scholarship component. Early intervention activities include counseling, mentoring, academic support, and outreach to students at risk of dropping out of school, and providing information to students and their parents about obtaining and financing a college education. The scholarship component is designed to provide financial assistance to eligible low-income students to attend institutions of higher education. During FY 2007-08, DPI expended $5.2 million under this grant program.

The U.S. Department of Education awarded DPI a six-year GEAR UP grant, for which DPI receives annual awards of approximately $3.5 million, and each of those six annual awards must eventually be supported by $3.5 million in matching funds. Either cash or in-kind expenditures incurred by DPI or other state, local, or private institutions may be used to meet match requirements. Although not required to provide specific amounts of matching funds on an annual basis, DPI must provide all six years' worth of matching funds prior to closing out the grant, and DPI is expected to make substantial progress each year in providing match to ensure the total six-year match requirement is met.

DPI is required to complete the Annual Performance Report, which summarizes actual federal GEAR UP expenditures and actual documented match expenditures for each award year. During our prior audit, we identified concerns with the accuracy of the amounts DPI reported as match expenditures in the Annual Performance Report for the period ended March 31, 2007, and we recommended DPI ensure it reports actual match expenditures, maintains documentation of the reported match amounts, and closely monitors to ensure match requirements are being met (Finding WI-07-27).

It appears DPI has not implemented effective corrective action. While DPI is in the process of developing written procedures for preparing the Annual Performance Report, those procedures are not yet complete. Further, we continued to identify concerns with reporting of match expenditures. During our current audit, we reviewed the documentation DPI provided as support for the match expenditures reported in the Annual Performance Report submitted for the period ended March 31, 2008. While we noted some improvements in the design of the spreadsheets DPI uses to track and report match expenditures, we continued to find that several reported match amounts did not agree with the documentation provided by DPI. For the three award periods included in the Annual Performance Report, DPI reported total actual match expenditures of $6.1 million through March 31, 2008, but provided us documentation for only $4.9 million of match expenditures. DPI attributed some of the $1.2 million difference to spreadsheet data entry errors that double-counted some match expenditures, and the inclusion in the report of expected match amounts, rather than actual match received.

We also identified errors in the amounts DPI reported for federal expenditures on the March 31, 2008 Annual Performance Report. DPI reported $84,636 in federal expenditures on the scholarships/tuition assistance line for its first award year when $1,750,000, which includes $1,664,014 deposited into the GEAR UP scholarship trust fund and $85,986 of scholarships paid to students, should have been reported.

Given the numerous errors we noted in our testing of the Annual Performance Report, it is important DPI strengthen its process for preparing and reviewing the report. As we completed fieldwork, DPI hired a contractor to assist in improving its procedures for documenting match expenditures and preparing the Annual Performance Report.

We also note DPI continues to monitor the status of its match requirements to ensure that appropriate match amounts are documented by the end of the six-year grant period. Through March 31, 2008, DPI had incurred total federal expenditures of $7.5 million and had supported match expenditures of $4.9 million. However, while DPI has expended $4.4 million of the $7.5 million in federal expenditures on early intervention activities and scholarships, the remaining $3.1 million of federal expenditures represent funds drawn and deposited into the GEAR UP scholarship trust fund. DPI obtained permission from the U.S. Department of Education to defer providing match for the funds deposited in the GEAR UP scholarship trust fund until the time the scholarships are paid from the trust fund. According to DPI, some of this match may not be provided until subsequent to the six-year grant period end date, since these funds are being set aside in the trust fund for current sixth- through twelfth-grade students who will first become eligible for the scholarships upon graduation from high school.

☑ Recommendation

We again recommend the Wisconsin Department of Public Instruction:

- *ensure that it reports actual match amounts in the Annual Performance Report;*

- *maintain documentation of the match amounts being reported in the Annual Performance Report; and*

- *continue to monitor closely to ensure match can be met by the time the grant is closed out and federal funding is maximized.*

Finding WI-08-35: Reporting and Monitoring of Match Expenditures

Gaining Early Awareness and Readiness for Undergraduate Programs (CFDA #84.334)

Award Numbers	Award Years
P334S050014-07	2007
P334S050014-06	2006
P333S050014	2005

Questioned Costs: None

DPI Response and Corrective Action Plan: DPI has hired a contractor to assist it in developing strong internal control policies and procedures that will enable DPI to address these audit recommendations.

DPI understands that it must have supporting documentation for the in-kind match amounts that are reported as actual on the Annual Performance Report. In submitting its forthcoming Annual Performance Report, due on April 15, 2009, DPI will report as actual only those match amounts it has supporting documentation for. As this report also requires DPI to submit information on anticipated match to be collected for the time period of April 2, 2009, through August 31, 2009, DPI will continue to use its best judgment to identify what those amounts will be.

DPI will improve its record-keeping process for the receipt and recording of in-kind match documentation. Such documentation shall be date stamped and recorded in a log as received. Summary reports will be prepared that reflect when documentation was received and the grant year to which this in-kind match applies. These efforts will be audited by the Management Services team in DPI's central office prior to the submission of the Annual Performance Report.

DPI is aware of its need to closely monitor match requirements for this grant. DPI continues to work closely with the U.S. Department of Education GEAR UP program office to reduce the risk of undermatching by seeking and receiving authorization to include other grant partners or match opportunities that were not originally identified in the 2005 grant application. As noted by the Legislative Audit Bureau, the U.S. Department of Education has agreed to allow the scholarship in-kind match provided to GEAR UP scholars when the scholarships are made to the students, and not solely when the funds are drawn from the grant year. This means that a

portion of the scholarship in-kind match may be deferred. As of April 15, 2008, $3.1 million of the current in-kind scholarship match has been deferred until it is provided directly to a GEAR UP scholar.

In addition, DPI will develop a process for monitoring the matching process for this program. Regular reporting and reviewing by management will be required.

Wisconsin Department of Public Instruction
Summary of Findings and Questioned Costs
FY 2007-08

U.S. Department of Education

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-34	84.010	Title I Grants to Local Educational Agencies	State Per Pupil Expenditure Reporting	$ 0
WI-08-35	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	Reporting and Monitoring of Match Expenditures *	0

* Report finding from audit report 08-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 2 of this report.

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State of Wisconsin Schedule of Findings and Questioned Costs for the Year Ended June 30, 2008 ■

OMB Circular A-133 requires the auditor to prepare a schedule of findings and questioned costs that includes the following three sections:

1) a summary of the auditor's results;

2) findings relating to the financial statements, which are required to be reported in accordance with *Government Auditing Standards*; and

3) findings and questioned costs for federal awards.

Section I

Summary of Auditor's Results

As required by OMB Circular A-133, the Wisconsin Legislative Audit Bureau is providing the following summary information related to the State of Wisconsin's single audit for FY 2007-08:

Financial Statements

Type of auditor's report issued:	Unqualified, except for the aggregate Discretely Presented Components Opinion Unit
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	Yes
Dollar threshold used to distinguish between type A and type B programs:	$26,465,112
Auditee qualified as a low-risk auditee?	Yes

The following were major federal programs, determined in accordance with OMB Circular A-133, section 520:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
12.401	National Guard Military Operations and Maintenance (O&M) Projects
17.225	Unemployment Insurance
17.258/.259/.260	WIA Cluster
20.106	Airport Improvement Program
20.205/23.003	Highway Planning and Construction Cluster
84.010	Title I Grants to Local Educational Agencies
84.027/.173	Special Education Cluster
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States
84.282	Charter Schools
93.558	Temporary Assistance for Needy Families
93.568	Low-Income Home Energy Assistance
93.575/.596	Child Care and Development Fund Cluster
93.658	Foster Care—Title IV-E
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.767	State Children's Insurance Program
93.775/.776/.777/.778	Medicaid Cluster
93.889	National Bioterrorism Hospital Preparedness Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse
96.001/.006	Disability Insurance/SSI Cluster
Various	Research and Development Cluster
Various	Student Financial Aid Cluster

Section II

Financial Statement Findings

This section of the schedule includes all significant deficiencies related to internal control over financial reporting and compliance and other matters that are required to be reported by auditing standards generally accepted in the United States of America and *Government Auditing Standards*. Repeat findings from audit report 08-5 are indicated with an asterisk (*).

Finding WI-08-36: Internal Control Weaknesses in Financial Reporting by State Agencies*

Criteria:
The Department of Administration's State Controller's Office (SCO) is responsible for preparing and maintaining the Uniform GAAP Conversion Policies and Procedures Manual, which includes the State's policies and procedures used to prepare financial statements in accordance with generally accepted accounting principles (GAAP). The management of each state agency is responsible for maintaining effective internal controls to ensure agencies follow the Uniform GAAP Conversion Policies and Procedures Manual and that the information provided to SCO for inclusion in the State's financial statements is fairly presented and that misstatements are prevented or detected in a timely manner. SCO is responsible for performing limited reviews of the reasonableness of information submitted by other state agencies.

Condition:
In some instances, state agencies do not have sufficient procedures and controls in place to ensure compliance with the Uniform GAAP Conversion Policies and Procedures Manual. In other instances, agency staff and management did not fully consider how to most appropriately report the information. In addition, some agencies did not appropriately review financial information for significant errors prior to submitting the information to SCO for inclusion in the State's financial statements.

Questioned Costs:
None

Context:
The State's financial statements present financial activity for the State as a whole, in accordance with GAAP. Financial reporting for the State is complex, with many technical accounting issues.

Effect and Cause:
Some state agencies did not prevent or detect in a timely manner misstatements in the financial information included in the State's financial statements. Agencies and

SCO agreed to make corrections after the auditors brought the errors to their attention. Examples of significant errors identified by auditors and the causes of these errors are presented in the following table:

Agency	Fund	Misstatement	Cause
Department of Health Services	***General Fund***	Both Other Revenue and Human Relations and Resources Expenditures were overstated by $71.9 million in the Statement of Revenues, Expenditures, and Changes in Fund Balances.	Staff did not appropriately and consistently report some rebates received from drug companies.
Department of Public Instruction	***General Fund***	Both Due From Other Governments in the Balance Sheet and Intergovernmental Revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balances were understated by $57.7 million.	Agency staff review was not sufficient to detect this error.
Department of Revenue	***General Fund***	Taxes Payable was understated by $24.4 million, Taxes Receivable was understated by $37.5 million, and Fund Balance, Unreserved, was understated by $13.1 million in the Balance Sheet.	The agency does not have well-documented year-end procedures. Staff did not fully analyze year-end transactions and assumptions used. Supervisory review of adjusting entries did not detect these errors.

Recommendation:
We recommend agencies with identified control weaknesses improve their internal controls over the financial reporting process.

Management's Response:
Agencies' management agreed to implement improvements to controls over the financial reporting process.

Finding WI-08-37: Programmer Access to the State's Central Accounting System and Central Payroll System Data and Programs*

Criteria:
To provide proper internal control, computer programmers ideally should not have the ability to access or update production data and programs. If this is not possible, proper oversight, review, and documentation should be provided to minimize risk of unauthorized changes to computer programs and data.

Condition:
Programmers for the State's central accounting system and central payroll system have access to production data and programs, which could allow them to make unauthorized changes to the data. DOA has begun several projects that, when completed, may mitigate risks in some areas. For example, in recent years DOA has taken steps to limit programmers' ability to directly access several payroll and accounting-related datasets. Changes to those datasets are now made through the use of a new log-on identification, for which access is logged. However, DOA has not established sufficient monitoring procedures to ensure that all logged changes to datasets are reasonable. Further, DOA continues to allow programmers to directly access other payroll and accounting-related datasets. Finally, some programmers continue to have the ability to modify the production programs, which could allow them to change the programs or output in order to avoid detection of unauthorized changes. Although DOA has taken limited steps to improve controls, payroll and accounting data remained at risk during FY 2007-08.

Questioned Costs:
None

Context:
The State's central accounting system maintains the State's official accounting records. The system processes financial data for all state agencies and is the main source of information for financial schedules and statements, including the State of Wisconsin's financial statements. The State's central payroll system processes the biweekly payroll for most state employees. Both of these systems generate checks.

Effect:
Programmers with access to and extensive knowledge of the computer programs in the systems could make unauthorized changes to data and conceal those changes. This risk is increased because these programmers also have access to the production programs for these systems.

Cause:
DOA requires computer programmers to perform production and data control duties and does not believe the benefits of separating these duties outweigh the related costs. As of the end of FY 2007-08, DOA has not fully implemented compensating controls in this area but believes it would be difficult for a programmer to conceal unauthorized transactions without detection.

Recommendation:
We recommend DOA continue to implement compensating controls related to computer programmer access to data and programs, to reduce the risk of unauthorized transactions.

Management's Response:
DOA agrees with the recommendation to continue implementing compensating controls over programmer access to data and programs.

Finding WI-08-38: Programmer Access to Critical Production Programs and Data at the Department of Transportation*

Criteria:
To provide proper internal control, computer programmers should not have the ability to access or update production data and programs.

Condition:
Computer programmers have access to programs in production, and some are allowed to move programs from the test environment to production. In addition, some computer programmers have access to production data through access to the Control-M job scheduling program.

Questioned Costs:
None

Context:
The Department of Transportation maintains accounting and other systems critical to agency operations. These systems enable DOT to collect and expend $2 billion annually, to issue driver licenses and vehicle titles and registrations, to track drivers' records and traffic violations, and to oversee the State's construction of roads and bridges.

Effect:
Programmers with extensive knowledge of the computer programs and datasets could make unauthorized changes to the programs or data and conceal those changes, resulting in undetected erroneous or fraudulent changes.

Cause:
DOT believes it can more efficiently complete program changes and job scheduling by allowing programmers access to the production environment and to Control-M. To control production system security, it uses a combination of Changeman staging controls, user verification procedures, periodic access reviews, and supervisory oversight. DOT believes these factors somewhat mitigate the risk of programmers having access to production data and programs and has decided to accept any remaining risk.

Recommendation:
In prior audits, we have expressed our concerns regarding programmers' ability to access or update production data and programs and have recommended removal of programmers' access to critical production programs and to the Control-M job scheduling program. We continue to believe programmers should not have access to production data and programs. DOT is aware of our concerns but accepts the risks in this area. Therefore, we do not repeat our recommendation.

Finding WI-08-39 Program Change Controls at the University of Wisconsin*

Criteria:
To provide proper internal control, procedures should be established to prevent computer programs from being altered and/or put into production without proper oversight, review, and documentation.

Condition:
Program change procedures for critical financial applications operating on the mainframe computer have not changed. An independent review of program changes to assess the reasonableness of the modifications is not performed. Further, for some applications, programmers have the ability to move programs into production. Thus, even if such reviews were performed, programmers could circumvent these procedures and make changes without oversight, review, or documentation.

Questioned Costs:
None

Context:
UW-Madison maintains critical financial systems, including the UW-Madison legacy accounting system and the UW System legacy payroll system, on the mainframe computer.

Effect:
Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent information.

Cause:
Controls were not originally developed to ensure proper oversight before programs are moved to production. There are no plans to change the current procedures for the mainframe computer programs because UW System is planning to move its critical financial applications from the mainframe computer to computer servers.

Recommendation:
Given the lack of controls over the computer program change process, UW System remains at increased risk that unauthorized or erroneous changes could be made to computer programs operating in the mainframe computer environment. However, given plans to continue to move applications from the mainframe computer, it is anticipated the program change process will not change. UW System and UW-Madison are aware of our concerns but accept the risks in this area. Therefore, we do not repeat our recommendation.

Management Response:
Management of UW System and of UW-Madison acknowledge that there continues to be a risk that unauthorized or erroneous changes could be made to the legacy accounting and payroll processes on the mainframe computer; however, given the continued decline in usage of the legacy accounting system and the long-term plans to replace the legacy payroll system, management accepts the risk.

Finding WI-08-40: Integrity of the Injured Patients and Families Compensation Fund Provider System*

Criteria:
The Injured Patients and Families Compensation Fund should ensure that its provider system, which is used to bill health care providers who participate in the Fund and to maintain the Fund's medical malpractice claims history, is able to accurately and efficiently process information. Further, this system should be properly secured to ensure data stored and processed by the system are protected from accidental or intentional misuse or destruction.

Condition:
The provider system was developed in the early 1990s and has not been able to easily accommodate changes that have occurred over time, which has resulted in errors occurring within the system. Fund staff estimate approximately 15 to 20 hours per week have been needed to address the problems that have developed. Further, these system issues have limited the Fund's ability to address system access control weaknesses.

Questioned Costs:
None

Context:
During our prior audit, we provided a separate audit communication to the Office of the Commissioner of Insurance identifying in detail our concerns related to the integrity of the provider system and various system access control weaknesses that could compromise data integrity. The Fund is focusing its efforts on developing a new system rather than making major changes to the current system. Therefore, the conditions noted during the prior audit remained concerns throughout FY 2007-08. Additional funding to complete work on the new provider system was approved as part of the 2007-2009 Biennial Budget Act.

Effect:
The aging provider system presents an increased risk to the integrity of the Fund's financial operations. Access control weaknesses increase the risk that unauthorized or erroneous changes could be made to provider system data without being detected. In addition, increased time spent to correct processing problems that arise with the current provider system results in less time available for more productive tasks for the Fund's staff.

Cause:
The Fund was delayed in developing a new provider system because of past denials of its requests for budget authority. As a result, additional time was needed to implement an increased number of patches to fix problems that arose with the old system. Further, because of the difficulties in making program changes in the old system, the Fund opted to not address access control weaknesses with the old system, but to address them as part of the new system.

Recommendation:
We recommend the Fund continue its efforts to develop a new provider system that appropriately processes and secures system data.

Management Response:
The Office of the Commissioner of Insurance (OCI) agrees that the provider billing system is in need of updating. OCI continues its efforts to ensure that the new provider system will be completed and implemented in as timely a manner as possible, and to ensure that all data imported from the old system to the new are accurate. OCI expects the system to be operational early in calendar year 2009. The new system will address the concerns identified.

Finding WI-08-41: Lack of Adequate Oversight of the Financial Reporting Process at the Department of Employee Trust Funds*

Criteria:
Department of Employee Trust Funds (ETF) management is responsible for ensuring that it accurately compiles and fairly presents financial information for benefit programs it administers that are included in the State's Comprehensive Annual Financial Report (CAFR). In addition, ETF management is responsible for providing sufficient oversight over the compilation process to ensure that misstatements are prevented or detected in a timely manner.

Condition:
During our audit, we have observed that ETF does not consistently provide timely financial information; update all financial information from prior year amounts; ensure that information in the financial statements, note disclosures, and elsewhere is consistently presented and without misstatements; or include all required note disclosures.

Questioned Costs:
None

Context:
ETF is responsible for compiling financial information for a number of the State's fiduciary funds, enterprise funds, and other fund types presented in the State's CAFR. In addition, ETF is responsible for providing information for the State's note disclosures, including the State's pension plan, public entity risk pools, and other postemployment benefit plans.

Effect:
ETF fails to meet deadlines established by DOA in compiling financial information for the State's CAFR, and submitted information has increased risk of containing misstatements.

Cause:
ETF has not placed sufficient priority on compiling necessary financial information to meet DOA time lines. In addition, ETF staff do not provide sufficient attention and oversight to ensure the accuracy of the financial reporting process.

Recommendation:
We recommend ETF take steps to improve the attention and oversight given to its financial reporting process, including reconciling key balances between financial statements, notes, and other information and increasing the overall level of care applied to completing this information.

Management's Response:
ETF agrees with the recommendations and will improve the attention and oversight given to the financial reporting process. In the short term, ETF will use existing staff resources in the Office of Internal Audit to provide additional quality assurance reviews to make sure that statistics and financial information are consistently presented across sections of the CAFR. In addition, ETF is exploring the possibility of reallocating existing staff within the Office of Trust Finance and Data Analysis to assist with the development of financial statements and related schedules. Finally, ETF's 2009-2011 biennial budget request seeks additional staff positions for the department. Depending on the resources received, ETF will consider adding an additional accountant position.

Finding WI-08-42: Business Resumption Planning*

Criteria:
To minimize disruption that may occur in an emergency, Wisconsin state government should have effective business resumption plans in place.

Condition:
DOA is coordinating a project to develop a statewide business resumption plan. Although state agencies have made progress, some do not have complete and tested business resumption plans. Therefore, a statewide plan is not available.

Questioned Costs:
None

Context:
The State provides a variety of critical services to citizens, local governments, and others in Wisconsin.

Effect:
Without effective business resumption plans in place, an emergency could disrupt the State's ability to provide critical services.

Cause:
Because of budget and staffing restrictions, the State has not been able to devote sufficient resources to complete development of its business resumption plans and to test its ability to use the plans.

Recommendation:
We recommend the State continue to move forward to complete and test its business resumption plan.

Management's Response:
The Continuity of Government Project, led by DOA, has continued to make substantial progress in developing and testing Continuity of Operations (COOP) plans for state agencies with time-sensitive business services. Since October 15, 2007, four additional agency-level COOP plans have been completed, and nine business-service COOP plans have been completed at UW-Madison and UW-Milwaukee. All 34 agencies, including all UW campuses, have completed at least one communications alert drill. Twenty agency command center exercises have been held, and 184 business services have exercised their service COOP plans. In addition, COOP plan development is underway at the other UW campuses.

In the past year, a major focus of the COOP program has been to enhance COOP plans to prepare and enable agencies to maintain operations during an influenza pandemic. Seventeen agencies have completed pandemic COOP plans, and all other agencies are in the process of completing their plans. A state-level pandemic COOP operational plan has been completed in coordination with the Department of Health Services. Three State Continuity Coordination Center exercises and a multi-agency tabletop exercise have been held to test elements of that plan. DOA has also developed a new tabletop pandemic exercise for agency command centers and business services (Badger Flu I). Four agencies have already conducted this exercise, and 11 additional agencies are scheduled to do so in the near future. Scheduling for other agencies is underway. A progressive series of four additional Badger Flu exercises (II-V) has been developed, which includes individual agency and multi-agency exercises.

DOA will continue to work with agencies toward the goal of testing all state agency COOP plans on an annual basis.

Section III

Federal Award Findings and Questioned Costs

OMB Circular A-133 requires that audit findings be presented in sufficient detail for the auditee to prepare a corrective action plan and take corrective action, and for federal agencies and pass-through entities to arrive at a management decision. The specific information that OMB Circular A-133 requires in audit findings can be found in the agency narratives on the page numbers referenced in this section. The agency narratives also include the agencies' responses and corrective action plans, as well as summaries of findings and questioned costs. Repeat findings from audit report 08-5 are marked with an asterisk (*).

U.S. DEPARTMENT OF LABOR

Wisconsin Department of Workforce Development

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-5 p. 29	17.225	Unemployment Insurance	Idle Facilities	$ 26,483
	TOTAL U.S. DEPARTMENT OF LABOR			$ 26,483

U.S. DEPARTMENT OF TRANSPORTATION

Wisconsin Department of Transportation

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-32 p. 89	20.106	Airport Improvement Program	Davis-Bacon Act	$ 974 Plus an Undetermined Amount
WI-08-33 p. 92	20.205	Highway Planning and Construction	Materials Acceptance Testing*	0
	TOTAL U.S. DEPARTMENT OF TRANSPORTATION			$ 974 Plus an Undetermined Amount

NATIONAL ENDOWMENT FOR THE HUMANITIES

Wisconsin Humanities Council

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-30 p. 81	45.129	Promotion of the Humanities—Federal/State Partnership	Cash Management	$ 0
WI-08-31 p. 83	45.129	Promotion of the Humanities—Federal/State Partnership	Matching	0
	TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			$ 0

U.S. DEPARTMENT OF EDUCATION

University of Wisconsin-Madison

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-12 p. 49	84.007	Federal Supplemental Educational Opportunity Grants	Cash Management*	$ 0
WI-08-12 p. 49	84.033	Federal Work-Study Program	Cash Management*	0
WI-08-12 p. 49	84.063	Federal Pell Grant Program	Cash Management*	0

University of Wisconsin-Milwaukee

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-13 p. 51	84.007	Federal Supplemental Educational Opportunity Grants	Cash Management	$ 0
WI-08-13 p. 51	84.033	Federal Work-Study Program	Cash Management	0
WI-08-13 p. 51	84.063	Federal Pell Grant Program	Cash Management	0
WI-08-14 p. 52	84.268	Federal Direct Student Loans	Enrollment Reporting	0

University of Wisconsin-Green Bay

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-16 p. 57	84.032	Federal Family Education Loans	Enrollment Reporting*	$ 0

University of Wisconsin-Oshkosh

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-18 p. 61	84.007	Federal Supplemental Educational Opportunity Grants	Cash Management	$ 0
WI-08-18 p. 61	84.033	Federal Work-Study Program	Cash Management	0
WI-08-18 p. 61	84.063	Federal Pell Grant Program	Cash Management	0
WI-08-18 p. 61	84.375	Academic Competitiveness Grant	Cash Management	0
WI-08-18 p. 61	84.376	National Science and Mathematics Access to Retain Talent Grant	Cash Management	0

University of Wisconsin-Parkside

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-19 p. 62	84.007	Federal Supplemental Educational Opportunity Grants	Satisfactory Academic Progress	$ 450
WI-08-19 p. 62	84.032	Federal Family Education Loans	Satisfactory Academic Progress	20,665
WI-08-19 p. 62	84.038	Federal Perkins Loan Program	Satisfactory Academic Progress	528
WI-08-19 p. 62	84.063	Federal Pell Grant Program	Satisfactory Academic Progress	7,339

University of Wisconsin-River Falls

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-24 p. 71	84.032	Federal Family Education Loans	Enrollment Reporting*	$ 0

University of Wisconsin-Stout

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-25 p. 73	84.032	Federal Family Education Loans	Enrollment Reporting*	$ 0

University of Wisconsin-Superior

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-28 p. 78	84.268	Federal Direct Student Loans	Enrollment Reporting	$ 0

Wisconsin Department of Public Instruction

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-34 p. 97	84.010	Title I Grants to Local Educational Agencies	State Per Pupil Expenditure Reporting	$ 0
WI-08-35 p. 99	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	Reporting and Monitoring of Match Expenditures*	0
		TOTAL U.S. DEPARTMENT OF EDUCATION		$ 28,982

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Wisconsin Department of Health Services

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-2 p. 20	93.778	Medical Assistance Program	Computer Data Matches*	Undetermined

Wisconsin Department of Children and Families

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-10 p. 41	93.558	Temporary Assistance for Needy Families	Computer Data Matches*	Undetermined
WI-08-11 p. 43	93.558	Temporary Assistance for Needy Families	TANF 60-Month Limit*	628
WI-08-7 p. 35	93.658	Foster Care—Title IV-E	Foster Care Provider Background Checks for Licensing	$ 49,900
WI-08-8 p. 37	93.658	Foster Care—Title IV-E	Foster Care Eligibility Determinations	0
WI-08-9 p. 39	93.658	Foster Care—Title IV-E	Federal Reporting and Claiming of Expenditures*	0
WI-08-9 p. 39	93.659	Adoption Assistance	Federal Reporting and Claiming of Expenditures*	0

University of Wisconsin-Milwaukee

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-08-15 p. 55	93.658	Foster Care—Title IV-E	Administration of Foster Care Funds	$ 113,187
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			$ 163,715 Plus an Undetermined Amount

NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE PROGRAMS

Statewide Issues

Finding Number	Federal Program	Finding	Amount Questioned
WI-08-1 p. 15	Multiple Programs	Excess Balances in and Lapses from Internal Service Funds	$ 449,645 Plus an Undetermined Amount

Wisconsin Department of Health Services

Finding Number	Federal Program	Finding	Amount Questioned
WI-08-3 p. 22	Multiple Programs	Subrecipient Monitoring*	$ 0
	TOTAL NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE GRANTS		$ 449,645 Plus an Undetermined Amount
TOTAL QUESTIONED COSTS FOR THE STATE OF WISCONSIN			$ 669,799 Plus an Undetermined Amount

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State of Wisconsin Summary Schedule of Prior Audit Findings ■

The Summary Schedule of Prior Audit Findings summarizes the status of the federal audit findings reported in Section III of the State of Wisconsin Schedule of Findings and Questioned Costs for the year ended June 30, 2007 (report 08-5). The status of prior financial statement findings is reported in Section II of the State of Wisconsin Schedule of Findings and Questioned Costs for the year ended June 30, 2008. If the prior concern was adequately addressed, the Summary Schedule of Prior Audit Findings indicates that the corrective action described in the prior audit report was taken or materially taken, that corrective action is no longer needed, or that the concern has been resolved with the federal government. Otherwise, there is a reference to the page number of the single audit report where a repeat finding is presented or description of remaining corrective actions.

If the audit finding was repeated from prior years, the Summary Schedule of Prior Audit Findings includes the finding reference number for the first year and all subsequent years that the finding was reported. Finding reference numbers begin with "WI," followed by the last two digits of the fiscal year and the finding number. Report numbers, their corresponding fiscal years, and their finding reference numbers appear as follows:

Single Audit Report	Fiscal Year	Finding Reference Number
08-5	FY 2006-07	WI-07-**
07-4	FY 2005-06	WI-06-**
06-4	FY 2004-05	WI-05-**
05-5	FY 2003-04	WI-04-**

U.S. DEPARTMENT OF AGRICULTURE

University of Wisconsin-Extension

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-25 WI-06-23	10.500	Cooperative Extension Service	Allowable Costs	Corrective Action Taken

U.S. DEPARTMENT OF TRANSPORTATION

Wisconsin Department of Transportation

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-26 WI-06-24	20.205	Highway Planning and Construction	Materials Acceptance Testing	Not Corrected, see page 92

U.S. DEPARTMENT OF EDUCATION

University of Wisconsin-Madison

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-9	Various	Student Financial Aid Cluster	Return of Student Financial Aid Funds	Corrective Action Taken
WI-07-10	84.007	Federal Supplemental Educational Opportunity Grants	Cash Management	Not Corrected, see page 49
WI-07-10	84.033	Federal Work-Study Program	Cash Management	Not Corrected, see page 49
WI-07-10	84.063	Federal Pell Grant Program	Cash Management	Not Corrected, see page 49

University of Wisconsin-Milwaukee

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-11	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	Service Contracts and Agreements	Corrective Action Taken
WI-07-12	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	Time and Effort Reporting	Corrective Action Taken

University of Wisconsin-Eau Claire

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-13	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	Reporting Match Expenditures	Corrective Action Taken

University of Wisconsin-Green Bay

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-14	Various	Student Financial Aid Cluster	Federal Reporting	Corrective Action Taken
WI-07-15	84.032	Federal Family Education Loans	Enrollment Reporting	Partially Corrected, see page 57
WI-07-16	Various	Student Financial Aid Cluster	Return of Federal Student Financial Aid Funds	Materially Corrected

University of Wisconsin-River Falls

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-18	Various	Student Financial Aid Cluster	Federal Reporting	Not Corrected, see page 66
WI-07-19	84.007	Federal Supplemental Educational Opportunity Grants	Reconciliation Procedures	Not Corrected, see page 67
WI-07-19	84.033	Federal Work-Study Program	Reconciliation Procedures	Not Corrected, see page 67
WI-07-19	84.038	Federal Perkins Loan Program	Reconciliation Procedures	Not Corrected, see page 67
WI-07-20	84.033	Federal Work-Study Program	Internal Controls over Student Payroll	Partially Corrected, see page 69
WI-07-21	84.032	Federal Family Education Loans	Enrollment Reporting	Partially Corrected, see page 71

University of Wisconsin-Stevens Point

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-23 WI-06-21	Various	Student Financial Aid Cluster	Financial Aid System Override Capability	Corrective Action Taken

University of Wisconsin-Stout

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-24 WI-06-22	84.032	Federal Family Education Loans	Enrollment Reporting	Partially Corrected, see page 73

Wisconsin Department of Public Instruction

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-27	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	Reporting and Monitoring of Match Expenditures	Not Corrected, see page 99

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Wisconsin Department of Health Services

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-2	93.667	Social Services Block Grant	TANF Funds Spent through the SSBG Program	Corrective Action Taken
WI-07-6 WI-06-6 WI-05-6 WI-04-5	93.778	Medical Assistance Program	Computer Data Matches	Partially Corrected, see page 20

Wisconsin Department of Children and Families

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-7 WI-06-10 WI-05-11 WI-04-12	93.558	Temporary Assistance for Needy Families	Computer Data Matches	Partially Corrected, see page 41
WI-07-8 WI-06-11 WI-05-10	93.558	Temporary Assistance for Needy Families	TANF 60-month Limit	Not Corrected, see page 43
WI-06-9	93.558	Temporary Assistance for Needy Families	Use of TANF Funds for the State Earned Income Tax Credit	Waiting for formal Federal Resolution, see page 46 of report 08-5.
WI-07-4 WI-06-3	93.658	Foster Care—Title IV-E	Federal Reporting and Claiming of Expenditures	Not Corrected, see page 39
WI-07-4 WI-06-3	93.659	Adoption Assistance	Federal Reporting and Claiming of Expenditures	Not Corrected, see page 39
WI-05-2	93.659	Adoption Assistance	Adoption Assistance Eligibility	Waiting for Federal Resolution, see page 32 of report 08-5

NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE PROGRAMS

Wisconsin Department of Health Services

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-5 WI-06-5		Multiple Programs	Subrecipient Monitoring	Not Corrected, see page 22
WI-07-1		Multiple Programs	Costs Allocated Based on the Time and Task Time Study	Partially Corrected, see page 24

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State of Wisconsin Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2008 ■

The Schedule of Expenditures of Federal Awards presents a summary of the State of Wisconsin's expenditures financed by the federal government. For the fiscal year ended June 30, 2008, the State of Wisconsin administered $10.0 billion in federal financial assistance, consisting of $8.8 billion in cash assistance, as presented in the schedule; $66.4 million in noncash assistance; and $1.2 billion in outstanding loan balances, as described in Note 2 to the schedule.

As summarized on page 124, 25 state agencies, including the University of Wisconsin System, expended federal awards during FY 2007-08. We selected 23 federal programs, which are listed in Note 2 to the schedule, for review according to the risk-based approach required by OMB Circular A-133.

Federal programs have been classified for purposes of the schedule into three types:

1) individual programs and other clusters, which are presented on pages 125 through 158;

2) the research and development (R&D) cluster, presented on pages 159 through 195; and

3) the student financial aid (SFA) cluster, presented on pages 196 through 199.

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SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY WISCONSIN STATE AGENCY OR CAMPUS
FOR THE YEAR ENDED JUNE 30, 2008

STATE AGENCY OR CAMPUS	INDIVIDUAL PROGRAMS AND OTHER CLUSTERS	RESEARCH AND DEVELOPMENT CLUSTER	STUDENT FINANCIAL AID CLUSTER	TOTAL
Department of Health and Family Services	$ 3,996,480,807	$ 0	$ 0	$ 3,996,480,807
Department of Workforce Development	1,602,114,727	0	0	1,602,114,727
Department of Transportation	759,896,813	0	0	759,896,813
Department of Public Instruction	707,360,685	0	0	707,360,685
Department of Administration	152,351,973	0	0	152,351,973
Department of Natural Resources	111,966,005	0	0	111,966,005
Department of Military Affairs	49,147,422	0	0	49,147,422
Department of Commerce	46,104,375	0	0	46,104,375
Wisconsin Technical College System Board	30,034,564	0	0	30,034,564
Department of Veterans Affairs	20,932,764	0	0	20,932,764
Department of Agriculture, Trade and Consumer Protection	14,480,889	0	0	14,480,889
Department of Justice	14,204,533	0	0	14,204,533
Department of Corrections	3,303,729	0	0	3,303,729
Government Accountability Board	2,619,019	0	0	2,619,019
Higher Educational Aids Board	1,453,925	0	0	1,453,925
Wisconsin Historical Society	857,228	0	0	857,228
Child Abuse and Neglect Prevention Board	666,838	0	0	666,838
Wisconsin Arts Board	649,227	0	0	649,227
Public Service Commission	311,658	0	0	311,658
Board for People with Developmental Disabilties	205,018	0	0	205,018
Educational Communications Board	94,979	0	0	94,979
Board of Commissioners of Public Lands	41,407	0	0	41,407
Board on Aging and Long-Term Care	0	0	0	0
Department of Revenue	0	0	0	0
Total State Agencies	7,515,278,585	0	0	7,515,278,585
UW-Madison	46,314,628	481,905,398	172,508,579	700,728,605
UW-Milwaukee	10,090,527	19,152,478	135,807,112	165,050,117
UW-Eau Claire	2,696,523	621,967	38,194,189	41,512,679
UW-Green Bay	925,036	885,595	22,308,015	24,118,646
UW-La Crosse	2,207,459	1,277,416	39,213,324	42,698,199
UW-Oshkosh	6,144,172	987,489	46,697,999	53,829,660
UW-Parkside	1,499,477	121,306	19,804,689	21,425,472
UW-Platteville	1,145,607	4,398	26,360,121	27,510,126
UW-River Falls	1,689,490	64,135	26,828,266	28,581,891
UW-Stevens Point	3,755,773	1,035,221	40,467,546	45,258,540
UW-Stout	4,725,506	149,764	41,909,823	46,785,093
UW-Superior	833,246	1,642,324	14,315,860	16,791,430
UW-Whitewater	2,098,591	332,049	42,948,955	45,379,595
UW Colleges	1,390,694	61,523	29,862,022	31,314,239
UW-Extension	13,787,523	0	0	13,787,523
UW System Administration	1,128,989	0	0	1,128,989
Wisconsin Humanities Council	524,627	0	0	524,627
Total UW System	100,957,868	508,241,063	697,226,500	1,306,425,431
TOTAL STATE OF WISCONSIN	**$ 7,616,236,453**	**$ 508,241,063**	**$ 697,226,500**	**$ 8,821,704,016** [1]

1 In addition to this amount of cash expenditures and noncash assistance during FY 2007-08, the State administered $1.2 billion in outstanding loan balances as of June 30, 2008.

The accompanying notes are an integral part of this schedule.

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
U.S. OFFICE OF NATIONAL DRUG CONTROL POLICY:					
N/A	07.xIPMLP	Other Federal Financial Assistance: High Intensity Drug Trafficking Area	DOJ	$ 336,196	$ 0
		TOTAL U.S. OFFICE OF NATIONAL DRUG CONTROL POLICY		336,196	0
PEACE CORPS:					
N/A	08.164-99-3047; PO 00-164-2022-000;PC-04-8-086;PC06-8-144;PC05-8-087;PC-07-8-068	Other Federal Financial Assistance: Peace Corps Publicity/Recruitment Program	UW-Madison	5	0
		TOTAL PEACE CORPS		5	0
U.S. DEPARTMENT OF AGRICULTURE:					
10.025		Plant and Animal Disease, Pest Control, and Animal Care	DATCP	4,625,274	0
10.025		Plant and Animal Disease, Pest Control, and Animal Care	DNR	499,500	0
		Total Federal Program 10.025		5,124,774	0
10.069		Conservation Reserve Program	DNR	35,453	0
10.156		Federal-State Marketing Improvement Program	DATCP	1,306,777	1,081,262
10.162		Inspection Grading and Standardization	DATCP	34,485	0
10.163		Market Protection and Promotion	DATCP	463,227	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Stevens Point	344,480	42,746
10.200		Grants for Agricultural Research, Special Research Grants	UW-Extension	(1)	0
		Total Federal Program 10.200		344,479	42,746
10.217		Higher Education Challenge Grants	UW-Madison	24,394	0
10.217		Higher Education Challenge Grants (from UW-River Falls)	UW-Platteville	37,900	0
10.217		Higher Education Challenge Grants	UW-River Falls	95,551	1,740
10.217		Higher Education Challenge Grants (from UW-River Falls)	UW-Stevens	19,400	0
		Total Federal Program 10.217		177,245	1,740
10.220		Higher Education Multicultural Scholars Program	UW-River Falls	18,250	0
10.303		Integrated Programs	UW-Extension	622,476	324,975
10.304		Homeland Security-Agricultural	UW-Madison	293,030	0
10.435		State Mediation Grants	DATCP	211,236	0
10.455		Community Outreach and Assistance Partnership Program	DATCP	48,189	0
10.457	10.07-IE-0831-0089-E	Commodity Partnerships for Risk Management Education	UW-River Falls	18,610	0
10.459		Commodity Partnerships for Small Agricultural Risk Management Education Sessions	UW-Madison	7,640	0
10.475		Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	DATCP	3,956,744	0
10.500		Cooperative Extension Service	UW-Madison	1,334,172	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-Madison	199,229	0
10.500		Cooperative Extension Service	UW-Platteville	260,386	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-River Falls	19,465	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
10.500		Cooperative Extension Service (from UW-Extension)	UW-Stevens Point	99,366	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-Stout	224,312	0
10.500		Cooperative Extension Service	UW-Extension	10,549,587	1,289,266
		Total Federal Program 10.500		12,686,517	1,289,266
		Food Stamp Cluster:			
10.551		Food Stamps (Note 5)	DHFS	400,554,824	0
10.561		State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	DHFS	41,619,654	31,702,261
10.561		State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	UW-Oshkosh	231	0
10.561	10.Jul-42	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (from UW-Extension)	UW-Madison	41,519	0
		Total Food Stamp Cluster		442,216,228	31,702,261
		Child Nutrition Cluster:			
10.553		School Breakfast Program	DPI	24,588,007	24,588,007
10.555		National School Lunch Program (Note 6)	DPI	131,329,288	131,325,951
10.556		Special Milk Program for Children	DPI	1,090,725	1,090,725
10.559		Summer Food Service Program for Children (Note 6)	DPI	3,838,901	3,713,804
		Total Child Nutrition Cluster		160,846,921	160,718,487
10.557		Special Supplemental Nutrition Program for Women, Infants, and Children (Notes 2, 7)	DHFS	79,382,437	18,164,363
10.558		Child and Adult Care Food Program	DPI	38,599,599	38,125,598
10.560		State Administrative Expenses for Child Nutrition	DPI	2,565,340	0
10.565		Commodity Supplemental Food Program	DHFS	243,703	222,818
		Emergency Food Assistance Cluster:			
10.568		Emergency Food Assistance Program (Administrative Costs)	DHFS	1,059,134	1,011,335
10.569		Emergency Food Assistance Program (Food Commodities) (Note 6)	DHFS	3,075,206	0
		Total Emergency Food Assistance Cluster		4,134,340	1,011,335
10.572		WIC Farmers' Market Nutrition Program	DHFS	604,487	42,759
10.574		Team Nutrition Grants	DPI	157,398	8,678
10.576		Senior Farmers Market Nutrition Program	DHFS	268,718	0
10.579		Child Nutrition Discretionary Grants Limited Availability	DPI	93,904	0
10.582		Fresh Fruit and Vegetable Program (Note 6)	DPI	1,399,109	1,399,109
10.601		Market Access Program	DATCP	82,738	77,950
10.603		Emerging Markets Program	UW-Whitewater	30,388	0
10.652		Forestry Research	DNR	138,210	0
10.664		Cooperative Forestry Assistance	DATCP	859,969	0
10.664		Cooperative Forestry Assistance	DNR	3,158,270	345,436
10.664		Cooperative Forestry Assistance	UW-Stevens Point	9,526	0
		Total Federal Program 10.664		4,027,765	345,436
		Schools and Roads Cluster:			
10.665		Schools and Roads-Grants to States	DNR	1,894,926	1,894,926
		Total Schools and Roads Cluster		1,894,926	1,894,926
10.675		Urban and Community Forest Program	DNR	65,446	62,249
10.676		Forest Legacy Program	DNR	2,012,000	0
10.677		Forest Land Enhancement Program	DNR	150,894	0
10.678		Forest Stewardship Program	DNR	462,556	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
10.680		Forest Health Protection	DATCP	10,220	0
10.680		Forest Health Protection	DNR	229,553	0
		Total Federal Program 10.680		239,773	0
10.769		Rural Business Enterprise Grants	UW-Stout	13,638	0
10.901		Resource Conservation and Development	DATCP	982,978	875,236
10.902		Soil and Water Conservation	DNR	25,822	0
10.902		Soil and Water Conservation	UW-Stevens Point	609,457	0
10.902		Soil and Water Conservation	UW-Extension	302,502	0
		Total Federal Program 10.902		937,781	0
10.912		Environmental Quality Incentives Program	DATCP	424,441	346,442
10.914		Wildlife Habitat Incentive Program	DNR	32,958	0
10.950		Agricultural Statistics Reports	DATCP	106,351	0
10.960		Technical Agricultural Assistance	UW-Madison	296,688	0
10.960		Technical Agricultural Assistance	UW-Extension	32,816	0
		Total Federal Program 10.960		329,504	0
10.961		Scientific Cooperation and Research	UW-Madison	(65)	0
		Other Federal Financial Assistance:			
N/A	10.AG56A2P070026	Eagle/Osprey Surveys	DNR	2,142	0
N/A	10.AG56A2P070068	Spruce Grouse Survey	DNR	8,000	0
N/A	10.AG56A2P060039	Survey for Martins and Goshawks	DNR	8,654	0
N/A	10.AG56A2P070027	Wolf Monitoring	DNR	8,000	0
N/A	10.AGE20000024/AGE20000027; AID-CSD-3204; 4-32U4-2-14772	Community Impact Analysis	UW-Madison	(815)	0
N/A	10.PO# NMD 96158	Determine Changes in Farm Practices	UW-Madison	254	0
N/A	10.Jul-43; Aug-50	Food Stamp Nutrition Education Program	UW-Madison	60,417	0
N/A	10.Loan #05	Green Affordable Housing	UW-Madison	280	0
N/A	10.57-3655-6-0079; 57-3655-2-45; AGT DTD 6/7/06	USDA Remodeling and Upgrades	UW-Madison	21,415	0
N/A	10.RD	Veterinary Diagnostic Lab	UW-Madison	98,027	0
N/A	10.AGT DTD 6/7/06	Wisconsin Department of Agriculture Trade and Consumer Protection	UW-Madison	456	0
N/A	10.02-CA-11132762-076; 05-PA-11090100-020	International Seminar on Watersheds Management	UW-Stevens Point	53,084	0
N/A	10.07-CS-11091318-014	Challenge NGLVC Sustainability Project	UW-Extension	12,105	0
N/A	10.7-CA-11111126-43	International Congress Conference	UW-Extension	5,000	0
		Subtotal Direct Programs		768,070,617	257,737,636
		Subgrants:			
10.200	10.Q4089042	Grants for Agricultural Research, Special Research Grants (from University of Minnesota)	UW-Madison	2,883	0
10.200	10.25-6205-; 0040-020; 0042-012; 0042-020	Grants for Agricultural Research, Special Research Grants (from University of Nebraska-Lincoln)	UW-Madison	79,928	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
10.206	10.Q6286224301	Grants for Agricultural Research-Competitive Research Grants (from University of Minnesota)	UW-Madison	96,300	0
10.206		Grants for Agricultural Research-Competitive Research Grants (from University of Vermont)	UW-Platteville	10,733	0
10.206	10.G-1595-2	Grants for Agricultural Research-Competitive Research Grants (from Colorado State University)	UW-Extension	124,660	0
10.217	10.44090-7461	Higher Education Challenge Grants (from Cornell University)	UW-Madison	14,104	0
10.217	10.2005-04383-02	Higher Education Challenge Grants (from University of Illinois)	UW-Madison	42,048	0
10.226	10.2007-38414-18067	Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants (from Chippewa Valley Technical College)	UW-River Falls	2,828	0
10.303	10.591-0758-01	Integrated Programs (from Purdue University)	UW-Extension	37,333	0
10.303	10.022105/0541	Integrated Programs (from University of Rhode Island)	UW-Extension	17,541	0
10.352		Value-Added Producer Grants (from Iowa State University)	UW-Extension	10,305	0
10.454		Dairy Options Pilot Program (from University of Nebraska)	UW-Platteville	10,131	0
10.500	10.BDK273	Cooperative Extension Service (from University of Idaho)	UW-Madison	34,351	0
10.500	10.Q4089052201	Cooperative Extension Service (from University of Minnesota)	UW-Madison	3,362	0
10.500		Cooperative Extension Service (from University of Nebraska)	UW-River Falls	27,877	0
10.500	10.2005-45063-03355	Cooperative Extension Service (from Cooperative State Research Education and Extension Service)	UW-Extension	4,646	1,570
10.500		Cooperative Extension Service (from Kansas State University)	UW-Extension	33,600	0
10.500	10.2003-45063-01796	Cooperative Extension Service (from Oconto County Partnership)	UW-Extension	(17,037)	0
10.500	10.2002-45201-01528; 2005-45201-03332	Cooperative Extension Service (from National 4-H Council)	UW-Extension	32,044	0
10.500		Cooperative Extension Service (from University of Minnesota)	UW-Extension	3,980	0
10.766	10.CK 70265	Community Facilities Loans and Grants (from Chief Dull Knife College)	UW-Madison	981	0
10.902		Soil and Water Conservation (from Global Environmental Management)	UW-Stevens Point	24,146	0
N/A	10.P514834	UV-B Monitoring (from Colorado State University)	DNR	3,500	0
N/A	10.93194	National Web-Based Learning Center for Private Forest and Range Land Owners (from University of Tennessee)	UW-Madison	13,775	0
N/A	10.2006-03134-06	Just in Time Parenting (from University of Illinois-Urbana-Champaign)	UW-Madison	4,500	0
		Subtotal Subgrants		618,519	1,570
		TOTAL U.S. DEPARTMENT OF AGRICULTURE		768,689,136	257,739,206
U.S. DEPARTMENT OF COMMERCE:					
11.303		Economic Development-Technical Assistance	UW-Stout	166,385	0
11.400		Geodetic Surveys and Services	DOT	2,350,701	0
11.407		Interjurisdictional Fisheries Act of 1986	DNR	20,385	0
11.419		Coastal Zone Management Administration Awards	DOA	2,174,462	1,777,437
11.550		Public Telecommunications Facilities Planning and Construction	ECB	94,979	0
11.555		Public Safety Interoperable Communications Grant Program	DOA	69,466	0
11.609		Measurement and Engineering Research and Standards	UW-Stout	4,263	0
11.611		Manufacturing Extension Partnership	UW-Stout	794,545	96,830
		Subtotal Direct Programs		5,675,186	1,874,267

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		Subgrants:			
11.419	11.AD069014-007.13	Coastal Zone Management Administration Awards (from Historic Sixth District)	UW-Parkside	18,000	0
11.419		Coastal Zone Management Administration Awards (from Great Lakes/In Wisconsin Public Television Segments)	UW-Extension	(173)	0
11.611		Manufacturing Extension Partnership (from Wisconsin Center for Manufacturing and Productivity, Inc.)	UW-Stout	90,488	0
		Subtotal Subgrants		108,315	0
		TOTAL U.S. DEPARTMENT OF COMMERCE		5,783,501	1,874,267
U.S. DEPARTMENT OF DEFENSE:					
12.105		Protection of Essential Highways, Highway Bridge Approaches, and Public Works	DOT	48,186	0
12.106		Flood Control Projects	Public Lands	41,407	41,407
12.113		State Memorandum of Agreement Program for the Reimbursement of Technical Services	DNR	179,310	0
12.400		Military Construction, National Guard	DMA	859,387	0
12.401		National Guard Military Operations and Maintenance (O&M) Projects (Note 2)	DMA	31,463,398	0
12.401		National Guard Military Operations and Maintenance (O&M) Projects (Note 2)	DVA	143,828	0
		Total Federal Program 12.401		31,607,226	0
12.404		National Guard Civilian Youth Opportunities	DMA	2,358,877	0
N/A	12.AGR dtd 09/10/02; LTR dtd 10/21/04	Academy of Applied Science	UW-Madison	(652)	0
N/A	12.W81XWH-06-1-0729; W81XWH-05-1-0295	Military Medical Research and Development	UW-Madison	38,945	0
N/A	12.W911SA-06-P-0228	Fort McCoy Curation	UW-La Crosse	1,078	0
N/A	12.U203G050091	Augmented Reality Simulation Games	UW System Admin	538,805	0
		Subtotal Direct Programs		35,672,569	41,407
		Subgrants:			
12.002		Procurement Technical Assistance for Business Firms (from Wisconsin Procurement Institute)	UW-Stout	44,338	28,501
N/A	12.W911NF 04-1-0001	Junior Science Humanities Symposium (JSHS) (from Academy of Applied Science)	UW-La Crosse	8,014	0
N/A	12.N61339-02-2-0004	Cooperative Agreement Advanced Distributed Learning Initiative (from Joint ADL Co-Laboratory)	UW System Admin	349,357	311,659
		Subtotal Subgrants		401,709	340,160
		TOTAL U.S. DEPARTMENT OF DEFENSE		36,074,278	381,567
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
14.171		Manufactured Home Construction and Safety Standards	Commerce	60,811	0
14.228		Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (Note 8)	Commerce	25,709,106	24,626,008
14.231		Emergency Shelter Grants Program	Commerce	2,079,985	2,024,129
14.235		Supportive Housing Program	Commerce	1,075,442	642,073
14.239		Home Investment Partnerships Program	Commerce	15,178,029	14,419,150
14.241		Housing Opportunities for Persons with AIDS	Commerce	396,580	390,686
14.512	14.CDWS-WI-05-136	Community Development Work-Study Program	UW-Milwaukee	27,289	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
14.900		Lead-Based Paint Hazard Control in Privately-Owned Housing	DOA	646,172	601,622
N/A	14.ED-FY06-12202	Wisconsin Entrepreneurs Network	UW-Extension	759,767	91,077
		Subtotal Direct Programs		45,933,181	42,794,745
		Subgrants:			
14.218	14.AGR dtd 1/2/02	Community Development Block Grants/Entitlement Grants (from Waukesha County)	UW-Extension	135,795	0
		TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		46,068,976	42,794,745
U.S. DEPARTMENT OF THE INTERIOR:					
15.114		Indian Education-Higher Education Grant Program	UW-Oshkosh	1,374	0
15.226		Payments in Lieu of Taxes	DNR	785,551	785,551
15.231		Fish, Wildlife and Plant Conservation Resource Management	DOT	13,196	0
		Fish and Wildlife Cluster:			
15.605		Sport Fish Restoration	DNR	12,820,973	1,800,288
15.611		Wildlife Restoration	DNR	8,768,129	0
		Total Fish and Wildlife Cluster		21,589,102	1,800,288
15.608		Fish and Wildlife Management Assistance	DNR	104,435	0
15.614		Coastal Wetlands Planning, Protection and Restoration Act	DNR	272,808	0
15.615		Cooperative Endangered Species Conservation Fund	DNR	803,174	0
15.616		Clean Vessel Act	DNR	40,315	15,370
15.622		Sportfishing and Boating Safety Act	DNR	340,000	0
15.623		North American Wetlands Conservation Fund	DNR	194,000	0
15.630		Coastal Program	DNR	4,052	0
15.633		Landowner Incentive Program	DNR	234,583	0
15.634		State Wildlife Grants	DNR	803,845	0
15.637		Migratory Bird Joint Ventures	DNR	24,400	0
15.808		U.S. Geological Survey-Research and Data Collection	DNR	27,526	0
15.808		U.S. Geological Survey-Research and Data Collection	UW-Madison	101,498	0
15.808		U.S. Geological Survey-Research and Data Collection	UW-Extension	4,758	0
		Total Federal Program 15.808		133,782	0
15.810		National Cooperative Geologic Mapping Program	UW-Extension	76,871	0
15.904		Historic Preservation Fund Grants-In-Aid	WHS	831,408	0
15.916		Outdoor Recreation-Acquisition, Development and Planning	DNR	1,275,327	275,043
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	DNR	394,743	0
N/A	15.98210-6-J012	Cooperative Agreement	UW-Stevens Point	56,155	0
		Other Federal Financial Assistance:			
N/A	15.30181-5-J164	Dune Thistle/Lake Iris	DNR	1,878	0
N/A	15.H2105060028	Evaluate Mercury Exposure in Bald Eagles-Apostle Islands	DNR	47,640	0
N/A	15.H6280020001	Ice Age Scientific Reserve	DNR	187,562	0
N/A	15.30182-3-J24	Population Monitoring Upper Mississippi	DNR	3,534	0
N/A	15.30181-5-J32	Recovery Activities Threatened and Endangered Species	DNR	5,732	0
N/A	15.PAA 05 7046	"Holding onto the Green Zone" Toolkit Development: Publication and Distribution Activities	UW-Madison	3,005	0
		TOTAL U.S. DEPARTMENT OF THE INTERIOR		28,228,472	2,876,252

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
U.S. DEPARTMENT OF JUSTICE:					
16.000		State Forfeiture Sharing	DOJ	1,207,444	0
16.000		State Forfeiture Sharing	DOT	170,569	0
		Total Federal Program 16.000		1,378,013	0
16.202		Prisoner Reentry Initiative Demonstration	DOC	237,265	0
16.523		Juvenile Accountability Block Grants	DOA	875,303	747,902
16.525		Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	UW-La Crosse	187,559	0
16.525		Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	UW-Stout	93,006	1,125
		Total Federal Program 16.525		280,565	1,125
16.527		Supervised Visitation, Safe Havens for Children	CANPB	3,910	1,700
16.540		Juvenile Justice and Delinquency Prevention-Allocation to States	DOA	1,150,067	747,966
16.541		Part E-Developing, Testing and Demonstrating Promising New Programs	DOA	14,938	9,967
16.543		Missing Children's Assistance	DOJ	232,545	42,071
16.544		Gang-Free Schools and Communities-Community-Based Gang Intervention	DOA	173,980	165,206
16.548		Title V-Delinquency Prevention Program	DOA	160,389	158,659
16.550		State Justice Statistics Program for Statistical Analysis Centers	DOA	60,240	0
16.554		National Criminal History Improvement Program	DOA	322,899	270,982
16.560		National Institute of Justice Research, Evaluation, and Development Project Grants	DOJ	1,461,827	11,932
16.575		Crime Victim Assistance	DOJ	7,237,232	6,936,039
16.576		Crime Victim Compensation	DOJ	975,216	0
16.579		Edward Byrne Memorial Formula Grant Program	DOA	312,437	234,539
16.580		Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	DOA	685,809	0
16.580		Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	DOC	39,217	0
16.580		Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	DOJ	265,392	0
		Total Federal Program 16.580		990,418	0
16.586		Violent Offender Incarceration and Truth in Sentencing Incentive Grants	DOC	314,580	0
16.588		Violence Against Women Formula Grants	DOA	1,914,314	1,644,163
16.589		Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Grant Program	DOA	718,024	637,753
16.590		Grants to Encourage Arrest Policies and Enforcement of Protection Orders	DOA	416,656	89,172
16.593		Residential Substance Abuse Treatment for State Prisoners	DOA	167,512	152,642
16.606		State Criminal Alien Assistance Program	DOC	1,961,954	0
16.607		Bulletproof Vest Partnership Program	DOJ	9,529	0
16.607		Bulletproof Vest Partnership Program	DOT	342	342
16.607		Bulletproof Vest Partnership Program	UW-Stout	1,153	0
		Total Federal Program 16.607		11,024	342

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
16.609		Community Prosecution and Project Safe Neighborhoods	DOA	168,236	149,298
16.710		Public Safety Partnership and Community Policing Grants	DOJ	105,456	0
16.710		Public Safety Partnership and Community Policing Grants	DOT	9,657	0
		Total Federal Program 16.710		115,113	0
16.727		Enforcing Underage Drinking Laws Program	DOT	278,664	271,739
16.734		Special Data Collections and Statistical Studies	DOA	9,799	0
16.735		Protecting Inmates and Safeguarding Communities Discretionary Grant Program	DOC	218,003	0
16.738		Edward Byrne Memorial Justice Assistance Grant Program	DOA	3,580,929	2,564,526
16.744		Anti-Gang Initiative	DOA	813,076	750,291
16.744		Anti-Gang Initiative	DOJ	84,682	0
		Total Federal Program 16.744		897,758	750,291
		Other Federal Financial Assistance:			
N/A	16.2004-105; 2003-99	Domestic Cannabis Eradication/Suppression Program	DOJ	283,938	29,475
N/A	16.GL-WIE-0109	Drug Enforcement Administration-State and Local Task Force Agreement	DOJ	12,088	0
N/A	16.GL-WIE-051	Organized Crime Drug Enforcement Task Force	DOJ	42,745	0
N/A	16.2004 UMWX0077	COPS Universal Hiring Program	UW-Madison	13,898	0
N/A	16.17PMLP555Z	High Intensity Drug Trafficking Area (HIDTA) UWM Collaborator	UW-Milwaukee	751,229	0
		Subtotal Direct Programs		27,743,708	15,617,489
		Subgrants:			
16.560		National Institute of Justice Research, Evaluation, and Developmental Project Grants (from Ames Laboratory)	DOJ	45,150	0
16.590		Grants to Encourage Arrest Policies and Enforcement of Protection Orders (from Milwaukee County)	DOC	71,971	0
16.710	16.428-25-03	Public Safety Partnership and Community Policing Grants (from Iowa State University)	UW-Platteville	39,343	0
16.729		Drug-Free Communities Support Program Grants (from River Falls Alcohol and Other Drug Abuse Committee)	UW-River Falls	558	0
N/A	16.J41003C-0029	Oxford Prison Educational Program (from Federal Correctional Institute)	UW Colleges	88,915	0
		Subtotal Subgrants		245,937	0
		TOTAL U.S. DEPARTMENT OF JUSTICE		27,989,645	15,617,489
U.S. DEPARTMENT OF LABOR:					
17.002		Labor Force Statistics	DWD	1,735,711	0
17.005		Compensation and Working Conditions	UW-Madison	682,800	0
		Employment Services Cluster:			
17.207		Employment Service/Wagner-Peyser Funded Activities	DWD	13,379,302	0
17.801		Disabled Veterans' Outreach Program	DWD	1,513,044	0
17.804		Local Veterans' Employment Representative Program	DWD	1,297,735	0
		Total Employment Services Cluster		16,190,081	0
17.225		Unemployment Insurance (Notes 2, 9)	DWD	1,014,626,862	0
17.235		Senior Community Service Employment Program	DHFS	2,143,581	2,017,065
17.245		Trade Adjustment Assistance	DWD	9,872,958	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		WIA Cluster:			
17.258		WIA Adult Program (Note 2)	DWD	8,824,467	6,864,717
17.259		WIA Youth Activities (Note 2)	DWD	10,786,877	12,845,532
17.259		WIA Youth Activities (Note 2)	UW-Oshkosh	21,464	0
17.260		WIA Dislocated Workers (Note 2)	DWD	17,571,562	13,143,804
		Total WIA Cluster		37,204,370	32,854,053
17.261		WIA Pilots, Demonstrations, and Research Projects	DWD	43,733	0
17.261		WIA Pilots, Demonstrations, and Research Projects	UW-Milwaukee	268,968	0
17.261		WIA Pilots, Demonstrations, and Research Projects	UW-Stout	41,335	0
		Total Federal Program 17.261		354,036	0
17.266		Work Incentives Grants	DWD	1,970,107	1,162,455
17.267		Incentive Grants-WIA Section 503	DWD	596,000	536,000
17.268		H-1B Job Training Grants	DWD	406,609	378,920
17.271		Work Opportunity Tax Credit (WOTC)	DWD	208,135	0
17.273		Temporary Labor Certification for Foreign Workers	DWD	88,569	0
17.504	17.E9F6-1955; E9F7-0955	Consultation Agreements	UW-Madison	1,989,149	0
17.505		OSHA Data Initiative	UW-Madison	50,298	0
17.600		Mine Health and Safety Grants	Commerce	131,040	0
		Other Federal Financial Assistance:			
N/A	17.W9J68155	BLS Occupational Safety and Health Statistics	UW-Madison	(50)	0
		Subtotal Direct Programs		1,088,250,256	36,948,493
		Subgrants:			
17.200		Growing Regional Opportunities in Wisconsin (from WOW Workforce Development, Inc.)	UW-Parkside	9,860	0
17.261		WIA Pilots, Demonstrations, and Research Projects (from Wisconsin Center for Nursing)	UW-Eau Claire	4,083	0
17.720		Disability Employment Policy Development (from Resource, Inc.)	UW-Stout	32,764	0
		Subtotal Subgrants		46,707	0
		TOTAL U.S. DEPARTMENT OF LABOR		1,088,296,963	36,948,493
U.S. DEPARTMENT OF STATE:					
		Other Federal Financial Assistance:			
N/A	19.S-ECAAS-04-GR-2189(CS)	Educational Partnerships Program Nutrition, Education and Policy: Partnership with Makerere University	UW-Madison	31,067	0
N/A	19.S-ECAPY-08-GR-74	National Security Language Initiative-Jordan	UW-Green Bay	117,515	0
		Subtotal Direct Programs		148,582	0
		Subgrants:			
19.401		Educational Exchange-University Lecturers (Professors) and Research Scholars (from Council for International Exchange of Scholars)	UW-Parkside	5,339	0
N/A	19.AGRs dtd 1/31/07; 6/1/07; 2/6/06	Global Undergraduate Exchange Program (from International Exchange Board)	UW Colleges	30,093	0
		Subtotal Subgrants		35,432	0
		TOTAL U.S. DEPARTMENT OF STATE		184,014	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
U.S. DEPARTMENT OF TRANSPORTATION:					
20.106		Airport Improvement Program (Note 2)	DOT	50,751,213	4,522,263
		Highway Planning and Construction Cluster:			
20.205		Highway Planning and Construction (Notes 2, 10, 11)	DOT	669,207,630	12,025,107
		Total Highway Planning and Construction Cluster		669,207,630	12,025,107
20.218		National Motor Carrier Safety	DOT	3,872,202	0
20.219		Recreational Trails Program	DNR	1,170,001	618,695
20.232		Commercial Driver License State Programs	DOT	1,066,013	606,302
20.312		High Speed Ground Transportation-Next Generation High Speed Rail Program	DOT	266,274	0
		Federal Transit Cluster:			
20.500		Federal Transit-Capital Investment Grants	DOT	5,933,537	3,464,509
20.507		Federal Transit-Formula Grants	DOT	1,884,718	1,246,705
		Total Federal Transit Cluster		7,818,255	4,711,214
20.509		Formula Grants for Other Than Urbanized Areas	DOT	8,696,694	8,471,739
		Transit Services Programs Cluster:			
20.513		Capital Assistance Program for Elderly Persons and Persons with Disabilities	DOT	3,150,881	2,964,355
20.516		Job Access-Reverse Commute	DOT	2,886,582	2,886,582
		Total Transit Services Programs Cluster		6,037,463	5,850,937
20.514		Public Transportation Research	DHFS	12,117	0
20.514		Public Transportation Research	DOT	863,979	795,314
		Total Federal Program 20.514		876,096	795,314
20.515		State Planning and Research	DOT	229,868	2,029
		Highway Safety Cluster:			
20.600		State and Community Highway Safety	DOT	3,947,199	1,768,047
20.601		Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	DOT	2,797,200	1,978,553
20.601		Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (from UW System Admin)	UW-Parkside	1,802	0
20.601		Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (from UW-Extension)	UW-Stout	417	0
20.601		Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (from UW System Admin)	UW-Whitewater	468	0
20.602		Occupant Protection	DOT	1,030,331	335,150
20.605		Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	DOJ	53,582	0
20.610		State Traffic Safety Information System Improvement Grants	DOT	382,036	382,036
20.612		Incentive Grant Program to Increase Motorcyclist Safety	DOT	36,750	0
20.613		Child Safety and Child Booster Seats Incentive Grants	DOT	22,391	22,391
		Total Highway Safety Cluster		8,272,176	4,486,177
20.614		National Highway Transportation Safety Administration (NHTSA) Discretionary Safety Grants	DOJ	8,865	0
20.700		Pipeline Safety	PSC	311,658	0
20.703		Interagency Hazardous Materials Public Sector Training and Planning Grants	DMA	276,219	106,925

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		Other Federal Financial Assistance:			
N/A	20.2715-05-00-70	Glacial Drumlin State Trail Bike Underpass	DNR	26,158	0
N/A	20.DDEGRD-07-X-00454	Dwight David Eisenhower Transportation Program	UW-Madison	8,004	0
N/A	20.32155	Prmblty Crit HMVA PVMNT WI (from UW-Madison)	UW-Platteville	32,152	0
		Subtotal Direct Programs		758,926,941	42,196,702
		Subgrants:			
N/A	20.S005759-F	U.S. Transport Task Force Activities (from Princeton Plasma Physics Laboratory)	UW-Madison	14,837	0
		Subtotal Subgrants		14,837	0
		TOTAL U.S. DEPARTMENT OF TRANSPORTATION		758,941,778	42,196,702
U.S. DEPARTMENT OF THE TREASURY:					
21.008		Low-Income Taxpayer Clinics	UW-Milwaukee	83,314	0
21.008		Low-Income Taxpayer Clinics	UW-Whitewater	18,761	0
		Subtotal Direct Programs		102,075	0
		Subgrants:			
N/A	21.TIRNO-05-P-00426	The Cost of Maintaining Tax Exempt Status: A Survey of Charitable Organizations (from University of St. Thomas)	UW-Milwaukee	(1,471)	0
		Subtotal Subgrants		(1,471)	0
		TOTAL U.S. DEPARTMENT OF THE TREASURY		100,604	0
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION:					
30.002		Employment Discrimination-State and Local Fair Employment Practices Agency Contracts	DWD	1,251,663	0
		TOTAL U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION		1,251,663	0
U.S. GENERAL SERVICES ADMINISTRATION:					
39.003		Donation of Federal Surplus Personal Property (Note 12)	DOA	0	0
39.011		Election Reform Payments	GAB	363,407	0
		TOTAL U.S. GENERAL SERVICES ADMINISTRATION		363,407	0
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
43.001		Aerospace Education Services Program (from UW-Green Bay)	UW-Superior	7,183	0
		Other Federal Financial Assistance:			
N/A	43.NNX07AN77H	Effects of Land Use Change on Fire, Vegetation and Wildlife Dynamics in Arid Grasslands of Southern Russia	UW-Madison	18,273	0
N/A	43.NNX07AP54H	A Laboratory Search for Carrier Molecules of the Diffuse Interstellar Bands	UW-Madison	19,125	0
N/A	43.144NM73-0701	UW Space Place Astronomy After School Program (from UW-Green Bay)	UW-Madison	880	0
		Subtotal Direct Programs		45,461	0
		Subgrants:			
N/A	43.NNS06AA88G; NNG05GF04G	Integrating NASA Earth Observation Data (from The Institute for the Application of Geospatial Technology)	UW-Madison	17,539	0
N/A	43.GO4-5015A	Tuning in the Sun (from Smithsonian Astrophysical Observatory)	UW-Madison	1,712	0
N/A	43.HST-EO-10870.07-A	Ring-Plane Crossing and Equinox of Uranus - An Opportunity for Communicating Science and Discovery to the Public (from Space Telescope Science Institute (STSI))	UW-Madison	1,274	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
N/A	43.699045X	Juno Mission Education and Public Outreach (from Southwest Research Institute)	UW-Madison	221,911	23,663
N/A	43.AGR dtd 09/01/06; AGR dtd 8/9/04	Predoctoral Fellowship Program (from United Negro College Fund Special Program Corporation)	UW-Madison	17,671	0
		Subtotal Subgrants		260,107	23,663
		TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		305,568	23,663
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:					
45.024		Promotion of the Arts-Grants to Organizations and Individuals	UW-Madison	44,997	0
45.024	45.06-5100-8048	Promotion of the Arts-Grants to Organizations and Individuals	UW-Milwaukee	18,614	0
45.024		Promotion of the Arts-Grants to Organizations and Individuals	UW-Parkside	10,000	0
45.024		Promotion of the Arts-Grants to Organizations and Individuals	UW Colleges	5,089	0
		Total Federal Program 45.024		78,700	0
45.025		Promotion of the Arts-Partnership Agreements	Arts Board	649,227	20,048
45.025		Promotion of the Arts-Partnership Agreements	UW-Parkside	2,100	0
45.025		Promotion of the Arts-Partnership Agreements	UW-Whitewater	4,000	0
		Total Federal Program 45.025		655,327	20,048
45.129	45.FY06-034-05; FY07-045-05	Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Madison	4,539	0
45.129	45.FY07-030-05	Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Milwaukee	8,795	0
45.129		Promotion of the Humanities-Federal/State Partnership	UW-La Crosse	3,083	0
45.129		Promotion of the Humanities-Federal/State Partnership	UW-Oshkosh	(61)	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Whitewater	50	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW Colleges	21,228	0
45.129		Promotion of the Humanities-Federal/State Partnership	Wisconsin Humanities Council	524,454	56,478
		Total Federal Program 45.129		562,088	56,478
45.130		Promotion of the Humanities-Challenge Grants	UW-Extension	64,468	0
45.149		Promotion of the Humanities-Division of Preservation and Access	UW-Madison	7,008	0
45.163		Promotion of the Humanities-Professional Development	UW-Stout	67,704	0
45.168		Promotion of the Humanities-We the People	UW-Extension	95,684	0
45.310		Grants to States	DPI	2,881,968	1,107,052
45.312		National Leadership Grants	UW-Madison	257,273	0
45.312		National Leadership Grants (from UW-Madison)	UW-Stout	9,024	0
		Total Federal Program 45.312		266,297	0
45.313		Laura Bush 21st Century Librarian Program	UW-Milwaukee	303,486	0
		Other Federal Financial Assistance:			
N/A	45.ED-50170-03	Utamaduni Online: Advanced Level Course in Swahili Language and Culture	UW-Madison	8,441	0
N/A	45.ES-50135-06	Pre-History of River	UW-La Crosse	95,367	0
		Subtotal Direct Programs		5,086,538	1,183,578

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		Subgrants:			
45.024		Promotion of the Arts-Grants to Organizations and Individuals (from Dance USA)	UW-Milwaukee	(2,205)	0
45.024	45.27669, 45.11032	Promotion of the Arts-Grants to Organizations and Individuals (from Arts Midwest)	UW-Eau Claire	16,309	0
45.025	45.FY08-42541:Hubbard Street 2	Promotion of the Arts-Partnership Agreements (from Arts Midwest)	UW-Eau Claire	1,350	0
45.025		Promotion of the Arts-Partnership Agreements (from Arts Midwest)	UW-Platteville	3,325	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Illinois Humanities Council)	Wisconsin Humanities	173	0
N/A	45.AGR dtd 11/19/04	Preservation Project (from Committee on Institutional Cooperation)	UW-Madison	124	0
N/A	45.03-042	Art and Craft of Decorative Trade Bindings 1815-1930 (from University of Alabama)	UW-Madison	3,892	0
N/A	45.2006-0288-01	L-21 Pre-Professional Programs (from University of Illinois-Urbana-Champaign)	UW-Madison	41,853	0
		Subtotal Subgrants		64,821	0
		TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		5,151,359	1,183,578
NATIONAL SCIENCE FOUNDATION:					
47.041		Engineering Grants	UW-Platteville	91,769	0
47.049		Mathematical and Physical Sciences	UW-Madison	700,916	0
47.049		Mathematical and Physical Sciences	UW-Milwaukee	67,558	0
47.049	47.226H225	Mathematical and Physical Sciences (from UW-Madison)	UW-Milwaukee	56,790	0
		Total Federal Program 47.049		825,264	0
47.050		Geosciences	UW-Madison	2,010	0
47.050		Geosciences	UW-Milwaukee	16,891	0
47.050		Geosciences (from UW-Madison)	UW-Milwaukee	1,282	0
		Total Federal Program 47.050		20,183	0
47.070		Computer and Information Science and Engineering	UW-Madison	17,360	(210)
47.070		Computer and Information Science and Engineering	UW-La Crosse	721	0
		Total Federal Program 47.070		18,081	(210)
47.074		Biological Sciences	UW-Stevens Point	5,867	0
47.075		Social, Behavioral, and Economic Sciences	UW-Madison	153,053	0
47.076		Education and Human Resources	UW-Madison	1,027,238	389,080
47.076		Education and Human Resources	UW-Milwaukee	117,849	20,818
47.076		Education and Human Resources (from UW-Madison)	UW-Milwaukee	25,268	0
47.076		Education and Human Resources	UW-Eau Claire	124,616	0
47.076		Education and Human Resources	UW-Parkside	(305)	0
47.076		Education and Human Resources	UW-Platteville	17,579	0
47.076	47.DUE-0229156, 0511342, 0536618	Education and Human Resources	UW-River Falls	91,303	18,817
47.076		Education and Human Resources	UW-Stout	52,319	0
		Total Federal Program 47.076		1,455,867	428,715

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		Other Federal Financial Assistance:			
N/A	47.725937; AST-0749416; BCS-0753760	Intergovernmental Personnel Assignment Agreements	UW-Madison	584,047	0
N/A	47.12/2/92-Indefinite	Polymer Education	UW-Stevens Point	289	0
		Subtotal Direct Programs		3,154,420	428,505
		Subgrants:			
47.070	47.06-ENG-200145-UWM	Computer and Information Science and Engineering (from Auburn University)	UW-Madison	36,861	0
47.070		Computer and Information Science and Engineering (from University of Illinois)	UW-La Crosse	17,201	0
47.076		Education and Human Resources (from University of Iowa)	UW-Milwaukee	68,784	0
47.076		Education and Human Resources (from Wisconsin Alliance for Minority Participation)	UW-Milwaukee	29,800	0
47.076		Education and Human Resources (from Mid State Technical College)	UW-Stevens Point	(120)	0
47.076		Education and Human Resources (from Chippewa Valley Technical College)	UW-Stout	9,293	0
47.076		Education and Human Resources (from University of Minnesota)	UW-Stout	1,650	0
47.076		Education and Human Resources (from Utah State University)	UW-Stout	41,409	0
N/A	47.F014763	Great Lakes COSEE (from University of Michigan)	UW-Madison	30,571	0
		Subtotal Subgrants		235,449	0
		TOTAL NATIONAL SCIENCE FOUNDATION		3,389,869	428,505
U.S. SMALL BUSINESS ADMINISTRATION:					
59.037		Small Business Development Centers (from UW-Extension SBDC)	UW-Madison	126,611	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Milwaukee	99,351	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Eau Claire	119,585	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Green Bay	84,152	0
59.037		Small Business Development Centers	UW-La Crosse	43,321	0
59.037		Small Business Development Centers (from UW-Extension)	UW-La Crosse	77,683	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Oshkosh	94,988	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Parkside	40,676	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Platteville	38,734	0
59.037	59.7-603001-2-0076	Small Business Development Centers (from UW-Extension)	UW-River Falls	33,610	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Stevens Point	143,099	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Stout	31,644	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Superior	24,845	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Whitewater	560,275	0
59.037		Small Business Development Centers	UW-Extension	432,183	40
		Total Federal Program 59.037		1,950,757	40

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		Other Federal Financial Assistance:			
N/A	59.95-0563-6601	Internet-Based Technical Assistance	UW-Eau Claire	(3,000)	0
N/A	59.SBAHQ-06-I-0087	SBA Congressional Grant	UW-Oshkosh	140,096	0
		TOTAL U.S. SMALL BUSINESS ADMINISTRATION		2,087,853	40
U.S. DEPARTMENT OF VETERANS AFFAIRS:					
64.005		Grants to States for Construction of State Home Facilities	DVA	113,221	0
64.014		Veterans State Domiciliary Care	DVA	1,153,194	0
64.015		Veterans State Nursing Home Care	DVA	16,062,925	0
64.024		VA Homeless Providers Grant and Per Diem Program	DVA	989,958	0
64.101		Burial Expenses Allowance for Veterans	DVA	318,908	0
64.124		All-Volunteer Force Educational Assistance	DWD	146,678	0
64.203		State Cemetery Grants	DVA	465,041	0
		Other Federal Financial Assistance:			
N/A	64.V101 223B	Reimbursement Contract-State Approving Authority	DVA	306,534	0
N/A	64.AGR's dtd 8/3/06, 3/7/07, 3/1/07, 2/6/08, 3/26/07, 4/19/07, 8/17/07, 9/20/07, 9/24/07, 10/4/07, 1/1/07, 10/11/07, 1/16/08, 1/17/08; IPA's for Guoqing Song, KyungMann Kim	Intergovernmental Personnel Assignment Agreements	UW-Madison	509,549	0
		TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS		20,066,008	0
U.S. ENVIRONMENTAL PROTECTION AGENCY:					
66.001		Air Pollution Control Program Support	DNR	4,343,890	0
66.032		State Indoor Radon Grants	DHFS	261,221	194,738
66.034		Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	Commerce	18,444	0
66.034		Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	DNR	791,648	12,334
		Total Federal Program 66.034		810,092	12,334
66.419		Water Pollution Control State, Interstate, and Tribal Program Support	DNR	301,896	0
66.432		State Public Water System Supervision	DNR	3,353,425	0
66.433		State Underground Water Source Protection	DNR	50,897	0
66.436		Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements-Section 104(b)(3) of the Clean Water Act	DNR	346,849	0
66.454		Water Quality Management Planning	DNR	271,660	65,268
66.458		Capitalization Grants for Clean Water State Revolving Funds (Note 13)	DNR	25,997,033	25,155,788
66.460		Nonpoint Source Implementation Grants	DNR	2,549,496	1,887,036
66.461		Regional Wetland Program Development Grants	DNR	324,485	0
66.463		Water Quality Cooperative Agreements	DNR	77,170	0
66.467		Wastewater Operator Training Grant Program	DNR	35,558	0
66.468		Capitalization Grants for Drinking Water State Revolving Funds (Note 13)	DNR	15,622,378	13,118,753

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
66.469		Great Lakes Program	DHFS	54,741	0
66.469		Great Lakes Program	DNR	465,055	4,638
66.469		Great Lakes Program	UW-Extension	6,539	0
		Total Federal Program 66.469		526,335	4,638
66.471		State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	DNR	202,728	0
66.472		Beach Monitoring and Notification Program Implementation Grants	DNR	225,155	0
66.474		Water Protection Grants to the States	DNR	137,246	0
66.511		Office of Research and Development Consolidated Research/Training	DNR	95,480	0
66.516	66.SU-83351401	P3 Award: National Student Design Competition for Sustainability	UW-Madison	11,254	0
66.605		Performance Partnership Grants	DATCP	525,365	0
66.605		Performance Partnership Grants	DNR	8,620,850	2,304,428
		Total Federal Program 66.605		9,146,215	2,304,428
66.608		Environmental Information Exchange Network Grant Program and Related Assistance	DNR	249,003	0
66.611		Environmental Policy and Innovation Grants	DNR	67,974	0
66.700		Consolidated Pesticide Enforcement Cooperative Agreements	DATCP	123,364	0
66.707		TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	DHFS	249,935	0
66.708		Pollution Prevention Grants Program	UW-Extension	19,456	0
66.709		Multi-Media Capacity Building Grants for States and Tribes	DNR	23,820	0
66.716	66.X8-00E00001	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	UW-Madison	12,148	2,538
66.716		Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies (from UW-Madison)	UW-Extension	13,343	0
		Total Federal Program 66.716		25,491	2,538
66.801		Hazardous Waste Management State Program Support	DNR	2,070,862	0
66.802		Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	DNR	822,834	0
66.804		State and Tribal Underground Storage Tanks Program	Commerce	393,234	0
66.804		State and Tribal Underground Storage Tanks Program	DNR	9,645	0
		Total Federal Program 66.804		402,879	0
66.805		Leaking Underground Storage Tank Trust Fund Program	Commerce	869,970	0
66.805		Leaking Underground Storage Tank Trust Fund Program	DNR	885,923	0
		Total Federal Program 66.805		1,755,893	0
66.809		Superfund State and Indian Tribe Core Program Cooperative Agreements	DNR	343,992	0
66.817		State and Tribal Response Program Grants	DNR	1,031,287	0
66.818		Brownfields Assessment and Cleanup Cooperative Agreements	DNR	127,280	95,328
66.950		Environmental Education and Training Program	UW-Stevens Point	1,447,644	1,027,457

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		Other Federal Financial Assistance:			
N/A	66.FP91687801	EPA Star Fellowship	UW-Madison	6,201	0
N/A	66.16-Aug	Pollution Prevention (from UW-Extension)	UW-Madison	12,515	0
N/A	66.X3-83350001	Workshop on Treatment and Disposal of Food Products Contaminated by Biological Threat Agents	UW-Madison	5,366	0
		Subtotal Direct Programs		73,476,259	43,868,306
		Subgrants:			
66.716		Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies (from American Farmland Trust)	UW-Extension	2,487	0
N/A	66.GL-RAPIDS	Rapids (from Great Lakes Commission)	DNR	9,510	0
N/A	66.REGION 5 2004-02	Pesticide Risk Reduction in Wisconsin (from American Farmland Trust)	UW-Madison	(278)	0
N/A	66.2003-07704-01	Operation of PNEAC for Compliance Assistance and Pollution (from University of Illinois-Urbana-Champaign)	UW-Extension	54,580	0
		Subtotal Subgrants		66,299	0
		TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY		73,542,558	43,868,306
U.S. DEPARTMENT OF ENERGY:					
81.039		National Energy Information Center	DOA	14,014	0
81.041		State Energy Program	DOA	651,005	0
81.042		Weatherization Assistance for Low-Income Persons	DOA	8,129,064	6,662,372
81.105		National Industrial Competitiveness through Energy, Environment, and Economics	DOA	5,081	5,072
81.117		Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	DOA	18,087	0
81.119		State Energy Program Special Projects	DOA	101,191	81,984
		Other Federal Financial Assistance:			
N/A	81.505-143	Petroleum Violation Escrow Funds	DOA	126,601	33,018
N/A	81.AGR dtd 2/28/07	Intergovernmental Personnel Assignment Agreement	UW-Madison	203,060	0
		Subtotal Direct Programs		9,248,103	6,782,446
		Subgrants:			
81.049		Office of Science Financial Assistance Program (from Oak Ridge National Laboratory)	UW-Stout	47,841	0
81.087		Renewable Energy Research and Development (from University of Minnesota)	UW-Stevens Point	9,825	0
N/A	81.PO 514778	Manufacture, Trial and Assembly of the CMS Endcap of the CMS Magnet (from Fermi National Accelerator Lab)	UW-Madison	7,167	0
N/A	81.AGR DTD 04/27/03	Naval Nuclear Propulsion and Nuclear Engineering/Health Physics Fellowships (from Medical University of South Carolina)	UW-Madison	65,707	0
N/A	81.AGR dtd 6/02/03; 745116; 745117	Excellence in Engineering Fellowships (from Sandia National Laboratories)	UW-Madison	17,046	0
		Subtotal Subgrants		147,586	0
		TOTAL U.S. DEPARTMENT OF ENERGY		9,395,689	6,782,446
U.S. DEPARTMENT OF EDUCATION:					
84.002		Adult Education-State Grant Program	WTCSB	7,611,594	6,713,180
84.010		Title I Grants to Local Educational Agencies (Note 2)	DPI	177,443,570	174,404,226
84.011		Migrant Education-State Grant Program	DPI	611,650	382,072
84.013		Title I Program for Neglected and Delinquent Children	DPI	1,304,334	1,294,121

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
84.015		National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	UW-Madison	3,614,472	0
84.015		National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	UW-Milwaukee	22,188	0
84.015		National Resource Centers and Fellowships Program for Language and Area or Language and International Studies (from UW-Madison)	UW-Milwaukee	117,002	0
		Total Federal Program 84.015		3,753,662	0
84.017		International Research and Studies	UW-Madison	338,480	10,954
84.021		Overseas-Group Projects Abroad	UW-Madison	(952)	0
84.021		Overseas-Group Projects Abroad	UW-Milwaukee	150,116	0
		Total Federal Program 84.021		149,164	0
		Special Education Cluster:			
84.027		Special Education-Grants to States (Note 2)	DPI	189,945,845	177,676,445
84.027		Special Education-Grants to States (Note 2)	UW-Oshkosh	31,966	0
84.173		Special Education-Preschool Grants (Note 2)	DPI	9,114,174	8,327,609
		Total Special Education Cluster		199,091,985	186,004,054
84.031	84.P031A060236	Higher Education-Institutional Aid	UW-River Falls	375,884	242,932
84.031		Higher Education-Institutional Aid	UW-Stout	389,611	0
		Total Federal Program 84.031		765,495	242,932
		TRIO Cluster:			
84.042		TRIO-Student Support Services	UW-Madison	240,844	0
84.042		TRIO-Student Support Services	UW-Milwaukee	305,831	0
84.042		TRIO-Student Support Services	UW-Eau Claire	373,289	0
84.042		TRIO-Student Support Services	UW-La Crosse	270,004	0
84.042		TRIO-Student Support Services	UW-Oshkosh	349,438	0
84.042		TRIO-Student Support Services	UW-Parkside	305,634	0
84.042		TRIO-Student Support Services	UW-Platteville	349,458	0
84.042	84.P042A050568	TRIO-Student Support Services	UW-River Falls	249,621	0
84.042		TRIO-Student Support Services	UW-Stevens Point	270,646	0
84.042		TRIO-Student Support Services	UW-Stout	557,806	0
84.042		TRIO-Student Support Services	UW-Superior	275,547	0
84.042		TRIO-Student Support Services	UW Colleges	539,039	0
84.044		TRIO-Talent Search	DPI	256,577	0
84.044		TRIO-Talent Search	UW-Milwaukee	332,642	0
84.044		TRIO-Talent Search	UW-Stout	300,002	0
84.044		TRIO-Talent Search	UW-Whitewater	281,864	0
84.044	84.PO44A060474	TRIO-Talent Search	UW Colleges	253,286	0
84.047		TRIO-Upward Bound	DPI	197,767	0
84.047		TRIO-Upward Bound	UW-Milwaukee	953,855	0
84.047		TRIO-Upward Bound	UW-Eau Claire	296,584	0
84.047		TRIO-Upward Bound	UW-Green Bay	545,101	0
84.047		TRIO-Upward Bound	UW-La Crosse	476,777	0
84.047		TRIO-Upward Bound	UW-Parkside	25,082	0
84.047	84.P047A031099	TRIO-Upward Bound	UW-River Falls	353,575	0
84.047		TRIO-Upward Bound	UW-Stevens Point	469,113	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
84.047		TRIO-Upward Bound	UW-Stout	100,148	0
84.047		TRIO-Upward Bound	UW-Superior	235,084	0
84.047		TRIO-Upward Bound	UW-Whitewater	349,665	0
84.047		TRIO-Upward Bound	UW Colleges	376,131	0
84.066		TRIO-Educational Opportunity Centers	UW-Milwaukee	290,487	0
84.066		TRIO-Educational Opportunity Centers	UW-Eau Claire	251,941	0
84.066		TRIO-Educational Opportunity Centers (from UW-Eau Claire)	UW Colleges	76,765	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Madison	250,800	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Milwaukee	184,255	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Eau Claire	256,983	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Oshkosh	68,925	0
84.217	84.P217A030187	TRIO-McNair Post-Baccalaureate Achievement	UW-River Falls	224,716	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Superior	204,829	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Whitewater	174,822	0
		Total TRIO Cluster		11,874,933	0
84.048		Career and Technical Education-Basic Grants to States	WTCSB	20,308,949	18,612,666
84.069		Leveraging Educational Assistance Partnership	HEAB	1,453,925	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Madison	19,972	0
84.116		Fund for the Improvement of Postsecondary Education (from UW System Admin)	UW-Milwaukee	1,038	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Eau Claire	5,239	0
84.116		Fund for the Improvement of Postsecondary Education	UW-La Crosse	251,387	55,026
84.116		Fund for the Improvement of Postsecondary Education	UW-Parkside	722	0
84.116		Fund for the Improvement of Postsecondary Education (from UW-La Crosse)	UW-Stevens Point	31,414	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Stout	147,658	0
84.116		Fund for the Improvement of Postsecondary Education (from UW-La Crosse)	UW-Stout	14,014	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Whitewater	71,105	0
84.116		Fund for the Improvement of Postsecondary Education	UW Colleges	(1,586)	0
		Total Federal Program 84.116		540,963	55,026
84.126		Rehabilitation Services-Vocational Rehabilitation Grants to States (Note 2)	DWD	64,152,248	1,626,346
84.126		Rehabilitation Services-Vocational Rehabilitation Grants to States (Note 2)	UW-Oshkosh	22,166	0
		Total Federal Program 84.126		64,174,414	1,626,346
84.129		Rehabilitation Long-Term Training	UW-Madison	170,150	0
84.129		Rehabilitation Long-Term Training	UW-Stout	263,162	0
		Total Federal Program 84.129		433,312	0
84.144		Migrant Education-Coordination Program	DPI	201,163	173,729
84.153		Business and International Education Projects	UW-Green Bay	133,265	0
84.153		Business and International Education Projects	UW-Eau Claire	95,441	0
84.153		Business and International Education Projects	UW-La Crosse	66,387	0
84.153		Business and International Education Projects	UW-Platteville	77,277	0
84.153		Business and International Education Projects	UW-Whitewater	42,108	0
		Total Federal Program 84.153		414,478	0
84.161		Rehabilitation Services-Client Assistance Program	DATCP	179,502	0
84.169		Independent Living-State Grants	DWD	218,739	218,739
84.170		Javits Fellowships	UW-Madison	143,344	0

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		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
84.177		Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	DWD	589,696	589,696
84.181		Special Education-Grants for Infants and Families with Disabilities	DHFS	6,936,341	6,442,425
84.184		Safe and Drug-Free Schools and Communities-National Programs	DPI	444,920	0
84.184		Safe and Drug-Free Schools and Communities-National Programs	UW-Eau Claire	40,562	0
		Total Federal Program 84.184		485,482	0
84.185		Byrd Honors Scholarships	DPI	701,750	701,750
84.185		Byrd Honors Scholarships	UW-Parkside	750	0
		Total Federal Program 84.185		702,500	701,750
84.186		Safe and Drug-Free Schools and Communities-State Grants (Note 20)	DHFS	1,154,113	1,112,629
84.186		Safe and Drug-Free Schools and Communities-State Grants	DPI	4,300,843	3,931,677
		Total Federal Program 84.186		5,454,956	5,044,306
84.187		Supported Employment Services for Individuals with Severe Disabilities	DWD	456,675	0
84.195		Bilingual Education-Professional Development	DPI	127,814	65,046
84.195		Bilingual Education-Professional Development	UW-Milwaukee	412,373	0
84.195		Bilingual Education-Professional Development	UW-Eau Claire	24,789	0
84.195		Bilingual Education-Professional Development (from UW-La Crosse)	UW-Eau Claire	8,316	0
84.195		Bilingual Education-Professional Development	UW-Oshkosh	177,046	0
84.195		Bilingual Education-Professional Development	UW-Whitewater	138,023	0
		Total Federal Program 84.195		888,361	65,046
84.196		Education for Homeless Children and Youth	DPI	901,284	743,109
84.200		Graduate Assistance in Areas of National Need	UW-Madison	165,891	0
84.200		Graduate Assistance in Areas of National Need	UW-Milwaukee	167,110	0
		Total Federal Program 84.200		333,001	0
84.213		Even Start-State Educational Agencies	DPI	1,308,933	1,234,468
84.215		Fund for the Improvement of Education	UW-Eau Claire	14,428	0
84.220		Centers for International Business Education (from UW-Madison)	UW-Whitewater	359	0
84.224		Assistive Technology	DHFS	470,622	260,849
84.229		Language Resource Centers	UW-Madison	385,533	0
84.234		Projects with Industry	UW-Stout	307,194	0
84.235		Rehabilitation Services Demonstration and Training Programs	DWD	13,356	13,356
84.243		Tech-Prep Education	WTCSB	2,105,906	2,038,880
84.265		Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training	DWD	56,194	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-La Crosse	6,358	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Platteville	170,866	0
		Total Federal Program 84.281		177,224	0

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		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
84.282		Charter Schools (Note 2)	DPI	14,724,059	13,933,350
84.287		Twenty-First Century Community Learning Centers	DPI	12,220,522	11,370,075
84.293		Foreign Language Assistance	DPI	111,441	0
84.298		State Grants for Innovative Programs	DPI	2,246,004	2,118,147
84.299		Urban Indian Education-Special Projects	UW-Milwaukee	398,231	0
84.318		Education Technology State Grants	DPI	4,520,310	4,268,842
84.323		Special Education-State Personnel Development	DPI	931,954	422,312
84.323	84.PAG000581	Special Education-State Personnel Development (from UW-Madison)	UW-River Falls	28,892	0
84.323		Special Education-State Personnel Development (from UW-Madison)	UW-Whitewater	9,028	0
		Total Federal Program 84.323		969,874	422,312
84.325		Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	UW-Madison	11,974	0
84.325		Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	UW-Milwaukee	301,388	0
84.325		Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	UW-La Crosse	97,495	0
		Total Federal Program 84.325		410,857	0
84.326		Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	DPI	99,336	50,644
84.327		Special Education-Technology and Media Services for Individuals with Disabilities	UW-Madison	169,326	0
84.331		Grants to States for Incarcerated Youth Offenders	DOC	460,739	0
84.332		Comprehensive School Reform Demonstration	DPI	297,820	297,317
84.333		Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	UW-Milwaukee	377,552	0
84.333		Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education (from UW-Milwaukee)	UW-Platteville	5,954	0
84.333		Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education (from UW-Milwaukee)	UW Colleges	104	0
		Total Federal Program 84.333		383,610	0
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	DPI	5,184,408	3,471,989
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	UW-Milwaukee	1,438,159	0
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	UW-Eau Claire	431,322	0
		Total Federal Program 84.334		7,053,889	3,471,989
84.335		Child Care Access Means Parents in School	UW-Madison	97,502	0
84.335		Child Care Access Means Parents in School	UW-Eau Claire	52,478	0
84.335	84.P335A060047	Child Care Access Means Parents in School	UW-River Falls	33,244	0
		Total Federal Program 84.335		183,224	0
84.337		International Education-Technological Innovation and Cooperation for Foreign Information Access	UW-Madison	87,696	76,176
84.342		Preparing Tomorrow's Teachers to Use Technology (from UW-Oshkosh)	UW-Milwaukee	128	0
84.342		Preparing Tomorrow's Teachers to Use Technology	UW-Oshkosh	15,811	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
84.342		Preparing Tomorrow's Teachers to Use Technology (from UW-Oshkosh)	UW-Stevens Point	1,576	0
84.342		Preparing Tomorrow's Teachers to Use Technology (from UW-Oshkosh)	UW-Whitewater	14,935	0
		Total Federal Program 84.342		32,450	0
84.350		Transition to Teaching	DPI	44,283	11,974
84.357		Reading First State Grants	DPI	12,918,947	11,051,204
84.358		Rural Education	DPI	59,008	57,394
84.359		Early Reading First	UW-Milwaukee	734,440	0
84.365		English Language Acquisition Grants	DPI	6,427,659	6,064,226
84.366		Mathematics and Science Partnerships	DPI	2,010,659	1,700,337
84.367		Improving Teacher Quality State Grants	DPI	42,884,051	41,359,390
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-Eau Claire	47,705	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-La Crosse	87,570	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-Oshkosh	117,163	0
84.367	84.06-1561, 04-3233, 07-0331, 04-3232	Improving Teacher Quality State Grants (from UW System Admin)	UW-River Falls	56,170	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-Stout	7,086	0
84.367		Improving Teacher Quality State Grants	UW-Superior	54,202	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-Superior	31,556	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-Whitewater	219,959	0
84.367		Improving Teacher Quality State Grants	UW System Admin	240,827	176,264
		Total Federal Program 84.367		43,746,289	41,535,654
84.369		Grants for State Assessments and Related Activities	DPI	6,378,971	0
84.372		Statewide Data Systems	DPI	886,433	0
84.373		Special Education-Technical Assistance on State Data Collection	DPI	231,806	0
84.377		School Improvement Grants	DPI	19,964	0
84.815		Troops-to-Teachers	DVA	93,365	0
		Other Federal Financial Assistance:			
N/A	84.Apr-52	Earth Partnership for Schools Regional Outreach Through Facilitating Centers and Teacher Professional Development (from UW System Admin)	UW-Madison	351	0
N/A	84.LTR dtd 8/15/2006	Higher Ed Center for Alcohol & Other Drug Abuse & Violence Prevention	UW Colleges	1,630	0
N/A	84.ck # 122	Outreach Extension	UW-Extension	4,000	0
		Subtotal Direct Programs		630,528,894	503,301,571

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		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		Subgrants:			
84.015	84.AGR dtd 12/17/04	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from Columbia University)	UW-Madison	4,016	0
84.015	84.AGR dtd 5/13/05:2/2/05:6/7/06	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from Cornell University)	UW-Madison	11,182	0
84.015	84.AGR dtd 12/17/04	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from Duke University)	UW-Madison	2,332	0
84.015	84.AGR dtd 11/3/05	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from Northern Illinois University)	UW-Madison	28,135	0
84.015	84.AGR dtd 12/15/04	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from Syracuse University)	UW-Madison	2,500	0
84.015	84.AGR dtd 12/15/04; CK 11408078	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of California-Berkeley)	UW-Madison	36,593	0
84.015	84.AGR dtd 7/26/05	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of California-Los Angeles)	UW-Madison	22,564	0
84.015	84.AGR dtd 12/15/04	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of Chicago)	UW-Madison	12,665	0
84.015	84.AGR dtd 6/27/06	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of Hawaii)	UW-Madison	18,100	0
84.015	84.AGR dtd 7/3/06	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of Michigan)	UW-Madison	18,821	0
84.015	84.AGR dtd 12/17/04	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of Pennsylvania)	UW-Madison	2,332	0
84.015	84.AGR dtd 12/17/04	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of Texas-Austin)	UW-Madison	5,000	0
84.015	84.AGR dtd 12/15/04	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of Virginia)	UW-Madison	1,025	0
84.015	84.AGR dtd 8/3/05	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of Washington)	UW-Madison	34,640	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
84.116	84.ULRF 03-1029	Fund for the Improvement of Postsecondary Education (from University of Louisville)	UW-Milwaukee	6,480	0
84.116	84.P116M040026	Fund for the Improvement of Postsecondary Education (from University of Maryland)	UW-Milwaukee	27,220	0
84.116		Fund for the Improvement of Postsecondary Education (from Milwaukee Public Schools)	UW-Milwaukee	42,875	0
84.116		Fund for the Improvement of Postsecondary Education (from Capital University)	UW-Eau Claire	1,180	0
84.116		Fund for the Improvement of Postsecondary Education (from American Association of State Colleges and Universities (ASCU))	UW-Oshkosh	143	0
84.184		Safe and Drug-Free Schools and Communities-National Programs (from Arbor Place)	UW-Stout	5,711	0
84.184	84.AGR dtd 5/5/05	Safe and Drug-Free Schools and Communities-National Programs (from Cooperative Educational Service Agency #7)	UW-Extension	82,984	0
84.215		Fund for the Improvement of Education (from Educational Partnership Initiatives, Cooperative Educational Service Agency #10)	UW-Eau Claire	331,143	0
84.215		Fund for the Improvement of Education (from Cooperative Educational Service Agency #12)	UW-La Crosse	4,712	0
84.215		Fund for the Improvement of Education (from La Crosse School District)	UW-La Crosse	311,739	0
84.215		Fund for the Improvement of Education (from Cooperative Educational Service Agency #6)	UW-Oshkosh	24,365	0
84.215	84.U215X040082	Fund for the Improvement of Education (from Cooperative Educational Service Agency #11)	UW-River Falls	22,707	0
84.215		Fund for the Improvement of Education (from Cooperative Educational Service Agency #11)	UW-Stout	26,999	0
84.215		Fund for the Improvement of Education (from Madison Metropolitan School District and Teaching American History Grants) (from Cooperative Educational Service Agency #2)	UW-Whitewater	182,781	0
84.229		Language Resource Centers (from University of Chicago)	UW-Madison	12,532	0
84.287		Twenty-First Century Community Learning Centers (from Milwaukee Public Schools)	UW-Milwaukee	107,348	0
84.287	84.AGR dtd 12/14/05	Twenty-First Century Community Learning Centers (from Milwaukee Public Schools)	UW-Extension	7,063	0
84.305	84.R04-0180	Education Research, Development and Dissemination (from University of Houston)	UW-Madison	21,305	0
84.325		Special Education-Personnel Development to Improve Services and Results for Children with Disabilities (from University of North Carolina - Chapel Hill)	UW-Madison	119,361	0
84.325	84.12655	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities (from St. Paul Technical College)	UW-Milwaukee	774	0
84.326		Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children With Disabilities (from St. Paul College)	UW-Stout	2,464	0
84.327		Special Education-Technology and Media Services for Individuals with Disabilities (from Center for Applied Special Technology)	DPI	79,497	0
84.366		Mathematics and Science Partnerships (from Cooperative Educational Service Agency #11)	UW-Stout	9,532	0
84.367		Improving Teacher Quality State Grants (from Milwaukee Public Schools)	UW-Milwaukee	24,588	0

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		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
84.373	84.T303921 4401	Special Education-Technical Assistance on State Data Collection (from University of Minnesota Regents)	DPI	1,651	0
N/A	84.WC06	Mathematics Excellence (from Cooperative Educational Service Agency #5)	UW-Madison	43	0
N/A	84.WC06; WC07;WC08	Program Review and Technical Assistance Project (from Cooperative Educational Service Agency #5)	UW-Madison	36,105	0
N/A	84.S283B060001, S2006-045,S2007-039 070715	Great Lakes West Regional Comprehensive Assistance Center (from Learning Point Associates)	UW-Madison	289,028	0
N/A	84.AGR dtd 7/5/07	Foreign Language and Area Students (from Michigan State University)	UW-Madison	4,240	0
N/A	84.RF01092140	Arabic and Persian Immersion (from Ohio State University Research Foundation)	UW-Madison	18,300	0
N/A	84.AGR dtd 9/03/04	Intermediate Language Curricular Improvement-Nepali (from University of Chicago)	UW-Madison	(1,588)	0
N/A	84.ck dated 8/26/05	National Institute of Summer Scandinavian Studies (from University of Washington)	UW-Madison	1,297	0
N/A	84.IPA Washington; PIA Purcell	Intergovernmental Personnel Assignment Agreement (from Wayne State University)	UW-Madison	115,744	0
N/A	84.C007936	Demographic Study of Children Ages 0-21 Residing in City of Milwaukee (from Milwaukee Public Schools)	UW-Milwaukee	17,865	0
N/A	84.20010831	Milwaukee Urban Systemic Initiative (MUSI) (from Milwaukee Public Schools)	UW-Milwaukee	5,225	0
N/A	84.AGR dtd 12/3/07	Physical Education Program Action Research (from Milwaukee Public Schools)	UW-Milwaukee	15,000	0
N/A	84.20070701	Youth Risk Behavior Survey (from Milwaukee Public Schools)	UW-Milwaukee	9,599	0
N/A	84.PO#15525; PO#17483	Midwest Center for Postsecondary Outreach (from St. Paul Technical College)	UW-Milwaukee	191,519	0
N/A	84.92-WI03 amend#16	Fox Valley Writing Project (from National Writing Project)	UW-Oshkosh	40,292	0
N/A	84.AGR dtd 12/28/04	Malcolm X Academy-Safe Place (from Safe & Sound, Inc.)	UW-Extension	(13,799)	0
		Subtotal Subgrants		2,385,929	0
		TOTAL U.S. DEPARTMENT OF EDUCATION		632,914,823	503,301,571
U.S. CONSUMER PRODUCT SAFETY COMMISSION:					
		Other Federal Financial Assistance:			
N/A	87.SO147441	State and Local Cooperative Contracts Program	DATCP	4,835	0
		TOTAL U.S. CONSUMER PRODUCT SAFETY COMMISSION		4,835	0
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:					
89.003		National Historical Publications and Records Grants	WHS	25,820	0
89.003		National Historical Publications and Records Grants	UW-Madison	18,080	0
		Total Federal Program 89.003		43,900	0
		Other Federal Financial Assistance:			
N/A	89.2005-073	Survey of Folk Heritage Collections in Upper Midwest	UW-Madison	(6)	0
		TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		43,894	0
U.S. ELECTION ASSISTANCE COMMISSION:					
90.401		Help America Vote Act Requirements Payments	GAB	2,252,259	248,418
		TOTAL U.S. ELECTION ASSISTANCE COMMISSION		2,252,259	248,418

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
93.006		State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	DHFS	165,128	0
93.009		Compassion Capital Fund	UW-Parkside	269,317	100,000
93.041		Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	DHFS	107,419	0
93.042		Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	DHFS	278,431	256,936
93.043		Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	DHFS	390,446	390,446
		Aging Cluster:			
93.044		Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	DHFS	6,353,897	6,037,328
93.045		Special Programs for the Aging-Title III, Part C-Nutrition Services	DHFS	11,283,297	10,730,405
93.053		Nutrition Services Incentive Program	DHFS	2,500,527	2,500,527
		Total Aging Cluster		20,137,721	19,268,260
93.048		Special Programs for the Aging-Title IV and Title II-Discretionary Projects	DHFS	303,450	202,862
93.051		Alzheimer's Disease Demonstration Grants To States	DHFS	346,529	342,807
93.052		National Family Caregiver Support, Title III, Part E	DHFS	2,963,107	2,822,331
93.064		Laboratory Training, Evaluation, and Quality Assurance Programs	UW-Madison	282,292	0
93.069		Public Health Emergency Preparedness	DHFS	8,282,745	6,584,202
93.087		Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse (Note 20)	DHFS	128,656	106,227
93.107		Model State-Supported Area Health Education Centers	UW-Madison	291,080	227,442
93.108		Health Education Assistance Loans (Note 17)	HEAB	0	0
93.110		Maternal and Child Health Federal Consolidated Programs	DHFS	555,426	418,635
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Madison	1,201,481	70,500
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Milwaukee	185,136	0
		Total Federal Program 93.110		1,942,043	489,135
93.113		Environmental Health	UW-Madison	33,917	0
93.116		Project Grants and Cooperative Agreements for Tuberculosis Control Programs	DHFS	357,259	58,510
93.127		Emergency Medical Services for Children	DHFS	151,400	34,561
93.130		Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	DHFS	143,369	51,613
93.136		Injury Prevention and Control Research and State and Community Based Programs	DHFS	1,385,044	983,169
93.161		Health Program for Toxic Substances and Disease Registry	DHFS	67,808	66,672
93.165		Grants to States for Loan Repayment Program	Commerce	191,734	0
93.172		Human Genome Research	UW-Madison	881,282	0
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	77,181	0
93.178		Nursing Workforce Diversity	UW-Oshkosh	(8,361)	0
93.186		National Research Service Award in Primary Care Medicine	UW-Madison	361,702	0
93.197		Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	DHFS	2,149,289	2,018,842

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		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
93.204		Surveillance of Hazardous Substance Emergency Events	DHFS	93,959	0
93.226		Research on Healthcare Costs, Quality and Outcomes	UW-Madison	208,451	0
93.230		Consolidated Knowledge Development and Application Program (Note 20)	DHFS	(20)	0
93.234		Traumatic Brain Injury State Demonstration Grant Program	DHFS	100,996	54,364
93.235		Abstinence Education Program	DHFS	224,065	203,748
93.236		Grants for Dental Public Health Residency Training	DHFS	114,756	113,519
93.240		State Capacity Building	DHFS	472,710	32,590
93.241		State Rural Hospital Flexibility Program	UW-Madison	537,702	0
93.241		State Rural Hospital Flexibility Program (from UW-Madison)	UW-Stout	21,759	0
		Total Federal Program 93.241		559,461	0
93.242		Mental Health Research Grants	UW-Madison	147,398	0
93.243		Substance Abuse and Mental Health Services-Projects of Regional and National Significance	DATCP	14	0
93.243		Substance Abuse and Mental Health Services-Projects of Regional and National Significance	DHFS	3,386,867	2,992,199
93.243		Substance Abuse and Mental Health Services-Projects of Regional and National Significance	UW-Oshkosh	81,515	0
		Total Federal Program 93.243		3,468,396	2,992,199
93.247		Advanced Education Nursing Grant Program	UW-Madison	20,765	0
93.251		Universal Newborn Hearing Screening	DHFS	98,593	80,679
93.262		Occupational Safety and Health Program	UW-Stout	110,818	0
93.264		Nurse Faculty Loan Program (NFLP) (Note 16)	UW-Milwaukee	154,070	0
93.268		Immunization Grants	DHFS	45,795,045	1,878,244
93.272		Alcohol National Research Service Awards for Research Training	UW-Madison	193,602	0
93.273		Alcohol Research Programs	UW-Milwaukee	116,595	0
93.275		Substance Abuse and Mental Health Services-Access to Recovery	DHFS	6,891,504	6,802,909
93.279		Drug Abuse and Addiction Research Programs	UW-Madison	66,787	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Madison	789,939	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	DHFS	16,870,748	9,731,166
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-Madison	887,724	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-Extension	(41)	0
		Total Federal Program 93.283		17,758,431	9,731,166
93.301		Small Rural Hospital Improvement Grant Program	UW-Madison	508,905	0
93.358		Advanced Education Nursing Traineeships	UW-Madison	46,405	0
93.358		Advanced Education Nursing Traineeships	UW-Milwaukee	65,953	0
93.358		Advanced Education Nursing Traineeships	UW-Eau Claire	18,280	0
		Total Federal Program 93.358		130,638	0
93.359		Nurse Education, Practice and Retention Grants	UW-Madison	493,185	0
93.359		Nurse Education, Practice and Retention Grants	UW-Milwaukee	11,131	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
93.359		Nurse Education, Practice and Retention Grants (from UW-Madison)	UW-Eau Claire	96,325	0
93.359		Nurse Education, Practice and Retention Grants (from UW-Madison)	UW-Green Bay	22,662	0
93.359		Nurse Education, Practice and Retention Grants (from UW-Madison)	UW-Oshkosh	26,079	0
		Total Federal Program 93.359		649,382	0
93.361		Nursing Research	UW-Madison	269,460	0
93.389		National Center for Research Resources	UW-Madison	5,494,889	0
93.389		National Center for Research Resources	UW-Milwaukee	224,914	0
		Total Federal Program 93.389		5,719,803	0
93.393		Cancer Cause and Prevention Research	UW-Madison	14,490	0
93.398		Cancer Research Manpower	UW-Madison	1,479,433	0
93.449		Ruminant Feed Ban Support Project	DATCP	203,217	0
93.556		Promoting Safe and Stable Families (Note 20)	DHFS	5,741,866	5,209,038
93.558		Temporary Assistance for Needy Families (Notes 2, 20)	DWD	234,719,749	116,708,537
93.558		Temporary Assistance for Needy Families (Note 2)	UW-Oshkosh	805,068	0
		Total Federal Program 93.558		235,524,817	116,708,537
93.563		Child Support Enforcement (Notes 5, 20)	DWD	50,141,708	37,447,328
93.564		Child Support Enforcement Research (Note 20)	DWD	105,905	103,178
93.566		Refugee and Entrant Assistance-State Administered Programs	DWD	4,123,968	3,324,835
93.568		Low-Income Home Energy Assistance (Note 2)	DOA	100,573,770	19,994,593
93.569		Community Services Block Grant (Note 20)	DHFS	7,807,175	7,252,148
93.571		Community Services Block Grant Formula and Discretionary Awards Community Food and Nutrition Programs (from UW-Madison)	UW-Extension	525	0
		Child Care and Development Fund Cluster:			
93.575		Child Care and Development Block Grant (Notes 2, 20)	DWD	98,725,574	97,350,152
93.596		Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Notes 2, 20)	DWD	61,851,209	61,851,209
		Total Child Care and Development Fund Cluster		160,576,783	159,201,361
93.576		Refugee and Entrant Assistance-Discretionary Grants	DPI	317,203	256,629
93.576		Refugee and Entrant Assistance-Discretionary Grants	DWD	1,377,154	1,376,397
		Total Federal Program 93.576		1,694,357	1,633,026
93.590		Community-Based Child Abuse Prevention Grants	CANPB	526,779	333,645
93.597		Grants to States for Access and Visitation Programs	CANPB	136,149	125,257
93.599		Chafee Education and Training Vouchers Program (Note 20)	DHFS	890,255	866,946
93.600		Head Start (Note 20)	DWD	195,081	65,645
93.600		Head Start	UW-Oshkosh	3,930,751	0
		Total Federal Program 93.600		4,125,832	1,391,493
93.617		Voting Access for Individuals with Disabilities-Grants to States	GAB	3,353	0

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		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
93.630		Developmental Disabilities Basic Support and Advocacy Grants	BPDD	205,018	19,659
93.630		Developmental Disabilities Basic Support and Advocacy Grants	DHFS	1,181,970	497,417
93.630		Developmental Disabilities Basic Support and Advocacy Grants	UW-Oshkosh	17,393	0
93.630		Developmental Disabilities Basic Support and Advocacy Grants	UW-Stout	611	0
		Total Federal Program 93.630		1,404,992	517,076
93.631		Developmental Disabilities Projects of National Significance	DHFS	192,624	189,768
93.632		University Centers for Excellence in Developmental Disabilities Education, Research, and Service	UW-Madison	518,133	0
93.643		Children's Justice Grants to States	DOJ	349,785	130,304
93.645		Child Welfare Services-State Grants (Note 20)	DHFS	4,771,488	4,603,828
93.648		Child Welfare Services Training Grants	UW-Green Bay	22,341	0
93.658		Foster Care-Title IV-E (Notes 2, 20)	DHFS	48,345,315	9,366,069
93.658		Foster Care-Title IV-E (Note 2) (from UW-Green Bay)	UW-Oshkosh	165,071	0
		Total Federal Program 93.658		48,510,386	9,366,069
93.659		Adoption Assistance (Notes 2, 20)	DHFS	45,720,129	1,446,981
93.667		Social Services Block Grant (Notes 2, 14)	DHFS	44,914,686	40,720,490
93.669		Child Abuse and Neglect State Grants (Note 20)	DHFS	383,869	0
93.671		Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes (Note 20)	DHFS	1,614,349	1,492,787
93.674		Chafee Foster Care Independence Program (Note 20)	DHFS	2,091,018	1,777,662
93.767		State Children's Insurance Program (Note 2)	DHFS	102,904,792	4,526,916
93.768		Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	DHFS	5,547,959	458,557
93.773		Medicare-Hospital Insurance	DVA	1,169,324	0
93.774		Medicare-Supplementary Medical Insurance	DVA	116,466	0
		Medicaid Cluster:			
93.775		State Medicaid Fraud Control Units (Note 2)	DOJ	958,450	0
93.776		Hurricane Katrina Relief (Note 2)	DHFS	(94)	0
93.777		State Survey and Certification of Health Care Providers and Suppliers (Note 2)	DHFS	10,272,272	0
93.778		Medical Assistance Program (Note 2)	DHFS	2,960,557,711	434,780,746
		Total Medicaid Cluster		2,971,788,339	434,780,746
93.779		Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	DHFS	2,473,099	1,308,687
93.793		Medicaid Transformation Grants	DHFS	986,304	0
93.822		Health Careers Opportunity Program	UW-Milwaukee	4,091	0
93.837		Cardiovascular Diseases Research	UW-Madison	860,457	0
93.838		Lung Diseases Research	UW-Madison	282,019	0
93.839		Blood Diseases and Resources Research	UW-Madison	309,407	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research	UW-Madison	313,095	0
93.848		Digestive Diseases and Nutrition Research	UW-Madison	335,447	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	154,480	0
93.855		Allergy, Immunology and Transplantation Research	UW-Madison	217,788	0
93.856		Microbiology and Infectious Diseases Research	UW-Madison	354,190	0

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		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
93.859		Biomedical Research and Research Training	UW-Madison	5,472,871	0
93.859		Biomedical Research and Research Training	UW-Milwaukee	191,607	46,240
		Total Federal Program 93.859		5,664,478	46,240
93.864		Health Disparities Research Scholars Program	UW-Madison	51,892	0
93.865		Child Health and Human Development Extramural Research	UW-Madison	1,029,441	0
93.866		Aging Research	UW-Madison	1,073,960	0
93.879		Medical Library Assistance	UW-Madison	1,138,476	0
93.884		Grants for Training in Primary Care Medicine and Dentistry	UW-Madison	316,275	0
93.889		National Bioterrorism Hospital Preparedness Program (Note 2)	DHFS	8,882,639	8,353,657
93.912		Rural Health Care Services Outreach and Rural Health Network Development Program	UW-Madison	599,722	588,995
93.913		Grants to States for Operation of Offices of Rural Health	UW-Madison	153,425	0
93.917		HIV Care Formula Grants	DHFS	10,333,727	9,632,507
93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	587,099	0
93.938		Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	DPI	838,504	277,860
93.938		Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems (from UW-Madison)	UW-Milwaukee	7,561	0
		Total Federal Program 93.938		846,065	277,860
93.941		HIV Demonstration, Research, Public and Professional Education Projects	DHFS	176,252	0
93.944		Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	DHFS	206,350	0
93.946		Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	DHFS	153,223	0
93.952		Trauma Care Systems Planning and Development	DHFS	3,280	0
93.958		Block Grants for Community Mental Health Services	DHFS	7,055,342	6,477,810
93.959		Block Grants for Prevention and Treatment of Substance Abuse (Note 2)	DHFS	26,402,851	24,790,308
93.977		Preventive Health Services-Sexually Transmitted Diseases Control Grants	DHFS	1,291,988	1,054,761
93.982		Mental Health Disaster Assistance and Emergency Mental Health	DHFS	292,843	0
93.988		Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	DHFS	809,836	260,722
93.991		Preventive Health and Health Services Block Grant	DHFS	1,872,126	1,045,928
93.994		Maternal and Child Health Services Block Grant to the States	DHFS	11,004,595	6,894,948
		Other Federal Financial Assistance:			
N/A	93.223-95-4073	Food Inspections	DATCP	251,886	0
N/A	93.223-95-4016	Medicated Feed Inspections	DATCP	80,077	0
N/A	93.211-2005-M-13220; 211-2006-M17735; 211-2007-M-22838	Adult Blood Lead Epidemiology and Surveillance (Note 15)	DHFS	46,066	0
N/A	93.05-0705-WI-5002; 05-0805-WI-5002	Clinical Lab Improvement Act	DHFS	374,158	0

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		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
N/A	93.200-2000-07252; 200-2007-M-19964	DHFS Vital Statistics (Note 15)	DHFS	401,151	0
N/A	93.D111851166	Drug and Alcohol Services Information System	DHFS	61,414	0
N/A	93.500-2004-00046C	Healthy Start Grow Smart (Note 15)	DHFS	203,534	0
N/A	93.7-312-0209818	Information Technology Technical Assistance	DHFS	16,004	0
N/A	93.223-03-4449; 223200640063C	Mammography Quality Standards Act (Note 15)	DHFS	216,031	0
N/A	93.200-2006-15567; 52-2007-M-21247	National Death Index	DHFS	33,038	0
N/A	93.268200700234P	National DNA Day	DHFS	2,321	0
N/A	93.277-01-6068	Northrop Grumman Information Technology (Note 15)	DHFS	54,540	0
N/A	93.UNKNOWN	Federal Data Sharing	DWD	5,528	0
N/A	93.HHSN2112	Cancer Information Service	UW-Madison	622,342	138,778
N/A	93.ACF	Grants from Administration for Children and Families	UW-Madison	(61)	0
N/A	93.NIH	Grants from National Institutes of Health	UW-Madison	41,855	0
N/A	93.T32 ES00715	Molecular & Environmental Toxicology Predoctoral and Postdoctoral Training	UW-Madison	437,599	0
N/A	93.T35 ES007295	Short Term Research for Minority Students	UW-Madison	23,527	0
N/A	93.1U1KHP07714-01-00	Faculty Development Integrated Technology Into Nursing Education and Practice Initiative (from UW-Madison)	UW-Milwaukee	38,233	0
N/A	93.EXT100105	Milwaukee Family Project	UW-Extension	86,995	0
		Subtotal Direct Programs		4,021,268,059	969,041,355
		Subgrants:			
93.118	93.AGR DTD 10-30-07	Acquired Immunodeficiency Syndrome (AIDS) Activity (from Society of General Internal Medicine)	UW-Madison	20,636	0
93.230		Consolidated Knowledge Development and Application (KD&A) Program (from Focus on Community)	UW-Parkside	7,000	0
93.243	93.MOU	Substance Abuse and Mental Health Services-Projects of Regional and National Significance (from Mental Health Association in Milwaukee County)	DPI	1,945	0
93.243	93.SY07-0009-01	Substance Abuse and Mental Health Services-Projects of Regional and National Significance (from Aurora Health Care, Inc.)	UW-Madison	40,612	0
93.243	93.6 H79 TI16556-01-1	Substance Abuse and Mental Health Services-Projects of Regional and National Significance (from Health Care for the Homeless, Inc.)	UW-Milwaukee	41,499	0
93.262		Occupational Safety and Health Program (from Marshfield Clinic)	UW-Oshkosh	163	0
93.276		Drug-Free Communities Support Program Grants (from Merrill Public Schools)	UW-Extension	25,256	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance (from Council of State and Territorial Epidemiologists)	DHFS	13,117	0
93.398		Cancer Research Manpower (from Stanford University)	UW-La Crosse	35,000	0
93.399	93. CA114609-01/2/3	Cancer Control (from Mayo Clinic)	UW-Madison	117,581	0
93.558	93.ESD07-071207-A	Temporary Assistance for Needy Families (Note 2) (from Milwaukee County Department of Health and Human Services)	UW-Milwaukee	25,000	0
93.558		Temporary Assistance for Needy Families (Note 2) (from Milwaukee Public Schools)	UW-Extension	9,365	0
93.558		Temporary Assistance for Needy Families (Note 2) (from Sawyer County Health & Human Services)	UW-Extension	26,008	0
93.570		Community Services Block Grant-Discretionary Awards (from the National Collegiate Athletic Association)	UW-Eau Claire	4,000	0
93.575		Child Care and Development Block Grant (from Family Resources) (Note 2)	UW-La Crosse	142	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
93.595		Welfare Reform Research, Evaluations and National Studies (from Wisconsin Early Childhood Association)	UW-Oshkosh	21,086	0
93.596	93.ESD08-042408-A	Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Note 2) (from Milwaukee County Department of Health and Human Services)	UW-Milwaukee	5,293	0
93.596	93.AGR dtd 2/23/06; 11/20/2006	Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Note 2) (from Racine Unified School District)	UW-Extension	8,866	0
93.631		Developmental Disabilities Projects of National Significance (from Exchange Center of Dane County, Inc.)	UW-Madison	46,661	0
93.768		Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities (from Employment Resources, Inc.)	UW-Stout	14,974	0
93.778		Medical Assistance Program (Note 2) (from Sally Mather Associates)	UW-Madison	104,933	0
93.824	93.H06-8489	Basic/Core Area Health Education Centers (from Northern Wisconsin Area Health Education Center, Inc.)	UW-Madison	934	0
93.856		Microbiology and Infectious Diseases Research (from Medical College of Wisconsin)	UW-Madison	3	0
93.865		Child Health and Human Development Extramural Research (from University of Michigan)	UW-Milwaukee	52,984	0
93.866	93.2003-1363	Aging Research (from University of California-Irvine)	UW-Madison	9,243	0
93.926	93.AGR dtd 01/03/07; 7/13/07	Healthy Start Initiative (from Great Lakes Inter-Tribal Council, Inc.)	UW-Madison	60,224	0
93.933	93.1626 9400014	Demonstration Projects for Indian Health (from Great Lakes Inter-Tribal Council)	UW-Milwaukee	36,357	0
93.945		Assistance Programs for Chronic Disease Prevention and Control (from Illinois Department of Public Health)	DHFS	72,625	18,672
93.958		Block Grants for Community Mental Health Services (from Brown County Human Services)	UW-Milwaukee	35	0
93.959	93.07-34; 06-54; 07-34; 02/52	Block Grants for Prevention and Treatment of Substance Abuse (Note 2) (from Rock County Department of Human Services)	UW-Extension	59,914	0
93.969	93.S6658042701	Geriatric Education Centers (from University of Minnesota-Twin Cities)	UW-Eau Claire	9,109	0
N/A	93.AGR DTD 10-21-03	AMSA'S EDCAM GRANT (from American Medical Student Association)	UW-Madison	(330)	0
N/A	93.AGR dtd 11/1/06; 88-1	Clinical Genetics Unit Subcontract for Wisconsin Genetics System (from Children's Hospital of Wisconsin)	UW-Madison	55,004	0
N/A	93.DO60308-4000	Fetal Alcohol Spectrum Disorders Identification and Treatment Project (from Northrop Grumman Corporation)	UW-Madison	(1,551)	0
N/A	93.AGR dtd 04/01/04/ 06/24/04	Minority Fellowships (from American Psychological Association)	UW-Madison	(10,421)	0
N/A	93.HHSA2902	Update the PHS Sponsored Clinical Practice Guideline (from Agency for Healthcare Research and Quality)	UW-Madison	213,604	0
N/A	93.AUCDGC04-20	Wisconsin MCH Lend Genetics Counseling Project (from Association of University Centers on Disabilities)	UW-Madison	55,076	0
N/A	93.JC-WDA-MGT07; DWD-JC-UWP SBDC-07; DWD-JC-WDA-MGMT-06	Workforce Development Center (from Kenosha County Department of Human Services)	UW-Parkside	37,884	0
N/A	93.WDC-08-44 12-07-07; WDC-07-44 12-04-06	Workforce Development Center (from Racine County Human Services Department)	UW-Parkside	245,793	0
		Subtotal Subgrants		1,465,624	18,672
		TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		4,022,733,683	969,060,027

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:					
94.003		State Commissions	DOA	206,737	0
94.004		Learn and Serve America-School and Community Based Programs	DPI	252,612	126,082
94.006		AmeriCorps	DOA	4,332,250	4,332,250
94.006	94.03-164-2023-0	AmeriCorps	UW-Milwaukee	(229)	0
94.006		AmeriCorps	UW-Parkside	29,382	0
		Total Federal Program 94.006		4,361,403	4,332,250
94.007		Planning and Program Development Grants	DOA	137,706	105,000
94.007		Planning and Program Development Grants	UW-Parkside	19,349	0
		Total Federal Program 94.007		157,055	105,000
94.009		Training and Technical Assistance	DOA	114,207	0
		Foster Grandparent/Senior Companion Cluster:			
94.011		Foster Grandparent Program	DHFS	1,363,855	1,250,392
		Total Foster Grandparent/Senior Companion Cluster		1,363,855	1,250,392
94.013		Volunteers in Service to America	DPI	266,775	0
94.013		Volunteers in Service to America	UW-Parkside	471,092	0
94.013		Volunteers in Service to America	UW-Extension	53,072	27,950
		Total Federal Program 94.013		790,939	27,950
		Subtotal Direct Programs		7,246,808	5,841,674
		Subgrants:			
94.005	94.1377	Learn and Serve America-Higher Education (from Princeton University)	UW-Madison	4,760	0
94.006	94.AGR dtd 10/13/06	AmeriCorps (from Association of University Centers on Disabilities)	UW-Madison	10,752	0
94.006	94.7602	AmeriCorps (from Jumpstart GIS, Inc.)	UW-Madison	56,000	0
94.006	94.OP011-94.006-08-PAMK	AmeriCorps (from Public Allies)	UW-Milwaukee	353,417	0
94.006	94.270200	AmeriCorps (from Jumpstart for Young Children, Inc.)	UW-Eau Claire	74,466	0
		Subtotal Subgrants		499,395	0
		TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		7,746,203	5,841,674
U.S. SOCIAL SECURITY ADMINISTRATION:					
		Disability Insurance/SSI Cluster:			
96.001		Social Security-Disability Insurance (Note 2)	DHFS	27,447,532	0
96.001		Social Security-Disability Insurance (Notes 2, 15)	DWD	1,049,676	837,317
96.001		Social Security-Disability Insurance (Note 2)	UW-Stout	678,429	0
		Total Disability Insurance/SSI Cluster		29,175,637	837,317
96.007		Social Security-Research and Demonstration (from UW-Stout)	UW-Madison	17,394	0
		Other Federal Financial Assistance:			
N/A	96.SS00-06-60139	Electronic Death Registration (Note 15)	DHFS	105,573	0
N/A	96.SS00-05-60008	Office Acquisition and Grants	DHFS	819,819	0
N/A	96.SS00-06-60057; SS00-07-30324	Social Security Administration Death Records (Note 15)	DHFS	1,889	0
N/A	96.0600-03-60062; SS00-08-60068	Social Security Enumeration (Note 15)	DHFS	313,017	0
		TOTAL U.S. SOCIAL SECURITY ADMINISTRATION		30,433,329	837,317

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
U.S. DEPARTMENT OF HOMELAND SECURITY:					
		Homeland Security Cluster:			
97.004		State Domestic Preparedness Equipment Support Program	DOA	(467)	(21)
97.067		Homeland Security Grant Program	DOA	22,948,929	19,201,147
97.067		Homeland Security Grant Program	DOJ	513,111	0
		Total Homeland Security Cluster		23,461,573	19,201,126
97.012		Boating Safety Financial Assistance	DNR	3,101,419	1,357,812
97.023		Community Assistance Program State Support Services Element	DNR	150,279	0
97.029		Flood Mitigation Assistance	DMA	209,385	205,406
97.032		Crisis Counseling	DMA	158,618	158,618
97.034		Disaster Unemployment Assistance	DWD	12,255	0
97.036		Disaster Grants-Public Assistance (Presidentially Declared Disasters)	DMA	13,164,810	12,924,950
97.039		Hazard Mitigation Grant	DMA	233,866	124,354
97.041		National Dam Safety Program	DNR	34,454	0
97.043		State Fire Training Systems Grants	WTCSB	8,115	0
97.045		Cooperating Technical Partners	DNR	1,408,013	0
97.047		Pre-Disaster Mitigation	DMA	422,862	333,609
97.070		Map Modernization Management Support	DNR	101,837	0
97.070	97.NMH00000430	Map Modernization Management Support	UW-Madison	5,684	0
		Total Federal Program 97.070		107,521	0
97.075		Rail and Transit Security Grant Program	DOA	470,654	470,685
97.078		Buffer Zone Protection Program	DOA	88,436	89,354
97.091		Homeland Security Biowatch Program	DNR	443,029	0
		Other Federal Financial Assistance:			
N/A	97.000	Immigration and Customs Enforcement	DOJ	21,300	0
		TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		43,496,589	34,865,914
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:					
		Subgrants:			
98.012		USAID Development Partnerships for University Cooperation and Development (from Association Liaison Office for University Cooperation in Development)	UW-Stevens Point	160,806	67,984
N/A	98.UWLC-RX2050; -837-99-8; -843-03-6, -00-8, -02-8, -03-8; -854-04-5, -04-6, -04-8, -05-6, -06-6, -06-8; -884-07A	East Central European Scholars Program (ECESP) (from Georgetown University)	UW-La Crosse	165,861	0
N/A	98.HNE-A-00-97-00059-00	UW-River Falls/Nicaragua Partnership (from Association Liaison Office)	UW-River Falls	36,629	0
		TOTAL U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT		363,296	67,984
		TOTAL INDIVIDUAL PROGRAMS AND OTHER CLUSTERS		**$ 7,616,236,453**	**$ 1,966,938,164**

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
U.S. DEPARTMENT OF AGRICULTURE:					
10.001		Agricultural Research-Basic and Applied Research	UW-Madison	$ 849,343	$ 42,756
10.001		Agricultural Research-Basic and Applied Research	UW-Milwaukee	246,839	0
10.001		Agricultural Research-Basic and Applied Research	UW-Stevens Point	30,524	0
		Total Federal Program 10.001		1,126,706	42,756
10.025		Plant and Animal Disease, Pest Control, and Animal Care	UW-Madison	5,606	0
10.028		Wildlife Services	UW-Madison	60,695	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Madison	1,249,420	539,902
10.200		Grants for Agricultural Research, Special Research Grants (from UW-Platteville)	UW-Madison	21,915	0
		Total Federal Program 10.200		1,271,335	539,902
10.203		Payments to Agricultural Experiment Stations Under the Hatch Act	UW-Madison	5,839,792	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Madison	5,248,548	297,478
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Milwaukee	176,480	109,970
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Eau Claire	60,451	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Oshkosh	556	0
10.206		Grants for Agricultural Research-Competitive Research Grants (from UW-Madison)	UW-Oshkosh	9,716	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Stevens Point	138,454	0
		Total Federal Program 10.206		5,634,205	407,448
10.210		Food and Agricultural Sciences National Needs Graduate Fellowship Grants	UW-Madison	57,664	0
10.217		Higher Education Challenge Grants	UW-Madison	165,163	25,608
10.219		Biotechnology Risk Assessment Research	UW-Madison	20,001	0
10.250		Agricultural and Rural Economic Research	UW-Madison	13,508	12,400
10.303		Integrated Programs	UW-Madison	351,112	0
10.303		Integrated Programs (from UW-Extension)	UW-Superior	(92)	0
		Total Federal Program 10.303		351,020	0
10.305		International Science and Education Grants	UW-Madison	74,819	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-Madison	149,155	0
10.652		Forestry Research	UW-Madison	223,959	39,032
10.652		Forestry Research	UW-Oshkosh	11,310	0
10.652		Forestry Research	UW-Platteville	4,398	0
10.652		Forestry Research	UW-Stevens Point	(1,019)	0
10.652		Forestry Research (from UW-Madison)	UW-Stevens Point	149,626	0
		Total Federal Program 10.652		388,274	39,032
10.664		Cooperative Forestry Assistance	UW-Madison	41,842	0
10.675		Urban and Community Forestry Program	UW-Stevens Point	18,925	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
10.680		Forest Health Protection	UW-Madison	28,480	0
10.680		Forest Health Protection	UW-Stevens Point	45,944	0
10.680		Forest Health Protection (from UW-Madison)	UW-Stevens Point	7,859	0
		Total Federal Program 10.680		82,283	0
10.902		Soil and Water Conservation	UW-Madison	168,171	0
10.961		Scientific Cooperation and Research	UW-Madison	(4,228)	0
10.961		Scientific Cooperation and Research	UW-Milwaukee	3,543	0
10.961		Scientific Cooperation and Research	UW-Stevens Point	19,304	3,620
		Total Federal Program 10.961		18,619	3,620
10.962		Cochran Fellowship Program-International Training-Foreign Participant	UW-Madison	53,733	0
N/A	10.AGR dtd July 39	Online Education for Fish Production (from UW-Extension)	UW-Madison	22,578	0
N/A	10.RD	R&D from Animal & Plant Health Inspection	UW-Madison	207,543	0
N/A	10.RD	R&D from Agricultural Research Service	UW-Madison	565,483	30,721
N/A	10.RD	R&D from Cooperative State Research, Education, and Extension Service	UW-Madison	13,913	0
N/A	10.RD	R&D from Economic Research Service	UW-Madison	201,858	91,934
N/A	10.RD	R&D from Foreign Agriculture Service	UW-Madison	92,491	0
N/A	10.RD	R&D from Forest Service	UW-Madison	829,338	0
N/A	10.RD	R&D from Natural Resources Conservation Service	UW-Madison	182,378	0
N/A	10.RD	R&D from Risk Management Agency	UW-Madison	38,214	0
N/A	10.RD	R&D from Rural Development	UW-Madison	246,875	0
N/A	10.53-5F48-4-022	Natural Resources Conservation Service (NRCS)	UW-La Crosse	32,118	0
N/A	10.MVAC-07/04/16	Natural Resources Conservation Service (NRCS) T.O. #19	UW-La Crosse	7,241	0
N/A	10.832G856 (2006-34558-17477)	Rural Geospatial Innovation Great Lakes (from UW-Madison)	UW-Stevens Point	8,000	0
N/A	10.AG-56A2-P-06-0054 (161099)	Continuation and Analysis of Long Term Vegetation Monitoring Plots	UW-Stevens Point	8,090	0
		Subtotal Direct R&D Grants		17,997,636	1,193,421
		R&D Subgrants:			
10.200	10.2006-05990-09	Grants for Agricultural Research, Special Research Grants (from Illinois-Missouri Biotechnical Alliance)	UW-Madison	29,552	0
10.200	10.416-43-34	Grants for Agricultural Research, Special Research Grants (from Iowa State University)	UW-Madison	11,196	0
10.200	10.61-4054D; 4071C; 4084SA; 4138K; 4054H	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Madison	210,932	0
10.200	10.C0340A-L;CO299A-L	Grants for Agricultural Research, Special Research Grants (from Oregon State University)	UW-Madison	22,998	0
10.200	10.06-003399 C 00	Grants for Agricultural Research, Special Research Grants (from University of Massachusetts)	UW-Madison	(3)	0
10.200	10.Q4089042120	Grants for Agricultural Research, Special Research Grants (from University of Minnesota)	UW-Madison	27,969	0
10.200	10.C0000 7141; 4654;C00012144-1	Grants for Agricultural Research, Special Research Grants (from University of Missouri-Columbia)	UW-Madison	85,072	0
10.200	10.25-6205-0042-016/047;25-6205-0040-0	Grants for Agricultural Research, Special Research Grants (from University of Nebraska)	UW-Madison	20,357	0
10.200	10.RF01078531	Grants for Agricultural Research, Special Research Grants (from Ohio State University)	UW-Madison	25,914	0
10.200	10.2008-WI00FUIN	Grants for Agricultural Research, Special Research Grants (from Rutgers University)	UW-Madison	22,370	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
10.200	10.61-4054E, 4054G, 4063, 4141F,	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Milwaukee	77,244	0
10.200	10.2003-38640-13225	Grants for Agricultural Research, Special Research Grants (from University of Nebraska)	UW-River Falls	220	0
10.200		Grants for Agricultural Research, Special Research Grants (from University of Michigan)	UW-Stevens Point	16,063	0
10.200		Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Stevens Point	22,220	0
10.206	10.44526-7467; 45084-7517	Grants for Agricultural Research-Competitive Research Grants (from Cornell University)	UW-Madison	58,931	0
10.206	10.2005-1973-03	Grants for Agricultural Research-Competitive Research Grants (from North Carolina State University)	UW-Madison	(6,913)	0
10.206	10.3484-UW-USDA-8365	Grants for Agricultural Research-Competitive Research Grants (from Pennsylvania State University)	UW-Madison	29,376	0
10.206	10.6064	Grants for Agricultural Research-Competitive Research Grants (from University of Connecticut)	UW-Madison	29,887	0
10.206	10.Q6286224301; Q6286224301/ MANNING	Grants for Agricultural Research-Competitive Research Grants (from University of Minnesota)	UW-Madison	101,960	0
10.206	10.060505/0000614	Grants for Agricultural Research-Competitive Research Grants (from University of Rhode Island)	UW-Madison	37,925	0
10.206	10.6134001	Grants for Agricultural Research-Competitive Research Grants (from Utah State University)	UW-Madison	48,283	0
10.206	10.21109 UNOFWI	Grants for Agricultural Research-Competitive Research Grants (from University of Vermont)	UW-Madison	49,768	0
10.215	10.Q4089053110/111/113/123	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	19,176	0
10.216	10.2006-38814-17531	1890 Institution Capacity Building Grants (from Alcorn State University)	UW-Green Bay	19,642	0
10.217	10.3029-UW-USDA	Higher Education Challenge Grants (from Pennsylvania State University)	UW-Madison	15,969	0
10.227	10.LCOOCC 200701	1994 Institutions Research Program (from Lac Courte Oreilles Ojibwa Community)	UW-Madison	6,980	0
10.303	10.410-30-14; 416-30-25	Integrated Programs (from Iowa State University)	UW-Madison	64,800	0
10.303	10.61-4209D; 4275A; 4256Q; 4256JJ; 4253b;	Integrated Programs (from Michigan State University)	UW-Madison	117,924	0
10.304	10.61-4135A	Homeland Security-Agricultural (from Michigan State University)	UW-Madison	42,218	0
10.352	10.2091 Initial 05102007	Value-Added Producer Grants (from University of Vermont)	UW-Madison	6,274	0
10.500	10.61-5069G	Cooperative Extension Service (from Michigan State University)	UW-Madison	10,748	0
10.500	10.2007-0376-38	Cooperative Extension Service (from North Carolina State University)	UW-Madison	18,275	0
10.500	10.BDK UWI	Cooperative Extension Service (from University of Idaho)	UW-Madison	7,550	0
10.500	10.05-JV-11231300-018	Cooperative Extension Service (from North Central Research Station)	UW-Milwaukee	(4,735)	0
10.902	10.14584	Soil and Water Conservation (from Great Lakes Commission)	UW-Madison	15,062	0
10.903	10.68-5F48-4-257	Soil Survey (from University of Minnesota)	UW-Madison	176	0
N/A	10.50-1-136	Negative Sense Viral Vectors for Improved Expression in Foreign Genes in Plants (from Biotechnology Research and Development Corporation)	UW-Madison	2,155	0
N/A	10.211	NE/NC Softwood and Hardwood Lumber Processing (from Consortium for Research on Renewable Industrial	UW-Madison	(2,632)	0
N/A	10.3028	A Photoelectrocataytic Device (from Aquamost, LLC)	UW-Madison	5,267	0
N/A	10.07-PH6-A-A-009	A Partnership for Dairy Improvement (from Land O'Lakes, Inc.)	UW-Madison	37,099	0
N/A	10.1027	Cranberry Phosphorus (from Genentech Foundation)	UW-Madison	(72)	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	10.AGR dtd 06/29/07	Developing Agri-Lite (from Pennsylvania Dept. of Agriculture)	UW-Madison	12,475	0
N/A	10.IS-3647-04CR; US-3829-06R	Improvement of Quality and Nutritional Value of Muscle Foods (from US-Israel Binational Agricultural Research and Development Foundation)	UW-Madison	52,747	0
N/A	10.SC010306-1-3	Improving Fertility in Heat Stressed Dairy Cattle (from University of Florida)	UW-Madison	756	0
N/A	10.AGR dtd 4/14/06	Rates and Timing for Potassium for Cranberry Nutrition (from Wisconsin Cranberry Board, Inc.)	UW-Madison	33,273	0
N/A	10.AGR dtd 9/19/05; H4116311101	Use of On-Farm Culture System for Strategic Treatment of Clinical and Subclinical Intra-Mammary Infections (from University of Minnesota)	UW-Madison	816	0
		Subtotal R&D Subgrants		1,403,264	0
		TOTAL R&D FROM U.S. DEPARTMENT OF AGRICULTURE		19,400,900	1,193,421
U.S. DEPARTMENT OF COMMERCE:					
11.417		Sea Grant Support	UW-Madison	43,522	6,494
11.417		Sea Grant Support (from UW-Madison)	UW-Milwaukee	630,459	0
11.417		Sea Grant Support (from UW-Madison)	UW-Green Bay	48,795	0
11.417		Sea Grant Support (from UW-Madison)	UW-La Crosse	5,201	0
11.417		Sea Grant Support	UW-Oshkosh	92,164	0
11.417		Sea Grant Support (from UW-Madison)	UW-Stevens Point	22,723	0
11.417		Sea Grant Support (from UW-Madison)	UW-Superior	51,955	0
11.417		Sea Grant Support (from UW-Madison)	UW Colleges	37,707	0
		Total Federal Program 11.417		932,526	6,494
11.419		Coastal Zone Management Administration Awards	UW-Milwaukee	838	0
11.419		Coastal Zone Management Administration Awards	UW-Superior	68,716	0
		Total Federal Program 11.419		69,554	0
11.431		Climate and Atmospheric Research	UW-Madison	93,978	0
11.440		Environmental Sciences, Applications, Data, and Education	UW-Madison	8,194,063	126,927
11.469		Congressionally Identified Awards and Projects	UW-Madison	108,609	0
11.478		Center for Sponsored Coastal Ocean Research-Coastal Ocean Program	UW-Milwaukee	262,508	0
11.609		Measurement and Engineering Research and Standards	UW-Stout	3,315	0
11.611		Manufacturing Extension Partnership (from UW-Extension)	UW-Madison	(454)	0
N/A	11.NA06OAR4170011	FY 2006-2008 Sea Grant Program	UW-Madison	492,936	88,031
N/A	11.DG133E06CQ0090	Government Study in Support of a Broad Scope of National Polar-Orbiting Operational Environmental Satellite System (NPOESS) Calibrations and Validation Activities	UW-Madison	438,830	0
N/A	11.RA133R-07-SE-2465	HSRL Support	UW-Madison	18,179	0
N/A	11.AGR DTD 6/28/07	Intergovernmental Personnel Assignment Agreement	UW-Madison	125,257	0
N/A	11.DG133E06SE4316	Validating the Geolocation and Calibration of the VHHR Data from INSAT-3A and KALPANA-1 Satellites as a Pre-Cursor for INSAT-3D Meteorological Satellite Instrument Data Utilization	UW-Madison	(11,987)	0
		Subtotal Direct R&D Grants		10,727,314	221,452
		R&D Subgrants:			
11.417	11.07-01-062	Sea Grant Support (from University of Mississippi)	UW-Madison	26,256	0
11.419		Coastal Zone Management Administration Awards (from Wisconsin Coastal Management Program)	UW-Milwaukee	66,604	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
11.429		Marine Sanctuary Program (from Consortium for Oceanographic Research and Education)	UW-Milwaukee	6,101	0
11.432		Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes (from the University of Michigan)	UW-Green Bay	11,045	0
11.609	11.2005-06185-01	Measurement and Engineering Research and Standards (from University of Illinois-Urbana-Champaign)	UW-Madison	21,604	0
N/A	11.AGR dtd 1/31/06	Determining Bluff Recession Rates in Bayfield County (from Bayfield County, WI)	UW-Madison	1,209	0
N/A	11.AGR dtd 7/26/02	Alternative Cover Assessment Program (from Desert Research Institute)	UW-Madison	(1,141)	0
N/A	11.AGR dtd 9/23/04; 12/13/06	Stream-of-Variation Analysis System for Multistage Manufacturing Processes (from Dimensional Control Systems, Inc.)	UW-Madison	(7,845)	0
N/A	11.AGR dtd 02/07/06	Great Lakes Observing System Technical Assistance-Data Management and Communications (from Great Lakes Commission)	UW-Madison	44,261	0
N/A	11.P.O.00005395	CIMSS Studies to Support NCDC (from Information Manufacturing Corp)	UW-Madison	1,892	0
N/A	11.10229139	Measurement and Analysis of Organic Carbon, Elemental Carbon and Particle-Phase Organic Compounds in Particulate Matter Samples Collected During Asian Brown Cloud Study (from University of California-San Diego)	UW-Madison	14,199	0
N/A	11.25-6331-0134-	Food Safety Pilot Training (from University of Nebraska)	UW-Madison	12,098	0
N/A	11.AGR dtd 1/13/06	E-Business Institute Partnership Agreement (from Wisconsin Center for Manufacturing and Productivity)	UW-Madison	18,792	0
N/A	11.Dtd 10/27/06	The Ecological Reconstruction and Business Assessment Strategy for Sustainable Development in Areas Affected by Mine Closures in Gorj County, Romania (from Applied Ecological Services, Inc.)	UW-Milwaukee	86,905	4,500
		Subtotal R&D Subgrants		301,980	4,500
		TOTAL R&D FROM U.S. DEPARTMENT OF COMMERCE		11,029,294	225,952
U.S. DEPARTMENT OF DEFENSE:					
12.300		Basic and Applied Scientific Research	UW-Madison	1,349,725	0
12.300		Basic and Applied Scientific Research	UW-Milwaukee	346,037	53,000
		Total Federal Program 12.300		1,695,762	53,000
12.420		Military Medical Research and Development	UW-Madison	3,760,046	141,390
12.420		Military Medical Research and Development	UW-Milwaukee	226,569	0
		Total Federal Program 12.420		3,986,615	141,390
12.431		Basic Scientific Research	UW-Madison	1,937,448	614,912
12.431		Basic Scientific Research	UW-La Crosse	20,321	0
12.431		Basic Scientific Research	UW-Stevens Point	91,116	0
		Total Federal Program 12.431		2,048,885	614,912
12.630		Basic, Applied, and Advanced Research in Science and Engineering	UW-Madison	235,011	205,112
12.800		Air Force Defense Research Sciences Program	UW-Madison	2,360,498	0
12.901		Mathematical Sciences Grants Program	UW-Madison	8,175	0
12.901		Mathematical Sciences Grants Program	UW-Milwaukee	4,681	0
		Total Federal Program 12.901		12,856	0
12.910		Research and Technology Development	UW-Madison	1,284,870	86,709
12.910		Research and Technology Development	UW-Milwaukee	(8,042)	0
		Total Federal Program 12.910		1,276,828	86,709

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	12.RF01083003	Productivity and Performance of Parallel Extensions	UW-Madison	25,000	0
N/A	12.RD	R&D from Air Force	UW-Madison	1,152,019	661,056
N/A	12.RD	R&D from Army	UW-Madison	801,710	1,335
N/A	12.RD	R&D from Defense Advanced Research Projects Agency	UW-Madison	32,496	0
N/A	12.RD	R&D from Navy	UW-Madison	374,792	0
N/A	12.DACW37-02-P-0220	Ambro III	UW-La Crosse	17,860	0
N/A	12.(USAE) DACW37-01-M-0171	COE-Fisher Mounds	UW-La Crosse	4,051	0
N/A	12.CKS 1055 & 1061	Chicago Canal Dispersal	UW Colleges	299	0
		Subtotal Direct R&D Grants		14,024,682	1,763,514
		R&D Subgrants:			
12.300	12.R91060000	Basic and Applied Scientific Research (from University of Minnesota)	UW-Madison	3,299	0
12.300	12.104383; 105019	Basic and Applied Scientific Research (from University of Southern California)	UW-Madison	44,641	0
12.300		Basic and Applied Scientific Research (from Brandt Innovative Technologies, Inc.)	UW-Milwaukee	10,334	0
12.420	12.06-SC-DOD-1001	Military Medical Research and Development (from Duke University)	UW-Madison	72,414	0
12.420	12.PROJ00002	Military Medical Research and Development (from Northwestern University)	UW-Madison	79,316	0
12.420		Military Medical Research and Development (from Dartmouth College)	UW-Whitewater	31,203	0
12.800	12.R00730	Air Force Defense Research Sciences Program (from Florida State University)	UW-Madison	12,575	0
12.800	12.S0179704	Air Force Defense Research Sciences Program (from University of California-Santa Cruz)	UW-Madison	311	0
N/A	12.AGR dtd 10/3/05	FY 2006 Junior Science and Humanities Symposium (from Academy of Applied Science)	UW-Madison	10,080	0
N/A	12.AGR DTD 10/04/07	Advanced Modeling Tools (from Astronautics Corporation of America)	UW-Madison	52,582	0
N/A	12.9500008564	Poirot Integrated Learning (from BBNT Solutions, LLC)	UW-Madison	72,717	0
N/A	12.AGR DTD 07-23-07	Botulinum Neurotoxin Detection (from Biosentinel LLC)	UW-Madison	20,038	0
N/A	12.AGR dtd 11/30/04; 1/26/07; 10/15/06; 4/12/05	High Frequency Mems Based TWTS Using Novel Interaction Circuits and Beam Sources (from Calabazas Creek Research, Inc.)	UW-Madison	118,574	0
N/A	12.119528-1140027	Static Analysis to Empower Model Checking for Distributed Programs (from Carnegie Mellon University)	UW-Madison	5,620	0
N/A	12.73	A Computational Framework (from CFD Research Corporation)	UW-Madison	31,165	0
N/A	12.04524-04-056	Materials Working Group for NRL Laser IFE Program (from Commonwealth Technology, Inc.)	UW-Madison	26,552	0
N/A	12.AGR dtd 1/27/99	Thermodynamic Description of Quaternary NB-TI-SI Al System (from Computherm, LLC)	UW-Madison	12,013	0
N/A	12.11310	EMC Polywell Phase II Design Scoping Studies (from Energy/Matter Conversion Corporation)	UW-Madison	47,519	0
N/A	12.prime ct: W911NF-08-C-0032;	STTR Phase II Program on MEMS (from Energy/Matter Conversion Corporation)	UW-Madison	1,274	0
N/A	12.224058-52347	Improving Small Engine Electric Generators by CFD Modeling and Experiments (from Fibertek)	UW-Madison	48,168	0
N/A	12.PO#90497001	Portable Friction Stir Welding (from Friction Stir Link)	UW-Madison	27,731	0
N/A	12.AGR dtd 12/04/06	Semantics-Aware Malware Detection (from Grammatech, Inc.)	UW-Madison	191,660	0
N/A	12.702083333-BS	Development of Sige Quantum (from HRL Laboratories, LLC)	UW-Madison	49,919	0
N/A	12.SB00807	Hyperspectral Sensor (from Innovative Scientific Solutions, Inc.)	UW-Madison	45,377	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	12.KSE0708	In-Situ Repair of TI 6-2-4-2SI Structures (from Keystone Synergistic Enterprise)	UW-Madison	64,464	0
N/A	12.4500260467	Analog to Information (from L-3 Communications Corporation)	UW-Madison	7,800	0
N/A	12.169068/69	QED PHASE II Work Effort (from L-3 Communications Corporation)	UW-Madison	28,760	0
N/A	12.3097295	Multichannel Statistical Signal Processing (from Massachusetts Institute of Technology)	UW-Madison	102,210	0
N/A	12.AGR dtd 8/0/01	Development of Delivery Vehicle Targeting Cholinergi Neurons (from Metabilogics, Inc.)	UW-Madison	1	0
N/A	12.AGR dtd 08/10/07	Development of Vehicles (from Mirus Corporation)	UW-Madison	108,837	0
N/A	12.N000140210024	Effect of Grain Boundary Structures on Oxide Growth and Stability in Extreme Environments (from Nace International)	UW-Madison	39,116	0
N/A	12.88-1	Rapid Optimization of Commerce (from Northern Illinois University)	UW-Madison	11,282	0
N/A	12.AGR dtd 6/25/02	High Speed Gan Schottky Diodes (from OCIS Technology)	UW-Madison	16	0
N/A	12.02-116-220131	Subcellular Responses to Narrowband and Wideband Radio Frequency Radiation (from Old Dominion University Research Foundation)	UW-Madison	(1,110)	0
N/A	12.W15QKN-08-C 0045	High-Flux Generated Thermal Ne (from Phoenix Nuclear Labs, LLC)	UW-Madison	20,971	0
N/A	12.AGR DTD 10/29/07	MO-SI-B-XX ALLOYS (from Pittsburgh Materials Technology)	UW-Madison	36,886	0
N/A	12.27-001252	Bootstrap Learning (BL) (from SRI International)	UW-Madison	462,203	0
N/A	12.71-000107	Cyber-Threat Analytics (CYBERTA) (from SRI International)	UW-Madison	25,840	0
N/A	12.AGR dtd 12/2/04	Phase 2 STTR: Hybrid Cooler System for Superconducting Electronics (from Techfinity, Inc.)	UW-Madison	(11,917)	0
N/A	12.KK8120	Improving Qubit Coherence (from University of California-Santa Barbara)	UW-Madison	24,762	0
N/A	12.0160 G GF831	Synthesis and Directed Assembly of Functional Block Copolymers for Device-Specific Nanopatter Structures (from University of California-Los Angeles)	UW-Madison	108,997	0
N/A	12.AGR 9/30/06	Microfluidics and Cellular Assays (from University of California-Irvine)	UW-Madison	57,514	0
N/A	12.3000680789	Microfluidics and Cellular Assays (from University of Michigan)	UW-Madison	44,478	0
N/A	12.19192-S2	Single Protein Actuation, Readout and Transduction of Affinity in Nanospace (from Vanderbilt University)	UW-Madison	224,052	0
N/A	12.70003-UWM	Engineered Tissue Constructs: Artificial Lymph Node (from Vax Design Corporation)	UW-Madison	(19,383)	0
N/A	12.G-7424-1	Theoretical and Numerical Study of Altocumulus Clouds (from Colorado State University)	UW-Milwaukee	(13)	0
N/A	12.MVAC#06/02/13	Historic Context Hardwood (from Goodwin & Associates)	UW-La Crosse	254	0
N/A	12.MVAC-06/09/05	Miss Gardens Combined Final (from Stratamorph, Inc.)	UW-La Crosse	2,144	0
		Subtotal R&D Subgrants		2,353,246	0
		TOTAL R&D FROM U.S. DEPARTMENT OF DEFENSE		16,377,928	1,763,514
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
14.506	14.H-21538SG	General Research and Technology Activity	UW-Madison	9,051	0
		Subtotal Direct R&D Grants		9,051	0
		R&D Subgrants:			
14.228		Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (from MLK Economic Development Corporation)	UW-Milwaukee	1,000	0
14.228		Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (from Westowne Neighbors, Inc.)	UW-Milwaukee	739	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
14.246	14.Dtd 6/1/2004	Community Development Block Grants/Brownfields Economic Development Initiative (from The National Academies)	UW-Milwaukee	779	0
N/A	14.19980518	Lisbon Avenue Neighborhood Development (from Milwaukee Public Schools)	UW-Milwaukee	(84)	0
		Subtotal R&D Subgrants		2,434	0
		TOTAL R&D FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		11,485	0
U.S. DEPARTMENT OF THE INTERIOR:					
15.231		Fish, Wildlife and Plant Conservation Resource Management	UW-Milwaukee	1,895	0
15.608		Fish and Wildlife Management Assistance	UW-Green Bay	9,407	0
15.608		Fish and Wildlife Management Assistance	UW-Stevens Point	22,459	0
15.608		Fish and Wildlife Management Assistance (from UW-Milwaukee)	UW-Stevens Point	42,665	0
		Total Federal Program 15.608		74,531	0
15.630		Coastal Program	UW-Madison	6,493	0
15.631		Partners for Fish and Wildlife	UW-Stevens Point	9,285	0
15.805		Assistance to State Water Resources Research Institutes	UW-Madison	383,378	17,621
15.807		Earthquake Hazards Reduction Program	UW-Madison	33,609	0
15.808		U.S. Geological Survey-Research and Data Collection	UW-Madison	363,876	0
15.808		U.S. Geological Survey-Research and Data Collection	UW-Stevens Point	189,260	0
		Total Federal Program 15.808		553,136	0
15.810		National Cooperative Geologic Mapping Program	UW-Eau Claire	14,269	0
15.811		Gap Analysis Program	UW-Stevens Point	21,610	0
15.812		Cooperative Research Units Program	UW-Madison	118,224	0
15.904		Historic Preservation Fund Grants-In-Aid	UW-La Crosse	497	0
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	UW-La Crosse	496,986	0
N/A	15.RD	R&D from Land Management	UW-Madison	14,119	0
N/A	15.RD	R&D from National Park Service	UW-Madison	237,563	0
N/A	15.RD	R&D from U.S. Geological Survey	UW-Madison	110,409	0
N/A	15.8EMSA00337	Social Demographic Data Layers of Key Population	UW-Madison	62	0
N/A	15.Order #301817 M351	Web-Based Birder Certification and Training Program	UW-Green Bay	8,982	0
N/A	15.PO 07ERSA0390	Water Quality Sampling Analysis	UW-Green Bay	5,000	0
N/A	15.H6000C02000	Apostle Islands Task 1	UW-La Crosse	1,516	0
N/A	15.MVAC 6/2/2004	Chippewa Co - NPS2006	UW-La Crosse	1,300	0
N/A	15.Various Small Contracts	Dept Inter Regional Archaeology at Mississippi Valley Archaeology Center (RAMVAC)	UW-La Crosse	459	0
N/A	15.32576MOO7	Federal Intern	UW-La Crosse	500	0
N/A	15.322107MOO7	Genoa Fish Hatchery	UW-La Crosse	370	0
N/A	15.J6150-06-0004	Grand Portage	UW-La Crosse	13,067	0
N/A	15.MVAC-07/4/4	Murphy Flowage	UW-La Crosse	1,152	0
N/A	15.R62817K112	National Park Service (NPS) North Country	UW-La Crosse	870	0
N/A	15.MVAC 05/10/1; MVAC 06/4/5; MVAC 07-03-08	Natural Resources Conservation Service (NRCS) T.O. #13, #15, #18	UW-La Crosse	29,324	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	15.MVAC 07/6/3	Tremp Toilet Survey	UW-La Crosse	930	0
N/A	15.2007CCS-63	Trempealeau National Wildlife Reserve (TNWR) Conservation Plan	UW-La Crosse	1,942	0
N/A	15.07-ERSA0429	Upper Mississippi Environment Science Center (UMESC)	UW-La Crosse	5,961	0
N/A	15.04ERSA0513	Voyagers National Park (VNP) Fire Study	UW-La Crosse	2,050	0
N/A	15.J230070115	Assessment of Natural Resources	UW-Stevens Point	55,675	0
N/A	15.J238005086	Assessment of Water Resources	UW-Stevens Point	(1,371)	0
N/A	15.06JTSA0093	Wetland Processes: a 10-20 Year Study to Improve Wetland Management Capabilities of the National Wildlife Refuge System through Integration of Research, Continuing Education, and Adaptive Management	UW-Stevens Point	8,000	0
N/A	15.050906	Man National Stop Aquatic Hitchhikers (from UW-Madison)	UW Colleges	10,497	0
		Subtotal Direct R&D Grants		2,222,290	17,621
		R&D Subgrants:			
15.608	15.301816G108	Fish and Wildlife Management Assistance (from Great Lakes Fishery Commission)	UW-Milwaukee	59,285	51,131
N/A	15.AV03-WI01	Full Membership of WisconsinView in AmericaView Inc. (from AmericaView, Inc.)	UW-Madison	42,363	0
N/A	15.CA 06-07; CA 06-08	Development of Remote Sensing Protocols for Long-Term Monitoring of Parks in National Capital Region (from University of Maryland)	UW-Madison	28,492	0
N/A	15.R6290040004	Determine Paleo-Fire Regimine as Basis for Native Plant Community Restoration (from University of Minnesota)	UW-Madison	1	0
N/A	15.J1580070050	State of Knowledge and Future Monitoring of White-Tailed Deer Browsing Impacts in Great Lakes Network (from University of Minnesota)	UW-Madison	101,529	0
N/A	15.R2340040061	Wildlife Habituation (from University of Minnesota)	UW-Madison	6	0
		Subtotal R&D Subgrants		231,676	51,131
		TOTAL R&D FROM U.S. DEPARTMENT OF THE INTERIOR		2,453,966	68,752
U.S. DEPARTMENT OF JUSTICE:					
16.541		Part E - Developing, Testing and Demonstrating Promising New Programs	UW-Madison	42,333	18,311
N/A	16.2004-IJ-CX-K036	Modeling Electric Current Flow Through Human Body	UW-Madison	6,395	0
N/A	16.3L-USA25-0077; 4L-USA19-0104; 5W-USA44-0097	Services of Expert Advisor	UW-Madison	61,996	0
		Subtotal Direct R&D Grants		110,724	18,311
		R&D Subgrants:			
16.541		Part E - Developing, Testing and Demonstrating Promising New Programs (from Safe and Sound, Inc.)	UW-Milwaukee	63,168	0
16.560	16.20071	National Institute of Justice Research, Evaluation, and Development Project Grants (from Louisiana State University)	UW-Madison	5,153	0
16.575		Crime Victim Assistance (from Children's Hospital of Wisconsin)	UW-Milwaukee	(68)	0
N/A	16.2007-1846	A Multi-Site Study (from University of California)	UW-Madison	24,216	0
		Subtotal R&D Subgrants		92,469	0
		TOTAL R&D FROM U.S. DEPARTMENT OF JUSTICE		203,193	18,311
U.S. DEPARTMENT OF LABOR:					
17.504		Consultation Agreements	UW-Madison	1,229,852	0
		Subtotal Direct R&D Grants		1,229,852	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
		R&D Subgrants:			
N/A	17.OD-16519-07-75-4-11	Documenting and Evaluating (from Institute of Education Leadership)	UW-Madison	54,561	0
N/A	17.AGR dtd 10/5/1999; 10/6/1999	Grow Project (from Workforce Development Board of South Central Wisconsin)	UW-Madison	13,649	0
N/A	17. 10/6/1940	Technical Support Contact (from Workforce Development Board of South Central Wisconsin)	UW-Madison	(507)	0
		Subtotal R&D Subgrants		67,703	0
		TOTAL R&D FROM U.S. DEPARTMENT OF LABOR		1,297,555	0
U.S. DEPARTMENT OF STATE:					
N/A	19.S-LMAQM007-GR-018	Program in U.S. Administrative Law and Regulatory Practices	UW-Madison	265,920	0
		Subtotal Direct R&D Grants		265,920	0
		R&D Subgrants:			
N/A	19.MOU dtd 2/22/06	Elementary School Curriculum Development and Teacher Education Project for Azerbaijan (from American Councils for International Education)	UW-Madison	145	0
N/A	19.66773/CIA	Detection of Deception in High-Stakes Lying: Affective and Cognitive Neuroscience Approaches (from Mitre Corp.)	UW-Madison	301,445	0
		Subtotal R&D Subgrants		301,590	0
		TOTAL R&D FROM U.S. DEPARTMENT OF STATE		567,510	0
U.S. DEPARTMENT OF TRANSPORTATION:					
20.108	20.07-G-013	Aviation Research Grants	UW-Madison	157,154	0
20.205		Highway Planning and Construction (from UW-Madison)	UW-Milwaukee	85,603	0
20.205	20.DTOS59-08-G-00106	Highway Planning and Construction	UW-Superior	3,177	0
		Total Federal Program 20.205		88,780	0
20.601		Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (from UW System Admin)	UW-Milwaukee	2,780	0
20.701	20.DTRT06-G0020	University Transportation Centers Program	UW-Madison	516,881	0
20.701	20.997B750	University Transportation Centers Program (from UW-Madison)	UW-Milwaukee	9,224	0
		Total Federal Program 20.701		526,105	0
20.762	20.OAR-SG-2006-2000364; OAR-SG-2000364	Research Grants	UW-Superior	374,881	84,912
N/A	20.DTFH61-03-P-00275	Development of Specification Test and Criterion for Fatigue of Asphalt Binders	UW-Madison	12,048	0
N/A	20.DTRS99-G-0005	Optimization of Transportation Investment and Operations	UW-Madison	959,331	84,573
N/A	20.AGR dtd 4/12/07	Recommendations (UW-Platteville)	UW-Madison	4,355	0
N/A	20.285H865	Implementation Rehabilitation Techniques for Concrete Bridges (from UW-Madison)	UW-Milwaukee	14,374	0
N/A	20.999B025	Monitoring and Load Distribution Study for the Land Bridge (from UW-Madison)	UW-Milwaukee	10,187	0
N/A	20.HR 12-59(01)	Seismic Design and Construction Guidelines for GRS Bridge Abutments with Modular Block	UW-Milwaukee	28,845	0
N/A	20.DTOS59-05-G-0019;0020; DTMA1G06005	Great Lakes Maritime Research Institute (GLMRI) Rail Study	UW-Superior	941,119	675,833
N/A	20.DTRS99-G-0005	Midwest Regional University Transportation Center (MRUTC) Rail (from UW-Madison)	UW-Superior	34,604	0
		Subtotal Direct R&D Grants		3,154,563	845,318

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
		R&D Subgrants:			
20.205	20.TPF-081	Highway Planning and Construction (from Iowa Department of Transportation)	UW-Milwaukee	10,530	0
20.205		Highway Planning and Construction (from Marquette University)	UW-Milwaukee	14,532	0
20.205		Highway Planning and Construction (from Midwest Regional Transportation Center)	UW-Milwaukee	19,640	0
20.205		Highway Planning and Construction (from CH2M Hill, Inc.)	UW-La Crosse	20,290	0
20.762	20.DTOS59-06-G-0031	Research Grants (from Saint Lawrence Seaway Development Corporation)	UW-Superior	122,228	0
N/A	20.IPRF-FAA-01-G-002-06-5	Role of Dirty Aggregates (from Innovative Pavement Research Foundation)	UW-Madison	106,260	0
N/A	20.86536	Demonstration Ash Utilization (from Minnesota Department of Transportation)	UW-Madison	(3,185)	0
N/A	20.HR 09-45	Test Methods and Specification (from National Academies)	UW-Madison	43,757	0
N/A	20.HR 20-7(222)	Evaluation of the Flashing Yellow Arrow Permissive Left-Turn Indication Field Implementation (from National Academy of Sciences)	UW-Madison	26,556	0
N/A	20.08-014	Recycled Materials Resource (from University of New Hampshire)	UW-Madison	89,608	0
N/A	20.07-1366	Alternative Aircraft and Airfield Deicing and Anti-Icing Formulations with Reduced Aquatic Toxicity and Biological Oxygen Demand (from University of South Carolina)	UW-Madison	51,926	0
N/A	20.AGR dtd 9/15/07	Community Maps Pilot Project (from Southwest Wisconsin Regional Planning)	UW-Madison	971	0
N/A	20.UWM000	Wisconsin-Madison Asphalt Research Consortium Agreement (from Western Research Institute)	UW-Madison	780,410	0
N/A	20.F32-6820UWM	Freight Forecasting Course (from Cambridge Systematics)	UW-Milwaukee	99	0
N/A	20.904152	I-90 Corridor (from CH2M Hill, Inc.)	UW-La Crosse	12,422	0
N/A	20.MN DOT Contract# 87152	Pioneer Burial (from Minnesota Department of Transportation)	UW-La Crosse	1,654	0
		Subtotal R&D Subgrants		1,297,698	0
		TOTAL R&D FROM U.S. DEPARTMENT OF TRANSPORTATION		4,452,261	845,318
OFFICE OF PERSONNEL MANAGEMENT:					
27.011		Intergovernmental Personnel Act (IPA) Mobility	UW-Oshkosh	35,868	0
		TOTAL R&D FROM OFFICE OF PERSONNEL MANAGEMENT		35,868	0
GENERAL SERVICES ADMINISTRATION:					
		R&D Subgrants:			
N/A	39.AGR dtd 11/1/06	Design and Development of Digital Talking Book System (from Humanware)	UW-Madison	(935)	0
		TOTAL R&D FROM GENERAL SERVICES ADMINISTRATION		(935)	0
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
43.001		Aerospace Education Services Program (from UW-Green Bay)	UW-Madison	(2,327)	0
43.001		Aerospace Education Services Program (from UW-Green Bay)	UW-La Crosse	27,635	0
43.001		Aerospace Education Services Program (from UW-Milwaukee)	UW-La Crosse	30,021	0
43.001		Aerospace Education Services Program	UW-Oshkosh	1,203	0
43.001		Aerospace Education Services Program	UW-Parkside	385	0
43.001		Aerospace Education Services Program (from UW-Green Bay)	UW-Parkside	2,000	0
		Total Federal Program 43.001		58,917	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
43.002		Technology Transfer (from UW-Green Bay)	UW-Milwaukee	2,871	0
43.002		Technology Transfer	UW-La Crosse	19,247	0
		Total Federal Program 43.002		22,118	0
N/A	43.RD	R&D from Ames Research Center	UW-Madison	338,260	11,609
N/A	43.RD	R&D from Glenn Research Center	UW-Madison	163,018	0
N/A	43.RD	R&D from Goddard Space Flight Center	UW-Madison	5,610,440	184,872
N/A	43.RD	R&D from Jet Propulsion Laboratory	UW-Madison	5,776	0
N/A	43.RD	R&D from Langley Research Center	UW-Madison	722,920	0
N/A	43.RD	R&D from Marshall Space Flight Center	UW-Madison	337,313	0
N/A	43.RD	R&D from NASA Headquarters	UW-Madison	649,625	189,592
N/A	43.RD	R&D from Stennis Space Center	UW-Madison	(2,856)	0
N/A	43.144NM723-06-GUPTASARMA	Development of Oxide Nanostructures for Solar Panel Applications (from UW-Green Bay)	UW-Milwaukee	12	0
N/A	43.NNG05GL66G	A Terrestrial Library of Mars' Sedimentary Characteristics	UW-Green Bay	52,624	0
N/A	43.NNG05GH31H	Wisconsin Space Grant Program and Consortium	UW-Green Bay	648,035	4,900
N/A	43.HST-GO-10430.05-A	Pritzl-STSci-Dwarf Spheroidal	UW-Oshkosh	7,666	0
N/A	43.Ltr dtd 4/12/05	FOX National Center for Science	UW Colleges	474	
N/A	43.NNG05-GH31H	FOX UW-Green Bay Space Grant (from UW-Green Bay)	UW Colleges	4,540	0
		Subtotal Direct R&D Grants		8,618,882	390,973
		R&D Subgrants:			
43.001		Aerospace Education Services Program (from Jet Propulsion Laboratory)	UW-Stevens Point	7,151	0
43.002		Technology Transfer (from Pacific Northwest National Laboratory)	UW-Milwaukee	15,083	0
N/A	43.76	Demonstration of the Millimeter-Wave Bolometric (from Brown University)	UW-Madison	62,445	0
N/A	43.1309766	Study on Data Assimilation (from California Institute of Technology)	UW-Madison	30,000	0
N/A	43. AGR dtd 05/22/07	Quantum Caloquantum Calorimete (FROM EPIR Technologies)	UW-Madison	9,000	0
N/A	43.D5459-G3	Hazard Analysis (from Georgia Institute of Technology)	UW-Madison	9,861	0
N/A	43.EP-68589	Investigating Morphophological and Isotopic Biosignatures of Terrestrial Iron Bacteria-A (from Indiana University)	UW-Madison	13,187	0
N/A	43.AGR dtd 04/16/2007	Novel Instrumentation for Rocket Propulsion System (from Los Gatos Research, Inc.)	UW-Madison	43,614	0
N/A	43.DO14224-1300; 2060; 112087-1100; 70499-1300; 75821-1300; 8466;DO112087;DO 111449	Continued Development and Testing of ST5000 Start Tracker (from Northrup Grumman Corporation)	UW-Madison	357,283	0
N/A	43.OTC-GS-0177-1;GS0176-2;0152-1;0190-1	Wavelength-Agile Optical Rocket Propulsion Sensor (from Orbital Technologies)	UW-Madison	13,341	0
N/A	43.AGR dtd 3/30/05	Z-Pinch - IFE Program (from Sandia National Laboratory)	UW-Madison	958	0
N/A	43.2616-06-058	Task 1-014 Continuation of Advanced Satellite Aviation Weather-Products Research (from Science Systems and Applications, Inc.)	UW-Madison	380,399	0
N/A	43.G05-6006B;G08-9061X; G08-9058A;G08-9061X	A Chandra HETGS Survey (from Smithsonian Astrophysical Observatory)	UW-Madison	74,302	0
N/A	43.TM4-5001X	Clumpy Outflows from Hot Stars and Their X-Ray Signatures (from Smithsonian Astrophysical Observatory)	UW-Madison	10,888	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	43.G07-8023A	Deep Chandra Observations (from Smithsonian Astrophysical Observatory)	UW-Madison	30,742	0
N/A	43.G07-8001B	Monitoring the Super-Soft Source State and Many Optical Novae in the Core of M31 (from Smithsonian Astrophysical Observatory)	UW-Madison	(1,669)	0
N/A	43.G07-8040X	The Ring of Fire: Constraining the Jet Power of Cygnus X-1 From its Shocked Shell (from Smithsonian Astrophysical Observatory)	UW-Madison	23,252	0
N/A	43.G07-8102X	A Snapshot X-Ray/Radio Survey (from Smithsonian Astrophysical Observatory)	UW-Madison	62,534	0
N/A	43.DD6-7038X	RS Ophiuchi in Outburst (from Smithsonian Astrophysical Observatory)	UW-Madison	147	0
N/A	43.HST-GO-10805	ACS Imaging of Uranus Atmosphere Near Equinox (from Space Telescope Science Institute)	UW-Madison	9,990	0
N/A	43.HST-GO-10766.04A	A Deep X-Ray Survey (from Space Telescope Science Institute)	UW-Madison	1,396	0
N/A	43.HST-AR-10984.01-A	Characterizing Lyman Spitzer (from Space Telescope Institute)	UW-Madison	54,820	0
N/A	43.HST-AR-10948-02A	Exploring the Center of M31 (from Space Telescope Science Institute)	UW-Madison	16,796	0
N/A	43.HST-AR-09917-02-A	Fate of Luminous Compact Blue Galaxies: Environmental Approach (from Space Telescope Science Institute)	UW-Madison	142	0
N/A	43.HST-GO-10546.04A	The Filaments of NGC 1275 (from Space Telescope Science Institute)	UW-Madison	18,609	0
N/A	43.HST-GO-11118.01-A	Investigating Near-Equinox (from Space Telescope Science Institute)	UW-Madison	13,634	0
N/A	43.HST-GO-10584.04-A	Link Between X-Ray Source and Stellar Populations in M81 (from Space Telescope Science Institute)	UW-Madison	5,036	0
N/A	43.HST-GO-10853.01-A	M82 As a Fossil Starburst (from Space Telescope Science Telescope)	UW-Madison	7,197	0
N/A	43.HST-GO-10242.01-A; 03-A	Pre-History of Starburst: Deep Imagining of IC 10 (from Space Telescope Science Institute)	UW-Madison	870	0
N/A	43.HST-GO-11156.03-A	Monitoring Active Atmospheres (from Space Telescope Science Institute)	UW-Madison	558	0
N/A	43.HST-GO-10520.02-A	Resolving the Complex Star Formation History of The Leoi Dwarf Spheroidal Galaxy (from Space Telescope Science Institute)	UW-Madison	266	0
N/A	43.HST-GO-10789.01-A	The Role of Environment (from Space Telescope Science Institute)	UW-Madison	2,496	0
N/A	43.HST-GO-10396.01-A; 12A	Star Clusters, Stellar Populations and Evolution of Small Magellanic Cloud (from Space Telescope Science Institute)	UW-Madison	18,026	0
N/A	43.HST-GO-10590.06-A	Star Formation History of An Unmerged Fragment: The Leo A Dwarf Galaxy (GO-10590.06-A) (from Space Telescope Science Institute)	UW-Madison	9,099	0
N/A	43.HST-AR-10682.01-A	Tracing Baryons in Warm-Hot Intergalactic Medium with Broad Ly-Alpha Absorption (from Space Telescope Science Institute)	UW-Madison	17,111	0
N/A	43.08-022	The Sumatra-Andaman Subduction (from University of Alabama)	UW-Madison	8,392	0
N/A	43.S06-57993	Decision Support for Thunderstorm Avoidance of Convectively-Induced Turbulense (from University of Atmospheric Research)	UW-Madison	73,138	0
N/A	43.SA5314-24190	Biomars: Biospheres of Mars: Ancient and Recent Studies (from University of California-Berkeley)	UW-Madison	161,118	0
N/A	43.2090 G HC0002	General Circulation Modeling of the Venus Atmosphere (from University of California-Los Angeles)	UW-Madison	54,199	0
N/A	43.1024800-001	Eicosanoids in the Outflow of the Eye (from University of California-San Francisco)	UW-Madison	7,650	0
N/A	43.Z623301	Analysis of Long-Term Fire Dynamics and Impacts in the Amazon Using Integrated Multi-Source Fire Observations (from University of Maryland)	UW-Madison	19,731	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	43.Z690301	Dynamic Diagnosis of NSIPP Atmospheric Simulations and Predictions (from University of Maryland)	UW-Madison	(765)	0
N/A	43.6/19/2008	Exacerbation of Flooding Responses Due to Land Cover/Land Use Change: Comparative Study (from University of Maryland)	UW-Madison	24,643	0
N/A	43.CA 06-09	Spatial Patterns of Forest Disturbance and Consequences for Regional Water Quality (from University of Maryland)	UW-Madison	67,080	0
N/A	43.3333	Three Dimensional Aire Quality Systems (3D-AQSS) (from University of Maryland)	UW-Madison	75,471	0
N/A	43.X5166204101	Acceleration of Cosmic Rays (from University of Minnesota)	UW-Madison	20,946	0
N/A	43.413099	Construction and Vacuum Test (from University of Washington)	UW-Madison	92,058	0
N/A	43.1110106-168852	Static Analysis of Software for Reliable Computing (from Carnegie Mellon University)	UW-Milwaukee	(708)	0
N/A	43.UTB05-04	Periodic Standing Wave Approximation for Binary Coalescence (from University of Texas-Brownsville)	UW-Milwaukee	(48)	0
N/A	43.NNG06GH-70G	Laboratory Studies of Atomic Oxygen Effects on Ice Formation and Structure in the Mesosphere (from SRI International)	UW-Eau Claire	10,326	0
N/A	43.SUBCONTRACT #1278721	Quantitative Clast Morphology (from California Institute of Technology)	UW-Green Bay	52,723	0
N/A	43.SUBCONTRACT #1278721	Why Explore Mars? A Native American Perspective (from California Institute of Technology)	UW-Green Bay	10,411	0
N/A	43.RSA1324695; NGC 891; Pro30570	R&D (from Jet Propulsion Laboratory)	UW-Whitewater	68,845	0
		Subtotal R&D Subgrants		2,063,774	0
		TOTAL R&D FROM NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		10,682,656	390,973
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:					
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Madison	7,302	0
45.149		Promotion of the Humanities-Division of Preservation and Access	UW-Madison	519,702	0
45.160		Promotion of the Humanities-Fellowships and Stipends	UW-Stevens Point	268	0
45.161		Promotion of the Humanities-Research	UW-Madison	356,848	0
45.303		Conservation Project Support	UW-Madison	15,421	0
45.312	45.LG-06-05-0155-05	National Leadership Grants	UW-Milwaukee	93,663	29,367
45.313		Laura Bush 21st Century Librarian Program	UW-Madison	78,594	0
N/A	45.FO-50053	Advanced Research	UW-Madison	40,000	0
N/A	45.FA-52865	NEH Fellowship	UW-Madison	41,634	0
N/A	45.RE-04-04-0055-04	Subject Specialists for Research Libraries	UW-Madison	11,205	2,066
N/A	45.FA-52656-06	Women's Sung Mythologies from the Himalayan Foothills	UW-Madison	(1,383)	0
		Subtotal Direct R&D Grants		1,163,254	31,433
		R&D Subgrants:			
45.312	45.PSA 6043	National Leadership Grants (from University of Connecticut)	UW-Milwaukee	1,543	0
45.312	45.OR7397-001.01	National Leadership Grants (from University of Tennessee)	UW-Milwaukee	(6,010)	0
N/A	45.AGR dtd 01/25/06	NEH Fellowship for 2006-2007 (from Princeton University)	UW-Madison	3	
		Subtotal R&D Subgrants		(4,464)	0
		TOTAL R&D FROM NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		1,158,790	31,433

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
NATIONAL SCIENCE FOUNDATION:					
47.041		Engineering Grants	UW-Madison	5,087,214	263,594
47.041		Engineering Grants (from UW-Milwaukee)	UW-Madison	53,330	0
47.041		Engineering Grants	UW-Milwaukee	567,658	12,779
		Total Federal Program 47.041		5,708,202	276,373
47.049		Mathematical and Physical Sciences	UW-Madison	26,857,521	2,669,771
47.049		Mathematical and Physical Sciences (from UW-Milwaukee)	UW-Madison	286,026	0
47.049		Mathematical and Physical Sciences	UW-Milwaukee	2,521,092	547,362
47.049		Mathematical and Physical Sciences	UW-Eau Claire	225,610	5,614
47.049		Mathematical and Physical Sciences	UW-La Crosse	7,126	0
47.049		Mathematical and Physical Sciences	UW-Oshkosh	9,700	0
47.049		Mathematical and Physical Sciences	UW-Parkside	39,554	0
47.049		Mathematical and Physical Sciences	UW-Stout	24,119	0
47.049		Mathematical and Physical Sciences (from UW-Eau Claire)	UW Colleges	(548)	0
		Total Federal Program 47.049		29,970,200	3,222,747
47.050		Geosciences	UW-Madison	4,036,739	25,716
47.050		Geosciences	UW-Milwaukee	630,544	(2,777)
47.050		Geosciences	UW-Eau Claire	38,552	0
47.050		Geosciences	UW-La Crosse	61,353	0
		Total Federal Program 47.050		4,767,188	22,939
47.070		Computer and Information Science and Engineering	UW-Madison	7,265,223	177,727
47.070		Computer and Information Science and Engineering	UW-Milwaukee	139,168	0
47.070		Computer and Information Science and Engineering	UW-Stout	35,366	0
		Total Federal Program 47.070		7,439,757	177,727
47.074		Biological Sciences	UW-Madison	14,001,744	2,762,874
47.074		Biological Sciences	UW-Milwaukee	489,871	84,727
47.074		Biological Sciences (from UW-Madison)	UW-Milwaukee	34,794	0
47.074		Biological Sciences	UW-Eau Claire	142,494	22,107
47.074		Biological Sciences	UW-La Crosse	111,460	(47)
47.074		Biological Sciences	UW-Oshkosh	215,341	0
47.074		Biological Sciences (from UW-Eau Claire)	UW-Oshkosh	28,637	0
47.074		Biological Sciences	UW-Whitewater	142,925	0
		Total Federal Program 47.074		15,167,266	2,869,661
47.075		Social, Behavioral, and Economic Sciences	UW-Madison	2,144,535	0
47.075		Social, Behavioral, and Economic Sciences	UW-Milwaukee	317,467	29,852
47.075		Social, Behavioral, and Economic Sciences	UW-Stevens Point	21,481	0
47.075		Social, Behavioral and Economic Sciences	UW-Whitewater	652	0
		Total Federal Program 47.075		2,484,135	29,852
47.076		Education and Human Resources	UW-Madison	13,595,209	4,425,569
47.076		Education and Human Resources	UW-Milwaukee	3,046,879	1,510,260
47.076		Education and Human Resources	UW-Eau Claire	7,508	0
47.076		Education and Human Resources	UW-Oshkosh	152,959	0
47.076		Education and Human Resources (from UW-Madison)	UW-Oshkosh	1,900	0
47.076		Education and Human Resources (from UW System Admin)	UW-Oshkosh	10,551	0
47.076		Education and Human Resources	UW-Parkside	12,342	0
47.076		Education and Human Resources	UW-Superior	4,232	0
47.076		Education and Human Resources (from UW-Madison)	UW-Whitewater	22,099	0
		Total Federal Program 47.076		16,853,679	5,935,829

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
47.078		Polar Programs	UW-Madison	26,403,279	5,957,742
47.078		Polar Programs	UW-Milwaukee	40,663	0
47.078		Polar Programs	UW-Oshkosh	51,555	0
47.078	47.ANT-0636875 & 144-KY33	Polar Programs (from UW-Madison)	UW-River Falls	63,915	0
		Total Federal Program 47.078		26,559,412	5,957,742
47.079		International Science and Engineering (OISE)	UW-Madison	72,266	0
47.079		International Science and Engineering (OISE)	UW-Milwaukee	1,494	0
		Total Federal Program 47.079		73,760	0
47.080		Office of Cyberinfrastructure	UW-Madison	271,862	0
N/A	47.SBE-0123666	Advance Institutional Transformation Award	UW-Madison	(52)	0
N/A	47.DEB-0083545	Biocomplexity: Divergent Dynamics: Complex Interactions of Riparian Land, People and Lakes	UW-Madison	4,333	0
N/A	47.CBET-0547484	CAREER: Quantification of Prion Protein Sorption to Soil Components	UW-Madison	56,177	0
N/A	47.OCI-0636206	Collaborative Research: Cyber-Infrastructure for Engineering Informatics Education	UW-Madison	115,035	0
N/A	47.OPP-0003289	Ice Coring and Drilling Services	UW-Madison	3,116,539	0
N/A	47.824294	IPA for Lawrence Bank	UW-Madison	70,245	0
N/A	47.DMS-0701461	Mathematical Sciences	UW-Madison	1,500	0
N/A	47.06-SUBC-440-00000856034	Metallicus: A Whole-Watershed Stable Isotope Study of Mechanisms of Net Microbial Methylmercury Production	UW-Madison	3,243	0
N/A	47.PHY-8207267	Nuclear Physics Research	UW-Madison	26,001	0
N/A	47.SES-0550705	Recruiting Respondents to the Survey Interview	UW-Madison	68,293	0
N/A	47.BCS-0543325;	Intergovernmental Personnel Act Assignment Agreement	UW-Milwaukee	(4,444)	0
N/A	47.CHE-0521328	MRI: Acquisition of Ultrahigh Vacuum Atomic Force Microscopy Apparatus	UW-Milwaukee	13,392	0
N/A	47.DEB-0542679	Phylogeny and Evolution of Ranunculales: An Integrative Approach	UW-Milwaukee	91,346	0
N/A	47.AST-0551030	R&D	UW-Oshkosh	93,527	0
		Subtotal Direct R&D Grants		112,950,596	18,492,870
		R&D Subgrants:			
47.041	47.12/10/2007	Engineering Grants (from Centrose)	UW-Madison	29,940	0
47.041	47.2005-1964	Engineering Grants (from North Carolina State University)	UW-Madison	34,681	0
47.041	47.2006-03911-01	Engineering Grants (from University of Illinois-Urbana-Champaign)	UW-Madison	2,571	0
47.041	47.200907	Engineering Grants (from University of Notre Dame)	UW-Madison	75,943	0
47.041	47.570058 CN	Engineering Grants (from Texas A&M University)	UW-Madison	(966)	0
47.041	47.DMI-0450171	Engineering Grants (from Juntech, Inc.)	UW-Milwaukee	7,389	0
47.041		Engineering Grants (from Utah State University)	UW-Green Bay	5,746	0
47.049	47.AGR dtd 06/07/06	Mathematical and Physical Sciences (from Drew University)	UW-Madison	4,693	0
47.049	47.G-37-A65-G3	Mathematical and Physical Sciences (from Georgia Institute of Technology)	UW-Madison	14,732	0
47.049	47.3021-UM-NSF-7146	Mathematical and Physical Sciences (from Pennsylvania State University)	UW-Madison	24,889	0
47.049	47.1000 G GB083; GB587	Mathematical and Physical Sciences (from University of California-Los Angeles)	UW-Madison	1,096,676	49,976
47.049	47.UFO1075	Mathematical and Physical Sciences (from University of Florida)	UW-Madison	99	0
47.049	47.2006-02307-01	Mathematical and Physical Sciences (from University of Illinois-Urbana-Champaign)	UW-Madison	66,766	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
47.049	47.F009511; 3000584623	Mathematical and Physical Sciences (from University of Michigan)	UW-Madison	95,396	0
47.049	47.431149	Mathematical and Physical Sciences (from University of Washington)	UW-Madison	93,854	0
47.049	47.5710001594	Mathematical and Physical Sciences (from Massachusetts Institute of Technology)	UW-Milwaukee	153,122	0
47.049		Mathematical and Physical Sciences (from Brigham Young University)	UW-La Crosse	7,125	0
47.050	47.10269408	Geosciences (from University of California-San Diego)	UW-Madison	(605)	0
47.050	47.S0181101	Geosciences (from University of California-Santa Cruz)	UW-Madison	82,116	0
47.050	47.1000601781	Geosciences (from University of Iowa)	UW-Madison	158,832	0
47.070	47.10242094-005	Computer and Information Science and Engineering (from University of California-San Diego)	UW-Madison	148,039	0
47.070	47.30085-M	Computer and Information Science and Engineering (from University of Chicago)	UW-Madison	78,226	0
47.070	47.UF00111	Computer and Information Science and Engineering (from University of Florida)	UW-Madison	68,739	0
47.070	47.88110	Computer and Information Science and Engineering (from University of Southern California)	UW-Madison	9,626	0
47.074	47.1455-26413	Biological Sciences (from Brown University)	UW-Madison	84,483	0
47.074	47.5-34051.5700	Biological Sciences (from Dartmouth College)	UW-Madison	74,867	0
47.074		Biological Sciences (from Hawaii Agriculture Research Center)	UW-Madison	(3,954)	0
47.074	47.420-40-29	Biological Sciences (from Iowa State University)	UW-Madison	11,388	0
47.074	47.501-0827-1	Biological Sciences (from Purdue University)	UW-Madison	49,333	0
47.074	47.S060039	Biological Sciences (from Texas A&M University)	UW-Madison	116,325	0
47.074	47.Y403043; Y404189	Biological Sciences (from University of Arizona)	UW-Madison	87,216	0
47.074	47.SA3769-23564PG	Biological Sciences (from University of California)	UW-Madison	156,335	0
47.074	47.SA5633-11574	Biological Sciences (from University of California-Berkley)	UW-Madison	43,983	0
47.074	47.PSA#3111	Biological Sciences (from University of Connecticut)	UW-Madison	3,291	0
47.074	47.UF01069	Biological Sciences (from University of Florida)	UW-Madison	1,385	0
47.074	47.RR167-445/8920507	Biological Sciences (from University of Georgia)	UW-Madison	225,673	0
47.074	47.2006-01133.03	Biological Sciences (from University of Illinois-Urbana-Champaign)	UW-Madison	117,279	0
47.074	47.3000619035	Biological Sciences (from University of Michigan)	UW-Madison	87,454	0
47.074	47.C0000 4079-1	Biological Sciences (from University of Missouri-Columbia)	UW-Madison	264,262	0
47.074	47.UTA 05-391	Biological Sciences (from University of Texas-Austin)	UW-Madison	(2,545)	0
47.074	47.2301050	Biological Sciences (from University of Utah)	UW-Madison	203,307	0
47.074	47.NSF44303WISC; NSF44327WISC	Biological Sciences (from University of Wyoming)	UW-Madison	247,984	0
47.074	47.19126-477392	Biological Sciences (from Virginia Polytechnic Institute and State University)	UW-Madison	21,654	0
47.074		Biological Sciences (from University of Pennsylvania)	UW-Oshkosh	2,279	0
47.074		Biological Sciences (from Grand Valley State University)	UW-Stout	74,037	0
47.075	47.06-637	Social, Behavioral, and Economic Sciences (from Arizona State University)	UW-Madison	183,744	0
47.075	47.31002-A	Social, Behavioral, and Economic Sciences (from Stanford University)	UW-Madison	23,131	0
47.075	47.UF08059	Social, Behavioral, and Economic Sciences (from University of Florida)	UW-Milwaukee	18,138	0
47.076	47.AGR dtd 10/13/03; REC-9803080	Education and Human Resources (from Council of Chief State School Officers)	UW-Madison	252,678	0
47.076	47.57100021	Education and Human Resources (from Massachusetts Institute of Technology)	UW-Madison	19,007	0
47.076	47.G149-07-Z2484	Education and Human Resources (from Montana State University)	UW-Madison	48,584	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
47.076	47.4526-UWM-01	Education and Human Resources (from Museum of Science)	UW-Madison	8,107	0
47.076	47.122-0770A	Education and Human Resources (from Research Foundation of State University of New York)	UW-Madison	19	0
47.076	47.Z461802	Education and Human Resources (from University of Maryland)	UW-Madison	6,378	0
47.076	47.CG004954-5	Education and Human Resources (from University of Missouri-Columbia)	UW-Madison	4,509	4,353
47.076	47.2007-000122, PRMSP/WCER 2006	Education and Human Resources (from University of Puerto Rico)	UW-Madison	28,219	0
47.076	47.411854-G	Education and Human Resources (from University of Rochester)	UW-Madison	9,099	0
47.076	47.WU-HT-07-14	Education and Human Resources (from Washington University)	UW-Madison	17,359	0
47.076		Education and Human Resources (from Chippewa Technical College)	UW-Eau Claire	39,519	0
47.076		Education and Human Resources (from Grand Valley State University)	UW-Oshkosh	771	0
47.076		Education and Human Resources (from Wisconsin Alliance for Minority Participation)	UW-Parkside	30,635	0
47.076		Education and Human Resources (from Midwest Alliance in Science and University of Illinois-Urbana Champaign)	UW-Stout	12,927	0
47.078	47.UAF 05-0008	Polar Programs (from University of Alaska)	UW-Madison	49,415	0
47.078	47.PO80929	Polar Programs (from Northern Illinois University)	UW-Milwaukee	341	0
47.078		Polar Programs (from University of Nebraska)	UW-Oshkosh	22,647	0
47.078		Polar Programs (from University of Northern Illinois)	UW-Oshkosh	2,520	0
47.079	47.740093-87A6	International Science and Engineering (OISE) (from University of New Mexico)	UW-Madison	1,064	0
47.080	47.C3247-1	Office of Cyberinfrastructure (from Colorado State University)	UW-Madison	41,649	0
47.080	47.123877	Office of Cyberinfrastructure (from University of Southern California)	UW-Madison	20,553	0
N/A	47.AGR dtd 1/11/07	STTR Diamond Nanoprobes for Atomic Force Microscopy to Enable Ultrahigh Performance Nandoscale Process (from Advanced Diamond Technologies)	UW-Madison	31,741	0
N/A	47.AGR dtd 3/24/04	Do Good Fences Make Good Neighbors? Pilot Research on Human Wildlife Conflict Around Kenya's Forest Parks (from American Association for the Advancement of Science)	UW-Madison	6,868	0
N/A	47.Ltr dtd 9/25/00	College of Engineering Future (from American Society for Engineering Education)	UW-Madison	4,993	0
N/A	47.AGR dtd 01/01/08	Biology Scholars Program (from American Society for Microbiology)	UW-Madison	6,150	0
N/A	47.SUB-NSF-CA HRD 0420541	Biogeochemical Nutrient Cycling Dynamics in Disturbed Cumberland Plateau Forest Ecosystem (from Alabama Agricultural and Mining University)	UW-Madison	(539)	0
N/A	47.1120218-168265	STAAR Teacher Professional Development Project (from Carnegie Mellon University)	UW-Madison	1,944	0
N/A	47.05-SC-NSF-1023	Highly Integrated and Ultra-Sensitive Optical Nanoparticle-Based Sensing Systems Based on Nanoparticle Integration (from Duke University)	UW-Madison	131,352	0
N/A	47.1443	Collaborative Research at Late-Glacial Model System for Studying Fine-Scale Vegetational Responses (from Illinois State Museum)	UW-Madison	25,014	0
N/A	47.IODP-MI-05	Performance of the Co-Chief Project (from IODP Management International)	UW-Madison	33,686	0
N/A	47.TSHKA57,T314A 57,T316A57, JSA 7-12	Participation in Chikyu Shakedown Activities (from Joint Oceanographic Institutions)	UW-Madison	91,806	0
N/A	47.GSSP07-0001,0002,0003,0008	Observing the Radion Continuum Polarization from Irregular Galaxies: Student Observing Support for Amanda Kepley (from National Radio Astronomy Observatory)	UW-Madison	7,344	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	47.BIO325L-02	Community Genetics, Heritability and Evolution: Consequences of Extended Phenotypes (from Northern Arizona University)	UW-Madison	89,203	0
N/A	47.501-0827-1	Cell Wall Genomics Addendum (from Purdue University)	UW-Madison	146,626	0
N/A	47.54126A P1601 7802 211	Coordinating Social and Individual Aspects of Generalizing Activity (from San Diego State University)	UW-Madison	155,072	0
N/A	47.AGR DTD 05/18/99	SBIR/STTR Phase II (from Silatronix)	UW-Madison	22,039	0
N/A	47.S07-61473	NSDL Collection-Fostering Enhancements to CWIS (from University Corporation of Atmospheric Research)	UW-Madison	65,192	0
N/A	47.2003-01686-03 2005-06198-06	Disseminating and Supporting Middleware Infrastructure: Engaging and Expanding Scientific Grid Communities (from University of Illinois-Urbana-Champaign)	UW-Madison	411,230	0
N/A	47.DMR-00351449	Synergistic Partnership for Research and Education on Functional and Nanostructured Materials (from University of Puerto Rico-Mayaguez)	UW-Madison	134,814	0
N/A	47.EPSCOR-2006-0206	Identification of Metabolic Markers for Bleaching in Coral Porites Astreoides (from University of the Virgin Islands)	UW-Madison	2,519	0
N/A	47.CR-19126-477456 / 26	Collaborative Research on Enabling Design Strategies for Single Chip Heterogeneous Multiprocessors (from Virginia Polytechnic Institute and State University)	UW-Madison	92,618	0
N/A	47.CR-19126-427756/28	ERC in Power Electronic Systems (from Virginia Polytechnic Institute and State University)	UW-Madison	526,632	0
N/A	47.CR-19126-477458	ERC in Power Electronic Systems (from Virginia Polytechnic Institute and State University)	UW-Madison	84,017	0
N/A	47.S8214	Evaluation of HHS National Network (from Westat, Inc.)	UW-Madison	(8)	0
N/A	47.101070-001	FIBR: Function-Valued Traits in Natural Populations: Variations, Selection, and Evolution (from Washington State University)	UW-Milwaukee	16,652	0
		Subtotal R&D Subgrants		7,051,643	54,329
		TOTAL R&D FROM NATIONAL SCIENCE FOUNDATION		120,002,239	18,547,199
U.S. DEPARTMENT OF VETERANS AFFAIRS:					
N/A	64.607-D; AGR dtd 8/3/06; 3/1/07;3/7/07; 4/19/07; 8/17/07; 9/20/07; 9/24/07; 10/4/07; 10/11/07; 2/6/08; 3/26/07; 1/16/08; 1/17/08 ; Gueqing Song; KyungMann	Intergovernmental Personnel Assignment Agreement	UW-Madison	265,869	0
		TOTAL R&D FROM U.S. DEPARTMENT OF VETERANS AFFAIRS		265,869	0
U.S. ENVIRONMENTAL PROTECTION AGENCY:					
66.461		Regional Wetland Program Development Grants	UW-Madison	(1,326)	0
66.469	66.GL-96549701-0	Great Lakes Program	UW-Madison	6,476	4,436
66.469		Great Lakes Program	UW-Milwaukee	89,679	3,200
66.469		Great Lakes Program	UW-Superior	41,504	0
		Total Federal Program 66.469		137,659	7,636
66.472		Beach Monitoring and Notification Program Implementation Grants	UW-Oshkosh	14,506	0
66.509		Science to Achieve Results (STAR) Research Program	UW-Madison	679,574	29,637
66.509		Science to Achieve Results (STAR) Research Program	UW-Milwaukee	108,417	0
		Total Federal Program 66.509		787,991	29,637

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
66.513		Greater Research Opportunities (GRO) Fellowships for Undergraduate/Graduate Environmental Study	UW-Milwaukee	3,753	0
66.514		Science to Achieve Results (STAR) Fellowship Program	UW-Madison	13,620	0
66.515		Greater Research Opportunities (GRO) Research Program (from UW-Milwaukee)	UW-Madison	31,132	0
66.515		Greater Research Opportunities (GRO) Research Program	UW-Milwaukee	51,055	9,252
		Total Federal Program 66.515		82,187	9,252
66.605		Performance Partnership Grants	UW-Oshkosh	28,639	0
66.708		Pollution Prevention Grants Program (from UW-Extension)	UW-Madison	(1,807)	0
66.708		Pollution Prevention Grants Program (from UW-Stevens Point)	UW-Madison	8,147	0
66.708		Pollution Prevention Grants Program	UW-Stevens Point	68,744	0
		Total Federal Program 66.708		75,084	0
N/A	66.RD-83244501	Eutrophication Thresholds: Assessments, Mitigation and Resilience in Landscapes and Lakes	UW-Madison	147,368	0
N/A	66.EP06A000746	Passive Vapor Sampling Demonstration Project	UW-Madison	3,812	0
N/A	66.R-82979801	Speciated Atmospheric Mercury: Gas/Particle Partitioning, Transformations and Source Characterization	UW-Madison	(4,884)	0
N/A	66.EP06C000073	State of Municipal Solid Waste Bioreactor Landfills	UW-Madison	63,684	33,566
N/A	66.Order #EPO78000081	Analysis of Mine Tailings Data	UW-Green Bay	7,161	0
N/A	66.Ltr dated 9/12/05	COC AODA Environmental Strategies	UW Colleges	7	
N/A	66.RX274413	Man Beach Testing (from UW-Oshkosh)	UW Colleges	8,547	0
		Subtotal Direct R&D Grants		1,367,808	80,091
		R&D Subgrants:			
66.472		Beach Monitoring and Notification Program Implementation Grants (from Door County Health Department)	UW-Oshkosh	35,427	0
66.472		Beach Monitoring and Notification Program Implementation Grants (from Manitowoc County)	UW-Oshkosh	2,324	0
66.509	66.D-48-6J3-G1; R7214-S1	Science to Achieve Results Research Program (from Georgia Institute of Technology)	UW-Madison	211,617	0
66.509		Science To Achieve Results (STAR) Research Program (from University of California-Davis)	UW-Madison	78,734	0
66.509	66.49575	Science to Achieve Results Research Program (from University of Colorado-Boulder)	UW-Madison	12,790	0
66.509		Science To Achieve Results (STAR) Research Program (from University of Southern California)	UW-Madison	192,354	0
N/A	66.R5 2007-03; R5 2006-04	Integrated Pest Management by Processing Vegetable Industry-Public-Industry Collaboration (from American Farmland Trust)	UW-Madison	43,923	8,251
N/A	66.3028	Evaluation of Gross Alpha and Uranium Measurements for MCL Compliance (from American Waterworks Association Research Foundation)	UW-Madison	47,521	0
N/A	66.3016	Improved Mycobacterium Avium Complex Detection Methods (from American Waterworks Association Research Foundation)	UW-Madison	48,850	0
N/A	66.G-5844-1	Rocky Mountain Regional Hazardous Substances Research Center: Evaluation of Hydrologic Models for Alternative Covers (from Colorado State University)	UW-Madison	925	0
N/A	66.AGR dtd 2/11/03	Source Apportionment and Speciation of Particulate Matter for Exposure and Health Studies (from Health Effects Institute)	UW-Madison	(12,770)	0
N/A	66.AGR dtd 12/26/03	Analysis of Molecular Markers and Source Apportionment of PM2.5 Collected in the Midwest (from Lake Michigan Air Directors Consortium)	UW-Madison	(7,372)	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	66.AGR dtd 5/08/07	Source Appointment of Atmospheric Fine Particulate Matter Collected in the Midwestern States (from Lake Michigan Art Directors Consortium)	UW-Madison	114,534	0
N/A	66.P.O. 025799	Support for Monitoring and Process-Based Studies in Metaalicus (from Tetra Tech, Inc.)	UW-Madison	19	0
N/A	66.V970488	Afferent Neural Response of Lung Exposed to Diesel Exhaust Particulates (from University of Arizona)	UW-Madison	(3,679)	0
N/A	66.2225	Evaluation of Soil and Water Management Practices (from Wastecap)	UW-Madison	1,763	0
N/A	66.68-C-02-109	Integrated Watershed Approach Demonstration Project (from The Cadmus Group)	UW-Green Bay	6,024	0
		Subtotal R&D Subgrants		772,984	8,251
		TOTAL R&D FROM U.S. ENVIRONMENTAL PROTECTION AGENCY		2,140,792	88,342
U.S. NUCLEAR REGULATORY COMMISSION:					
77.006		U.S. Nuclear Regulatory Commission Nuclear Education Grant Program	UW-Madison	95,307	0
N/A	77.NRC-04-04-083	Advanced Reactor Fuel Coolant Interaction and Other Severe Accident Analysis	UW-Madison	135,292	0
N/A	77.NRC-04-07-120	Research on the Advanced VHTR	UW-Madison	150,703	0
		TOTAL R&D FROM U.S. NUCLEAR REGULATORY COMMISSION		381,302	0
U.S. DEPARTMENT OF ENERGY:					
81.049		Office of Science Financial Assistance Program	UW-Madison	25,522,369	2,573,258
81.049		Office of Science Financial Assistance Program	UW-Milwaukee	634,916	0
		Total Federal Program 81.049		26,157,285	2,573,258
81.057		University Coal Research	UW-Madison	16,427	0
81.086		Conservation Research and Development	UW-Madison	55,034	18,555
81.087		Renewable Energy Research and Development	UW-Madison	210,852	113,453
81.112		Stewardship Science Grant Program	UW-Madison	402,900	68,327
81.114		University Reactor Infrastructure and Education Support	UW-Madison	228,220	10,000
81.117		Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	UW-Madison	831,155	0
81.121		Nuclear Energy Research, Development and Demonstration	UW-Madison	1,268,756	115,856
N/A	81.DE-FG02-06ER64184	In Situ Immobilization of Uranium in Structured Porous Media Via Biomineralization at Fracture/Matrix Interface	UW-Madison	(4,799)	0
N/A	81.GRANT00279191	A Path to Operating System	UW-Madison	2,646	0
N/A	81.RD	R&D from Argonne National Laboratory	UW-Madison	650,953	0
N/A	81.RD	R&D from Brookhaven National Laboratory	UW-Madison	773,430	211,280
N/A	81.RD	R&D from Fermi National Accelerator Laboratory	UW-Madison	11,480	0
N/A	81.RD	R&D from Idaho National Laboratory	UW-Madison	2,523	0
N/A	81.RD	R&D from Knolls Atomic Power Laboratory	UW-Madison	78,007	0
N/A	81.RD	R&D from Lawrence Berkeley National Laboratory	UW-Madison	825,419	0
N/A	81.RD	R&D from Lawrence Livermore National Laboratory	UW-Madison	342,979	0
N/A	81.RD	R&D from Los Alamos National Laboratory	UW-Madison	141,243	0
N/A	81.RD	R&D from Oak Ridge National Laboratory	UW-Madison	20,492	0
N/A	81.RD	R&D from Oak Ridge Institute for Science and Education	UW-Madison	86,063	0
N/A	81.RD	R&D from Sandia National Laboratories	UW-Madison	967,653	0
N/A	81.RD	R&D	UW-Madison	5,618,530	837,976
N/A	81.DE-FC52-06NA27325	Regional-Scale Differential Time Methods: Development and Application to the Siberia Data Set	UW-Madison	85,327	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	81.8822-17209	Analysis of Proteins Involved in Lipopolysaccharide	UW-Milwaukee	73,170	0
N/A	81.DE-FC36-02G012091	Industrial Assessment Center Program	UW-Milwaukee	8,328	0
		Subtotal Direct R&D Grants		38,854,073	3,948,705
		R&D Subgrants:			
81.049	81.4151	Office of Science Financial Assistance Program (from American Water Works Association)	UW-Madison	27,585	0
81.049	81.20111; 26066	Office of Science Financial Assistance Program (from Battelle Memorial Institute)	UW-Madison	106,158	0
81.049	81.R00780	Office of Science Financial Assistance Program (from Florida State University)	UW-Madison	31,781	0
81.049	81.10409-0233	Office of Science Financial Assistance Program (from Indiana University)	UW-Madison	48,903	0
81.049	81.5710001896; 5710001936	Office of Science Financial Assistance Program (from Massachusetts Institute of Technology)	UW-Madison	132,295	0
81.049	81.050314Z; 050516Z5: MTU050516Z3	Office of Science Financial Assistance Program (from Michigan Technological University)	UW-Madison	173,317	28,065
81.049	81.MPC 35UU-01	Office of Science Financial Assistance Program (from Northern Arizona University)	UW-Madison	72,781	0
81.049	81.PROJ0000170	Office of Science Financial Assistance Program (from Northwestern University)	UW-Madison	48,786	0
81.049	81.G0094A-A	Office of Science Financial Assistance Program (from Oregon State University)	UW-Madison	75,071	0
81.049	81.2301GJF931	Office of Science Financial Assistance Program (from University of California - Los Angeles)	UW-Madison	38,960	0
81.049	81.24889	Office of Science Financial Assistance Program (from University of Chicago)	UW-Madison	41,267	0
81.049	81.234151X	Office of Science Financial Assistance Program (from University of Oregon)	UW-Madison	546	0
81.049	81.412163	Office of Science Financial Assistance Program (from University of Rochester)	UW-Madison	8,853	0
81.049	81.51488; 4000054230; 62269; 4000049451; 4000052266;39681; 46030;61169,65051, 62918,65515, 46821,49804	Office of Science Financial Assistance Program (from UT-Battelle, LLC)	UW-Madison	341,688	0
81.049	81.2090 G GC008	Office of Science Financial Assistance Program (from University of California-Los Angeles)	UW-Milwaukee	15,070	0
81.087	81.412-25-02	Renewable Energy Research and Development (from Iowa State University)	UW-Madison	135,559	0
81.114	81.2401-UW-DOE-4423	University Reactor Infrastructure and Education Support (from Pennsylvania State University)	UW-Madison	220,767	0
N/A	81.61263	Office of Science Financial Assistance Program (from Battelle Memorial Institute)	UW-Madison	57,774	0
N/A	81.72899	Office of Science Financial Assistance Program (from Battelle Memorial Institute)	UW-Madison	14,351	0
N/A	81.27466;37404	Evaluation of Corrosion Resistance of Candidate Alloys for Application in Supercritical Water-Cooled Reactors (from Bechtel, Babcock and Wilcox, Idaho, LLC)	UW-Madison	127,417	0
N/A	81.AGR dtd 02/20/07	Management and Pavement Analysis (from Bloom Consultants, LLC)	UW-Madison	34,354	0
N/A	81.AGR dtd 10/14/05; 02/20/07	Utilize Cementitious High Carbon Fly Ash to Stabilize Cold In-Place Recycled Asphalt Pavement as Base Course (from Bloom Consultants, LLC)	UW-Madison	178,354	0
N/A	81.1040647-176029	First-Principals Studies of Bimetallic, Sulfur-Resistant Hydrogenation Catalysis (from Carnegie Mellon University)	UW-Madison	16,577	0
N/A	81.700172092	High Speed Motors (from General Electric Company)	UW-Madison	25,434	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	81.CK 6070	Stipend for Graduate Students (from Krell Institute)	UW-Madison	41,317	0
N/A	81.882; 1111; 1213; 1345; 1727	In-Process Hoteye-Based Monitoring and Root Cause Identification of Surface Defects in Multistage Hot Rolling Processes (from Og Technologies, Inc.)	UW-Madison	23,559	0
N/A	81.0000003104	Monticello ACAP Cover Lysimeter: Data Reduction, Data Validation and Data Storage (from S.M. Stoller Corporation)	UW-Madison	143,685	0
N/A	81.19704160-22074A	Production of High-Quality Finished Human Genome Sequence (from Stanford University)	UW-Madison	55,805	0
N/A	81.11760	Catalysis Science Initiative: From First Principles to Realization of Bimetallic Catalysts for Enhanced Selectivity (from University of Delaware)	UW-Madison	192,117	0
N/A	81.30008263	Nuclear Energy Research, Development and Demonstration (from University of Michigan)	UW-Madison	149,940	0
N/A	81.5-23730	Draco Radiation Dydrodynamics (from University of Rochester)	UW-Madison	109,702	0
N/A	81.AGR dtd 11/16/04	Dynamic Adaptability in Support of Extreme Scale (from University of Texas-El Paso)	UW-Madison	156,890	0
N/A	81.40000498	Alternative Fuel Research (from UT-Battelle, LLC)	UW-Madison	(72)	0
N/A	81.40000468	Design and Control of Fractional Slot Motors (from UT-Battelle, LLC)	UW-Madison	21,999	0
N/A	81.65051	Sample Analysis for High Temperature Steam Electolysis Materials Degradation Project (from UT-Battelle, LLC)	UW-Madison	7,200	0
N/A	81.40000655	Structural Materials Research (from UT-Battelle, LLC)	UW-Madison	26,756	0
N/A	81.98-166-UWM	In Situ Stabilization of Gravel Roads with CCPS (from West Virginia University)	UW-Madison	5,502	0
N/A	81.S000219	Molecular Design of Heterogeneous Chiral Catalysts (from the University of California-Riverside)	UW-Milwaukee	119,359	0
N/A	81.20070607; 4/10/08 DE-AC05-76RL-01830	Molecular Theory-Model Project (from Pacific Northwest National Laboratory)	UW-Parkside	22,398	0
N/A	81.EFC-H1-15-2A	Edison Materials Technology Center (EMTC) (from Makel Engineering)	UW-Stevens Point	12,165	0
		Subtotal R&D Subgrants		3,061,970	28,065
		TOTAL R&D FROM U.S. DEPARTMENT OF ENERGY		41,916,043	3,976,770
U.S. DEPARTMENT OF EDUCATION:					
84.017		International Research and Studies	UW-Madison	168,193	0
84.019		Overseas Programs - Faculty Research Abroad	UW-Madison	73,978	0
84.022		Overseas Programs - Doctoral Dissertation Research Abroad	UW-Madison	136,716	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Madison	51,318	0
84.133		National Institute on Disability and Rehabilitation Research	UW-Madison	1,830,504	756,458
84.133		National Institute on Disability and Rehabilitation Research	UW-Milwaukee	235,441	5,115
		Total Federal Program 84.133		2,065,945	761,573
84.195		Bilingual Education-Professional Development	UW-Madison	204,510	14,369
84.195		Bilingual Education-Professional Development (from UW-Milwaukee)	UW-Madison	6,096	0
		Total Federal Program 84.195		210,606	14,369
84.220		Centers for International Business Education	UW-Madison	377,952	0
84.305		Education Research, Development and Dissemination	UW-Madison	659,958	14,010
84.324		Research in Special Education	UW-Madison	800,865	279,538
84.324		Research in Special Education (from UW-Milwaukee)	UW-Madison	94,220	0
84.324		Research in Special Education (from UW-Madison)	UW-Milwaukee	78,135	0
		Total Federal Program 84.324		973,220	279,538

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
84.325		Special Education-Personnel Preparation to Improve Services and Results for Children with Disabilities	UW-Madison	381,062	(1,177)
84.335		Child Care Access Means Parents in School	UW-Milwaukee	159,507	0
84.359		Early Reading First (from UW-Milwaukee)	UW-Madison	157,821	0
N/A	84.480604	Access-Ed (from UW-Milwaukee)	UW-Madison	5,433	0
N/A	84.R305 C050055	Interdisciplinary Training Program for Predoctoral Research in Education Sciences	UW-Madison	1,088,380	17
		Subtotal Direct R&D Grants		6,510,089	1,068,330
		R&D Subgrants:			
84.133	84.H133E020729	National Institute on Disability and Rehabilitation Research (from Marquette University)	UW-Milwaukee	44,146	0
84.186		Safe and Drug-Free Schools and Communities-State Grants (from Milwaukee Public Schools)	UW-Milwaukee	2	0
84.305	84.R00774	Education Research, Development and Dissemination (from Florida State University)	UW-Madison	43,504	0
84.305		Education Research, Development and Dissemination (from University of Houston)	UW-Madison	36,992	0
84.305	84.5-43287-B	Education Research, Development and Dissemination (from University of Pennsylvania)	UW-Madison	107,732	13
84.305	84.601-0057-1	Education Research, Development and Dissemination (from Purdue University)	UW-Milwaukee	4,453	0
84.324	84.600108/200647	Research in Special Education (from George Mason University)	UW-Madison	4,934	0
84.324		Research in Special Education (from University of Florida)	UW-Milwaukee	118,819	0
N/A	84.P116B070066	WI Grassroots Teacher Quality (from American Association of State Colleges)	UW-Madison	250	0
N/A	84.284-0182.003	Analysis of Restricted Data (from American Institution for Research)	UW-Madison	29,019	0
N/A	84.AGR dtd 12/27/07	Improving Methods of Analyzing (from Council of Chief State School Officers)	UW-Madison	66,129	0
N/A	84.88-1	Obtaining Necessary Parity Through Academic Rigor (from Illinois State Board of Education)	UW-Madison	18,444	0
N/A	84.6374-07-068	Evidence Reviews for Work (from Mathematical Policy Research, Inc.)	UW-Madison	74,415	0
N/A	84.88-1	Longitudinal Data Systems to Support Data-Driven Decision Making: Michigan (from Michigan Dept. of Education)	UW-Madison	(4,948)	(932)
N/A	84.6-019 /7-025	Aging with Dual Diagnosis: Families of Individuals with Developmental Disabilities and Severe Mental Health Problems (from Mid-Continent Research for Education and Learning)	UW-Madison	22,289	4,622
N/A	84.88-1	Longitudinal Data Systems to Support Data-Driven Decision Making: Michigan (from Minnesota Dept. of Education)	UW-Madison	(1,895)	0
N/A	84.AGR dtd 02/27/07	A Primer of Federal Special Education Law for Charter Schools (from National Association of State Directors of Special Education)	UW-Madison	10,580	0
N/A	84.AGR dtd 3/28/03	Small Learning Communities (from Northwest Regional Educational Laboratory)	UW-Madison	128,056	(7,187)
N/A	84.42429	Analysis of Detrital Zircons (from Pacific Northwest National Laboratory)	UW-Madison	54,783	0
N/A	84.3030352	Obtaining Necessary Parity Through Academic Rigor (from Rhode Island Department of Elementary and Secondary Education)	UW-Madison	278,142	(1,108)
N/A	84.2003-06470-02-09; 2003-06470-02-05	Aging with Dual Diagnosis: Families of Individuals with Developmental Disabilities and Severe Mental Health Problems (from University of Illinois-Chicago)	UW-Madison	23,064	0
N/A	84.530802-D	Consortium for Policy Research in Education (from University of Pennsylvania)	UW-Madison	73,642	3,848
N/A	84.6-32094/P802904	The Effects of Remediation (from University of Texas-Dallas)	UW-Madison	593	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	84.8367-S-004	Center for Education Compensation Reform (from WESTAT)	UW-Madison	543,321	0
N/A	84.20040909	Creating Options: Examining Outcomes of College Preparatory Charter High School Created for Disadvantaged Students (from American Educational Research Association/Institute of Education Sciences	UW-Milwaukee	53	0
N/A	84.W911NF07C0098	Carbon Nanotube Antennas (from RF Nano)	UW-Milwaukee	25,681	0
N/A	84.4-66320-03-235	National Early Childhood Transition Research and Training Center (from University of Kentucky Research Foundation)	UW-Milwaukee	123	0
		Subtotal R&D Subgrants		1,702,323	(744)
		TOTAL R&D FROM U.S. DEPARTMENT OF EDUCATION		8,212,412	1,067,586
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:					
89.003		National Historical Publications and Records Grants	UW-Madison	174,980	0
		R&D Subgrants:			
89.003		National Historical Publications and Records Grants (from Wisconsin Historical Foundation, Inc)	UW-Madison	4,550	0
		TOTAL R&D FROM NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		179,530	0
U.S. INSTITUTE OF PEACE					
N/A	91.USIP-084-06F	Engaging the Past to Safeguard the Future	UW-Madison	41,241	0
		TOTAL R&D FROM U.S. INSTITUTE OF PEACE		41,241	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
93.010		Community-Based Abstinence Education (CBAE)	UW-Milwaukee	(52)	0
93.013		Ambassadors for Change Program	UW-Madison	9,099	0
93.113		Environmental Health	UW-Madison	2,265,170	0
93.113		Environmental Health	UW-Milwaukee	608,473	156,264
		Total Federal Program 93.113		2,873,643	156,264
93.115	93.1 R15 ES014355-01	Physiological Response of Escherichia Coli to Temperature	UW-Milwaukee	81,773	0
93.121		Oral Diseases and Disorders Research	UW-Madison	436,235	0
93.136		Injury Prevention and Control Research and State and Community Based Programs	UW-Madison	81,617	0
93.172		Human Genome Research	UW-Madison	1,965,895	0
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	8,021,344	185,380
93.173		Research Related to Deafness and Communication Disorders	UW-Milwaukee	251,694	0
		Total Federal Program 93.173		8,273,038	185,380
93.185		Immunization Research, Demonstration, Public Information and Education-Training and Clinical Skills Improvement Projects	UW-Madison	46,457	9,003
93.213		Research and Training in Complementary and Alternative Medicine	UW-Madison	756,769	8,084
93.226		Research on Healthcare Costs, Quality and Outcomes	UW-Madison	1,335,773	195,623
93.233		National Center on Sleep Disorders Research	UW-Madison	2,119,305	0
93.239		Policy Research and Evaluation Grants	UW-Madison	858,124	0
93.242		Mental Health Research Grants	UW-Madison	9,208,799	246,039
93.242		Mental Health Research Grants	UW-Milwaukee	1,252,821	129,320
		Total Federal Program 93.242		10,461,620	375,359

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
93.262		Occupational Safety and Health Program	UW-Madison	36,868	0
93.262		Occupational Safety and Health Program	UW-Milwaukee	501,238	234,980
		Total Federal Program 93.262		538,106	234,980
93.271		Alcohol Research Career Development Awards for Scientists and Clinicians	UW-Madison	160,041	0
93.273		Alcohol Research Programs	UW-Madison	2,367,781	48,753
93.273		Alcohol Research Programs	UW-Milwaukee	747,348	83,379
		Total Federal Program 93.273		3,115,129	132,132
93.279		Drug Abuse and Addiction Research Programs	UW-Madison	4,292,341	466,811
93.279		Drug Abuse and Addiction Research Programs	UW-Milwaukee	189,633	54,423
		Total Federal Program 93.279		4,481,974	521,234
93.281		Mental Health Research Career/Scientist Development Awards	UW-Madison	227,430	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Madison	248,526	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-Madison	157,974	0
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health	UW-Madison	2,149,873	72,865
93.307	93.1 P60 M D000506-01	Minority Health and Health Disparities Research	UW-Madison	608,968	0
93.307		Minority Health and Health Disparities Research (from UW-Madison)	UW-Milwaukee	6,126	0
		Total Federal Program 93.307		615,094	0
93.310		Trans-NIH Research Support	UW-Madison	208,511	0
93.333	93.5 M-1 RR-3186-16/17	Clinical Research	UW-Madison	(30)	0
93.358		Advanced Education Nursing Traineeships	UW-Oshkosh	38,000	0
93.361		Nursing Research	UW-Madison	1,661,453	143,418
93.361		Nursing Research	UW-Milwaukee	1,266,713	6,645
		Total Federal Program 93.361		2,928,166	150,063
93.389		National Center for Research Resources	UW-Madison	24,555,669	358,146
93.389		National Center for Research Resources	UW-Milwaukee	35,924	5,637
93.389		National Center for Research Resources (from UW-Madison)	UW-Whitewater	66,325	0
		Total Federal Program 93.389		24,657,918	363,783
93.392		Cancer Construction	UW-Madison	451,447	0
93.393		Cancer Cause and Prevention Research	UW-Madison	8,475,527	124,784
93.394		Cancer Detection and Diagnosis Research	UW-Madison	3,042,948	185,526
93.395		Cancer Treatment Research	UW-Madison	5,903,240	98,409
93.395		Cancer Treatment Research	UW-Oshkosh	36,242	0
		Total Federal Program 93.395		5,939,482	98,409
93.396		Cancer Biology Research	UW-Madison	2,782,599	0
93.397		Cancer Centers Support Grants	UW-Madison	4,952,160	81,443
93.398		Cancer Research Manpower	UW-Madison	1,770,242	0
93.399		Cancer Control	UW-Madison	2,453,674	161,756
93.448	93.U18 FD003494	Food Safety and Security Monitoring Project	UW-Madison	114,550	0
93.575	93.90YE0094/01	Child Care and Development Block Grant	UW-Madison	19,874	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
93.647		Social Services Research and Demonstration	UW-Madison	36,450	0
93.837		Cardiovascular Diseases Research	UW-Madison	8,393,026	530,456
93.838		Lung Diseases Research	UW-Madison	5,969,334	52,853
93.838		Lung Diseases Research	UW-Milwaukee	29,129	0
		Total Federal Program 93.838		5,998,463	52,853
93.839		Blood Diseases and Resources Research	UW-Madison	1,270,907	34,668
93.839		Blood Diseases and Resources Research	UW-La Crosse	12,708	0
		Total Federal Program 93.839		1,283,615	34,668
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Madison	2,506,002	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research	UW-Madison	7,193,639	102,293
93.848		Digestive Diseases and Nutrition Research	UW-Madison	970,280	0
93.849		Kidney Diseases, Urology and Hematology Research	UW-Madison	5,944,449	389,590
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	11,084,199	642,668
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Milwaukee	50,385	0
		Total Federal Program 93.853		11,134,584	642,668
93.855		Allergy, Immunology and Transplantation Research	UW-Madison	18,934,260	443,309
93.855		Allergy, Immunology and Transplantation Research	UW-Milwaukee	68,443	0
93.855		Allergy, Immunology and Transplantation Research	UW-Oshkosh	82,066	0
93.855		Allergy, Immunology and Transplantation Research	UW-La Crosse	88,397	0
		Total Federal Program 93.855		19,173,166	443,309
93.856		Microbiology and Infectious Diseases Research	UW-Madison	317,525	(19,240)
93.856		Microbiology and Infectious Diseases Research	UW-La Crosse	20,336	0
		Total Federal Program 93.856		337,861	(19,240)
93.859		Biomedical Research and Research Training	UW-Madison	25,638,745	813,584
93.859		Biomedical Research and Research Training	UW-La Crosse	25,849	0
93.859		Biomedical Research and Research Training	UW-Parkside	13,992	0
		Total Federal Program 93.859		25,678,586	813,584
93.864	93.R01-HD054961-01A	Longitudinal Narrative Study of Women Who Were Unsuccessful in Work-Based Welfare	UW-Milwaukee	275,462	0
93.865		Child Health and Human Development Extramural Research	UW-Madison	10,052,817	656,785
93.865		Child Health and Human Development Extramural Research	UW-Milwaukee	295,473	109,484
93.865		Child Health and Human Development Extramural Research	UW-La Crosse	36,165	0
		Total Federal Program 93.865		10,384,455	766,269
93.866		Aging Research	UW-Madison	18,529,051	3,310,100
93.866		Aging Research	UW-Milwaukee	157,950	0
		Total Federal Program 93.866		18,687,001	3,310,100
93.867		Vision Research	UW-Madison	10,129,514	885,919
93.879		Medical Library Assistance	UW-Madison	2,040,440	116,392
93.879	93.1 R01-LM009836-01A1	Medical Library Assistance	UW-Milwaukee	39,023	10,486
		Total Federal Program 93.879		2,079,463	126,878

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	13,176	0
93.944		Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	UW-Madison	11,166	0
93.989		International Research and Research Training	UW-Madison	185,813	0
N/A	93.263-MA-608142	Genetic Manipulations to Study the Structure and Function	UW-Milwaukee	(15,757)	0
N/A	93.RD	R&D from Food and Drug Administration	UW-Madison	64,206	0
N/A	93.RD	R&D from Office of Public Health and Services	UW-Madison	1,029	0
N/A	93.RD	R&D from Centers for Medicare and Medicaid	UW-Madison	(2,996)	0
N/A	93.RD	R&D from National Institutes of Health	UW-Madison	16,577,367	9,842,444
N/A	93.R01 HL080412	Viral Induced Asthma Exacerbations	UW-Madison	492,379	0
		Subtotal Direct R&D Grants		246,360,910	20,978,479
		R&D Subgrants:			
93.010		Community-Based Abstinence Education (CBAE) (from Opportunities Industrialization Centers of America, Inc.)	UW-Milwaukee	6,357	0
93.051	93.XQ717	Alzheimer's Disease Demonstration Grants to States (from Florida Department of Elder Affairs)	UW-Milwaukee	33,738	0
93.051	93.427-93-08080941-99	Alzheimer's Disease Demonstration Grants to States (from Georgia Department of Human Resources)	UW-Milwaukee	50,519	0
93.086		Healthy Marriage Promotion and Responsible Fatherhood Grants (from Angela Turner Consulting)	UW-Milwaukee	11,723	0
93.110	93.2 H43MC00123-13	Maternal and Child Health Federal Consolidated Programs (from Medical College of Wisconsin, Inc.)	UW-Madison	240,934	0
93.110		Maternal and Child Health Federal Consolidated Programs (from Rosalie Manor Community & Family Services)	UW-Milwaukee	1,843	0
93.113		Environmental Health (from University of Delaware)	UW-Milwaukee	(3)	0
93.121	93.4000533041	Oral Diseases and Disorders Research (from University of Iowa)	UW-Madison	51,067	0
93.136	93.967839	Injury Prevention and Control Research and State and Community Based Programs (from Medical College of Wisconsin)	UW-Madison	28,563	0
93.145	93.E68014; E68015	AIDS Education and Training Centers (from University of Illinois-Chicago)	UW-Madison	189,425	0
93.173	93.AGR dtd 06/04/07	Research Related to Deafness and Communication Disorders (from American Speech-Language-Hearing Association)	UW-Madison	30,590	0
93.173	93.0255-2231-4609	Research Related to Deafness and Communication Disorders (from Mount Sinai School of Medicine)	UW-Madison	33,586	0
93.173	93.RF01035642	Research Related to Deafness and Communication Disorders (from Ohio State University Research	UW-Madison	73,965	0
93.173	93.GCSLU0027A	Research Related to Deafness and Communication Disorders (from Oregon Graduate Institute)	UW-Madison	5,675	0
93.173	93.511-2031-01	Research Related to Deafness and Communication Disorders (from Purdue University)	UW-Madison	137,765	0
93.173	93.5449B P3609 7802211	Research Related to Deafness and Communication Disorders (from San Diego State University)	UW-Madison	57,055	0
93.173	93.AGR dtd 6/13/05; 2003-03315-02	Research Related to Deafness and Communication Disorders (from University of Illinois-Urbana-Champaign)	UW-Madison	(44,904)	0
93.173	93.4000533056; 4000533056	Research Related to Deafness and Communication Disorders (from University of Iowa)	UW-Madison	182,021	0
93.173	93.WU-06-97	Research Related to Deafness and Communication Disorders (from Washington University)	UW-Madison	28,296	0
93.173	93.02-331	Research Related to Deafness and Communication Disorders (from University of Illinois)	UW-Milwaukee	97,389	0
93.213		Research and Training in Complementary and Alternative Medicine (from Medical College of Wisconsin, Inc.)	UW-Milwaukee	32,415	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Marshfield Clinic Research Foundation)	UW-Madison	(854)	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
93.229		Demonstration Cooperative Agreements for Development and Implementation of Criminal Justice Treatment Networks (from University of Missouri)	UW-Eau Claire	16,775	0
93.230		Consolidated Knowledge Development and Application (KD&A) Program (from United Community Center)	UW-Milwaukee	(1)	0
93.242	93. MC 222895-B AJ; MC22894 BAJ	Mental Health Research Grants (from Boston University)	UW-Madison	253,804	0
93.242	93.1090048-132796; 132800	Mental Health Research Grants (from Carnegie Mellon University)	UW-Madison	27,433	0
92.242	93.07-SC-NIH-104	Mental Health Research Grants (from Duke University)	UW-Madison	98,010	0
93.242	93.2006117811; 2088105421; 1007115868	Mental Health Research Grants (from Group Health Cooperative)	UW-Madison	106,767	0
93.242	93.Acct 51-2017-5032-2	Mental Health Research Grants (from Neuropsychiatric Research Institute)	UW-Madison	3,807	0
93.242	93.S-000195	Mental Health Research Grants (from University of California-Riverside)	UW-Madison	257,675	0
93.242	93.18790	Mental Health Research Grants (from University of Cincinnati)	UW-Madison	19,610	0
93.242	93.659807	Mental Health Research Grants (from University of Connecticut)	UW-Madison	23,320	0
93.242	93.106684-1	Mental Health Research Grants (from University of Pittsburgh)	UW-Madison	8,828	0
93.242	93.10002325-02	Mental Health Research Grants (from University of Utah)	UW-Madison	60,066	0
93.252	93.5 R01-MH070802-02	Healthy Communities Access Program (from Tourette Syndrome Association)	UW-Milwaukee	131,858	0
93.273	93.151121-0003	Alcohol Research Programs (from Harvard Medical School)	UW-Milwaukee	43,013	0
93.273	93.R01 AA-12407	Alcohol Research Programs (from Indiana University)	UW-Milwaukee	(82,573)	0
93.273		Alcohol Research Programs (from Johns Hopkins University)	UW-Milwaukee	25,337	0
93.273		Alcohol Research Programs (from Marquette University)	UW-Milwaukee	5,335	0
93.273	93.5-42U-7901	Alcohol Research Programs (from Research Triangle Institute Center for Economic Research)	UW-Milwaukee	1,171	0
93.273		Alcohol Research Programs (from University of Maryland)	UW-Milwaukee	68,392	0
93.279	93.GPHPM0090A B	Drug Abuse and Addiction Research Programs (from Oregon Health and Science University)	UW-Madison	88,548	0
93.279	93.0610-UW-SIM48	Drug Abuse and Addiction Research Programs (from Simmersion LLC)	UW-Madison	128,187	0
93.279		Drug Abuse and Addiction Research Programs (from Great Lakes Inter-Tribal Council)	UW-Milwaukee	22,504	0
93.279		Drug Abuse and Addiction Research Programs (from University of Hawaii at Manao)	UW-Milwaukee	167,434	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance (from Door County Health Department)	UW-Oshkosh	(585)	0
93.286	93.06-SC-DOD-1010	Discovery and Applied Research for Technological Innovations to Improve Human Health (from Duke University)	UW-Madison	(4,714)	0
93.286	93. F014054	Discovery and Applied Research for Technological Innovations to Improve Human Health (from University of Michigan)	UW-Madison	105,267	0
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health (from Medical College of Wisconsin, Inc.)	UW-Milwaukee	21,215	0
93.361	93.148952	Nursing Research (from Duke University)	UW-Madison	5,536	0
93.361	93.107015	Nursing Research (from Loyola University Chicago)	UW-Madison	6,779	0
93.361	93.111754-1; 110667-1	Nursing Research (from University of Pittsburgh)	UW-Madison	16,493	0
93.361	93.C0005267-1	Nursing Research (from University of Missouri)	UW-Eau Claire	66,463	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
93.389	93.8412-76121-8	National Center for Research Resources (from Johns Hopkins University)	UW-Madison	31,862	0
93.389		National Center for Research Resources (from Temple University)	UW-Madison	(1)	0
93.389	93.AGR dtd 9/3/03	National Center for Research Resources (from University of Medicine and Dentistry of New Jersey)	UW-Madison	29,328	0
93.389	93.P20-RR023473-01; 1-R01-CA115954 01A2	National Center for Research Resources (from Medical College of Wisconsin, Inc.)	UW-Milwaukee	9,927	0
93.393	93.3162-02-00	Cancer Cause and Prevention Research (from California Pacific Medical Center Research Institute)	UW-Madison	67,652	0
93.393	93.20764-1	Cancer Cause and Prevention Research (from Medical College of Georgia)	UW-Madison	(1,910)	0
93.393	93.10-15052-99-01-G1	Cancer Cause and Prevention Research (H. Lee Moffitt Cancer Center and Research Institute)	UW-Madison	122,859	0
93.393	93.744155 RF00957460	Cancer Cause and Prevention Research (from Ohio State University Research Foundation)	UW-Madison	33,483	0
93.393	93.4-66239-03-146	Cancer Cause and Prevention Research (from University of Kentucky Research Foundation)	UW-Madison	56,309	0
93.393	93.M6286252101	Cancer Cause and Prevention Research (from University of Minnesota)	UW-Madison	224,155	0
93.393	93.5-34153	Cancer Cause and Prevention Research (from University of North Carolina - Chapel Hill)	UW-Madison	46,611	0
93.393	93.122681/121788	Cancer Cause and Prevention Research (from University of Texas-San Antonio)	UW-Madison	73	0
93.393	93.VUMC31202-R	Cancer Cause and Prevention Research (from Vanderbilt University)	UW-Madison	20	0
93.393		Cancer Cause and Prevention Research (University of Pittsburgh)	UW-Milwaukee	389	0
93.394	93.MUSC08-021	Cancer Detection and Diagnosis Research (from Medical University of South Carolina)	UW-Madison	19,098	0
93.394	93.1935 GHB171	Cancer Detection and Diagnosis Research (from University of California-Los Angeles)	UW-Madison	39,445	0
93.394	93.25878	Cancer Detection and Diagnosis Research (from University of Chicago)	UW-Madison	7,406	0
94.394	93.2005-04042-01	Cancer Detection and Diagnosis Research (from University of Illinois-Urbana-Champaign)	UW-Madison	212,805	0
93.395	93.249301	Cancer Treatment Research (from Boston Medical Center)	UW-Madison	2,693	0
93.395	93.614954	Cancer Treatment Research (from Fred Hutchinson Cancer Research Center)	UW-Madison	25,884	0
93.395	93.AGR dtd 06/13/06; 985823	Cancer Treatment Research (from Medical College of Wisconsin)	UW-Madison	139,244	0
93.395	93.36004	Cancer Treatment Research (from Mirus Corporation)	UW-Madison	67,023	0
93.395	93.98543; 16160;16562;16650	Cancer Treatment Research (from National Childhood Cancer Foundation)	UW-Madison	114,168	0
93.395	93.74381/RF00948615	Cancer Treatment Research (from The Ohio State University Research Center)	UW-Madison	(2,028)	0
93.395	93.MOA dtd 11/3/06	Cancer Treatment Research (from Tufts University)	UW-Madison	111,590	0
93.395	93.4778SC; NABTC0107	Cancer Treatment Research (from University of California-San Francisco)	UW-Madison	4,990	0
93.395	93.4-65669-02-304; 3048103792-077	Cancer Treatment Research (from University of Kentucky Research Foundation)	UW-Madison	69,069	0
93.395	93.5-37851B	Cancer Treatment Research (from University of Pennsylvania)	UW-Madison	(2,113)	0
93.399	93.PFED-WIS-01	Cancer Control (from NSABP Foundation, Inc.)	UW-Madison	9,021	0
93.399	93.5 I56 CA-9910-01	Cancer Control (from Rapid City Regional Hospital)	UW-Madison	105,131	0
93.399	93.1 R01 CA107305-	Cancer Control (from Palmetto Health Alliance)	UW-Milwaukee	15,257	0
93.600		Head Start (from Next Door Foundation)	UW-Milwaukee	252	0
93.600		Head Start (from Social Development Commission)	UW-Milwaukee	9,296	0
93.647	93.10005597	Social Services Research and Demonstration (from University of Iowa)	UW-Madison	(8,283)	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
93.652		Adoption Opportunities (from Children's Service Society of Wisconsin)	UW-Milwaukee	24,276	0
93.824	93.C1-1-06; C3-2-07; C1-1-07; C3-3-06	Basic/Core Area Health Education Centers (from Southwest Wisconsin Area Health Education Center, Inc.)	UW-Madison	1,312	0
93.837	93.0600 370 FG18 953	Heart and Vascular Diseases Research (from Northwestern University)	UW-Madison	1,142	0
93.837	93.A06466	Heart and Vascular Diseases Research (from Yale University)	UW-Madison	(79)	0
93.837	93.05-SC-NIH-1040	Cardiovascular Diseases Research (from Duke University)	UW-Milwaukee	(6,895)	0
93.839	93.0146/81224/5U01 HL72290-04, -05; 0145-81148	Blood Diseases and Resources Research (from Blood Center of Wisconsin, Inc.)	UW-Madison	45,658	0
93.839	93.137187	Blood Diseases and Resources Research (from Duke University)	UW-Madison	49,484	0
92.839		Blood Diseases and Resources Research (from Medical College of Wisconsin)	UW-Madison	6,357	0
93.839	93.102; 202	Blood Diseases and Resources Research (from National Marrow Donor Program)	UW-Madison	7,752	0
93.839	93.FY08.023.001	Blood Diseases and Resources Research (from University of Colorado at Denver Health)	UW-Madison	28,047	0
93.839	93.5-50366	Blood Diseases and Resources Research (from University of North Carolina-Chapel Hill)	UW-Madison	30,734	0
93.846	93.AGR dtd 9/24/03	Arthritis, Musculoskeletal and Skin Diseases Research (from Harvard University)	UW-Madison	92,580	0
93.846	93.04-0150	Arthritis, Musculoskeletal and Skin Diseases Research (from Stratatech Corporation)	UW-Madison	1,420	0
93.846	93.26415	Arthritis, Musculoskeletal and Skin Diseases Research (from University of Chicago)	UW-Madison	18,865	0
93.847	93.07-509	Diabetes, Digestive, and Kidney Diseases Extramural Research (from George Washington University)	UW-Madison	214,810	0
93.847	93.61-0793UW	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Michigan State University)	UW-Madison	27,887	0
93.847	93.AGR dtd 01/01/07	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Proportional Technologies, Inc.)	UW-Madison	46,002	0
93.847	93.B636736 2503; 25S3	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Minnesota)	UW-Madison	1,475	0
93.848	93.1 R01 DK 72479-01A1	Digestive Diseases and Nutrition Research (from Mayo Clinic)	UW-Madison	6,986	0
93.849	93.19806-056289-100	Kidney Diseases, Urology and Hematology Research (from Children's Hospital of Pittsburgh)	UW-Madison	17,770	0
93.849	93.AGR dtd 09/28/04	Kidney Diseases, Urology and Hematology Research (from Research Foundation of State University of New York)	UW-Madison	10,630	0
93.849	93.AGR dtd 10/23/07	Kidney Diseases, Urology and Hematology Research (from Rhode Island Hospital)	UW-Madison	104	0
93.853	93.RX 4265-051-UOW-M	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Georgetown University)	UW-Madison	20,697	0
93.853	93.2623-01	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Health Research, Inc.)	UW-Madison	73,458	0
93.853	93.AGR dtd 12/06/06	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Massachusetts General Hospital)	UW-Madison	992	0
93.853	93.18406370-3222-B	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Stanford University)	UW-Madison	203,501	0
93.853	93.265889	Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Alabama-Birmingham)	UW-Madison	13,348	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of North Carolina-Chapel Hill)	UW-Madison	9,716	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
93.853	93.WU-02-118; WU-06-129	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Washington University)	UW-Madison	18,107	0
93.853	93.A06379(M-07-211)	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Yale University)	UW-Madison	24,328	0
93.855	93.225	Allergy, Immunology and Transplantation Research (from Blood Center of Southeastern Wisconsin, Inc.)	UW-Madison	139	0
93.855	93.159927	Allergy, Immunology and Transplantation Research (from Brigham and Women's Hospital)	UW-Madison	57,810	0
93.855	93.AGR dtd 9/30/06	Allergy, Immunology and Transplantation Research (from Brown University)	UW-Madison	138,846	0
93.855	93.AGR dtd 04/11/07	Allergy, Immunology and Transplantation Research (from Children's Hospital of Pittsburgh)	UW-Madison	18,211	0
93.855	93.1 R01 AI06773-01/1; 5-36551	Allergy, Immunology and Transplantation Research (from Columbia University)	UW-Madison	110,403	0
93.855	93.AGR dtd 5/24/07	Allergy, Immunology and Transplantation Research (from Los Angeles Biomedical Research Institute)	UW-Madison	36,746	0
93.855	93.11441 6500 44110	Allergy, Immunology and Transplantation Research (from Marshfield Clinic)	UW-Madison	24,681	0
93.855	93.0255-1212-4609	Allergy, Immunology and Transplantation Research (from Mount Sinai School of Medicine)	UW-Madison	116,351	0
93.855	93.06-0400	Allergy, Immunology and Transplantation Research (from New York University)	UW-Madison	11,697	0
93.855	93.3359SC-4	Allergy, Immunology and Transplantation Research (from University of California-San Francisco)	UW-Madison	55,309	0
93.855	93.547029; 545344; 548694	Allergy, Immunology and Transplantation Research (from University of Pennsylvania)	UW-Madison	46,446	0
93.855		Allergy, Immunology and Transplantation Research (from Marshfield Clinic)	UW-La Crosse	45,798	0
93.856	93.78689	Microbiology and Infectious Diseases Research (from Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center)	UW-Madison	4,106	0
93.856	93.953407	Microbiology and Infectious Diseases Research (from Medical College of Wisconsin, Inc.)	UW-Madison	182,108	0
93.856	93.2005-1595	Microbiology and Infectious Diseases Research (from University of California-Irvine)	UW-Madison	183,397	0
93.856	93.26020/5- 30426;	Microbiology and Infectious Diseases Research (from University of Chicago)	UW-Madison	1,365,201	0
93.856	93.AGR dtd 12/12/07	Microbiology and Infectious Diseases Research (from University of Cincinnati)	UW-Madison	179,378	0
93.856	93.29297S/WU-02-74	Microbiology and Infectious Diseases Research (from Washington University)	UW-Madison	187,623	0
93.859	93.1515	Biomedical Research and Research Training (from Princeton University)	UW-Madison	11,138	0
93.859	93.236753, T0707130039 3	Biomedical Research and Research Training (from University of Alabama-Birmingham)	UW-Madison	188,487	0
93.859	93.SA5566	Biomedical Research and Research Training (from University of California-Berkeley)	UW-Madison	47,861	0
93.859	93.3826SC; 4983sc	Biomedical Research and Research Training (from University of California-San Francisco)	UW-Madison	282,331	0
93.859	93.2005-06342-010A4546	Biomedical Research and Research Training (from University of Illinois-Urbana-Champaign)	UW-Madison	16,607	0
93.859	93.609967; 615004	Biomedical Research and Research Training (from Jackson Laboratory)	UW-Madison	25,462	0
93.865	93.AGR dtd 11/08/07; 907373	Child Health and Human Development Extramural Research (from Medical College of Wisconsin)	UW-Madison	71,958	0
94.865	93.12451	Child Health and Human Development Extramural Research (from University of Delaware)	UW-Madison	39,860	2,467
93.865	93.SC 36070-01-05	Child Health and Human Development Extramural Research (from University of Denver)	UW-Madison	17,359	0
93.865	93.30008286	Child Health and Human Development Extramural Research (from University of Michigan)	UW-Madison	93,794	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
93.866	93.500086.5000.L00 038; 262	Aging Research (from Dartmouth College)	UW-Madison	7,861	0
93.866	93.5022746	Aging Research (from Harvard University)	UW-Madison	16,335	0
93.866	93.AGR dtd 10/31/07	Aging Research (from Mithridion, Inc)	UW-Madison	58,346	0
93.866	93.1163	Aging Research (from Princeton University)	UW-Madison	(249)	0
93.866	93.127-DHA ADC-027	Aging Research (from University of California-San Diego)	UW-Madison	53,499	0
93.866	93.2007-1834	Aging Research (from University of California-Irvine)	UW-Madison	10,274	0
93.866	93.4000090996	Aging Research (from University of Iowa)	UW-Madison	74,178	0
93.866	93.24-3212-0001-003	Aging Research (from University of Nebraska)	UW-Madison	46,450	0
93.866		Aging Research (from Johns Hopkins University)	UW-Milwaukee	34,566	0
93.867	93.AGR dtd 8/12/04	Vision Research (from JAEB Center for Health Research, Inc.)	UW-Madison	8,319	0
93.867	93.8811-98155-X	Vision Research (from Johns Hopkins University)	UW-Madison	16	0
93.867	93.2 R01 EY009741-14	Vision Research (from Medical University of South Carolina)	UW-Madison	6,024	0
93.867	93.H30915	Vision Research (from University of California-Los Angeles)	UW-Madison	533	0
93.867	93.5-52085	Vision Research (from University of North Carolina-Chapel Hill)	UW-Madison	856	0
93.867	93.5-41781; 5-43507	Vision Research (from University of Pennsylvania)	UW-Madison	4,338	0
93.867	93.H35645	Vision Research (from University of Southern California)	UW-Madison	77,847	0
93.867	93.0004952A	Vision Research (from University of Texas-Houston)	UW-Madison	130,474	0
93.867		Vision Research (from Wicab, Inc.)	UW-Milwaukee	112	0
93.912	93.AGR dtd 05/14/07	Rural Health Care Services Outreach and Rural Health Network Development Program (from Alzheimer's Association)	UW-Madison	22,469	0
93.933	93.1626 9400014	Demonstration Projects for Indian Health (from Great Lakes Inter-Tribal Council)	UW-Milwaukee	34,870	0
93.969	93.AGR dtd 11-8-07	Geriatric Education Centers (from Marquette University)	UW-Madison	4,204	0
93.995		Adolescent Family Life-Demonstration Projects (from Social Development Commission)	UW-Milwaukee	(7,855)	0
N/A	93.14236646/67	Consulting on the Rural Health Care Services Outreach Grant (from Alzheimer's Association)	UW-Madison	2,874	0
N/A	93.75815;6664	Economic Substudy of National CT Colonography Trial (from American College of Radiology)	UW-Madison	31,873	0
N/A	93.AGR dtd 3/14/02	Radiation Therapy Oncology Group (from American College of Radiology)	UW-Madison	99,576	0
N/A	93.AGR dtd 3/16/06	Neuroscience Fellowship (from American Psychological Association)	UW-Madison	(5,591)	0
N/A	93.RMPHEC-GME 08-003	Enhancing Public Health (from Association of American Medical Colleges)	UW-Madison	13,764	0
N/A	93.03-17949	Atrial Fibrillation Follow-up (from Axio Research)	UW-Madison	(1,597)	0
N/A	93.204784	MHC Typing of Chinese Rhesus Macaques (from Battelle Memorial Institute)	UW-Madison	73,016	0
N/A	93.SBIR AGR dtd 10/12/05; AGR dtd 1/20/08; AGR dtd 1/29/08	Microfluidic Reconstituted Mammary Tissue System (from Bellbrook Labs, LLC)	UW-Madison	105,432	0
N/A	93.81055CBS10	CABIG Subcontract (from Booz Allen Hamilton, Inc.)	UW-Madison	29,570	0
N/A	93.7365-5	Social and Affective Processes in Autism (from Boston University)	UW-Madison	(317)	0
N/A	93.AGR dtd 05/09/07	Vaccinia Immune Globulin Keratitis Study (from Cangene Corporation)	UW-Madison	637,781	0
N/A	93.CK 0165632	Collaborative Hospital Transfusion Study (from Center for Blood Research)	UW-Madison	4,430	0
N/A	93.65407	Applications of Advanced Network Infrastructure in Health and Disaster Management (from Children's Hospital of Boston)	UW-Madison	22,410	0
N/A	93.04-0039	Chronic Kidney Disease in Children (from Children's Mercy Hospital)	UW-Madison	14,852	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	93.44419711402	Molecular Mechanisms of Schwann Cell Myelination (from Cleveland Clinic Foundation)	UW-Madison	72	0
N/A	93.5-66791	SCCOR LVAD Project: Biology of Long Term Mechanical Circulatory Support (from Columbia University)	UW-Madison	1,108	0
N/A	93.SITE CODE 126	American College of Oncology Surgeons Group (from Duke University)	UW-Madison	3,916	0
N/A	93.117161	HF-Action for Heart Failure and a Controlled Trial Investigating Outcome of Exercise Training (from Duke University)	UW-Madison	7,679	0
N/A	93.AGR dtd 04/07/04	STTR: Discovery of Anti-Bioweapon Agents from BAC Libraries (from Emetagen, LLC)	UW-Madison	(12)	0
N/A	93.VERTACL; HHS-N-260-2005-00007-C	Multi-Center Randomized Prospective Clinical Trial to Study Effects of Preservative-Free Triamcinolone Acetonide as Adjunct to Photodynamic Therapy in Patients with Age-Related Macular Degeneration (from Emmes Corporation)	UW-Madison	181,724	0
N/A	93.AGR dtd11/22/05	SBIR: Expert System for Inta-Operative (from FHC, Inc)	UW-Madison	(25,662)	0
N/A	93.574354	Nutritional Biomarkers Study (from Fred Hutchinson Cancer Research Center)	UW-Madison	160,931	0
N/A	93.634584	Nutrition and Physical Activity (from Fred Hutchinson Cancer Research Center)	UW-Madison	39,401	0
N/A	93.ECOG-05-02	Randomized Trial Comparing Two Different Rituximab Dosing Regimens for Patients with Low Tumor Burden Indolent Non-Hodgkin's Lymphoma (from Frontier Science and Technology Research Foundation)	UW-Madison	13,497	0
N/A	93.UWM450-00	Wesat Leadership Funds (from Frontier Science Technology Foundation)	UW-Madison	151	0
N/A	93.AGR dtd 5/5/05	Neonatal Chest Phantom for Computed Radiography Testing (from Gammex, Inc.)	UW-Madison	(607)	0
N/A	93.96-S03	Epidemiology of Diabetes Intervention and Complications (from George Washington University)	UW-Madison	137,791	0
N/A	93.AGR dtd 05/01/07	A Novel Systemic and Mucosal Adjuvant for Biodefense (from Global Vaccines, Inc.)	UW-Madison	62,167	0
N/A	93.AGR dtd 01/12/07	Improving American Indian Cancer Surveillance and Data Reporting in Wisconsin (from Great Lakes Inter-Tribal Council, Inc.)	UW-Madison	24,147	0
N/A	93.AGR dtd 8/11/04;9/9/05; 01/09/07	Obesity Prevention in Wisconsin American Indian Children (from Great Lakes Inter-Tribal Council, Inc.)	UW-Madison	4,764	0
N/A	93.40144	Adherence Intervention for Incarcerated Persons Living with HIV (from Group Health Cooperative)	UW-Madison	(4,533)	0
N/A	93.27469-110	GOG Contract (from Gynecologic Oncology Group)	UW-Madison	84,711	6,919
N/A	93.2002-10-0567	Dose Finding Study of IDEC-Y2B8 with Stem Cell Support (from IDEC Pharmaceuticals Corporation)	UW-Madison	10,581	0
N/A	93.AGR dtd 08/15/03	SBIR: Novel Preservation Fluid for Organs (from Inotek Pharmaceuticals Corporation)	UW-Madison	866	0
N/A	93.AGR dtd 6/01/2007	MVA-Based Vaccines (from Inviragen LLC)	UW-Madison	157,779	0
N/A	93.AGR dtd 08/31/07	Preclinical Development (from Inviragen LLC)	UW-Madison	224,622	0
N/A	93.SITE 43	Diabetic Retinopathy Clinic Research Network Steering Committee (from JAEB Center for Health Research, Inc.)	UW-Madison	81,237	0
N/A	93.8909-14312-X	Genetic Modifiers of Cystic Fibrosis (from John Hopkins University)	UW-Madison	3,396	0
N/A	93.20000099	MR Tracking of Magnetically Land (from John Hopkins University)	UW-Madison	11,481	0
	93.233-02-01114	Assessment of Pharmacokinetics (from Mayo Clinic)	UW-Madison	53,884	0
N/A	93.N01-CM17104	Early Therapeutics Development with Phase II (from Mayo Clinic)	UW-Madison	(1,502)	0
N/A	93.MCR-0021-P2C	Phase II Consortium (from Mayo Clinic)	UW-Madison	13,800	0
N/A	93.CHK NO. 1602645	Siblings with Ischemic Stroke Study (SWISS) (from Mayo Foundation for Medical Education and Research)	UW-Madison	3,600	0
N/A	93.6111.04.099	Adolescents, Neighborhood Quality (from MDRC)	UW-Madison	15,638	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	93.956823	Cellular and Molecular Basis for Tri Cardiotoxicity (from Medical College of Wisconsin)	UW-Madison	59,937	0
N/A	93.2202636; 893098	Development of Novel Mass Spectrometry Tools for Individual Cell Proteome Analysis (from Medical College of Wisconsin)	UW-Madison	374,893	0
N/A	93.AGR dtd 9/1/05	Muscle-Directed Gene Therapy for Crigler-Najjar Syndrome (from Mirus Bio Corporation)	UW-Madison	5,916	0
N/A	93.AGR dtd 06/20/06; 402	BMTCTN 0402: A Phase III Randomized, Multicenter Trail (from National Marrow Donor)	UW-Madison	10,064	0
N/A	93.CH# 110980/110979	TMH Network Master Site Agreement (from New England Research Institute)	UW-Madison	15,827	0
N/A	93.1696	Treatment of Preserved Cardiac Function Heart Failure (from New England Research Institute)	UW-Madison	45,345	0
N/A	93.0600 370 E333 453	Genes, Androgens and Intrauterine Environments (from Northwestern University)	UW-Madison	321,098	248,791
N/A	93.AGR dtd 7/18/05	Swept Field Confocal Microscope (from Prairie Technologies, LLC)	UW-Madison	63,525	0
N/A	93.AGR dtd 4/15/04	Treating Stress Disorders with CRF Receptor DNA Enzymes (from Promoter Neurosciences, LLC)	UW-Madison	(553)	0
N/A	93.AGR dtd 8/27/04	Enhancing Native American Participation in RT Trials (from Rapid City Regional Hospital)	UW-Madison	27,273	0
N/A	93.AGR dtd 1/28/03	Randomized Controlled Trial of Homocysteine (from Rhode Island Hospital)	UW-Madison	17,701	0
N/A	93.AGR dtd 02/08/06	Influenza Pandemic Preparedness in Asia (from Saint Jude Children's Hospital)	UW-Madison	(8,270)	0
N/A	93.AGR dtd 07/31/06	Clean-Genome Vaccines Against Biodefense Agents (from Scarab Genomics, LLC)	UW-Madison	92,457	0
N/A	93.22XS096	Correlative Studies for Clinical Protocol P5912 (from Science Applications International Corporation)	UW-Madison	2,597	0
N/A	93.24XS090	Correlative Studies for Triapine Clinical Protocols (from Science Applications International Corporation)	UW-Madison	31,066	0
N/A	93.25XS097	Funding Support for Collrelative Studies on Primary Tumor Specimens for E5803 Phase II (from Science Applications International Corporation)	UW-Madison	108,522	0
N/A	93.5-72868; 5-73727	Cooperative Humoral and Cellular Immunity Against HIV/SIV (from Scripps Research Institute)	UW-Madison	4,042	0
N/A	93.5-75505	Large Scale Antibody and T Cell Epitope Discovery Program (from Scripps Research Institute)	UW-Madison	133,783	0
N/A	93.5-22628; 521244	Novel Chemical Immunological A (from Scripps Research Institute)	UW-Madison	433,859	0
N/A	93.AGR dtd 10/22/04	Device for Promoting Survival of Cogested Tissue Flaps (from Spectrocon International)	UW-Madison	(1)	0
N/A	93.18081280-30501-A	The Incorporation of Ground Contact Models When Simulating Subject-Specific Gait (from Stanford University)	UW-Madison	681	0
N/A	93.PY-2344	Sleep Disorder Breathing (from Stanford University)	UW-Madison	(38)	0
N/A	93.12; 7	Characterization of NIKS Express Cell Lines Therapeutic Anti-Microbial Human Skin Substitute (from Stratatech Corporation)	UW-Madison	1,039	0
N/A	93.AGR dtd 8/1/05	Clinical Evaluation of Stratagraft Skin Tissue (from Stratatech Corporation)	UW-Madison	6,701	0
N/A	93.14	Development of Innovative Human Stromal Invasion Assay (from Stratatech Corporation)	UW-Madison	2,091	0
N/A	93.01	SBIR Phase 2 (from Stratatech Corporation)	UW-Madison	167,059	0
N/A	93.S2717AG80845	Subcontract Proposal in Support of Solicitation NIH-NIAID-DMID-04-34 (from Systems Research and Applications Corporation)	UW-Madison	1,049,986	0
N/A	93.CASG 209	Clinical Trials for Antiviral Therapies (from University of Alabama-Birmingham)	UW-Madison	22,483	0
N/A	93.2000-S-FJ632	Los Angeles County Evaluation (from University of California-Los Angeles)	UW-Madison	10,395	0
N/A	93.127-01-ADNI-024	Alzheimer's Disease Neuroimaging Initiative (from University of California-San Diego)	UW-Madison	121,164	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	93.3376SC; 3171SC; 3169SC	Immune Tolerance Network (from University of California-San Francisco)	UW-Madison	297,911	0
N/A	93.3674SC MOD 5	Immunosuppression Withdrawal in Liver Transplant Recipients (from University of California-San Francisco)	UW-Madison	15,864	0
N/A	93.24303	Alterations of Circadian Timing in Sleep and Aging (from University of Chicago)	UW-Madison	50,243	0
N/A	93.26020/5-30380 (Project H, Project K)	Brucella Vaccine Using Recombinant Invasive E Coli (from University of Chicago)	UW-Madison	(7,351)	0
N/A	93.26020/530866	GLRCE Developmental Project (from University of Chicago)	UW-Madison	32,898	0
N/A	93.26020/5-30380	Virulence Factors of Monkeypox Viruses in Rodents (from University of Chicago)	UW-Madison	30,208	0
N/A	93. AGR dtd 12/5/2006	Defending Against Systemic Mycoses (MRU) (from University of Cincinnati)	UW-Madison	21,078	0
N/A	93.6059964/RFS500 051	Neurobehavioral Effects of MDMA in Adolescent Monkeys (from University of Massachusetts)	UW-Madison	1,802	0
N/A	93.SILCAAT	SILCAAT-A Phase III (from University of Minnesota)	UW-Madison	20,694	0
N/A	93.5-34691; 5-35036	Episense Audiometry Reading Center (from University of North-Carolina-Chapel Hill)	UW-Madison	726,576	0
N/A	93.CATT	Coordinating Center (from University of Pennsylvania)	UW-Madison	11,969	0
N/A	93.H35645	Los Angeles Latino Eye Study (from University of Southern University)	UW-Madison	41,811	0
N/A	93.07-073	Neural Responses to Inflammation in Asthma (from University of Texas)	UW-Madison	60,567	0
N/A	93.19126-431399	Partnership for Research and Education in Plants (PREP) (from Virginia Polytechnic Institute and State University)	UW-Madison	5,839	0
N/A	93.AGR dtd 7/16/07	SBIR Phase II (from Visual Health Information)	UW-Madison	44,041	0
N/A	93.N01-HC-95178; 31003	Action to Control Cardiovascular Risk in Diabetes: Accord Eye Study (from Wake Forest University)	UW-Madison	180,807	0
N/A	93.N01-WH-4-4221	Women's Health Initiative Memory Study (from Wake Forest University)	UW-Madison	20,478	0
N/A	93.AGR dtd 9/23/03	Evaluation of Onsite Oral Fluid Drug Testing Devices (from The Walsh Group)	UW-Madison	646	0
N/A	93.WSU06037	Cortical Excitability (from Wayne State University)	UW-Madison	11,260	0
N/A	93.S8212	Subsidized Guardianship Assessment and Evaluation (from Westat, Inc.)	UW-Madison	54,072	0
N/A	93.AGR dtd 3/21/06	Culture Media Optimization (from Wicell Research Institute)	UW-Madison	7,873	0
N/A	93.06-W226	National Stem Cell Bank (from WiCell Research Institute, Inc.)	UW-Madison	837,305	0
N/A	93.AGR dtd 3/28/07	WAHSA/WHCA Quality Improvement Project (from Wisconsin Association of Homes and Services)	UW-Madison	79,319	0
N/A	93.AGR dtd 3/30/07	Better Quality Information to Improve Care for Medicare Beneficiaries (from Wisconsin Collaborative for Healthcare Quality)	UW-Madison	149,659	0
N/A	93.5-22906-G1	Functional Compartmentization of Neurons (from Emory University)	UW-Milwaukee	11,697	0
N/A	93.46237	Secondary Conditions and Adaptation in Spina Bifida (from Indiana University)	UW-Milwaukee	17,056	0
N/A	93.Dtd 9/1/2006	Evaluation of the Youth Empowerment to Succeed Project (from Marquette University)	UW-Milwaukee	17,972	0
N/A	93.AGT dtd 06/14/07	Behavioral Phenotyping of Consomic Rats (from Physiogenix)	UW-Milwaukee	30,919	0
N/A	93.PO P481489	USA National Phenology Network Web Development (from University of Arizona)	UW-Milwaukee	3,843	0
N/A	93.20060809	Development of a High Magnification Greenough Principle Microscope for Enhanced Protein-Stain Visualization (from University of Texas at Dallas)	UW-Milwaukee	3,233	0
N/A	93.258H694	An Examination of Adult Male Access to Healthcare Services in Madison and Milwaukee (from UW School of Medicine and Public Health)	UW-Milwaukee	53,362	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	93.208141-039	St. Louis University Subcontract (from St. Louis University)	UW-La Crosse	69,437	0
N/A	93.N01-LM-3-3512	Stanford Subgrant 2003-06 (from Stanford University)	UW-La Crosse	34,279	0
		Subtotal R&D Subgrants		17,985,371	258,177
		TOTAL R&D FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		264,346,281	21,236,656
U.S. DEPARTMENT OF HOMELAND SECURITY:					
		R&D Subgrants:			
97.061	97.Z916403	Centers for Homeland Security (from University of Maryland)	UW-Madison	23,415	0
97.061	97.X9106025101	Centers for Homeland Security (from University of Minnesota)	UW-Madison	160,911	0
97.061	97.122581	Centers for Homeland Security (from University of Southern California)	UW-Madison	158,743	0
97.061	97.X9106025109	Centers for Homeland Security (from University of Minnesota)	UW-Milwaukee	3,777	0
N/A	97.M000277	Virtual Center for Network and Security Data (from University of Michigan)	UW-Madison	35,000	0
N/A	97.R9106019102	Models of Interdependent Security in Supply Chains for Food (from University of Minnesota)	UW-Madison	44,286	0
N/A	97.R9106020101	Toxin/Pathogen Inactivation and Disposal of Intentionally Contaminated Foods (from University of Minnesota)	UW-Madison	125,031	0
		TOTAL R&D FROM U.S. DEPARTMENT OF HOMELAND SECURITY		551,163	0
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:					
98.001		USAID Foreign Assistance for Programs Overseas	UW-Madison	929,574	430,140
N/A	98.RD	R&D	UW-Madison	1,282,618	1,134,025
		Subtotal Direct R&D Grants		2,212,192	1,564,165
		R&D Subgrants:			
N/A	98.RAISE-LAG-TO-13-UOFW-001	Women and Property Rights: Best Practices (from ARD, Inc.)	UW-Madison	5,790	0
N/A	98.AGR dtd 2/24/03	Mexican-U.S. Dairyland Partnership Between Queretaro and Wisconsin: Dairy Training, Research and Extension for Economic Development and Trade (from American Council on Education)	UW-Madison	73,059	0
N/A	98.AGR dtd 06/17/04; LTR dtd 02/25/05	Developing Sustainable Tomato Production for Guatemalan Farmers (from Association Liaison Office for University Cooperation in Development)	UW-Madison	53,593	9,833
N/A	98.TA-MOU-05-C25-037	Develop Tomato Breeding Lines with Resistance to Ralstonia Solanacearum and Begomviruses for Guatemala and Central America (from Hebrew University of Jerusalem)	UW-Madison	6,639	0
N/A	98.AGR dtd 5/25/05	Elucidation of Peanut/Aspergillus Interaction (from International Crops Research Institute for the Semi-Arid Tropics)	UW-Madison	(2,641)	0
N/A	98.RC710-013/2265417	Genetic Approaches to Eliminate Aflatoxin Contamination of Peanuts (from University of Georgia)	UW-Madison	(1,732)	0
N/A	98.TA-MOU-03-M22-036	Development and Improvement of Local Seed Potato Production in the Middle East (from U.S. Embassy Tel Aviv)	UW-Madison	106,918	91,885
N/A	98.EPP-A-00-06-0004-00	Promoting Transformation: Linking Natural Resources, Economic Growth and Governance (from Wildlife Conservation Society)	UW-Madison	79,902	0
		Subtotal R&D Subgrants		321,528	101,718
		TOTAL R&D FROM U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT		2,533,720	1,665,883
		TOTAL RESEARCH AND DEVELOPMENT CLUSTER		**$ 508,241,063**	**$ 51,120,110**

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		STUDENT FINANCIAL AID (SFA) CLUSTER (Note 2)			
U.S. DEPARTMENT OF EDUCATION:					
84.007		Federal Supplemental Educational Opportunity Grants	UW-Madison	$ 2,249,948	$ 0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Milwaukee	1,753,027	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Eau Claire	753,811	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Green Bay	449,700	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-La Crosse	444,135	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Oshkosh	493,483	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Parkside	477,321	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Platteville	336,748	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-River Falls	361,640	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stevens Point	660,430	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stout	505,178	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Superior	186,138	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Whitewater	559,148	0
84.007		Federal Supplemental Educational Opportunity Grants	UW Colleges	470,569	0
		Total Federal Program 84.007		9,701,276	0
84.032		Federal Family Education Loans (Note 17)	UW-Madison	144,771,467	0
84.032		Federal Family Education Loans (Note 17)	UW-Green Bay	16,757,035	0
84.032		Federal Family Education Loans (Note 17)	UW-La Crosse	32,942,235	0
84.032		Federal Family Education Loans (Note 17)	UW-Oshkosh	37,436,383	0
84.032		Federal Family Education Loans (Note 17)	UW-Parkside	14,166,205	0
84.032		Federal Family Education Loans (Note 17)	UW-Platteville	19,666,006	0
84.032		Federal Family Education Loans (Note 17)	UW-River Falls	20,514,460	0
84.032		Federal Family Education Loans (Note 17)	UW-Stevens Point	28,434,884	0
84.032		Federal Family Education Loans (Note 17)	UW-Stout	32,726,882	0
84.032		Federal Family Education Loans (Note 17)	UW Colleges	20,482,330	0
		Total Federal Program 84.032		367,897,887	0
84.033		Federal Work-Study Program	UW-Madison	2,335,949	0
84.033		Federal Work-Study Program	UW-Milwaukee	866,364	0
84.033		Federal Work-Study Program	UW-Eau Claire	957,192	0
84.033		Federal Work-Study Program	UW-Green Bay	274,230	0
84.033		Federal Work-Study Program	UW-La Crosse	437,300	0
84.033		Federal Work-Study Program	UW-Oshkosh	392,750	0
84.033		Federal Work-Study Program	UW-Parkside	93,666	0
84.033		Federal Work-Study Program	UW-Platteville	535,601	0
84.033		Federal Work-Study Program	UW-River Falls	405,060	0
84.033		Federal Work-Study Program	UW-Stevens Point	983,753	0
84.033		Federal Work-Study Program	UW-Stout	653,547	0
84.033		Federal Work-Study Program	UW-Superior	202,663	0
84.033		Federal Work-Study Program	UW-Whitewater	461,907	0
84.033		Federal Work-Study Program	UW Colleges	374,250	0
		Total Federal Program 84.033		8,974,232	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-Madison	9,126,879	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-Milwaukee	4,061,189	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-Eau Claire	2,785,723	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		STUDENT FINANCIAL AID (SFA) CLUSTER (Note 2)			
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-Green Bay	972,316	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-La Crosse	812,212	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-Oshkosh	1,369,116	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-Parkside	476,639	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-Platteville	969,211	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-River Falls	1,192,975	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-Stevens Point	3,497,595	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-Stout	2,695,182	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-Superior	225,437	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW-Whitewater	1,599,247	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 16)	UW Colleges	268,591	0
		Total Federal Program 84.038		30,052,312	0
84.063		Federal Pell Grant Program	UW-Madison	10,087,668	0
84.063		Federal Pell Grant Program	UW-Milwaukee	14,769,365	0
84.063		Federal Pell Grant Program	UW-Eau Claire	5,217,344	0
84.063		Federal Pell Grant Program	UW-Green Bay	3,475,557	0
84.063		Federal Pell Grant Program	UW-La Crosse	3,911,323	0
84.063		Federal Pell Grant Program	UW-Oshkosh	5,996,941	0
84.063		Federal Pell Grant Program	UW-Parkside	4,362,770	0
84.063		Federal Pell Grant Program	UW-Platteville	4,345,126	0
84.063		Federal Pell Grant Program	UW-River Falls	3,771,952	0
84.063		Federal Pell Grant Program	UW-Stevens Point	6,145,132	0
84.063		Federal Pell Grant Program	UW-Stout	4,654,633	0
84.063		Federal Pell Grant Program	UW-Superior	2,565,848	0
84.063		Federal Pell Grant Program	UW-Whitewater	5,333,514	0
84.063		Federal Pell Grant Program	UW Colleges	7,678,215	0
		Total Federal Program 84.063		82,315,388	0
84.268		Federal Direct Student Loans (Note 17)	UW-Milwaukee	112,684,674	0
84.268		Federal Direct Student Loans (Note 17)	UW-Eau Claire	27,588,894	0
84.268		Federal Direct Student Loans (Note 17)	UW-Superior	10,983,363	0
84.268		Federal Direct Student Loans (Note 17)	UW-Whitewater	34,389,590	0
		Total Federal Program 84.268		185,646,521	0
84.375		Academic Competitiveness Grants	UW-Madison	781,570	0
84.375		Academic Competitiveness Grants	UW-Milwaukee	609,032	0
84.375		Academic Competitiveness Grants	UW-Eau Claire	436,742	0
84.375		Academic Competitiveness Grants	UW-Green Bay	187,925	0
84.375		Academic Competitiveness Grants	UW-La Crosse	237,661	0
84.375		Academic Competitiveness Grants	UW-Oshkosh	142,656	0
84.375		Academic Competitiveness Grants	UW-Parkside	128,829	0
84.375		Academic Competitiveness Grants	UW-Platteville	285,123	0
84.375		Academic Competitiveness Grants	UW-River Falls	229,450	0
84.375		Academic Competitiveness Grants	UW-Stevens Point	357,548	0
84.375		Academic Competitiveness Grants	UW-Stout	348,942	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		STUDENT FINANCIAL AID (SFA) CLUSTER (Note 2)			
84.375		Academic Competitiveness Grants	UW-Superior	44,825	0
84.375		Academic Competitiveness Grants	UW-Whitewater	353,252	0
84.375		Academic Competitiveness Grants	UW Colleges	506,054	0
		Total Federal Program 84.375		4,649,609	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Madison	756,895	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Milwaukee	351,112	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Eau Claire	210,926	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Green Bay	86,000	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-La Crosse	296,577	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Oshkosh	297,718	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Parkside	93,150	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Platteville	222,306	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-River Falls	243,201	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Stevens Point	163,075	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Stout	153,647	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Superior	42,527	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Whitewater	99,950	0
		Total Federal Program 84.376		3,017,084	0
		Other Federal Financial Assistance:			
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Madison	1,086,313	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Milwaukee	378,605	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Eau Claire	232,866	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Green Bay	105,252	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-La Crosse	131,881	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-River Falls	109,528	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Stevens Point	225,129	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Stout	171,812	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Superior	65,059	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Whitewater	152,347	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW Colleges	82,013	0
		Total Administrative Cost Allowance		2,740,805	0
		TOTAL SFA FROM U.S. DEPARTMENT OF EDUCATION		694,995,114	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
93.342		Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (Note 16)	UW-Madison	684,758	0
93.364		Nursing Student Loans (Note 16)	UW-Madison	459,827	0
93.364		Nursing Student Loans (Note 16)	UW-Milwaukee	333,744	0
93.364		Nursing Student Loans (Note 16)	UW-Oshkosh	568,952	0
		Total Federal Program 93.364		1,362,523	0

STATE OF WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		STUDENT FINANCIAL AID (SFA) CLUSTER (Note 2)			
93.925		Scholarships for Health Professions Students from Disadvantaged Backgrounds	UW-Madison	167,305	0
93.925		Scholarships for Health Professions Students from Disadvantaged Backgrounds	UW-Eau Claire	10,691	0
93.925		Scholarships for Health Professions Students from Disadvantaged Backgrounds	UW-Parkside	6,109	0
		Total Federal Program 93.925		184,105	0
		TOTAL SFA FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		2,231,386	0
		TOTAL STUDENT FINANCIAL AID CLUSTER		**$ 697,226,500**	**$ 0**
TOTAL EXPENDITURES OF FEDERAL AWARDS				**$ 8,821,704,016**	**$ 2,018,182,234**

Notes to the State of Wisconsin Schedule of Expenditures of Federal Awards ■

1. Summary of Significant Accounting Policies

A. Purpose

The Schedule of Expenditures of Federal Awards presents a summary of the State of Wisconsin's expenditures financed by the federal government for the fiscal year ended June 30, 2008. For purposes of the schedule, federal programs have been classified into three types: 1) individual federal programs and other clusters, including grants received directly from the federal government and subgrants received from other organizations; 2) the research and development (R&D) cluster, including R&D grants received directly from the federal government and R&D subgrants received from other entities; and 3) the student financial aid (SFA) cluster. Direct federal awards and subgrants are presented for each federal agency and, when available, by CFDA number.

Because the schedule presents only a selected portion of the activities of the State, it is not intended to and does not present the financial position or results of operations of the State.

B. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards has been prepared from the Wisconsin state agencies' and UW System's accounting and inventory records and from federal reports submitted by the state agencies to the various federal grantor agencies. The State's accounting records are maintained on a budgetary basis, in accordance with Wisconsin Statutes. State statutes and state accounting policies require that disbursements be recognized in the fiscal year in which

they are recorded for payment, except for certain state employee fringe benefits and selected other items that are recognized in the period to which the payments relate, regardless of when paid. The State's centralized accounting records remain open until July 31 to permit the recording of expenditures applicable to the fiscal year ended June 30, in accordance with Wisconsin Statutes.

To eliminate double-counting of subgrants between state agencies, the schedule includes expenditures reported by the state agency that received the funds directly from the U.S. government and does not include expenditures recorded by the subrecipient. For subgrants between UW campuses, however, the schedule includes expenditures reported by the UW campus that received the subgranted funds and does not include expenditures reported by the subgranting campus.

A timing variance may exist between the recording of federal grant expenditures in the accounting records and the reporting of the expenditures to the U.S. government or other subgrantor organizations.

C. State Agencies and UW Campuses Included

The following state agencies were included in the scope of the federal compliance portion of the audit:

1. Department of Health and Family Services (DHFS)—DHFS ceased to exist on July 1, 2008. Under 2007 Wisconsin Act 20, two new agencies assumed responsibility for its programs: the Department of Health Services (DHS) and the Department of Children and Families (DCF). (See Note 20.)
2. Department of Workforce Development (DWD)—Effective July 1, 2008, several DWD programs were transferred to DCF under 2007 Wisconsin Act 20. (See Note 20.)
3. University of Wisconsin (UW) System
4. Department of Transportation (DOT)
5. Department of Public Instruction (DPI)
6. Department of Administration (DOA)
7. Department of Natural Resources (DNR)
8. Department of Military Affairs (DMA)
9. Department of Commerce (Commerce)
10. Wisconsin Technical College System Board (WTCSB)
11. Department of Veterans Affairs (DVA)
12. Department of Agriculture, Trade and Consumer Protection (DATCP)
13. Department of Justice (DOJ)
14. Department of Corrections (DOC)
15. Government Accountability Board (GAB)
16. Higher Educational Aids Board (HEAB)
17. Wisconsin Historical Society (WHS)
18. Child Abuse and Neglect Prevention Board (CANPB)

19. Wisconsin Arts Board (Arts Board)
20. Public Service Commission (PSC)
21. Board for People with Developmental Disabilities (BPDD)
22. Educational Communications Board (ECB)
23. Board of Commissioners of Public Lands (Public Lands)
24. Board on Aging and Long-Term Care (BOALTC)
25. Department of Revenue (DOR)

The following campuses or units of UW System were included in the scope of the audit:

1. UW-Madison
2. UW-Milwaukee
3. UW-Eau Claire
4. UW-Green Bay
5. UW-La Crosse
6. UW-Oshkosh
7. UW-Parkside
8. UW-Platteville
9. UW-River Falls
10. UW-Stevens Point
11. UW-Stout
12. UW-Superior
13. UW-Whitewater
14. UW Colleges
15. UW-Extension
16. UW System Administration (UW System Admin)

The Wisconsin Humanities Council is a nonprofit organization associated with UW System. Through a contract with the Wisconsin Humanities Council, UW-Extension is responsible for fiscal and personnel administration of the Council. At the request of the Wisconsin Humanities Council, the Council was included as a unit within UW System, and we audited the Promotion of the Humanities—Federal/State Partnership (CFDA #45.129) grant.

Federal awards administered by the Wisconsin Housing and Economic Development Authority were not included in the scope of this single audit because the single audit of this authority is performed separately by other auditors.

2. MAJOR FEDERAL GRANT PROGRAMS

As shown in the table that follows, the federal financial assistance expended by the State of Wisconsin during FY 2007-08 was $10,040,176,097 consisting of $8,755,311,601 in cash assistance and $66,392,415 in noncash assistance reported

in the Schedule of Expenditures of Federal Awards, and $1,218,472,081 in outstanding loan balances. Not included in the amount of noncash assistance is the value of property received under the Donation of Federal Surplus Personal Property (CFDA #39.003) program, as described in Note 12. The loan balances are described in more detail in Notes 11, 13, 16, and 17.

Federal cash and noncash assistance, other than loan balances, expended by the State of Wisconsin during FY 2007-08 was $8,821,704,016. The major grant threshold, as defined by OMB Circular A-133, was $26,465,112. All federal programs with expenditures exceeding the threshold of $26,465,112 are labeled type A programs. Each type A program that is considered to be low-risk is audited as a major program at least once every three years. The type A programs that are not considered to be low-risk are audited as major programs each year. The federal programs with expenditures under the threshold of $26,465,112 are labeled type B programs. For each low-risk type A program that is not audited as a major program, one high-risk type B program is selected to be audited as a major program. As provided for in OMB Circular A-133, the number of high-risk type B programs to be audited may be limited to one-half of the total number of type B programs assessed as being high-risk.

Federal Financial Assistance
FY 2007-08

CFDA Number	Federal Program	Amount
Cash Assistance		$8,755,311,601
Noncash Assistance:		
10.555/ 10.559/ 10.569/ 10.582	Food Commodities	25,155,100
93.268	Immunization Grants	41,237,315
Total Noncash Assistance		66,392,415
Total Cash and Noncash Assistance as Shown in Schedule		**8,821,704,016**
Loan Balances as of June 30, 2008:		
20.205	Highway Planning and Construction	414,771
66.458	Capitalization Grants for Clean Water State Revolving Funds	845,471,524
66.468	Capitalization Grants for Drinking Water State Revolving Funds	178,410,690
84.038	Federal Perkins Loan Program	182,283,299
93.108	Health Education Assistance Loans	310,531
93.264	Nurse Faculty Loan Program	726,003
93.342	Health Professions Student Loans	5,327,399
93.364	Nursing Student Loans	5,527,864
Total Loan Balances		1,218,472,081
Total Federal Financial Assistance		**$10,040,176,097**

The State of Wisconsin administered 23 major federal programs that were tested for compliance with federal requirements for FY 2007-08. The total federal assistance, including noncash assistance and loan balances under these major federal programs, constituted 74.8 percent of the total federal financial assistance during the audit period. The major federal programs for FY 2007-08, as determined by the risk-based approach, are listed in the following table.

Major Federal Programs in FY 2007-08

CFDA Number	Federal Program	Federal Expenditures	State Recipient
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	$79,382,437	DHFS[1]
12.401	National Guard Military Operations and Maintenance (O&M) Projects	31,607,226	DMA/DVA
17.225	Unemployment Insurance	1,014,626,862	DWD
17.258/17.259/ 17.260	WIA Cluster	37,204,370	DWD/UW-Oshkosh
20.106	Airport Improvement Program	50,751,213	DOT
20.205/23.003	Highway Planning and Construction Cluster	669,207,630[2]	DOT
84.010	Title I Grants to Local Educational Agencies	177,443,570	DPI
84.027/84.173	Special Education Cluster	199,091,985	DPI/UW-Oshkosh
84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	64,174,414	DWD/UW-Oshkosh
84.282	Charter Schools	14,724,059	DPI
93.558	Temporary Assistance for Needy Families	235,585,190	DWD[3]/UW-Milwaukee/ UW-Oshkosh /UW-Extension
93.568	Low-Income Home Energy Assistance	100,573,770	DOA
93.575/93.596	Child Care and Development Fund Cluster	160,591,084	DWD[3]/UW-Milwaukee/ UW-La Crosse/UW-Extension
93.658	Foster Care—Title IV-E	48,510,386	DHFS[3]/UW-Oshkosh
93.659	Adoption Assistance	45,720,129	DHFS[3]
93.667	Social Services Block Grant	44,914,686	DHFS[1]
93.767	State Children's Insurance Program	102,904,792	DHFS[1]
93.775/93.776/ 93.777/93.778	Medicaid Cluster	2,971,893,272	DHFS[1]/DOJ
93.889	National Bioterrorism Hospital Preparedness Program	8,882,639	DHFS[1]
93.959	Block Grants for Prevention and Treatment of Substance Abuse	26,462,765	DHFS[1]/UW-Extension
96.001/96.006	Disability Insurance/SSI Cluster	29,175,637	DHFS[1]/DWD/UW-Stout
Various	Research and Development Cluster	508,241,063	UW System
Various	Student Financial Aid Cluster	697,226,500[4]	UW System
		$7,318,656,158	

[1] Program transferred to DHS effective July 1, 2008.

[2] Does not include the amount of loans outstanding as of June 30, 2008 (see Note 11).

[3] Program transferred to DCF effective July 1, 2008 (see Note 20).

[4] Does not include the amount of loans outstanding as of June 30, 2008 (see Notes 16 and 17).

The research and development cluster, a major program, is defined by OMB Circular A-133 as including all research activities, both basic and applied, and all development activities that are performed by a nonfederal entity. Research is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Development is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. Most grant documents from the federal government and other subgrantor organizations do not clearly identify a grant as research and development. Therefore, UW staff classify grants as research and development or as other than research and development. Staff for other state agencies do not classify any of their grants as research and development.

The student financial aid cluster is defined by OMB Circular A-133 as including those programs of general student assistance in which institutions participate, such as those authorized by Title IV of the Higher Education Act of 1965, as amended, which are administered by the U.S. Department of Education, and similar programs provided by other federal agencies. It does not include programs that provide fellowships or similar awards to students on a competitive basis, or for specified studies or research.

3. FEDERAL CATALOG NUMBERS

Some grant documents from the federal government and other subgrantor organizations do not provide the catalog of federal domestic assistance number to the state agency or UW campus receiving funds. Federal catalog numbers are presented in the schedule when they were included in the grant agreements or could be determined based on a grant's source and purpose. For grants that did not clearly state a federal catalog number, the schedule includes the grant or a total for several grants, with an indication of N/A for not available. For the direct grants and subgrants in the individual programs and other clusters, an "other identifying number," when available, is shown if the federal catalog number is not available.

For the research and development cluster, direct awards are presented for each federal agency, by catalog number, when available. Direct grants without a catalog number are presented for each federal agency and, where applicable, for the major subdivisions within the federal agency.

4. AMOUNT PROVIDED TO SUBRECIPIENTS

OMB Circular A-133 requires the Schedule of Expenditures of Federal Awards, to the extent practical, to include the amount provided to subrecipients under each federal program. To the extent practical, the amount provided to subrecipients was determined for the federal programs at the state agencies and UW System.

5. POTENTIAL FEDERAL SANCTIONS AND DISALLOWANCES

As of June 30, 2008, there are potential federal sanctions and disallowances for the Aid to Families with Dependent Children (CFDA #93.560) program and the Child Support Enforcement (CFDA #93.563) program resulting from federal reviews. Additionally, during FY 2007-08, the State met and exceeded the previous sanctioned amount required to be spent on Food Stamps (CFDA #10.551) activities.

A. Aid to Families with Dependent Children

A federal review of overpayment recoveries received between July 1, 1996, and September 30, 2001, concluded that the Department of Workforce Development's practices for reporting and remitting AFDC overpayment recoveries to the federal government were not in accordance with federal requirements. In December 2007, the U.S. Department of Health and Human Services Appeals Board denied the Department of Workforce Development's appeal, upholding the recommendation that the Department refund $10,711,338 to the U.S. Department of Health and Human Services.

Responsibility for overpayment recoveries related to AFDC and its successor, Temporary Assistance for Needy Families (CFDA #93.558), transferred to the Department of Children and Families with its creation on July 1, 2008. The U.S. Department of Health and Human Services sent the Department of Workforce Development a letter dated September 17, 2008, demanding repayment. The Department of Children and Families replied on October 1, 2008, apprising the U.S. Department of Health and Human Services that it was now the responsible state agency and that it was prepared to repay the principal over a period of years. However, the Department of Children and Families asserted that repaying the associated interest would be a hardship meeting federal statutory criteria, to be waived by the Secretary of the U.S. Department of Health and Human Services. The Department of Children and Families has paid approximately $1.0 million and, in addition, the U.S. Department of Health and Human Services has withheld $892,000 in federal reimbursements to the State of Wisconsin. However, the Department of Children and Families continues to negotiate a repayment plan with the U.S. Department of Health and Human Services, including the extent of any interest that must be paid.

B. Child Support Enforcement

A federal review of certain county administrative costs under the Child Support Enforcement (CFDA # 93.563) program between October 1, 2000, and September 30, 2007, concluded that the reimbursement request for allowable costs from the federal government was not in accordance with federal requirements. The U.S. Department of Health and Human Services recommended that the State of Wisconsin refund the federal share, or $4,584,113 of the potential unallowable costs. In its December 2008 response, the

Department of Children and Families contended that it followed the instructions provided by the Region V federal office and, therefore, was in compliance with $4,561,073 of the potential unallowable costs. The Department made the necessary accounting entries to effectively return $23,040 to the federal government.

C. Food Stamps

The U.S. Department of Agriculture assesses a sanction against a state if its annual error rate for eligibility and benefit determinations exceeds the national average for Food Stamps (CFDA #10.551). Wisconsin's error rates for FFY 1993-94 through FFY 2001-02 exceeded the national average, resulting in sanctions totaling $11,894,996. Wisconsin was required to spend the sanctioned amounts on payment accuracy activities, outreach activities, and federally approved activities for improving Food Stamps operations. As of June 30, 2008, the State had spent $11,895,015 on these activities, exceeding the required sanctioned amount.

6. FOOD COMMODITIES

Food commodities received are reported as expenditures in the Schedule of Expenditures of Federal Awards under the various federal programs that distributed the commodities. In total, $25,155,100 in food commodities was included in the total reported federal expenditures and the total reported amounts provided to subrecipients for the following programs:

- $21,040,319 for the National School Lunch Program (CFDA #10.555);
- $61,317 for the Summer Food Service Program for Children (CFDA #10.559);
- $3,075,206 for the Emergency Food Assistance Program (CFDA #10.569); and
- $978,258 for the Fresh Fruit and Vegetable Program (CFDA #10.582).

7. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC) REBATES

During FY 2007-08, the Department of Health and Family Services (now the Department of Health Services) received $26,885,628 in cash rebates from infant formula manufacturers from the sale of formula to participants in WIC (CFDA #10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(m) as a cost-containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled the Department to extend program benefits to 38,779 more people than could have been served during FY 2007-08 in the absence of the rebate contracts.

8. COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM

The Community Development Block Grants/State's Program (CFDA #14.228) provides funds to local units of government to establish revolving funds for loans to businesses. Loan repayments from businesses in excess of certain program income limits must be returned to the State. Included as expenditures of the program is a total of $2,928,389 that was supported by funds returned to the State.

9. UNEMPLOYMENT INSURANCE

FY 2007-08 expenditures for Unemployment Insurance (CFDA #17.225) include $919,907,135 in benefits funded by the Wisconsin Unemployment Reserve Fund, $30,502,140 in federally funded regular benefits, $280,470 in refunds of overpayments related to federally funded temporary extended benefits, and $64,498,057 in federally funded administrative costs.

10. HIGHWAY PLANNING AND CONSTRUCTION

Expenditures for Highway Planning and Construction (CFDA #20.205) include $112.2 million in project charges that have been incurred in excess of the federally approved project budget amount. The Wisconsin Department of Transportation will seek federal approval for increases to project budgets, and federal reimbursements are expected in the next fiscal year.

11. LOAN FUNDS FROM FEDERAL HIGHWAY ADMINISTRATION AND FEDERAL RAILWAYS ADMINISTRATION

The Wisconsin Department of Transportation received a total of $1,500,000 through FY 2004-05 from the Federal Highway Administration under Highway Planning and Construction (CFDA #20.205) to establish a revolving loan fund to assist local government transit and highway projects. The Department of Transportation has issued $1,500,000 in loans to local municipalities; $414,771 remains outstanding as of June 30, 2008.

12. DONATION OF FEDERAL SURPLUS PERSONAL PROPERTY

The Department of Administration is responsible for administration of the Donation of Federal Surplus Personal Property (CFDA #39.003) program. The Department of Administration has contracted with Wisconsin Technical College System Foundation, Inc., to receive and distribute the federal surplus property. As of July 1, 2007, the Foundation had on hand property with an initial cost to the federal government of $15,094,624. During FY 2007-08, the Foundation received from the federal government surplus personal property

having an initial cost to the federal government of $16,268,471. During the period, property with an initial cost of $21,757,070 was distributed, leaving property with an initial cost to the federal government of $9,606,025 on hand as of June 30, 2008.

13. CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS AND CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUNDS

The Environmental Improvement Fund is an enterprise fund of the State of Wisconsin and is jointly administered by the Department of Natural Resources and the Department of Administration. Included in the Environmental Improvement Fund is the Clean Water Fund Direct Loan Program, funded primarily by the federal government under the Capitalization Grants for Clean Water State Revolving Funds (CFDA #66.458) and Capitalization Grants for Drinking Water State Revolving Funds (CFDA #66.468). As of June 30, 2008, loans outstanding were $845,471,524 and $178,410,690, respectively. Federal reporting requirements for the Clean Water Fund Direct Loan Program include financial statements prepared in accordance with generally accepted accounting principles, as well as information regarding loan recipients, loan amounts, loan terms, project categories of eligible costs, and similar details on other forms of assistance. The Department of Natural Resources and the Department of Administration have previously provided this information to the U.S. Environmental Protection Agency in the following documents:

- the Environmental Improvement Fund program's FY 2007-08 and FY 2006-07 audited financial statements, prepared in accordance with accounting principles generally accepted in the United States, including supplementary information specific to the Clean Water Fund Direct Loan Program;

- the State Revolving Fund Intended Use Plan for FY 2007-08, prepared by the Department of Natural Resources; and

- the State Revolving Fund annual report for FY 2007-08, prepared by the Department of Natural Resources and the Department of Administration.

Copies of these documents are available from:

Wisconsin Department of Natural Resources
Bureau of Community Financial Assistance
P.O. Box 7921
Madison, WI 53707

The expenditures included in the Schedule of Expenditures of Federal Awards are the amounts recorded on the State of Wisconsin's accounting system in accordance with the basis of accounting described in Note 1(B) and are not intended to be in accordance with generally accepted accounting principles.

14. SOCIAL SERVICES BLOCK GRANT

Social Services Block Grant (CFDA #93.667) expenditures claimed for federal reimbursement are not based directly on the Department of Health and Family Services' (now the Department of Health Services) accounting records for the grant. The grant expenditure claims are based on the social services expenditures reported by the county social service agencies throughout the state and summarized by the Department's Community Aids Reporting System.

Expenditures reported in the schedule for the Social Services Block Grant include $13,420,500 transferred from the federal award for Temporary Assistance for Needy Families (CFDA #93.558).

15. FEE-FOR-SERVICE PROGRAMS AND FIXED-PRICE CONTRACTS

State agencies, including UW System, may receive fees for services or reimbursement under fixed-price contracts with the federal government or other subgrantor organizations. Actual costs to provide the services are not required to be reported to the federal government or other subgrantor organizations. The schedule includes actual amounts charged to the fixed-price contracts, which may be more than, equal to, or less than the contract funds received from the federal grantor agency or other subgrantor organizations.

16. LOANS COLLECTED BY THE UNIVERSITY OF WISCONSIN SYSTEM

The expenditures in the schedule for various student loan programs consist of loans advanced to students and collection costs charged to the loan funds during FY 2007-08. For the Federal Perkins Loan Program (CFDA #84.038), the expenditures in the schedule are funded by the federal capital contributions, institutional match, and loan repayments or other fees collected from student borrowers. Not included in the schedule is the amount of outstanding loans. The Perkins Loan Program, Nurse Faculty Loan Program (CFDA #93.264), Health Professions Student Loans (CFDA #93.342), and Nursing Student Loans (CFDA #93.364) funds consisted of the following student loan receivable balances:

	Outstanding Balance, June 30, 2008
Perkins Loans:	
UW-Madison	$ 67,004,191
UW-Milwaukee	18,373,246
UW-Eau Claire	17,015,961
UW-Green Bay	4,652,542
UW-La Crosse	6,685,218
UW-Oshkosh	7,148,841
UW-Parkside	2,994,274
UW-Platteville	6,813,815
UW-River Falls	6,283,594
UW-Stevens Point	17,449,351
UW-Stout	14,109,816
UW-Superior	1,823,723
UW-Whitewater	10,254,132
UW Colleges	1,674,595
Total Perkins Loans	$182,283,299
Nurse Faculty Loan Program:	
UW-Madison	$ 84,086
UW-Milwaukee	641,917
Total Nurse Faculty Loan Program	$726,003
Health Professions Student Loans:	
UW-Madison	$5,327,399
Nursing Student Loans:	
UW-Madison	$1,592,098
UW-Milwaukee	1,467,376
UW-Oshkosh	2,468,390
Total Nursing Student Loans	$5,527,864

17. OTHER LOAN PROGRAMS

UW System participates in Federal Family Education Loans (FFEL) (CFDA #84.032), a program that includes Stafford Loans, Supplemental Loans for Students, and Parent Loans for Undergraduate Students. FFEL is a component of the Student Financial Aid Cluster. Lending institutions, such as banks, provide funds to students attending UW campuses, and UW staff are involved with certifying loan applications and distributing loan proceeds to the borrowers. The FFEL amounts disbursed on behalf of students during FY 2007-08 are shown in the schedule. However, because lending institutions across the country maintain the loan balances and are responsible for loan collections, the total outstanding loan balance for FFEL is not available.

UW-Milwaukee, UW-Eau Claire, UW-Superior, and UW-Whitewater participate in Federal Direct Student Loans (CFDA #84.268) instead of FFEL. The Federal Direct Student Loans program is similar to FFEL except that the UW campuses, rather than lending institutions, are responsible for disbursing

the loans. In addition, the loan funds are provided by the U.S. Department of Education. The Federal Direct Student Loans amounts advanced to students during FY 2007-08 are included in the schedule. However, the total outstanding loan balance for the Federal Direct Student Loans program is maintained by the U.S. Department of Education, which is responsible for loan collection.

Before July 1, 1998, UW-Madison participated in Health Education Assistance Loans (HEAL) (CFDA #93.108). Lending institutions, such as banks, provided funds to students enrolled in education programs for certain health professions, and UW-Madison staff were involved with the certification of loan applications. No new loans were made during the fiscal year, and no new loans will be made in the future. Because lending institutions across the country maintain the loan balances and are responsible for loan collections, the total outstanding loan balance for the HEAL program at UW-Madison is not available.

The Higher Educational Aids Board also provided student loans funded by the HEAL program to eligible medical and dental students at qualifying universities or colleges in Wisconsin. These student loans are insured as to payment by the U.S. Department of Health and Human Services if a claim is filed after default, death, disability, or bankruptcy. The Higher Educational Aids Board did not receive any federal funds for claims from the U.S. Department of Health and Human Services in FY 2007-08. No new loans were made during the fiscal year, and no new loans will be made in the future. As of June 30, 2008, the balance of HEAL loans outstanding at the Higher Educational Aids Board was $310,531.

18. Administrative Cost Allowance

Included in the Student Financial Aid Cluster are the total expenditures for the administrative cost allowance provided by Federal Supplemental Educational Opportunity Grants (CFDA #84.007), the Federal Work-Study Program (CFDA #84.033), the Federal Perkins Loan Program (CFDA #84.038), and the Federal Pell Grant Program (CFDA #84.063). The actual administrative cost allowance amount earned during the award year for each program has not been determined and is not included in the amount of expenditures for the four separate student financial aid programs.

19. Program Income

In some cases, program income related to federal grants is deposited in federal grant accounts and is spent for activities related to the grants. Certain program income accounts were identified by the state agencies and UW campuses and excluded from the schedule. However, the schedule includes an unknown amount of expenditures funded by program income sources and not funded directly by federal grants.

20. DEPARTMENT OF CHILDREN AND FAMILIES

Under 2007 Wisconsin Act 20 a new state agency, the Department of Children and Families, assumed primary responsibility for administration of programs providing services to children and families from the Department of Health and Family Services and the Department of Workforce Development on July 1, 2008 (FY 2008-09), including the following type A programs:

CFDA Number	Federal Program	Former Administering Agency
93.558	Temporary Assistance for Needy Families	DWD
93.563	Child Support Enforcement	DWD
93.575/93.596	Child Care and Development Fund Cluster	DWD
93.658	Foster Care—Title IV-E	DHFS
93.659	Adoption Assistance	DHFS

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Appendix 1

Federal Expenditures under the Twelve Largest Federal Grant Programs

FY 2003-04 through FY 2007-08

Federal Program/Primary Recipient	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Dollar Change FY 2003-04 through FY 2007-08	Percentage Change FY 2003-04 through FY 2007-08
Medicaid Cluster/DHFS[1]	$2,837,040,384	$2,817,199,332	$2,777,501,391	$2,835,021,092	2,971,893,272	$ 134,852,888	4.8%
Unemployment Insurance/DWD[2]	1,132,318,958	905,407,172	883,872,586	946,033,472	1,014,626,862	(117,692,096)	-10.4
Student Financial Aid Cluster/UW System	543,552,454	584,764,649	618,949,329	648,530,093	697,226,500	153,674,046	28.3
Highway Planning and Construction Cluster/DOT	547,951,423	544,864,575	628,706,080	638,238,959	669,207,630	121,256,207	22.1
Research and Development Cluster/UW System	473,433,302	518,355,431	524,857,734	512,918,933	508,241,063	34,807,761	7.4
Food Stamp Cluster/DHFS[1,3]	300,675,131	341,376,655	379,297,253	405,665,464	442,174,709	141,499,578	47.1
Temporary Assistance for Needy Families/DWD[4]	285,748,919	291,203,201	258,025,873	260,875,998	235,585,190	(50,163,729)	-17.6
Special Education Cluster/DPI	166,029,106	180,637,326	204,962,570	203,914,810	199,091,985	33,062,879	19.9
Title I Grants to Local Educational Agencies/DPI	148,162,923	147,793,334	158,031,876	163,110,067	177,443,570	29,280,647	19.8
Child Nutrition Cluster/DPI[5]	121,128,147	128,478,581	138,574,528	147,720,262	160,846,921	39,718,774	32.8
Child Care & Development Fund Cluster/DWD[4]	153,673,242	145,908,869	150,302,614	132,435,650	160,591,084	6,917,842	4.5
State Children's Insurance Program/DHFS[1]	93,382,581	91,406,145	88,227,049	96,926,014	102,904,792	9,522,211	10.2

[1] Administration of this program transferred to the newly created Department of Health Services effective July 1, 2008.

[2] Consists primarily of insurance benefits paid from employer contributions and not directly from federal grants.

[3] Includes electronic food stamp benefits and administrative expenditures.

[4] Administration of this program transferred to the newly created Department of Children and Families effective July 1, 2008.

[5] Includes food commodities.

Appendix 2

State Agency Contact Information

Listed below are the Wisconsin state agencies other than the University of Wisconsin that are included in the scope of the FY 2007-08 single audit, along with agency contact names, addresses, telephone numbers, fax numbers, and e-mail addresses. These agencies may be contacted regarding resolution of audit findings and questioned costs, or other matters concerning the audit. University of Wisconsin campus contact information is presented as Appendix 3.

Department of Health Services
Ms. Karen Timberlake, Secretary
Audit Contact: Mr. Kenneth Thyberg, Audit Liaison
Bureau of Fiscal Services
1 West Wilson Street
P.O. Box 7850
Madison, Wisconsin 53707-7850
(608) 261-6315
fax: (608) 264-9874
e-mail: *kenneth.thyberg@dhs.wisconsin.gov*

Department of Workforce Development
Ms. Roberta Gassman, Secretary
Audit Contact: Ms. Tami Moe, Acting Controller
Bureau of Finance
201 East Washington Avenue, Room G400
P.O. Box 7946
Madison, Wisconsin 53707-7946
(608) 261-4582
fax: (608) 267-7952
e-mail: *tami.moe@dwd.wisconsin.gov*

Department of Children and Families
Mr. Reggie Bicha, Secretary
Audit Contact: Ms. Margaret Erickson, Director
Bureau of Finance
201 East Washington Avenue, Room A200
P.O. Box 8916
Madison, Wisconsin 53708-8916
(608) 266-5712
fax: (608) 267-3240
e-mail: *margaret.erickson@wisconsin.gov*

Department of Transportation
Mr. Frank J. Busalacchi, Secretary
Audit Contact: Mr. Kenneth Newman, Director
Office of Policy, Budget and Finance
4802 Sheboygan Avenue
P.O. Box 7910
Madison, Wisconsin 53707-7910
(608) 267-9618
fax: (608) 261-8626
e-mail: *kenneth.newman@dot.wisconsin.gov*

Department of Public Instruction
Ms. Elizabeth Burmaster, State Superintendent
Audit Contact: Ms. Suzanne Linton, Director
Management Services
125 South Webster Street
P.O. Box 7841
Madison, Wisconsin 53707-7841
(608) 266-3320
fax: (608) 266-3644
e-mail: *suzanne.linton@dpi.wi.gov*

Department of Administration
Mr. Michael L. Morgan, Secretary
Audit Contact: Ms. Martha Kerner, Director
Bureau of Financial Management
101 East Wilson Street, 9th Floor
P.O. Box 7869
Madison, Wisconsin 53707-7869
(608) 266-1359
fax: (608) 264-9500
e-mail: *martha.kerner@wisconsin.gov*

Department of Natural Resources
Mr. Matthew J. Frank, Secretary
Audit Contact: Ms. Michele Young, Director
Bureau of Finance
101 South Webster Street
P.O. Box 7921
Madison, Wisconsin 53707-7921
(608) 266-7566
fax: (608) 264-6277
e-mail: *michele.young@wisconsin.gov*

Department of Military Affairs
Brigadier General Donald Dunbar, Adjutant General
Audit Contact: Mr. Brett Coomber, Budget and Policy Manager
The Adjutant General's Office
2400 Wright Street
P.O. Box 14587
Madison, Wisconsin 53708-0587
(608) 242-3155
fax: (608) 242-3154
e-mail: *brett.coomber@dma.state.wi.us*

Department of Commerce
Mr. Richard L. Leinenkugel, Secretary
Audit Contact: Ms. Audrey J. Chase, Director
Bureau of Fiscal and Procurement Services
201 West Washington Avenue, 6th Floor
P.O. Box 7970
Madison, Wisconsin 53707-7970
(608) 267-7200
fax: (608) 266-7057
e-mail: *achase@wi.gov*

Wisconsin Technical College System Board
Mr. Dan Clancy, President
Audit Contact: Mr. Norman Kenney, Associate Vice President
Office of Management Services
4622 University Avenue
P.O. Box 7874
Madison, Wisconsin 53707-7874
(608) 266-1766
fax: (608) 266-1690
e-mail: *norman.kenney@wtcsystem.edu*

Department of Veterans Affairs
Mr. John A. Scocos, Secretary
Audit Contact: Mr. Randy Krueger, Director
Bureau of Fiscal Services
30 West Mifflin Street
P.O. Box 7843
Madison, Wisconsin 53707-7843
(608) 267-1789
fax: (608) 261-0178
e-mail: *randy.krueger@dva.state.wi.us*

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Wisconsin Government Accountability Board
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Madison, Wisconsin 53701-2973
(608) 266-0404
fax: (608) 267-0500
e-mail: *sharrie.hauge@wi.gov*

Higher Educational Aids Board
Ms. Connie Hutchison, Executive Secretary
Audit Contact: Ms. Sherrie Nelson, Administrative Policy Advisor
Office of Administrative Services/Fiscal Affairs
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Madison, Wisconsin 53707-7885
(608) 267-2944
fax: (608) 267-2808
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Wisconsin Historical Society
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Mr. Paul Hamilton, Accountant
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fax: (608) 264-6433
e-mail: *greg.parkinson@wisconsinhistory.org*
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Child Abuse and Neglect Prevention Board
Ms. Mary Anne Snyder, Executive Director
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Bureau of Fiscal Services
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(608) 261-6315
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Wisconsin Arts Board
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Public Service Commission
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(608) 267-9086
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Board for People with Developmental Disabilities
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Educational Communications Board
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Finance and Administrative Services Division
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fax: (608) 264-9622
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Board of Commissioners of Public Lands
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Board on Aging and Long-Term Care
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fax: (608) 266-2204
e-mail: *blanca.rivera@revenue.wi.gov*

Department of Employee Trust Funds
Mr. David Stella, Secretary
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Office of Budget and Trust Finance
801 West Badger Road
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Office of the Commissioner of Insurance
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Audit Contact: Ms. Eileen Mallow, Insurance Administrator
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fax: (608) 266-9935
e-mail: *eileen.mallow@wisconsin.gov*

Appendix 3

University of Wisconsin Campus Contact Information

Listed below are the University of Wisconsin campuses included in the scope of the FY 2007-08 single audit, along with campus contact names, addresses, telephone numbers, fax numbers, and e-mail addresses. These campuses may be contacted regarding resolution of audit findings and questioned costs, or other matters concerning the audit.

UW-Madison for student financial aids:

Dr. Carolyn "Biddy" Martin, Chancellor
Audit Contact: Ms. Susan Fischer, Director
Office of Student Financial Aid
University of Wisconsin-Madison
333 East Campus Mall, #9701
Madison, Wisconsin 53715-1382
(608) 263-3202
fax: (608) 262-9068
e-mail: *susan.fischer@finaid.wisc.edu*

UW-Madison for other federal compliance:

Audit Contact: Mr. Robert Andresen, Assistant Director, Post Award Services
Office for Research and Sponsored Programs
University of Wisconsin-Madison
21 North Park Street, Room 6434
Madison, Wisconsin 53715
(608) 262-2896
fax: (608) 262-5111
e-mail: *randresen@rsp.wisc.edu*

UW-Milwaukee:

Dr. Carlos E. Santiago, Chancellor
Audit Contact: Mr. Paul Rediske, Director of Internal Audit
University of Wisconsin-Milwaukee
P.O. Box 413
Milwaukee, Wisconsin 53201
(414) 229-5586
fax: (414) 229-6539
e-mail: *pwr@uwm.edu*

UW-Eau Claire:

Dr. Brian Levin-Stankevich, Chancellor
Audit Contact: Ms. Valerie Wing, Internal Auditor
University of Wisconsin-Eau Claire
Old Library 2131A
Eau Claire, Wisconsin 54701
(715) 836-5407
fax: (715) 836-2020
e-mail: *wingvc@uwec.edu*

UW-Green Bay:

Mr. David J. Ward, Interim Chancellor
Audit Contact: Mr. Tom Maki, Vice Chancellor for Business & Finance
University of Wisconsin-Green Bay
CL 805H
2420 Nicolet Drive
Green Bay, Wisconsin 54311-7001
(920) 465-2210
fax: (920) 465-5110
e-mail: *makit@uwgb.edu*

UW-La Crosse:

Dr. Joe Gow, Chancellor
Audit Contact: Ms. Sharon Radtke, Assistant Vice Chancellor, Budget and Finance
University of Wisconsin-La Crosse
125 Graff Main Hall
La Crosse, Wisconsin 54601
(608) 785-8598
fax: (608) 785-8544
e-mail: *radtke.shar@uwlax.edu*

UW-Oshkosh:

Mr. Richard H. Wells, Chancellor
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University of Wisconsin-Oshkosh
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Oshkosh, Wisconsin 54901-8609
(920) 424-1442
fax: (920) 424-2240
e-mail: *dagostik@uwosh.edu*

UW-Parkside:

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Audit Contact: Ms. Kristin Leibfried, Internal Auditor
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(262) 595-3223
fax: (262) 595-2630
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UW-Platteville:

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University of Wisconsin-Platteville
2403 Ullsvik Hall
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Platteville, Wisconsin 53818
(608) 342-1286
fax: (608) 342-1232
e-mail: *fitzsimp@uwplatt.edu*

UW-River Falls:

Dr. Connie Foster, Interim Chancellor
Audit Contact: Dr. Lisa Wheeler, Vice Chancellor, Administration and Finance
University of Wisconsin-River Falls
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River Falls, Wisconsin 54022-5001
(715) 425-3882
fax: (715) 425-3939
e-mail: *lisa.wheeler@uwrf.edu*

UW-Stevens Point:

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University of Wisconsin-Stevens Point
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e-mail: *ccherney@uwsp.edu*

UW-Stout:

Dr. Charles W. Sorensen, Chancellor
Audit Contact: Mr. David Cutsforth, Internal Auditor
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fax: (715) 394-8171
e-mail: *mthorsvi@uwsuper.edu*

UW-Whitewater:

Dr. Richard Telfer, Chancellor
Audit Contact: Ms. Ann Iverson, Internal Auditor-Senior
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(262) 472-5671
fax: (262) 472-5668
e-mail: *iversona@uww.edu*

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University of Wisconsin Colleges/University of Wisconsin-Extension
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(608) 265-3040
fax: (608) 262-7872
e-mail: *steve.wildeck@uwex.uwc.edu*

UW-Extension:

Dr. David Wilson, Chancellor
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Madison, Wisconsin 53706-1498
(608) 263-7810
fax: (608) 262-8404
e-mail: *connie.wali@uwex.edu*

UW System Administration:

Mr. Kevin P. Reilly, President
Audit Contact: Ms. Deborah Durcan, Vice President for Finance
University of Wisconsin System Administration
1624 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin 53706
(608) 262-1311
fax: (608) 262-3985
e-mail: *ddurcan@uwsa.edu*

Wisconsin Humanities Council:

Ms. Dena Wortzel, Executive Director
Audit Contact: Mr. Michael Kean, Associate Director
Wisconsin Humanities Council
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(608) 262-0706
fax: (608) 263-7970
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Mr. Mark Dorn, Controller
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WISCONSIN

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2008

STATE OF
WISCONSIN

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2008

Jim Doyle, Governor

Department of Administration
Michael L. Morgan, Secretary
Stephen J. Censky, State Controller

Prepared by the State Controller's Office DOA-6082AP (R12/08)

General Purpose External Financial Statements
For the Fiscal Year Ended June 30, 2008

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WISCONSIN DEPARTMENT OF
ADMINISTRATION

JIM DOYLE
GOVERNOR

MICHAEL L. MORGAN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
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December 11, 2008

The Honorable Jim Doyle
The Honorable Members of the Legislature
Citizens of the State of Wisconsin

We are pleased to submit the General Purpose External Financial Statements of the State of Wisconsin for the fiscal year ended June 30, 2008.

These General Purpose External Financial Statements are part of the audited Comprehensive Annual Financial Report. They include management's discussion and analysis (MD&A), the basic financial statements, and required supplementary information (RSI). MD&A introduces the basic financial statements and provides an analytical overview of the State's financial activities. The basic financial statements provide a summary overview of the government as a whole (excluding the State's fiduciary activities), as well as detailed information on all governmental, proprietary, fiduciary fund activity, together with notes to the financial statements. RSI includes data on infrastructure and the budgetary comparison schedule with accompanying notes. These statements, which present financial information in conformity with generally accepted accounting principles, will benefit users requiring summary information about our State's finances.

The General Purpose External Financial Statements, as well as the Comprehensive Annual Financial Report, are on file at the office of the State Controller. Additional copies are available upon request. A copy of the Comprehensive Annual Financial Report is also available on the Department of Administration homepage on the World Wide Web: http://www.doa.state.wi.us/debf.

Sincerely,

Michael L. Morgan
Secretary

Stephen J. Censky, CPA
State Controller

STATE OF WISCONSIN
Legislative Audit Bureau

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Janice Mueller
State Auditor

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Legislature The Honorable James Doyle, Governor

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Wisconsin as of and for the year ended June 30, 2008, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Wisconsin's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the following financial statements: the Wisconsin Department of Transportation Revenue Bond Program and Commercial Paper Program, which represent 12 percent of the liabilities of the governmental activities and 2 percent of the expenditures of the aggregate remaining fund information; the Badger Tobacco Asset Securitization Fund, which represents 10 percent of the liabilities of the governmental activities; the Environmental Improvement Fund, which is a major fund and represents 20 percent of the assets and 20 percent of the liabilities of the business-type activities; or the College Savings Program Trust, which represents 2 percent of the assets of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts audited by others, are based solely upon their reports. In addition, we did not audit the financial statements of the discretely presented component units. Other than the income statement for the University of Wisconsin Foundation, those financial statements were audited by other auditors. Our opinion on the aggregate discretely presented component units, insofar as it relates to the amounts audited by others, is based upon the reports of the Wisconsin Housing and Economic Development Authority, the University of Wisconsin Hospitals and Clinics Authority, and the balance sheet for the University of Wisconsin Foundation.

Except as discussed in the following paragraph, we conducted our audit in accordance with 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 Wisconsin Housing and Economic Development Authority, which were audited by other auditors, were also audited in accordance with these standards. The financial statements of the other funds and component units that were audited by other auditors upon whose reports we are relying were audited in accordance with auditing standards generally accepted in the United States of America, but not in accordance with *Government Auditing Standards*. Auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Except as discussed in the following paragraph, we believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

The revenues and expenses included in the Statement of Activities for the University of Wisconsin Foundation component unit have not been audited, and we were not engaged to audit this information as

part of our audit of the State's basic financial statements. The Foundation represents 26 percent of the revenues and 19 percent of the expenses of the State's aggregate discretely presented component units.

In our opinion, based on the reports of other auditors and except for the effects of any such adjustments as might have been determined to be necessary had the University of Wisconsin Foundation's revenues and expenses been audited, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the aggregate discretely presented component units for the State of Wisconsin as of June 30, 2008, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, based on our audit and the reports of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial positions of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of Wisconsin as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 15 to the financial statements, the State implemented accounting changes and additional note disclosures under Governmental Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement 45 requires the State, for the first time, to report the costs related to other postemployment benefits, such as the benefit available to retired state employees to purchase health insurance at a subsidized rate.

As discussed in Note 19A(3) to the financial statements, the Injured Patients and Families Compensation Fund's loss liabilities are estimates based on recommendations of a consulting actuary. The Injured Patients and Families Compensation Fund's Board of Governors and management believe the estimated loss liabilities are reasonable and represent the most probable estimate of the losses the Fund will pay for the claims incurred to date. However, uncertainties inherent in projecting the frequency and severity of large medical malpractice claims because of the Fund's unlimited liability coverage and extended reporting and settlement periods make it likely that amounts paid will ultimately differ from the recorded estimated liabilities. These differences cannot be quantified.

As discussed in Note 24, subsequent to June 30, 2008, global investment markets have been experiencing significant adverse events. As a result, the State's investment assets, such as those of the Wisconsin Retirement System, have experienced a considerable decline in value subsequent to June 30, 2008.

Management's discussion and analysis, the infrastructure narrative, the schedule of funding progress for the state retiree health insurance other postemployment benefit plan, and the budgetary comparison schedule with related notes as listed in the table of contents are not required parts of the basic financial statements of the State of Wisconsin but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have prepared a report dated December 11, 2008, on our consideration of the State's internal control over financial reporting; tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; and other matters. The purpose of that report is 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 internal control over

financial reporting or on compliance. The report on internal control and compliance is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

LEGISLATIVE AUDIT BUREAU

December 11, 2008 by

Janice Mueller
State Auditor

MANAGEMENT'S DISCUSSION AND ANALYSIS

The *Management's Discussion and Analysis* of the State of Wisconsin's Comprehensive Annual Financial Report (CAFR) presents a discussion and analysis of the State's financial performance during the fiscal year that ended June 30, 2008. It should be read in conjunction with the transmittal letter located at the front of this CAFR, and the State's financial statements, which follow this part of the CAFR.

FINANCIAL HIGHLIGHTS -- PRIMARY GOVERNMENT

Government-wide (Tables 2 and 3 on Pages 8 and 9)

- *Net Assets.* The assets of the State of Wisconsin exceeded its liabilities at the close of Fiscal Year 2008 by $12.8 billion (reported as "net assets"). Of this amount, $(8.0) billion was reported as "unrestricted net assets". A positive balance in unrestricted net assets would represent the amount available to be used to meet a government's ongoing obligations to citizens and creditors.
- *Changes in Net Assets.* The State's total net assets increased by $0.1 billion in Fiscal Year 2008. Net assets of governmental activities increased by $397.2 million or 7.2 percent, while net assets of the business-type activities showed a decrease of $294.0 million or 4.1 percent.
- *Excess of Revenues over (under) Expenses -- Governmental Activities.* During Fiscal Year 2008, the State's total revenues for governmental activities of $23.0 billion were $1.4 billion more than total expenses (excluding transfers) for governmental activities of $21.6 billion. Of these expenses, $8.4 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled $14.6 billion.

Fund

- *Governmental Funds -- Fund Balances.* As of the close of Fiscal Year 2008, the State's governmental funds reported combined ending fund balances of $(1,474.0) million, a decrease of $183.1 million in comparison with the prior year. Of this total amount, $(3.6) billion represents the "unreserved fund balances".
- *General Fund -- Fund Balance*. At the end of the current fiscal year, the unreserved fund deficit for the General Fund was $(2.9) billion, or (15.5) percent of total General Fund expenditures.

Additional information regarding individual funds begins on Page 13.

Long-term Debt

- The State's total long-term debt obligations (bonds and notes payable) increased by $7.4 million during the current fiscal year which represents the net difference between new issuances, payments and refundings of outstanding debt. The key factors contributing to this increase are the issuance during the fiscal year of $391.1 million of general obligation bonds, a $97.6 million decrease in revenue bond obligations, and the early redemptions and refundings of general obligation and revenue bonds. Additional detail regarding these activities begins on Page 17.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Section of this CAFR consists of four parts: (1) **management's discussion and analysis** (this section), (2) **basic financial statements**, (3) additional **required supplementary information,** and (4) optional **other supplementary information.** Parts (2), (3), and (4) are briefly described on the following pages:

Basic Financial Statements

The basic financial statements include two sets of statements that present different views of the State -- the ***government-wide financial statements*** and the ***fund financial statements***. These financial statements also include notes that explain some of the information in the financial statements and provide more detail.

- The *government-wide financial statements* provide a broad view of the State's operations. The statements provide both short-term and long-term information about the State's financial status, which assists in assessing the State's financial condition at the end of the fiscal year.

- The *fund financial statements* focus on individual parts of the State government, reporting the State's operations in greater detail than the government-wide statements. The basic fund financial statements provide more detailed information on the State's most significant funds.

Table 1, below, summarizes the major features of the financial statements.

Table 1

Major Features of State of Wisconsin's Government-wide and Fund Financial Statements

	GOVERNMENT-WIDE STATEMENTS	FUND STATEMENTS		
		Governmental Funds	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire State government (except fiduciary funds) and the State's component units, reported as follows: • *Governmental Activities* – Most services generally associated with State government fall into this category, including commerce, education, transportation, environmental resources, human relations and resources, general executive, judicial and legislative. • *Business-Type Activities* – Those operations for which a fee is charged to external users for goods and services are reported in this category. • *Discretely Presented Component Units* – These are operations for which the State has financial accountability but that have certain independent qualities. The State's discretely presented component units are discussed in Note 1-B to the financial statements.	These funds report activities of the State that are not proprietary or fiduciary in nature. Most of the basic services provided by the State, which are primarily financed through taxes, intergovernmental revenues, and other nonexchange revenues, are reported as governmental funds. Examples of the State's governmental funds (including the State's two major governmental funds), as reported within their respective fund types, follow: • *General Fund* (a major fund) • *Special Revenue:* -- Transportation (a major fund) • *Debt Service:* -- Bond Security and Redemption • *Capital Projects:* -- Capital Improvement • *Permanent:* -- Common School	The activities the State operates similar to private business. These funds are used to show activities that operate more like those of commercial enterprises. Fees are charged for services provided, both to outside customers and to other units of the State. Examples of the State's proprietary funds, including the State's four major enterprise funds, follow: • *Enterprise:* -- Injured Patients and Families Compensation (a major fund) -- Environmental Improvement (a major fund) -- University of Wisconsin System (a major fund) -- Unemployment Reserve (a major fund) -- Lottery • *Internal services:* -- Technology Services -- Facilities Operations and Maintenance	These funds are used to show assets held by the State as trustee or agent for others and cannot be used to support the State's own programs. Examples of the State's fiduciary funds, as reported within their respective fund types, follow: • *Pension and Other Employee Benefit Trust Funds:* -- Wisconsin Retirement System • *Investment Trust:* -- Local Government Pooled Investment • *Private Purpose Trust:* -- College Savings Program Trust • *Agency:* -- Support Collection Trust
Required financial statements	• Statement of net assets – Presents all of the government's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the state's net assets are an indicator of whether its financial health is improving or weakening, respectively. • Statement of activities – Presents a comparison between direct expenses and program revenues for each function of the State's governmental activities and for different identifiable business-type activities of the State.	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Balance sheet • Statement of revenues, expenses and changes in fund equity • Statement of cash flows	• Statement of fiduciary net assets • Statement of changes in fiduciary net assets Because the State can not use these assets to finance its operations, fiduciary funds are not included in the government-wide financial statements discussed in the left column.

(Table 1, continued)

Table 1 (Continued)
Major Features of State of Wisconsin's Government-wide and Fund Financial Statements

	GOVERNMENT-WIDE STATEMENTS	FUND STATEMENTS		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Accounting basis and measurement focus	Accrual accounting and economic resource focus The accrual basis of accounting, which is similar to the methods used by most businesses, takes into account all revenues and expenses associated with the fiscal year even if cash involved has not been received or paid.	Modified accrual accounting and current financial resource focus These statements provide a detailed short-term view of the State's finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the State. Because this information does not encompass the long-term focus of the government-wide statements, reconciliations are provided on the subsequent page of the governmental fund statements.	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow-outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	• Revenues for which cash is received during or soon after the end of the year • Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Additional Required Supplementary Information

In addition to this Management's Discussion and Analysis, which is required supplementary information, the basic financial statements are followed by a section of required supplemental information that further explains and supports the information in the financial statements. The required supplementary information includes (1) post-employment benefits - state health insurance program, (2) condition and maintenance data regarding the State's infrastructure, and (2) a budgetary comparison schedule of the General and the Transportation funds, including reconciliations between the statutory and GAAP fund balances at fiscal year-end.

Other Supplementary Information

The Other Supplementary Information includes combining financial statements for nonmajor governmental funds, nonmajor enterprise funds, internal service funds and fiduciary funds, each of which are added together and presented in single columns in the basic financial statements.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Tables 2 and 3, below, present summary information of the State's net assets and changes in net assets.

Net Assets

As presented in Table 2, total assets of the State on June 30, 2008 were $31.9 billion, while total liabilities were $19.1 billion, resulting in combined net assets (government and business-type activities) of $12.8 billion. The largest component of the State's total net assets, $16.3 billion or approximately 127.8 percent, reflects its investment in capital assets (i.e., land, buildings, equipment, infrastructure, and others), less any related debt outstanding that was needed to acquire or construct the assets. Approximately $4.5 billion of net assets were restricted by external sources or the State Constitution or Statutes, and were not available to finance the day-to-day operations of the State.

The unrestricted net assets, which, if positive, could be used at the State's discretion, showed a negative balance of $(8.0) billion. Therefore, based on this measurement, no funds were available for discretionary purposes. A contributing factor to the negative balance is that governments recognize a liability on the government-wide statement of net assets as soon as an obligation is incurred. While financing focuses on when a liability will be paid, accounting is primarily concerned with when a liability is incurred. Accordingly, the State recognizes long-term liabilities (such as general obligation debt, compensated absences, and future benefits and loss liabilities – listed in Note 10 to the financial statements) on the statement of net assets. In addition to the effect of reporting long-term liabilities when incurred, the General Fund's total deficit fund balance of $(2.5) billion at year-end, as discussed on Page 13, also contributed to the deficit unrestricted net assets reported in the statement of net assets.

During Fiscal Year 2008, the State issued $0.4 billion of general obligation bonds, primarily for the acquisition or improvement of land, water, property, highways, buildings, and equipment, the refunding of certain outstanding bonds, and the funding of veterans loan programs. General obligation bonds outstanding at June 30, 2008 totaled $5.2 billion. Outstanding appropriation bonds, issued in Fiscal Year 2004 to pay the State's unfunded accrued prior service (pension) liability and its unfunded accrued liability for sick leave conversion credits, were $1.8 billion at June 30, 2008. Outstanding revenue bonds, which are not considered general obligation debt of the State, were $3.8 billion at June 30, 2008.

Table 2
Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2008-2007
Current and Other Assets	$ 4,770.7	$ 5,123.7	$ 6,560.7	$ 6,798.4	$ 11,331.4	$ 11,922.1	(5.0) %
Capital Assets	16,126.1	15,564.8	4,401.2	4,176.4	20,527.3	19,741.2	4.0
Total Assets	20,896.8	20,688.5	10,961.9	10,974.8	31,858.7	31,663.3	0.6
Long-term Liabilities	9,240.7	9,283.2	3,334.0	3,074.4	12,574.7	12,357.6	1.8
Other Liabilities	5,768.6	5,914.9	728.7	707.1	6,497.3	6,622.1	(1.9)
Total Liabilities	15,009.3	15,198.1	4,062.7	3,781.6	19,072.0	18,979.7	0.5
Net Assets:							
Invested in Capital Assets Net of Related Debt	12,900.4	12,241.7	3,439.0	3,225.3	16,339.3	15,466.9	5.6
Restricted	1,309.4	1,331.1	3,161.9	3,510.9	4,471.3	4,842.0	(7.7)
Unrestricted (deficit)	(8,322.2)	(8,082.4)	298.3	457.0	(8,023.9)	(7,625.4)	5.2
Total Net Assets	$ 5,887.6	$ 5,490.4	$ 6,899.2	$ 7,193.2	$ 12,786.7	$ 12,683.6	0.8

Changes in Net Assets

The revenues and expenses information, as shown in Table 3, was derived from the government-wide statement of activities and reflects how the State's net assets changed during the fiscal year. The State earned program revenues of $14.1 billion and general revenues of $14.7 billion for total revenues of $28.8 billion during Fiscal Year 2008. Expenses for the State during Fiscal Year 2008 were $28.7 billion. As a result of the excess of revenues over expenses, the total net assets of the State increased $0.1 billion, net of contributions and transfers.

Table 3
Changes in Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2008-2007
Program Revenues:							
Charges for Goods and Services	$ 1,617.5	$ 1,474.5	$ 5,237.3	$ 5,028.7	$ 6,854.8	$ 6,503.2	5.4 %
Operating Grants and Contributions	6,030.6	5,820.9	397.9	389.0	6,428.5	6,209.9	3.5
Capital Grants and Contributions	726.7	720.6	70.9	112.8	797.6	833.3	(4.3)
General Revenues:							
Income Taxes	7,503.6	7,381.6	-	-	7,503.6	7,381.6	1.7
Sales and Excise Taxes	4,809.3	4,517.6	-	-	4,809.3	4,517.6	6.5
Public Utility Taxes	286.5	271.2	-	-	286.5	271.2	5.6
Motor Fuel Taxes	1,037.7	1,020.8	-	-	1,037.7	1,020.8	1.7
Other Taxes	575.3	595.1	-	-	575.3	595.1	(3.3)
Other General Revenues	422.3	485.2	15.5	214.3	437.8	699.5	(37.4)
Total Revenues	23,009.5	22,287.5	5,721.6	5,744.8	28,731.1	28,032.2	2.5
Program Expenses:							
Commerce	293.4	289.5	-	-	293.4	289.5	1.4
Education	6,477.2	6,413.1	-	-	6,477.2	6,413.1	1.0
Transportation	1,911.5	1,850.7	-	-	1,911.5	1,850.7	3.3
Environmental Resources	486.5	455.9	-	-	486.5	455.9	6.7
Human Relations and Resources	9,078.7	8,699.1	-	-	9,078.7	8,699.1	4.4
General Executive	536.5	539.0	-	-	536.5	539.0	(0.5)
Judicial	125.8	120.0	-	-	125.8	120.0	4.8
Legislative	65.4	62.5	-	-	65.4	62.5	4.6
Tax Relief and Other General Expenditures	1,135.6	956.7	-	-	1,135.6	956.7	18.7
Intergovernmental - Shared Revenue	1,019.3	1,016.3	-	-	1,019.3	1,016.3	0.3
Interest on Long-term Debt	500.3	479.4	-	-	500.3	479.4	4.4
Injured Patients and Families Compensation	-	-	137.7	57.9	137.7	57.9	138.0
Environmental Improvement	-	-	43.4	42.7	43.4	42.7	1.8
University of Wisconsin System	-	-	3,920.6	3,663.1	3,920.6	3,663.1	7.0
Unemployment Reserve	-	-	950.9	882.6	950.9	882.6	7.7
Lottery	-	-	487.7	494.6	487.7	494.6	(1.4)
Other Business-type	-	-	1,478.5	1,368.1	1,478.5	1,368.1	8.1
Total Expenses	21,630.0	20,882.1	7,018.9	6,509.1	28,649.0	27,391.2	4.6
Excess (deficiency) before Contributions and Transfers	1,379.5	1,405.4	(1,297.3)	(764.3)	82.1	641.1	(87.2)
Contributions to Term and Permanent Endowments	-	-	1.3	3.1	1.3	3.1	(58.1)
Contributions to Permanent Fund Principal	19.7	18.0	-	-	19.7	18.0	9.4
Transfers	(1,002.0)	(1,163.5)	1,002.0	1,163.5	-	-	
Increase (decrease) in Net Assets	397.2	259.9	(294.0)	402.3	103.1	662.2	(84.4)
Net Assets - Beginning (Restated)	5,490.4	5,230.6	7,193.2	6,790.9	12,683.6	12,021.5	5.5
Net Assets - Ending	$ 5,887.6	$ 5,490.4	$ 6,899.2	$ 7,193.2	$ 12,786.7	$ 12,683.6	0.8

Governmental Activities

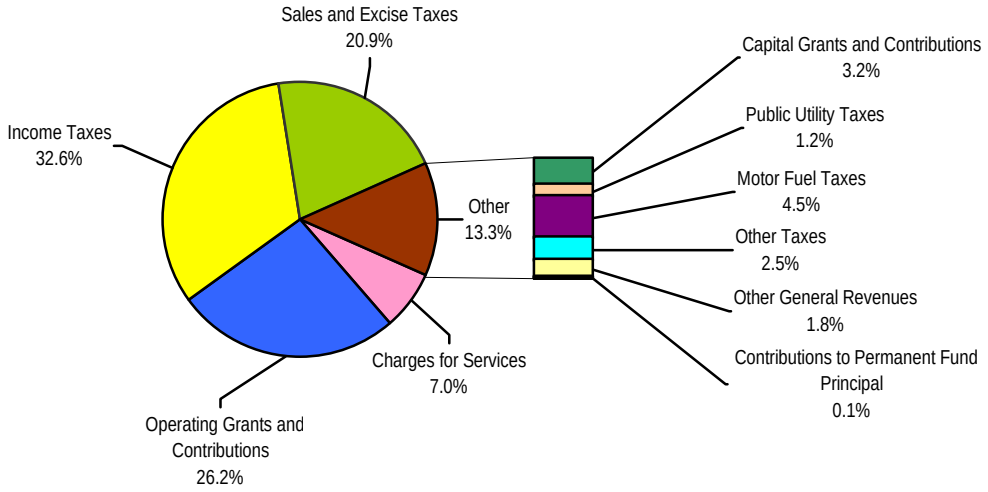
The net assets of governmental activities increased $0.4 billion in Fiscal Year 2008. Revenues for the governmental activities (including Contributions to Permanent Fund Principal) totaled $23.0 billion, while expenses and net transfers totaled $22.6 billion in 2008.

General and program revenues of governmental activities increased $722.0 million during this fiscal year. The largest increase, $426.1 million, relates to tax revenues and largely was the result of an increase in income tax revenues due to the growth in employment and wages in the State.

The State's governmental activities program expenses increased $747.9 million during Fiscal Year 2008. Human Relations and Resources expenditures increased $379.5 million. Expenditure increases for medical assistance and correctional services contributed to this rise. Fiscal Year 2008 Education expenditures grew $64.1 million, reflecting increased state aid payments to schools.

As shown in Table 4, below, approximately 61.7 percent of revenues from all sources earned came from taxes (sales and excise, income, public utility, motor fuel, and other taxes). Operating grants and contributions represent amounts received from other governments/entities – primarily the federal government. Operating grants and contributions for non-capital purposes provided 26.2 percent of total revenues. Capital grants provided 3.2 percent, charges for services contributed 7.0 percent, and various other revenues provided 1.9 percent of the remaining governmental activity revenue sources.

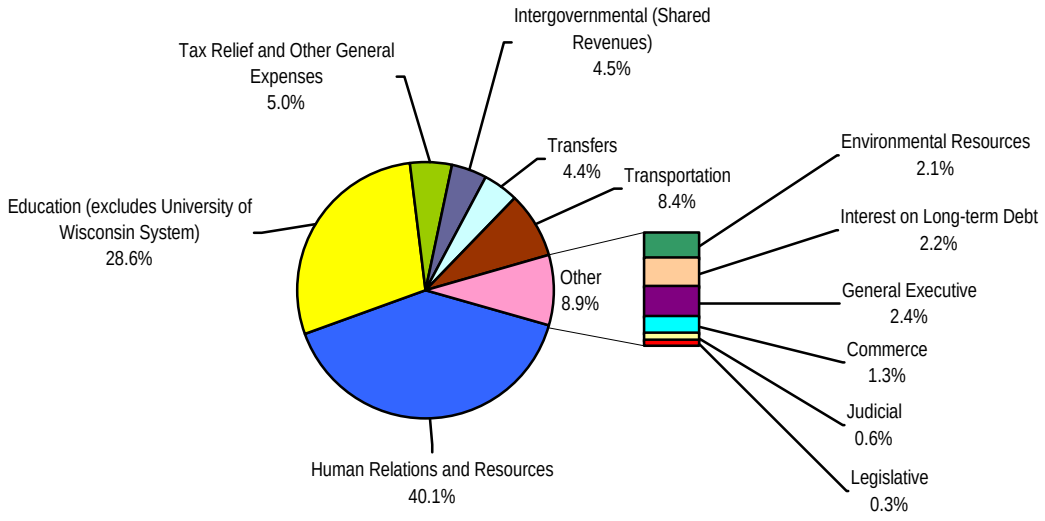
Table 4
Governmental Activities - 2008 Revenues



As shown in Table 5, below, expenses for Human Relations and Resources programs make up the largest portion – 40.1 percent – of total governmental expenses and transfers. Included in this cost function are programs such as Medical Assistance and temporary assistance for needy families "TANF" as well as costs for state correctional facilities and services.

Educational expenses, which include various school aids but exclude expenses of the University of Wisconsin System, make up 28.6 percent of total expenses. Tax Relief and Other General Expenses and the municipal and county shared revenue program represent 9.5 percent of the total, while Transportation expenses represent 8.4 percent. Net transfers to business-type activities, which include a general purpose revenue "GPR" subsidy to the University of Wisconsin System, make up 4.4 percent of the total expenses and transfers. The interest on long-term debt and remaining functional expenses total 9.0 percent.

Table 5
Governmental Activities - 2008 Expenses

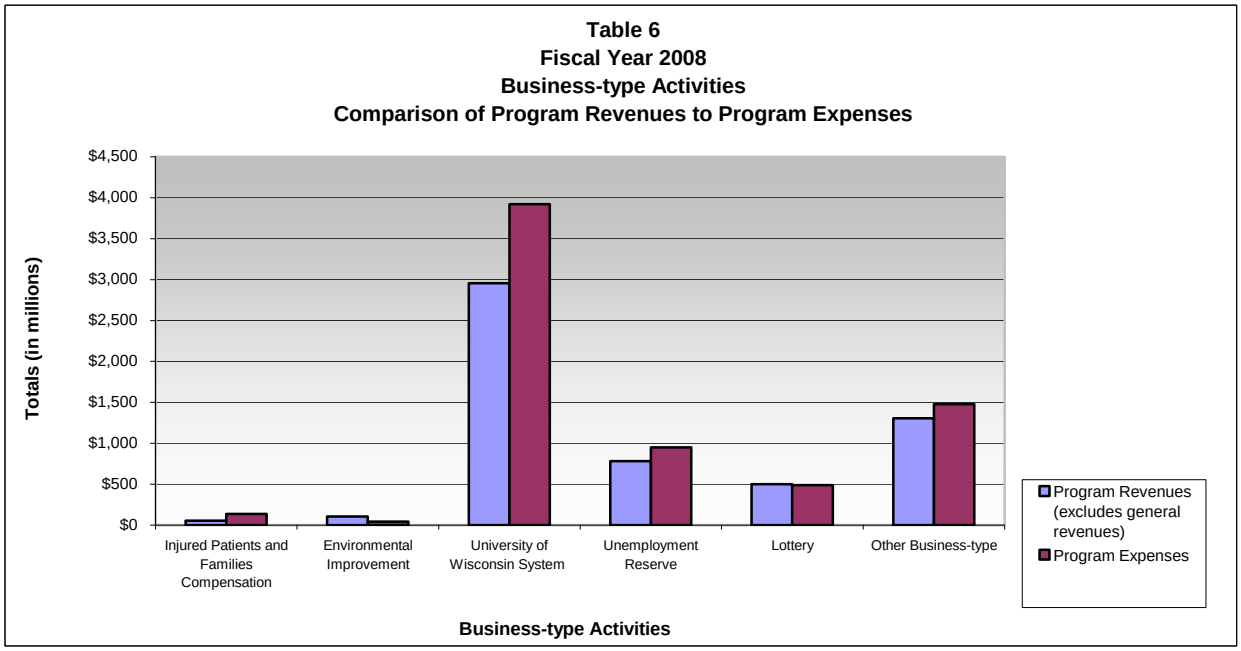


Business-Type Activities

Net assets of the State's business-type activities decreased $294.0 million in Fiscal Year 2008. Total business-type program revenues increased $175.7 million. University of Wisconsin System operating revenues increased $96.2 million due primarily to a 5.5 percent increase in tuition rates, a 9.2% increase in sales and services of educational activities, and a 9.8 percent increase in sales and services of auxiliary enterprises. Unemployment Reserve fund revenues increased $16.6 million due to an increase in participant contributions. Similarly, participant contributions for non-major funds increased by $69.9 million during Fiscal Year 2008. Program expenses of business-type activities increased $509.8 million from Fiscal Year 2007 to 2008. The largest increase in program expenses, $257.4 million, related to the University of Wisconsin System. In addition, Unemployment Compensation fund program expenses increased by $68.3 million while benefit expenses of the Injured Patients and Families Compensation fund increased $79.1 million.

Revenues of business-type activities totaled $5.7 billion for Fiscal Year 2008. Program revenues consisted of $5.2 billion of charges for services, $0.4 billion of operating grants and contributions, and $70.9 million of capital grants and contributions. General revenues, contributions to endowments and permanent fund principal, and net transfers totaled $15.5 million, $1.3 million, and $1,002.0 million, respectively. The total expenses for business-type activities were $7.0 billion.

Table 6, below, compares the program revenues and program expenses of the various State business-type activities. This table does not include the transfer in (subsidy) from the General Fund to the University of Wisconsin System or other business-type activities.



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds

At the end of Fiscal Year 2008, the State's governmental funds reported a negative combined fund balance of $(1,474.0) million. Funds with significant changes in fund balance are discussed below:

General Fund

The General Fund is the chief operating fund of the State. In Fiscal Year 2008, the Medical Assistance Trust Fund was combined with the General Fund for financial reporting purposes. (The inclusion of the activity of this former special revenue fund increased General Fund expenditures by $292.4 million in Fiscal Year 2008.) At June 30, 2008, the State's General Fund reported a total fund deficit of $(2,502.7) million. The net change in fund balance during Fiscal Year 2008 was $(108.3) million, in contrast to $(248.3) million in Fiscal Year 2007. Major revenue, expenditure and other sources/uses contributing to the change in fund balance are as follows:

Revenues

Revenues of the General Fund totaled $19,573.8 million in Fiscal Year 2008, an increase of $584.6 million from Fiscal Year 2007. Factors contributing to the increase included the following:

- Revenues from taxes increased $428.6 million from Fiscal Year 2007 to Fiscal Year 2008. The most significant increase related to individual income tax withholdings, which increased $221.8 million or 3.5 percent, and estimated individual income tax payments, which increased $59.2 million or 5.3 percent. These increases were due to the growth in employment and wages in the State during that period. In addition, sales tax collections increased 2.7 percent, or approximately $113.6 million from Fiscal Year 2007 to Fiscal Year 2008.

- Intergovernmental revenues (e.g., federal assistance) increased $150.0 million in Fiscal Year 2008, primarily due to an increase in expenditures that were eligible for Federal reimbursement. The most significant change related to intergovernmental revenues for human relations and resources programs, which increased $144.5 million.

- Charges for Goods and Services revenue increased $67.0 million in Fiscal Year 2008, primarily due to the $60.0 million court settlement of the gaming compact with the Ho-Chunk Nation.

- License and permits revenue increased $30.9 million in Fiscal Year 2008. This increase is primarily associated with return of the activity of the Medical Assistance Trust Fund to the General Fund. The license revenue of this activity totaled $41.7 million in Fiscal Year 2008.

- Miscellaneous revenue decreased $93.4 million in Fiscal Year 2008, primarily due to a change in methodology for recording prescription drug rebates, as well as, a significant decrease ($44.0 million) in collections by the Unclaimed Property program.

- Other revenues, such as fines and forfeitures, gifts and donations, and investment income increased $1.4 million.

Expenditures

Expenditures of the General Fund totaled $18,450.7 million in Fiscal Year 2008, an increase of $685.4 million from Fiscal Year 2007. The factors contributing to the increase included the following:

- An increase in education expenditures of $62.9 million primarily resulted from an increase in State assistance to school districts (school aids) of $46.2 million in Fiscal Year 2008.

- An increase in human relations and resources expenditures of $472.4 million, which primarily relates to additional medical assistance payments, some of which previously had been reported by the Medical Assistance Trust Fund.

- Tax relief expenditures increased by $132.8 million, primarily due to a budgeted increase in the state property tax credit program of $123.7 million, from $469.3 million in Fiscal Year 2007 to $593.0 million in Fiscal Year 2008.

- Other functional expenditures, including commerce, environmental resources, judicial, and legislative increased by $2.3 million. In addition, capital outlay expenditures grew by $15.0 million between Fiscal Years 2007 and 2008.

Other Financing Sources and Uses

Other financing sources/uses and increases/decreases totaled a net $(1,231.3) million in Fiscal Year 2008, a change of $(240.8) million from the prior year. The components of this change included the following:

- Transfers in to the General Fund increased by $113.2 million (from $212.6 million in Fiscal Year 2007 to $325.8 million in Fiscal Year 2008).

  Much of this change relates to the increase of statutory lapses to the General Fund as required by the 2007 Wisconsin Acts 20 and 226. In Fiscal Year 2007, statutory mandated transfers from the Transportation and nonmajor special revenue funds totaled $138.2 million. In contrast, in Fiscal Year 2008 these funds transferred $158.5 million to the General Fund, an increase of $20.3 million. In addition, the inclusion of the activity of the former Medical Assistance Trust Fund with the General Fund resulted in increased transfers in of $71.5 from the Injured Patients and Families Compensation Fund and $15.0 million from the University of Wisconsin System.

- Transfers out of the General Fund totaled $1,563.1 million, a decrease of $131.1 million from the prior year.

  The major reason for this reduction was the elimination of transfers to the Medical Assistance Trust Fund (transfers out to this fund totaled $127.8 million in Fiscal Year 2007). In addition, the amount transferred to the Common School Fund decreased by $35.0 million in Fiscal Year 2008. These large decreases are partially offset by increases to the General Purpose Revenue supplements to other funds of $45.3 million.

- Other financing sources/uses and other increases/decreases resulted in a net decrease to fund balance of $3.5 million from the prior fiscal year.

As of June 30, 2008, the General Fund reported a deficit of $(2,852.6) million in its "Unreserved" Fund Balance. This compares to a General Fund Unreserved Fund Deficit of $(2,863.8) million as of June 30, 2007. A deficit unreserved fund balance represents the excess of the liabilities of the General Fund over its assets and reserved fund balance accounts. Reservations of fund balances of governmental funds represent amounts that are not available for appropriation. Examples of fund balance reservations reported in the General Fund include reserves for encumbrances, inventories, prepaid items, and the Budget Stabilization Fund.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were significant (a $1.0 billion increase in appropriations). This was due primarily to the fact that several of the State's programs and various transfers (including Food Stamps - see the items denoted with *, below) are not included in the original budget. In addition, numerous adjustments to spending estimates were needed as the year progressed because of changing circumstances (spending needs can change dramatically over a one-year period). The largest variances incurred in the following appropriations (in millions):

Program	Variance
UW-System General Program Operations – Doctoral Universities	74.9
UW-System Gifts and Donations – General	50.3
Federal Aid, Medical Assistance	93.0
Food Stamps, Electronic Benefit Transfer	401.5 *

Actual charges to appropriations (expenditures) were $1.5 billion below the final budgeted estimates. One of the most significant positive variances occurred in the UW-System Federal Aid – Special Projects ($158.0 million).

During the past fiscal year, the budgetary-based fund balance increased by $83.6 million for the General Fund, primarily due to higher than expected tax collections.

Transportation Fund

In Fiscal Year 2008, the Transportation Fund reported a net decrease in fund balance of $37.0 million. This compares to a $70.2 million increase in fund balance in Fiscal Year 2007. This decrease resulted primarily from the following factors:

- The increase in transfers out of $68.5 million from 2007 to 2008 was the largest contributing factor for the decrease. Under 2007 Wisconsin Acts 20 and 226, $155.2 million was transferred to the General Fund in Fiscal Year 2008 compared to $88.7 million transferred in 2007 (a change of $66.5 million).

- Revenues of this fund increased $150.1 million, primarily due to the Fiscal Year 2008 increase in vehicle licensing fees. This increase in revenues was offset by an increase in expenditures of $197.0 million. Expenditures totaled $2,217.5 million in Fiscal Year 2008 compared to $2,020.5 million in Fiscal Year 2007.

Transportation maintenance and capital outlay expenditures, which are funded with general obligation bonds and reported in the Capital Improvement Fund (a capital projects fund) rather than the Transportation Fund, totaled $28.8 million in Fiscal Year 2008, a decrease of $153.4 million from Fiscal Year 2007. This large drop in general obligation bond funded construction was partially offset by the large increase in maintenance and capital outlay expenditures in the Transportation Fund, including a Fiscal Year 2008 increase of $103.4 million of capital outlay expenditures

Medical Assistance Trust Fund

The Medical Assistance Trust Fund, created to account for revenues received under the intergovernmental transfers program and previously shown as a special revenue fund, was combined with the General Fund for financial reporting purposes in Fiscal Year 2008. As a consequence, the financial activities of this program are discussed under the General Fund section.

Proprietary Funds

The State's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Significant changes to balances of proprietary funds from Fiscal Year 2007 to Fiscal Year 2008 include the following:

- The Environmental Improvement Fund issued new revenue bonds of $127.3 million in Fiscal Year 2008, which contributed to a net increase of the fund's liabilities of $54.5 million or approximately 7.3 percent over Fiscal Year 2007. A primary purpose of this fund is to provide loans to local governments for environmental purposes (e.g., clean water projects), therefore loans receivable reported a corresponding increase of $150.1 million or 9.6 percent over Fiscal Year 2007.

- In Fiscal Year 2008, the University of Wisconsin System's Tuition and Fees revenue increased $48.6 million or 5.8 percent, due primarily to a 5.5 percent increase in tuition. Fiscal Year 2008 operating expenses increased $252.9 million or 7.0 percent from Fiscal Year 2007, due primarily to a 6.7 percent increase in personal services that includes health insurance increases and pay plan adjustments.

- The fund equity of the Unemployment Reserve Fund decreased by $175.0 million during Fiscal Year 2008 to $608.9 million at June 30, 2008. Although tax receipts increased 2.5 percent in Fiscal Year 2008, benefit expenses increased by 7.7 percent resulting in the decrease to fund equity. Law changes enacted and scheduled to take effect during calendar year 2009 should increase tax payments over the next few years and, depending on the economy, have a positive effect on fund balance.

- The Lottery Fund reported a slight increase in operating revenues of $2.1 million, or 0.4 percent, in Fiscal Year 2008 while operating expenses decreased slightly primarily due to a 1.8% decrease in lottery prize awards. The property tax credit, which serves to provide property tax relief through application of net proceeds from the Wisconsin Lottery, totaled $133.5 million in Fiscal Year 2008 in contrast to $138.7 million in 2007, reflecting a decrease of 3.8 percent. The amount of the property tax credit is determined and distributed before the end of the fiscal year and is based upon the prior year's balance carryover and the current year's estimated performance. Therefore, it is possible that increases or decreases in the property tax credit will differ from the increases and decreases in revenue as is the case this fiscal year.

- The Injured Patients and Families Compensation Fund reported an increase in benefit expenses of $79.0 million caused by an increase in the future benefits and loss liabilities. This increase is attributable to the increase in risk margin approved by the Board of Governors from 5 percent to 25 percent. The risk margin is established to ensure that reserves will remain adequate in the event of any court decision or law change that would adversely affect the amount of claim payments in the future. Transfers out increased by $71.5 million in FY 2008 pursuant to 2007 Wisconsin Act 20. While operating revenues increased slightly by $1.6 million, investment and interest income declined by $40.5 million in Fiscal Year 2008 due to the decline in investment balances and market conditions. As a result of the year's financial activity, fund equity declined by $155.9 million to a deficit balance of $(61.5) million at June 30, 2008.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the close of Fiscal Year 2008, the State had $20.5 billion invested in capital assets, net of accumulated depreciation of $3.7 billion. This represents an increase of $786.3 million, or 4.0 percent, from Fiscal Year 2007. Depreciation charges totaled $110.0 million and $187.0 million for governmental and business-type activities, respectively, in Fiscal Year 2008. The details of these assets are presented in Table 7, below. Additional information about the State's capital assets is presented in Note 7 to the financial statements.

Table 7
Capital Assets, Net of Depreciation, as of June 30
(in millions)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Land and Land Improvements	$ 1,914	$ 1,776	$ 127	$ 124	$ 2,041	$ 1,900
Buildings and Improvements	1,334	1,303	2,577	2,409	3,911	3,712
Library Holdings	81	80	1,071	1,053	1,152	1,132
Machinery and Equipment	243	248	262	270	505	519
Infrastructure	11,208	11,023	-	-	11,208	11,023
Construction in Progress	1,346	1,135	365	321	1,711	1,456
Totals	$ 16,126	$ 15,565	$ 4,401	$ 4,176	$ 20,527	$ 19,741

The major capital asset additions completed during Fiscal Year 2008 included the:
- Grainger Hall Addition – UW-Madison ($33.6 million),
- Phoenix Sports Center – UW-Green Bay ($33 million),
- Dayton Street Residence Hall – UW-Madison ($32 million), and
- Ullsvik Center Remodeling – UW-Platteville ($25.1 million).

In addition to these completed projects, construction in progress as of June 30, 2008 for governmental and business type activities totaled $1,346.2 million and $364.5 million, respectively. (For business type activities, certain construction in progress for the University of Wisconsin System is reported within various other categories of capital assets.) A list of construction in progress projects is provided in Note 7.

The State's continuing or proposed major capital projects for Fiscal Year 2008 through 2017 include the:
- Wisconsin Institute for Discovery (2005-2015) – UW-Madison (estimated budget of $150 million),
- Academic Buildings (2008-2010) – UW-La Crosse, Oshkosh, Parkside and Superior (est. budget of $168.0 million),
- Union South Replacement (2008-2011) – UW-Madison (estimated budget of $85.7 million),
- Davies Center Addition (2008-2011) – UW-Eau Claire (estimated budget of $31.4 million), and
- Sand Ridge Secure Treatment Center (2007-2011) Mauston – (estimated budget of $37.6 million).

Debt Administration

The State of Wisconsin Building Commission, an agency of the State, is empowered by law to consider, act upon, authorize, issue and sell all debt obligations of the State. The total general obligation debt outstanding for the State as of June 30, 2008 was $5.2 billion, as shown in Table 8.

During Fiscal Year 2008, $391.1 million of these general obligation bonds were issued to provide for the acquisition or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes, to refund current outstanding bonds and the funding of veterans loan programs.

In Fiscal Year 2004, the State issued $1.8 billion of annual appropriation bonds to pay the State's unfunded accrued prior service (pension) liability and its unfunded accrued liability for sick leave conversion credits. The first payment of principal on these bonds is due in Fiscal Year 2009.

Chapter 18 of the Wisconsin Statutes authorizes the State to issue revenue obligations. These obligations, which are not general obligation debt of the State, are secured by a pledge of revenues or property derived from the operations of a program funded by the issuance of the obligations. Revenue bonds of the primary government totaled $3.8 billion outstanding at June 30, 2008, as shown in Table 8. These bonds included $1,485.8 million of Transportation Revenue Bonds, $111.1 million of Petroleum Inspection Revenue Bonds, $797.9 million of Environmental Improvement Revenue Bonds, and $1,388.8 million of Badger Tobacco Asset Securitization Corporation bonds.

Based on the application of the criteria contained in GASB Statement No. 14, as amended by GASB Statement No. 39 and clarified by GASB Technical Bulletin No. 2004-1, the Badger Tobacco Asset Securitization Corporation (BTASC) is reported as a blended component unit in a debt service fund. The bylaws of BTASC require that the corporation hold itself apart and separate from the State of Wisconsin. Bonds issued by the BTASC are the sole obligation of the BTASC. The State is not legally liable for payment of principal and interest on these bonds nor is the debt dependent upon any dedicated stream of revenue generated by the State.

Table 8
Outstanding Debt as of June 30, 2008 and 2007
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
General obligation bonds	$ 4,080.9	$ 4,066.3	$ 1,154.6	$ 1,122.3	$ 5,235.5	$ 5,188.6
Annual appropriation bonds	1,850.8	1,792.7	--	--	1,850.8	1,792.7
Revenue bonds	2,985.8	3,135.1	797.9	746.2	3,783.7	3,881.3
Totals	$ 8,917.5	$ 8,994.1	$ 1,952.5	$ 1,868.5	$ 10,870.0	$ 10,862.6

Article VIII of the Wisconsin Constitution and Wis. Stat. Sec. 18.05 limit the amount of general obligation bond debt the State can contract in total and in any calendar year. In total, debt cannot exceed five percent of the value of all taxable property in the State. The amount of debt contracted in any calendar year is limited to the lesser of three-quarters of one percent of the aggregate value of taxable property or five percent of the aggregate value of taxable property less net indebtedness at January 1.

At June 30, 2008, State of Wisconsin fixed bonds had a rating of Aa3 from Moody's Investors Services, AA- from Standard and Poor's Rating Services, and AA- from Fitch Ratings. Variable notes had a rating of P-1 from Moody's, A-1+ from Standard and Poor's Corporation, and F-1+ from Fitch Investors Services, L.P.

Detailed information about the State's long-term debt activity is presented in Note 11 to the financial statements.

INFRASTRUCTURE -- MODIFIED APPROACH

The State reports infrastructure (i.e., roads, bridges, and buildings considered an ancillary part of roads) as capital assets. The State has elected to report its infrastructure assets (11,200 centerline miles of roads and 4,900 bridges with a combined value of $11.2 billion), using the modified approach. Under this method, infrastructure assets are not required to be depreciated if the State manages its eligible infrastructure assets using an asset management system designed to maintain and preserve these assets at a condition level established and disclosed by the State.

All infrastructure assets constructed prior to July 1, 2000 have been recorded at estimated historical cost. Historical cost was determined by calculating current costs of a similar asset and deflating that cost, using a price-index, to the estimated average construction date. Infrastructure costs, which exclude right of way, are expressed in 2000 dollars and deflated back to the average construction date using the Federal Highway Administration's composite index for federal-aid highway construction.

In order to adequately serve the traveling public and support the State economy, it is the State's policy to ensure at least 85 percent of the state-owned roads and bridges are in good or fair condition. As of June 30, 2008, 93.1 percent of the roads and 95.5 percent of bridges were in good or fair condition, consistent with State policies.

For the fiscal year ended June 30, 2008, actual maintenance and preservation costs for the State's road network were $538.8 million, or $7.0 million less than the estimated amount. On that same date, actual maintenance and preservation costs for the State's bridge network were $46.2 million, or $14.8 million more than the estimated amount. In developing estimated costs at the beginning of the fiscal year it is difficult to predict the types of projects that will actually incur costs during the year. In addition, the State of Wisconsin, Department of Transportation's multi-year contracting process, allowing encumbrances to carry forward, makes a comparison of actual to estimated amounts difficult since expenditures for the current year may have been budgeted and committed to a project in prior years.

ECONOMIC FACTORS

In calendar year 2007, the Wisconsin economy continued its economic expansion.

Wisconsin employment continued to grow through 2007. Wisconsin employment increased 1.25 percent in 2005, 0.86 percent in 2006 and 0.53 percent in 2007. Wisconsin's employment growth has been similar to the national trend. Nationally, employment increased 1.73 percent in 2005, 1.78 percent in 2006 and 1.13 percent in 2007.

The improved employment performance led to gains in income growth. Wisconsin personal income increased 3.7 percent in 2005, 6.0 percent in 2006 and 5.7 percent in 2007. Nationally, income growth was 5.6 percent in 2005, 7.1 percent in 2006 and 6.0 percent in 2007. On a per capita basis, Wisconsin's performance is closer to the nation's. Per capita income in Wisconsin increased 3.2 percent in 2005, 5.4 percent in 2006 and 5.2 percent in 2007 compared to 4.6 percent, 6.0 percent, and 5.0 percent nationally. Since 2000, Wisconsin's per capita income has fallen away from the national average from 95.7 percent in 2000 to 94.0 percent in 2007.

The national recession has impacted employment nationally and in Wisconsin. Through September 2008, Wisconsin non-farm employment is down 0.84 percent compared to a year ago. Nationally, employment was down 0.52 percent over the same period. Wisconsin's unemployment rate in September was 5.0 percent compared to 6.1 percent nationally.

Wisconsin's property values reflect the slowing economy. Real property values continued to increase, but at a slower pace, in 2007 and 2008, up 6.2 percent and 3.3 percent, respectively. Commercial and residential real estate have increased at similar rates in these years.

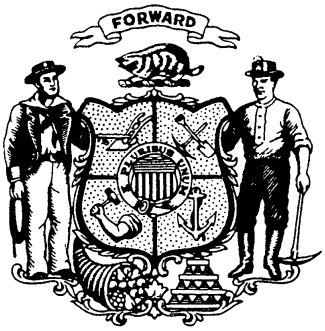
CONTACTING THE STATE'S FINANCIAL MANAGEMENT

This financial report is designed to provide Wisconsin's citizens, taxpayers, customers, investors and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to: State of Wisconsin, State Controller's Office, 101 E. Wilson Street, 5th Floor, Madison, WI 53707.

Some state agencies, such as Department of Employee Trust Funds, issue stand-alone audited financial statements for certain state funds. The information contained in those statements may vary from this document due to scope and application of generally accepted accounting principles. Questions about how to obtain the separately issued financial statements should be directed to individual agencies or to the State Controller's Office.

The State's component units issue their own separate audited financial statements. These statements may be obtained by directly contacting the component unit. You may contact the individual component units through their administrative offices identified in Note 1-B.

* * * *


FORWARD

Statement of Net Assets
June 30, 2008

(In Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals	Component Units
Assets				
Cash and Cash Equivalents	$ 854,778	$ 1,744,197	$ 2,598,975	$ 385,800
Investments	123,586	1,472,116	1,595,702	447,661
Cash and Investments with Other Component Units	-	-	-	255,000
Receivables (net of allowance)	3,148,866	2,749,673	5,898,539	3,406,960
Internal Balances	(352,633)	352,633	-	-
Inventories	36,999	46,578	83,577	7,525
Prepaid Items	318,798	75,114	393,912	5,161
Capital Leases Receivable - Component Units	-	9,718	9,718	-
Restricted and Limited Use Assets:				
Cash and Cash Equivalents	336,399	92,103	428,502	286,450
Investments	184,863	-	184,863	2,492,490
Other Restricted Assets	389	-	389	4,164
Deferred Charges	82,608	12,664	95,273	15,205
Capital Assets:				
Depreciable	1,482,027	2,840,585	4,322,613	418,948
Nondepreciable:				
Infrastructure	11,207,969	-	11,207,969	-
Other	3,436,103	1,560,621	4,996,724	36,892
Other Assets	36,076	5,877	41,953	67,416
Total Assets	20,896,829	10,961,879	31,858,707	7,829,672
Liabilities				
Accounts Payable and Other Accrued Liabilities	1,165,471	378,650	1,544,121	123,688
Due to Other Governments	1,929,297	27,610	1,956,907	232
Tax Refunds Payable	1,119,044	-	1,119,044	-
Tax and Other Deposits	80,908	19,278	100,186	105,509
Amounts Held in Trust by Component Unit for Other Component Units	-	-	-	260,026
Amounts Held in Trust by Component Unit for Others	-	-	-	17,626
Unearned Revenue	437,619	221,330	658,949	2,335
Interest Payable	129,027	14,262	143,288	43,661
Short-term Notes Payable	907,246	67,545	974,791	-
Long-term Liabilities:				
Current Portion	566,301	338,100	904,401	137,924
Noncurrent Portion	8,674,354	2,995,946	11,670,300	3,592,266
Total Liabilities	15,009,266	4,062,722	19,071,988	4,283,266
Net Assets				
Invested in Capital Assets, Net of Related Debt	12,900,350	3,438,954	16,339,304	164,127
Restricted for:				
Capital Projects	30,631	-	30,631	-
Debt Service	373,450	-	373,450	-
Unemployment Compensation	-	608,869	608,869	-
Environmental Improvement	-	1,392,936	1,392,936	-
Permanent Trusts:				
Expendable	14,227	245,601	259,828	9,298
Nonexpendable	773,823	150,150	923,973	1,147
Future Benefits	-	337,561	337,561	14,112
Other Purposes	117,278	426,784	544,062	2,346,417
Unrestricted	(8,322,198)	298,301	(8,023,897)	1,011,305
Total Net Assets	$ 5,887,562	$ 6,899,157	$ 12,786,719	$ 3,546,407

The notes to the financial statements are an integral part of this statement.

Statement of Activities
For the Fiscal Year Ended June 30, 2008

(In Thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions and Restricted Interest	Program Revenues: Capital Grants, Contributions and Restricted Interest
Primary Government:				
Governmental Activities:				
Commerce	$ 293,362	$ 208,363	$ 64,342	$ -
Education	6,477,194	23,291	793,826	-
Transportation	1,911,514	610,421	136,895	720,728
Environmental Resources	486,531	201,790	69,207	-
Human Relations and Resources	9,078,665	226,343	4,788,174	5,943
General Executive	536,527	275,298	156,518	-
Judicial	125,798	66,165	547	-
Legislative	65,356	1,508	4	-
Tax Relief and Other General Expenses	1,135,551	4,292	21,125	-
Intergovernmental - Shared Revenue	1,019,275	-	-	-
Interest on Debt	500,270	-	-	-
Total Governmental Activities	21,630,042	1,617,470	6,030,638	726,671
Business-type Activities:				
Injured Patients and Families Compensation	137,747	25,690	27,668	-
Environmental Improvement	43,436	45,268	62,129	-
University of Wisconsin System	3,920,563	2,606,437	280,423	70,262
Unemployment Reserve	950,923	735,536	45,966	-
Lottery	487,733	495,196	5,948	-
Other Business-type	1,478,509	1,329,158	(24,246)	686
Total Business-type Activities	7,018,911	5,237,285	397,889	70,949
Total Primary Government	$ 28,648,953	$ 6,854,755	$ 6,428,527	$ 797,619
Component Units:				
Housing and Economic Development Authority	$ 333,601	$ 190,524	$ 144,681	$ -
Health Care Liability Insurance Plan	24,461	6,415	3,749	-
University Hospitals and Clinics Authority	847,158	861,872	1,781	7,710
University of Wisconsin Foundation	286,435	183,426	269,929	-
State Fair Park Exposition Center, Inc.	5,290	4,521	-	-
Total Component Units	$ 1,496,945	$ 1,246,758	$ 420,139	$ 7,710

General Revenues:
- Dedicated for General Purposes:
  - Income Taxes
  - Sales and Excise Taxes
  - Public Utility Taxes
  - Other Taxes
- Motor Fuel/Other Taxes Dedicated for Transportation
- Other Dedicated Taxes
- Interest and Investment Earnings
- Miscellaneous

Contributions to Term and Permanent Endowments
Contributions to Permanent Fund Principal
Special Items
Transfers

Total General Revenues, Contributions, and Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (20,657)		$ (20,657)	
(5,660,076)		(5,660,076)	
(443,471)		(443,471)	
(215,533)		(215,533)	
(4,058,205)		(4,058,205)	
(104,711)		(104,711)	
(59,086)		(59,086)	
(63,844)		(63,844)	
(1,110,134)		(1,110,134)	
(1,019,275)		(1,019,275)	
(500,270)		(500,270)	
(13,255,263)		(13,255,263)	
	$ (84,389)	(84,389)	
	63,961	63,961	
	(963,440)	(963,440)	
	(169,421)	(169,421)	
	13,410	13,410	
	(172,911)	(172,911)	
-	(1,312,788)	(1,312,788)	
(13,255,263)	(1,312,788)	(14,568,051)	
			$ 1,604
			(14,297)
			24,205
			166,920
			(769)
			177,662
7,503,616	-	7,503,616	-
4,809,262	-	4,809,262	-
286,501	-	286,501	-
382,529	-	382,529	-
1,037,740	-	1,037,740	-
192,722	-	192,722	-
75,998	15,460	91,459	40,849
346,349	3	346,352	-
-	1,280	1,280	67
19,731	-	19,731	-
-	-	-	(1,958)
(1,002,000)	1,002,000	-	-
13,652,449	1,018,743	14,671,191	38,958
397,186	(294,045)	103,140	216,620
5,490,377	7,193,202	12,683,579	3,329,787
$ 5,887,562	$ 6,899,157	$ 12,786,719	$ 3,546,407

Balance Sheet - Governmental Funds
June 30, 2008

(In Thousands)

	General	Transportation	Nonmajor Governmental	Total Governmental
Assets				
Cash and Cash Equivalents	$ 7,180	$ 318,043	$ 513,101	$ 838,325
Investments	960	-	122,626	123,586
Receivables (net of allowance):				
Taxes	1,168,517	92,285	30,802	1,291,604
Loans to Local Governments	5,962	-	495,645	501,607
Other Loans Receivable	20,997	32,989	35	54,021
Other Receivables	198,557	7,503	102,956	309,017
Due from Other Funds	183,054	51,064	46,748	280,867
Interfund Receivables	-	9,342	-	9,342
Due from Other Governments	664,497	261,849	15,692	942,037
Inventories	12,034	13,759	2,905	28,699
Prepaid Items	295,475	3,519	19,086	318,080
Advances to Other Funds	81	-	-	81
Restricted and Limited Use Assets:				
Cash and Cash Equivalents	-	-	336,399	336,399
Investments	-	-	184,863	184,863
Other Restricted Assets	-	-	389	389
Other Assets	36,076	-	-	36,076
Total Assets	$ 2,593,390	$ 790,354	$ 1,871,247	$ 5,254,991
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Other Accrued Liabilities	$ 872,562	$ 199,212	$ 48,500	$ 1,120,275
Due to Other Funds	129,578	50,784	88,802	269,164
Interfund Payables	340,446	-	-	340,446
Due to Other Governments	1,831,805	89,148	8,343	1,929,297
Tax Refunds Payable	1,115,370	3,621	53	1,119,044
Tax and Other Deposits	70,350	567	9,991	80,908
Unearned Revenue	408,113	23,392	2,830	434,334
Deferred Revenue	327,899	1,527	71,547	400,972
Interest Payable	-	-	38,529	38,529
Advances from Other Funds	-	-	2,839	2,839
Short-term Notes Payable	-	-	891,480	891,480
Revenue Bonds and Notes Payable	-	-	101,675	101,675
Total Liabilities	5,096,124	368,252	1,264,588	6,728,964
Fund Balances:				
Reserved for Encumbrances	157,238	641,304	293,405	1,091,946
Reserved for Inventories	12,034	13,759	2,905	28,699
Reserved for Prepaid Items	179,186	3,519	19,086	201,791
Reserved for Budget Stabilization Fund	1,286	-	-	1,286
Reserved for Restricted Funds	-	-	305,020	305,020
Reserved for Long-term Receivables	-	-	451,280	451,280
Reserved for Advances to Other Funds	81	-	-	81
Unreserved, Reported In:				
General Fund	(2,852,559)	-	-	(2,852,559)
Special Revenue Funds	-	(236,481)	3,654	(232,826)
Debt Service Funds	-	-	82,691	82,691
Capital Projects Funds	-	-	(888,941)	(888,941)
Permanent Funds	-	-	337,560	337,560
Total Fund Balances	(2,502,734)	422,102	606,659	(1,473,973)
Total Liabilities and Fund Balances	$ 2,593,390	$ 790,354	$ 1,871,247	$ 5,254,991

(Continued)

Balance Sheet - Governmental Funds
June 30, 2008

(Continued)

		Total Governmental
Reconciliation to the Statement of Net Assets:		
Total Fund Balances from previous page	$	(1,473,973)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Infrastructure		11,207,969
Other Capital Assets		5,510,031
Accumulated Depreciation		(886,942)
Other long-term assets that are not available to pay for current period expenditures and, therefore, are deferred in the funds.		88,133
Some of the State's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		397,688
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.		4,489
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Revenue Bonds Payable		(2,884,095)
Appropriation Bonds Payable		(1,850,802)
General Obligation Bonds Payable		(3,921,719)
Accrued Interest on Bonds		(90,498)
Capital Leases		(27,181)
Installment Contracts		(316)
Compensated Absences		(134,728)
Claims and Judgments		(1,434)
Other Postemployment Benefits Liability		(49,062)
Net Assets of Governmental Activities as reported on the Statement of Net Assets (See page 21)	$	5,887,562

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2008

(In Thousands)

	General	Transportation	Nonmajor Governmental	Total Governmental
Revenues:				
Taxes	$ 12,998,395	$ 1,037,013	$ 193,872	$ 14,229,280
Intergovernmental	5,733,449	857,903	47,389	6,638,741
Licenses and Permits	271,642	419,601	510,865	1,202,109
Charges for Goods and Services	338,819	20,361	19,588	378,769
Investment and Interest Income	24,341	13,763	71,746	109,850
Fines and Forfeitures	35,606	456	22,368	58,430
Gifts and Donations	7,251	24	10,172	17,447
Miscellaneous:				
Tobacco Settlement	-	-	150,165	150,165
Other	164,253	12,863	13,971	191,087
Total Revenues	19,573,757	2,361,983	1,040,137	22,975,877
Expenditures:				
Current Operating:				
Commerce	225,473	-	69,177	294,650
Education	6,404,603	-	41,044	6,445,647
Transportation	7,522	1,829,784	20,129	1,857,435
Environmental Resources	106,929	-	364,808	471,737
Human Relations and Resources	8,940,517	-	29,417	8,969,935
General Executive	423,241	-	112,252	535,493
Judicial	121,388	-	332	121,720
Legislative	63,964	-	-	63,964
Tax Relief and Other General Expenditures	1,078,281	-	7,493	1,085,775
Intergovernmental - Shared Revenue	1,019,275	-	-	1,019,275
Debt Service:				
Principal	-	-	420,188	420,188
Interest	-	-	492,989	492,989
Other Expenditures	-	-	49,469	49,469
Capital Outlay	59,556	387,735	241,307	688,598
Total Expenditures	18,450,749	2,217,519	1,848,605	22,516,874
Excess of Revenues Over (Under) Expenditures	1,123,008	144,464	(808,469)	459,003
Other Financing Sources (Uses):				
Long-term Debt Issued	-	-	284,979	284,979
Long-term Debt Issued - Refunding Bonds	-	-	1,007,120	1,007,120
Payments to Refunding Bond Escrow Agent	-	-	(944,850)	(944,850)
Discount on Bonds	-	-	(4,377)	(4,377)
Premium on Bonds	-	-	15,515	15,515
Transfers In	325,752	24,335	653,684	1,003,771
Transfers Out	(1,563,092)	(202,284)	(241,999)	(2,007,375)
Capital Lease Acquisitions	6,921	1,608	-	8,529
Installment Purchase Acquisitions	-	-	770	770
Total Other Financing Sources (Uses)	(1,230,419)	(176,341)	770,842	(635,918)
Net Change in Fund Balances	(107,411)	(31,877)	(37,627)	(176,915)
Fund Balances, Beginning of Year	(2,394,471)	459,078	644,486	(1,290,907)
Increase (Decrease) in Reserve for Inventories	(852)	(5,099)	(200)	(6,151)
Fund Balances, End of Year	$ (2,502,734)	$ 422,102	$ 606,659	$ (1,473,973)

(Continued)

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2008

(Continued)

		Total Governmental
Reconciliation to the Statement of Activities:		
Net Change in Fund Balances from previous page	$	(176,915)
Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase (Decrease) in Reserve for Inventories on the fund statement has been reclassified as functional expenses on the government-wide statement.		(6,151)
Repayment of bond principal is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Assets.		420,188
Governmental funds report the acquisition or construction of capital assets as expenditures, while governmental activities report depreciation expense to allocate the cost of these assets over their estimated useful life. Donated assets are set up at fair value with a corresponding amount of revenue recognized. In the current period, these amounts are:		
Capital Outlay/Functional Expenditures		688,040
Depreciation Expense		(82,952)
Grants and Contributions (Donated Assets)		685
Transfers of capital assets between governmental and business-type activities results in the movement of those assets on the Statement of Net Assets and corresponding recognition of the related transfer in/out on the Statement of Activities.		(536)
In the Statement of Activities, only the gain/(loss) on the sale/disposal of capital assets is reported, while in the governmental funds, any proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold/disposed.		(39,174)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(3,038)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.		
Bonds Issued		(1,292,099)
Payments to Refunding Bond Escrow Agent		944,850
Bond Premium		(15,515)
Bonds Discount		4,377
Bond Issuance Costs		(1,973)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Net decrease (increase) in accrued interest		4,482
Decrease (increase) in Capital Leases		1,870
Decrease (increase) in Installment Contracts		135
Decrease (increase) in Compensated Absences		(6,654)
Decrease (increase) in Claims and Judgments		13,057
Decrease (increase) in Postemployment Benefit Liabilities		(49,062)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		(6,431)
Changes in Net Assets of Governmental Activities as reported on the Statement of Activities (See page 23)	$	397,186

The notes to the financial statements are an integral part of this statement.

State of Wisconsin

Balance Sheet
Proprietary Funds
June 30, 2008

(In Thousands)

	Business-type Activities - Enterprise Funds		
	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System
Assets			
Current Assets:			
Cash and Cash Equivalents	$ -	$ 210,930	$ 247,757
Investments	74,474	47,734	-
Loans to Local Governments (net of allowance)	-	131,939	-
Other Loans Receivable (net of allowance)	-	-	34,012
Other Receivables (net of allowance)	9,905	1,090	105,123
Due from Other Funds	-	22	51,414
Due from Component Units	-	-	1,235
Interfund Receivables	-	-	451,584
Due from Other Governments	-	8,103	106,672
Inventories	1	-	37,455
Prepaid Items	7	22	33,823
Advances to Other Funds	-	-	-
Capital Leases Receivable - Component Units	-	-	2,047
Deferred Charges	-	-	5,655
Other Assets	-	-	-
Total Current Assets	84,387	399,839	1,076,778
Noncurrent Assets:			
Investments	686,685	147,408	348,552
Loans to Local Governments (net of allowance)	-	1,583,604	-
Other Loans Receivable (net of allowance)	-	-	165,787
Other Receivables	-	-	5,490
Prepaid Items	-	252	-
Advances to Other Funds	-	-	-
Capital Leases Receivable - Component Units	-	-	7,671
Restricted and Limited Use Assets:			
Cash and Cash Equivalents	-	92,103	-
Deferred Charges	-	2,981	-
Depreciable Capital Assets (net of accumulated depreciation)	-	-	2,673,342
Nondepreciable Capital Assets	-	-	1,551,232
Other Assets	-	-	-
Total Noncurrent Assets	686,685	1,826,348	4,752,074
Total Assets	$ 771,072	$ 2,226,187	$ 5,828,852
Liabilities and Fund Equity			
Current Liabilities:			
Accounts Payable and Other Accrued Liabilities	$ 347	$ 142	$ 225,235
Due to Other Funds	355	1,433	55,012
Due to Component Units	-	-	1,501
Interfund Payables	35,338	-	-
Due to Other Governments	-	143	19,763
Tax and Other Deposits	-	-	1,823
Unearned Revenue	4	-	121,687
Interest Payable	-	5,134	5,759
Short-term Notes Payable	-	-	65,124
Current Portion of Long-term Liabilities:			
Future Benefits and Loss Liabilities	108,677	-	-
Capital Leases	-	-	5,474
Compensated Absences	10	26	55,357
General Obligation Bonds Payable	-	-	29,355
Revenue Bonds and Notes Payable	-	60,730	-
Total Current Liabilities	144,730	67,608	586,089
Noncurrent Liabilities:			
Accounts Payable and Other Accrued Liabilities	-	-	-
Due to Other Governments	-	1,227	-
Noncurrent Portion of Long-term Liabilities:			
Future Benefits and Loss Liabilities	687,788	-	-
Capital Leases	-	-	109,289
Compensated Absences	30	51	57,010
Other Postemployment Benefits	14	9	47,143
General Obligation Bonds Payable	-	-	709,254
Revenue Bonds and Notes Payable	-	737,249	-
Total Noncurrent Liabilities	687,832	738,536	922,696
Total Liabilities	832,562	806,144	1,508,785
Fund Equity:			
Invested in Capital Assets, Net of Related Debt	-	-	3,306,078
Restricted for Unemployment Compensation	-	-	-
Restricted for Environmental Improvement	-	1,392,936	-
Restricted for Expendable Trusts	-	-	245,601
Restricted for Nonexpendable Trusts	-	-	150,150
Restricted for Future Benefits	-	-	-
Restricted for Other Purposes	-	-	367,531
Unrestricted	(61,490)	27,107	250,707
Total Fund Equity	(61,490)	1,420,043	4,320,067
Total Liabilities and Fund Equity	$ 771,072	$ 2,226,187	$ 5,828,852

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Unemployment Reserve	Nonmajor Enterprise	Totals	
$ 446,830	$ 838,681	$ 1,744,197	$ 16,453
-	16,955	139,163	-
-	288	132,227	-
-	14,541	48,553	-
153,636	80,421	350,176	159
319	15,350	67,105	36,343
-	-	1,235	-
-	-	451,584	-
4,185	11,003	129,964	297
-	9,121	46,578	5,016
-	40,938	74,789	718
-	-	0	25
-	-	2,047	-
-	332	5,987	111
-	1,344	1,344	-
604,971	1,028,974	3,194,949	59,123
-	150,307	1,332,953	-
-	2,160	1,585,764	-
-	296,028	461,815	-
33,639	754	39,883	-
-	73	325	-
-	-	0	2,814
-	-	7,671	-
-	-	92,103	-
-	3,696	6,677	597
-	167,243	2,840,585	259,705
-	9,389	1,560,621	35,336
-	4,533	4,533	-
33,639	634,183	7,932,930	298,452
$ 638,610	$ 1,663,156	$ 11,127,879	$ 357,575
$ 16,828	$ 67,550	$ 310,103	$ 12,915
6,627	35,886	99,312	5,595
-	-	1,501	-
-	39,166	74,504	45,975
6,286	191	26,383	95
-	17,455	19,278	-
-	99,640	221,330	-
-	3,368	14,262	1,341
-	2,421	67,545	15,766
-	59,744	168,421	38,063
-	277	5,751	10,155
-	3,355	58,747	1,194
-	15,096	44,451	9,202
-	-	60,730	-
29,741	344,149	1,172,318	140,299
-	60,985	60,985	-
-	-	1,227	-
-	232,437	920,225	56,937
-	1,399	110,688	494
-	6,738	63,828	2,643
-	6,647	53,812	997
-	400,890	1,110,144	149,960
-	-	737,249	-
-	709,096	3,058,159	211,031
29,741	1,053,245	4,230,477	351,331
-	132,876	3,438,954	110,277
608,869	-	608,869	-
-	-	1,392,936	-
-	-	245,601	-
-	-	150,150	-
-	337,559	337,559	-
-	59,253	426,784	-
-	80,224	296,549	(104,033)
608,869	609,912	6,897,402	6,244
$ 638,610	$ 1,663,156	$ 11,127,879	$ 357,575
	Total Fund Equity Reported Above	$ 6,897,402	
	Adjustment to Reflect the Consolidation of Internal Service Activities Related to Enterprise Funds	1,755	
	Net Assets of Business-type Activities	$ 6,899,157	

Statement of Revenues, Expenses, and Changes in Fund Equity - Proprietary Funds
For the Fiscal Year Ended June 30, 2008

(In Thousands)

	Business-type Activities - Enterprise Funds		
	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System
Operating Revenues:			
Charges for Goods and Services	$ 25,690	$ -	$ -
Participant and Employer Contributions	-	-	-
Tuition and Fees	-	-	884,962
Federal Grants and Contracts	-	-	729,065
Local and Private Grants and Contracts	-	-	125,385
Sales and Services of Educational Activities	-	-	276,972
Sales and Services of Auxiliary Enterprises	-	-	314,148
Sales and Services to UW Hospital Authority	-	-	45,865
Investment and Interest Income	-	26,311	-
Interest Income Used as Security for Revenue Bonds	-	18,907	-
Miscellaneous:			
Federal Aid for Unemployment Insurance Program	-	-	-
Reimbursing Financing Revenue	-	-	-
Other	-	50	229,435
Total Operating Revenues	25,690	45,268	2,605,832
Operating Expenses:			
Personal Services	595	4,147	2,624,759
Supplies and Services	595	1,766	980,946
Lottery Prize Awards	-	-	-
Scholarships and Fellowships	-	-	88,915
Depreciation	-	-	174,720
Benefit Expense	135,728	-	-
Interest Expense	-	36,439	-
Other Expenses	-	-	4,545
Total Operating Expenses	136,918	42,353	3,873,884
Operating Income (Loss)	(111,227)	2,915	(1,268,052)
Nonoperating Revenues (Expenses):			
Operating Grants	-	41,454	-
Investment and Interest Income	27,668	7,458	10,777
Investment Income Used as Security for Revenue Bonds	-	13,751	-
Gain (Loss) on Disposal of Capital Assets	-	-	(9,578)
Interest Expense	(826)	-	(35,702)
Gifts and Donations	-	-	269,646
Miscellaneous Revenues	-	-	605
Other Expenses:			
Property Tax Credits	-	-	-
Grants Disbursed	-	(1,083)	-
Federal Settlement	-	-	-
Other	-	-	-
Total Nonoperating Revenues (Expenses)	26,841	61,580	235,748
Income (Loss) Before Contributions and Transfers	(84,386)	64,495	(1,032,303)
Capital Contributions	-	-	70,262
Additions to Endowments	-	-	1,280
Transfers In	-	40,655	1,096,769
Transfers Out	(71,512)	(6,085)	(90,418)
Net Change in Fund Equity	(155,898)	99,065	45,591
Total Fund Equity, Beginning of Year	94,409	1,320,978	4,274,477
Total Fund Equity, End of Year	$ (61,490)	$ 1,420,043	$ 4,320,067

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Unemployment Reserve	Nonmajor Enterprise	Totals	
$ -	$ 807,901	$ 833,592	$ 240,929
671,744	990,024	1,661,768	-
-	-	884,962	-
-	-	729,065	-
-	-	125,385	-
-	-	276,972	-
-	-	314,148	-
-	-	45,865	-
-	19,018	45,328	-
-	-	18,907	-
18,834	-	18,834	-
58,540	-	58,540	-
5,253	900	235,637	277
754,370	1,817,842	5,249,002	241,206
-	290,035	2,919,536	54,335
-	157,528	1,140,834	138,908
-	286,688	286,688	-
-	-	88,915	-
-	12,261	186,981	27,021
950,923	1,052,248	2,138,899	22,952
-	20,196	56,635	-
-	6,575	11,120	-
950,923	1,825,531	6,829,608	243,216
(196,553)	(7,688)	(1,580,605)	(2,010)
-	1,111	42,565	-
27,132	(5,507)	67,528	131
-	-	13,751	-
-	-	(9,578)	(51)
-	(2,192)	(38,720)	(8,532)
-	713	270,359	-
-	6,825	7,430	1,964
-	(133,496)	(133,496)	-
-	(4,409)	(5,492)	-
-	-	0	(2,289)
-	(71)	(71)	-
27,132	(137,028)	214,274	(8,777)
(169,421)	(144,716)	(1,366,331)	(10,787)
-	686	70,949	-
-	-	1,280	-
-	71,086	1,208,510	9,077
(5,561)	(32,934)	(206,511)	(6,663)
(174,982)	(105,878)	(292,103)	(8,373)
783,852	715,790	7,189,505	14,617
$ 608,869	$ 609,912	$ 6,897,402	$ 6,244

Total Net Change in Fund Equity Reported Above	$ (292,103)
Consolidation Adjustment of Internal Services Activities Related to Enterprise Funds	(1,942)
Change in Net Assets of Business-Type Activities	$ (294,045)

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2008

(In Thousands)

	Business-type Activities - Enterprise Funds		
	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System
Cash Flows from Operating Activities:			
Cash Receipts from Customers	$ 24,347	$ -	$ -
Cash Payments to Suppliers for Goods and Services	(531)	(3,062)	(979,425)
Cash Payments to Employees for Services	(583)	(3,327)	(2,469,304)
Tuition and Fees	-	-	892,101
Grants and Contracts	-	-	824,225
Cash Payments for Lottery Prizes	-	-	-
Cash Payments for Loans Originated	-	-	(34,502)
Collection of Loans	-	-	24,419
Interest Income	-	-	-
Cash Payments for Benefits	(41,262)	-	-
Sales and Services of Educational Activities	-	-	280,317
Sales and Services of Auxiliary Enterprises	-	-	319,540
Sales and Services to UW Hospital Authority	-	-	47,602
Scholarships and Fellowships	-	-	(88,915)
Other Operating Revenues	-	50	201,795
Other Operating Expenses	-	-	-
Other Sources of Cash	-	-	-
Other Uses of Cash	-	-	-
Net Cash Provided (Used) by Operating Activities	(18,029)	(6,339)	(982,148)
Cash Flows from Noncapital Financing Activities:			
Operating Grants Receipts	-	42,240	-
Grants Disbursed	-	(1,083)	-
Proceeds from Issuance of Debt	-	107,214	-
Repayment of Bonds and Notes	-	(83,085)	-
Escrow Deposit	-	29,275	-
Interest Payments	(826)	(36,324)	-
Property Tax Credit Payments	-	-	-
Noncapital Gifts and Grants	-	-	270,926
Interfund Loans Received	35,338	-	-
Interfund Loans Repaid	-	-	-
Interfund Borrowings to Other Funds	-	-	(451,584)
Interfund Advances Collected	-	-	-
Transfers In	-	40,655	1,102,511
Transfers Out	(71,512)	(6,085)	(90,418)
Student Direct Lending Receipts	-	-	185,551
Student Direct Lending Disbursements	-	-	(185,647)
Other Cash Inflows from Noncapital Financing Activities	-	-	-
Other Cash Outflows from Noncapital Financing Activities	-	-	(621)
Net Cash Provided (Used) by Noncapital Financing Activities	(37,000)	92,807	830,719
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Issuance of Debt	-	-	54,754
Capital Contributions	-	-	114,539
Repayment of Bonds and Notes	-	-	(109,565)
Interest Payments	-	-	(90,240)
Capital Lease Obligations	-	-	-
Proceeds from Sale of Capital Assets	-	-	-
Payments for Purchase of Capital Assets	-	-	(419,628)
Other Cash Inflows from Capital Financing Activities	-	-	70,159
Other Cash Outflows from Capital Financing Activities	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(379,982)
Cash Flows from Investing Activities:			
Proceeds from Sale and Maturities of Investment Securities	38,280	85,542	192,286
Purchase of Investment Securities	(60,559)	(122,368)	(183,788)
Cash Payments for Loans Originated	-	(274,142)	-
Collection of Loans	-	124,067	-
Investment and Interest Receipts	35,891	77,602	25,528
Net Cash Provided (Used) by Investing Activities	13,612	(109,299)	34,026
Net Increase (Decrease) in Cash and Cash Equivalents	(41,417)	(22,831)	(497,385)
Cash and Cash Equivalents, Beginning of Year	41,417	325,863	745,142
Cash and Cash Equivalents, End of Year	$ 0	$ 303,032	$ 247,757

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Unemployment Reserve	Nonmajor Enterprise	Totals	
$ 643,381	$ 1,787,094	$ 2,454,823	$ 235,158
-	(128,850)	(1,111,867)	(146,029)
-	(281,428)	(2,754,642)	(52,632)
-	-	892,101	-
-	-	824,225	-
-	(295,858)	(295,858)	-
-	(57,848)	(92,350)	-
-	41,945	66,364	-
-	19,036	19,036	-
(953,253)	(1,026,113)	(2,020,628)	(23,935)
-	-	280,317	-
-	-	319,540	-
-	-	47,602	-
-	-	(88,915)	-
81,450	3,218	286,513	277
-	(38,990)	(38,990)	-
-	8,601	8,601	1,964
-	-	0	(2,293)
(228,422)	30,808	(1,204,130)	12,511
-	1,162	43,402	-
-	(5,065)	(6,147)	-
-	44,870	152,084	-
-	(44,755)	(127,840)	-
-	-	29,275	-
-	(19,908)	(57,058)	(4)
-	(129,602)	(129,602)	-
-	-	270,926	-
-	11,432	46,770	20,938
-	(2,838)	(2,838)	-
-	-	(451,584)	-
-	-	0	25
-	69,488	1,212,654	9,071
(3,071)	(36,381)	(207,468)	(6,735)
-	-	185,551	-
-	-	(185,647)	-
-	646	646	-
-	(1,284)	(1,905)	-
(3,071)	(112,234)	771,220	23,295
-	1,246	56,000	11,081
-	686	115,225	-
-	(2,437)	(112,003)	(11,885)
-	(2,245)	(92,485)	(8,580)
-	(265)	(265)	(9,667)
-	950	950	450
-	(5,610)	(425,239)	(22,844)
-	102	70,262	-
-	(156)	(156)	-
-	(7,729)	(387,711)	(41,445)
-	18,130	334,239	-
-	(3,366)	(370,081)	-
-	(195)	(274,338)	-
-	184	124,251	-
27,132	(9,824)	156,330	9
27,132	4,929	(29,600)	9
(204,362)	(84,226)	(850,220)	(5,629)
651,191	922,906	2,686,520	22,083
$ 446,830	$ 838,681	$ 1,836,300	$ 16,453

(Continued)

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2008

(Continued)

	Business-type Activities - Enterprise Funds		
	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operations:			
Operating Income (Loss)	$ (111,227)	$ 2,915	$ (1,268,052)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	174,720
Amortization		(1,591)	-
Provision for Uncollectible Accounts	-	-	-
Operating Income (Investment Income) Classified as Investing Activity	-	(45,218)	-
Operating Expense (Interest Expense) Classified as Noncapital Financing Activity	-	35,572	-
Miscellaneous Nonoperating Income (Expense)	-	-	-
Changes in Assets and Liabilities:			
Decrease (Increase) in Receivables	60	(670)	23,429
Decrease (Increase) in Due from Other Funds	-	2,246	(16,715)
Decrease (Increase) in Due from Component Units	-	-	1,737
Decrease (Increase) in Due from Other Governments	-	-	(29,099)
Decrease (Increase) in Inventories	1	-	(618)
Decrease (Increase) in Prepaid Items	-	17	(2,374)
Decrease (Increase) in Other Assets	-	-	-
Decrease (Increase) in Deferred Charges	-	(162)	1,255
Increase (Decrease) in Accounts Payable and Other Accrued Liabilities	(48)	36	99,761
Increase (Decrease) in Due to Other Funds	110	(2,044)	(3,477)
Increase (Decrease) in Due to Component Units	-	-	(942)
Increase (Decrease) in Due to Other Governments	-	102	12,678
Increase (Decrease) in Tax and Other Deposits	-	-	-
Increase (Decrease) in Unearned Revenue	(1,403)	-	(25,238)
Increase (Decrease) in Interest Payable	-	2,458	-
Increase (Decrease) in Compensated Absences	(1)	(10)	3,644
Increase (Decrease) in Postemployment Benefits	14	9	47,143
Increase (Decrease) in Future Benefits and Loss Liabilities	94,466	-	-
Total Adjustments	93,199	(9,254)	285,904
Net Cash Provided (Used) by Operating Activities	$ (18,029)	$ (6,339)	$ (982,148)
Noncash Investing, Capital and Financing Activities:			
Assets Acquired through Capital Leases	$ -	$ -	$ 2,558
Contributions/Transfer In (Out) of Noncash Assets and Liabilities from/to Other Funds	-	-	-
Net Change in Unrealized Gains and Losses	(7,867)	-	(38,711)
Other	(752)	-	5,236

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Unemployment Reserve	Nonmajor Enterprise	Totals	
$ (196,553)	$ (7,688)	$ (1,580,605)	$ (2,010)
-	12,261	186,981	27,021
-	-	(1,591)	-
2,705	(175)	2,530	-
-	(257)	(45,475)	-
-	20,196	55,768	-
-	3,305	3,305	(329)
(30,133)	(49,672)	(56,986)	(75)
(48)	3,225	(11,292)	(5,700)
-	-	1,737	126
(279)	3,745	(25,634)	(119)
-	(1,307)	(1,923)	1,219
-	610	(1,748)	(34)
-	(316)	(316)	-
-	507	1,601	-
(5,207)	(3,654)	90,888	4,183
(28)	5,073	(366)	1,368
-	-	(942)	-
1,121	78	13,979	(13,537)
-	365	365	-
-	9,551	(17,090)	-
-	-	2,458	-
-	767	4,400	383
-	6,574	53,740	997
-	27,620	122,085	(983)
(31,870)	38,496	376,475	14,521
$ (228,422)	$ 30,808	$ (1,204,130)	$ 12,511
$ -	$ 52	$ 2,610	$ 2,351
-	531	531	-
-	4,052	(42,526)	-
-	3	4,487	24

Statement of Fiduciary Net Assets
June 30, 2008

(In Thousands)

	Pension and Other Employee Benefit Trust	Investment Trust	Private-Purpose Trust	Agency
Assets				
Cash and Cash Equivalents	$ 403,852	$ 3,795,798	$ 156,422	$ 37,973
Securities Lending Collateral	6,109,451	-	-	-
Prepaid Items	6,583	-	1,024	13
Receivables (net of allowance):				
Loans Receivable	-	-	40	-
Prior Service Contributions Receivable	276,414	-	-	-
Benefits Overpayment Receivable	3,042	-	-	-
Due from Other Funds	33,877	2,000	-	1,280
Due from Component Units	3,267	-	-	-
Interfund Receivables	2,023,294	-	-	-
Due from Other Governments	122,901	-	5,560	-
Interest and Dividends Receivable	214,272	-	-	-
Investment Sales Receivable	1,728,803	-	-	-
Other Receivables	8,211	-	2,502	7,677
Total Receivables	4,414,080	2,000	8,102	8,957
Investments:				
Fixed Income	22,279,066	-	-	-
Stocks	49,689,705	-	-	-
Limited Partnerships	6,169,330	-	-	-
Preferred Securities	227,877	-	-	-
Convertible Securities	35,607	-	-	-
Mortgages	129,005	-	-	-
Real Estate	467,910	-	-	-
Investments of Private Purpose Trust Funds	-	-	2,033,512	-
Investments of Agency Funds	-	-	-	788
Multi-asset Investments	840,176	-	-	-
External Investment Pool	560,047	-	-	-
Total Investments	80,398,722	-	2,033,512	788
Inventories	123	-	-	-
Capital Assets	37	-	5	-
Other Assets	-	-	-	297,576
Total Assets	91,332,848	3,797,798	2,199,065	$ 345,306
Liabilities				
Accounts Payable and Other Accrued Liabilities	78,316	-	240	$ 29,215
Securities Lending Collateral Liability	6,109,451	-	-	-
Annuities Payable	268,467	-	-	-
Advance Contributions	225	-	-	-
Due to Other Funds	44,982	2,136	5	277
Interfund Payables	2,023,294	-	-	-
Due to Other Governments	33,067	-	-	1,861
Tax and Other Deposits	-	-	-	313,953
Future Benefits and Loss Liabilities	-	-	3,684	-
Financial Futures Contracts	76	-	-	-
Investment Payable	1,846,080	-	-	-
Unearned Revenue	406	-	-	-
Advances from Other Funds	-	-	81	-
Compensated Absences Payable	2,152,539	-	-	-
Other Postemployment Benefits	290	-	-	-
Total Liabilities	12,557,193	2,136	4,011	$ 345,306
Net Assets				
Held in Trust for Pension Benefits, Pool Participants and Other Purposes	$ 78,775,655	$ 3,795,662	$ 2,195,055	

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2008

(In Thousands)

	Pension and Other Employee Benefit Trust	Investment Trust	Private-Purpose Trust
Additions			
Contributions:			
Employer Contributions	$ 709,632	$ -	$ -
Employee Contributions	741,160	-	-
Other	-	-	22
Total Contributions	1,450,792	-	22
Deposits	-	10,752,102	331,799
Premiums			151,491
Federal Subsidy			10,549
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	(5,865,754)	-	-
Interest	675,462	-	-
Dividends	592,099	-	-
Securities Lending Income	315,186	-	-
Other	71,908	-	-
Investment Income of Investment, Private Purpose, and Other Employee Benefit Trust Funds	(87,960)	126,069	(126,224)
Less:			
Investment Expense	(220,687)	(1,769)	(8,050)
Securities Lending Rebates and Fees	(264,396)	-	-
Investment Income Distributed to Other Funds	159,268	-	-
Net Investment Income	(4,624,875)	124,300	(134,273)
Interest on Prior Service Receivable	20,819	-	-
Miscellaneous Income	917	-	-
Total Additions	(3,152,347)	10,876,402	359,587
Deductions			
Retirement Benefits and Refunds:			
Retirement, Disability, and Beneficiary	3,664,967	-	-
Separations	24,079	-	-
Total Retirement Benefits and Refunds	3,689,046	-	-
Distributions	23,981	10,488,456	185,254
Other Benefit Expense	322,175	-	155,191
Unusual Write-off of Receivable	4	-	-
Administrative Expense	22,611	263	12,531
Transfers Out	267	-	6
Total Deductions	4,058,084	10,488,719	352,982
Net Increase (Decrease)	(7,210,431)	387,683	6,605
Net Assets - Beginning of Year	85,986,085	3,407,979	2,188,450
Net Assets - End of Year	$ 78,775,655	$ 3,795,662	$ 2,195,055

The notes to the financial statements are an integral part of this statement.

Notes To The Financial Statements

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB).

B. Financial Reporting Entity

For GAAP purposes, the State of Wisconsin includes all funds, elected offices, departments and agencies of the State, as well as boards, commissions, authorities and universities. The State has also considered all potential "component units" for which it is financially accountable, and other affiliated organizations for which the nature and significance of their relationship, including their ongoing financial support, with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the State's reporting entity is based on the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity,* and GASB Statement No. 39*, Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*. GASB Statement No. 14 criteria include the ability to appoint a voting majority of an organization's governing body and (1) the ability of the State to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State. GASB Statement No. 39 provisions relate to separately legal, tax-exempt organizations and include: (1) the economic resources received or held are entirely or almost entirely for the direct benefit of the State, (2) the State is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization, and (3) the economic resources received or held by an individual organization that the State is entitled to, or has the ability to otherwise access, are significant to the State.

In addition, GASB Technical Bulletin No. 2004-1 (TB), *Tobacco Settlement Recognition and Financial Reporting Entity Issues*, clarified guidance on whether a Tobacco Settlement Authority (TSA) that is created to obtain the rights to all or a portion of future tobacco settlement resources is a component unit of the government that created it. This guidance resulted in the Badger Tobacco Asset Securitization Corporation (BATSC) to be reported as a blended component unit in the primary government in a debt service fund. The State has no legal liability for the obligations of BTASC.

Based upon the application of the criteria contained in GASB Statement No. 14, as amended by GASB Statement No. 39 and clarified by GASB Technical Bulletin No. 2004-1, the Wisconsin Public Broadcasting Foundation, Inc., Celebrate Children Foundation, Inc., and the Badger Tobacco Asset Securitization Corporation are reported as blended component units; and the Wisconsin Housing and Economic Development Authority, the Wisconsin Health Care Liability Insurance Plan, the University of Wisconsin Hospitals and Clinics Authority, the University of Wisconsin Foundation and the State Fair Park Exposition Center, Inc., are presented as discrete component units, as discussed below.

Complete financial statements of the individual component units that issue separate statements can be obtained from their respective administrative offices:

Wisconsin Public Broadcasting Foundation Inc.
Wisconsin Educational Communications Board
3319 West Beltline Highway
Madison, WI 53702

Celebrate Children Foundation, Inc.
110 East Main Street, Suite 614
Madison, WI 53703

Badger Tobacco Asset Securitization Corporation
10 East Doty Street, Suite 800
Madison, WI 53703

Wisconsin Housing and Economic Development Authority
201 West Washington Avenue, Suite 700
Madison, WI 53702

Wisconsin Health Care Liability Insurance Plan
Office of the Commissioner of Insurance
125 South Webster Street
Madison, WI 53702

University of Wisconsin Hospitals and Clinics Authority
635 Science Drive, Room 310
Madison, WI 53711

University of Wisconsin Foundation
Attn: Finance
PO Box 8860
Madison, WI 53708-8860

State Fair Park Exposition Center, Inc.
8200 West Greenfield Avenue
West Allis, WI 53214

Blended Component Units

Blended component units are entities that are legally separate from the State, but are so intertwined with the State that they are, in substance, the same as the State. The blended component unit serves or benefits the primary government. They are reported as part of the State and blended into the appropriate funds.

Wisconsin Public Broadcasting Foundation, Inc. – The Wisconsin Public Broadcasting Foundation, Inc. (Foundation), created in 1983 by the Wisconsin Legislature, is a private, nonstock, nonprofit Wisconsin Corporation, wholly owned by the Wisconsin Educational Communications Board (ECB), a unit of the State. The Foundation solicits funds in the name of, and with the approval of, the ECB. The Foundation's funds are managed by a five-member board of trustees consisting of the executive director of the ECB and four members of the ECB board. The Foundation is reported as a special revenue fund.

Celebrate Children Foundation, Inc. (CCF) – The Celebrate Children Foundation, Inc., was organized as a nonstock, nonprofit corporation for the exclusive purposes of soliciting and accepting contributions, grants, gifts and bequests for the State's Children's Trust Fund or for deposit into a fund maintained by the CCF. The Child Abuse and Neglect Prevention Board (a 20 member Board attached to the State Department of Health and Family Services) administers the Children's Trust Fund, a statutory fund included in the State's CAFR as a special revenue fund. In addition to the State appointing a voting majority of the CCF, the State is able to impose its will on the CCF and a financial benefit/burden relationship exists. The CCF is reported as a special revenue fund.

Badger Tobacco Asset Securitization Corporation (BTASC) – A nonstock public corporate entity created under Chapter 181 of the Wisconsin Statutes was created for the purpose of making a one-time purchase of Tobacco Settlement Revenues (TSRs) from the State. In May 2002, BTASC issued bonds to provide sufficient funds for carrying out its purpose. Bonds issued by the BTASC are the sole obligation of the BTASC. The State is not legally liable for payment of principal and interest on these bonds nor is the debt dependent upon any dedicated stream of revenue generated by the State. Directors of the corporation are appointed by the Secretary of Administration for staggered three-year terms. Once appointed, directors can only be removed for cause. At least one of the directors must be determined to be "independent" for federal bankruptcy law purposes. The State appoints the BTASC board and a financial benefit exists. BTASC reports on a fiscal year ended May 31. BTASC is reported as a debt service fund (Badger Tobacco Asset Securitization).

Pursuant to a Purchase and Sale Agreement with the State, BTASC acquired all of the State's right, title, and interest in the TSRs under the Master Settlement Agreement and the Consent Decree and Final Judgment (MSA). The MSA was entered into on November 23, 1998, among the attorneys general of 46 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Commonwealth of the Northern Mariana Islands (the "Settling States") and the four largest United States tobacco manufacturers.

On May 23, 2002 the State sold the TSRs to BTASC for $1.3 billion and a residual certificate. Upon discharge of BTASC's obligations under its May 1, 2002 bond indenture, all subsequent TSRs are owned by the State pursuant to the residual certificate.

Discretely Presented Component Units

Discretely presented component units are entities which are legally separate from the State, but are financially accountable to the State, whose relationship with the State is such that exclusion would cause the State's financial statements to be misleading or incomplete. The Wisconsin Housing and Economic Development Authority, the Wisconsin Health Care Liability Insurance Plan, the University of Wisconsin Hospitals and Clinics Authority, the University of Wisconsin Foundation and the State Fair Park Exposition Center, Inc., are reported in a separate column and in separate rows in the government-wide statements to emphasize that they are legally separate.

Wisconsin Housing and Economic Development Authority – The Wisconsin Housing and Economic Development Authority (Authority) was established by the Wisconsin Legislature in 1972 to help meet the housing needs of Wisconsin's low and moderate income citizens. The State has significantly expanded the scope of services of the Authority by adding programs that include financing for farmers and for economic development projects. While the Authority receives no State tax dollars for its bond-supported programs and the State is not liable on bonds the Authority issues, the State has the ability to impose its will on the Authority through legislation. The State appoints the Authority's Board. The Authority reports on a June 30 fiscal year-end.

Wisconsin Health Care Liability Insurance Plan – The Wisconsin Health Care Liability Insurance Plan (Plan) was established by rule of the Commissioner of Insurance of the State of Wisconsin to provide health care liability insurance and liability coverage normally incidental to health care liability insurance to eligible health care providers in the State. Eight out of 13 members of the Board of Directors are appointed by the Governor, and the State has the ability to impose its will upon the Plan. The Plan reports on a fiscal year ended December 31.

University of Wisconsin Hospitals and Clinics Authority – The University of Wisconsin Hospitals and Clinics Authority (Hospital) is a not-for-profit academic medical center. The Hospital operates an acute-care hospital with approximately 480 available beds, numerous specialty clinics, and seven ambulatory facilities providing comprehensive health care to patients, education programs, research and community service to residents of southern Wisconsin. Prior to June 1996, the Hospital was a unit of the University of Wisconsin-Madison. In June 1996, in accordance with legislation enacted by the State Legislature, the Hospital was restructured as a Public Authority, a public body corporate and politic created by State statutes. The State appoints a majority of the Hospital's Board of Directors and a financial benefit/burden relationship exists between the Hospital and the State. The Hospital reports on a June 30 fiscal year-end.

The legislation that created the Hospital Authority also provided, among other things, for the Board of Regents of the University of Wisconsin System to execute various agreements with the Hospital. These agreements include an Affiliation Agreement, a Lease Agreement, a Conveyance Agreement and a Contractual Services Agreement and Operating and Service Agreement.

The Affiliation Agreement requires the Hospital to continue to support the educational, research and clinical activities of the University of Wisconsin-Madison, which are administered by the Hospital. Under the terms of a Lease Agreement, the Hospital leases facilities, which were occupied by the Hospital as of June 29, 1996 (see Note 12A to the financial statements). Under a Conveyance Agreement, certain assets and liabilities related to the Hospital were identified and transferred to the Hospital effective July 1, 1996. Subject to the Contractual Services Agreement and Operating and Service Agreement between the Board of Regents and the Hospital, the two parties have entered into contracts for the continuation of services in support of programs and operations.

University of Wisconsin Foundation – The University of Wisconsin Foundation (the Foundation) is a legally separate, tax-exempt component unit of the State. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University of Wisconsin-Madison and several other units of the University of Wisconsin System (a fund of the State) in support of its programs. These include scientific, literary, athletic and educational program purposes. Although the State does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the University of Wisconsin-Madison and other units of the University of Wisconsin System by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University of Wisconsin-Madison and several other units of the University of Wisconsin System, the Foundation is considered a component unit of the State. The Foundation reports on a fiscal year ended December 31.

State Fair Park Exposition Center, Inc. – In October 2000, the State Fair Park Exposition Center, Inc. (the Center) was organized by the State of Wisconsin State Fair Park as a nonstock, not-for-profit corporation under the Internal Revenue Code 501(c)(3). Authorization for the Center's organization is found under Chapter 42, Wis. Stats. The Center has broad general powers that include approving the sale, lease, or purchase of any real estate and obtaining financing through loans or other methods. The board of the Center includes the chairperson of the State Fair Park Board, and three members appointed by the Center's Board. In addition to the State appointing a voting majority of the Center, the State is able to impose its will on the Center, and a financial benefit relationship exists. The Center reports on a fiscal year ended December 31.

Related Organizations

These related organizations are excluded from the reporting entity because the State's accountability does not extend beyond appointing a voting majority of the organization's board members. Financial statements are available from the respective organizations.

Wisconsin Health and Educational Facilities Authority – a public body politic and corporate that provides financing for capital expenditures and refinancing of indebtedness for Wisconsin health care and educational institutions.

Bradley Center Sports and Entertainment Corporation – a public body politic and corporate that operates the Bradley Center.

World Dairy Center Authority - an authority created to establish a center for the development of dairying in the United States and the world; to analyze worldwide trends in the dairy industry and recommend actions to be taken by the State; promote dairy cattle, technology, products and services; and develop new markets for dairy and dairy-related products.

Wisconsin Advanced Telecommunications Foundation – organized as a nonstock corporation, administers an endowment fund to support advanced telecommunications technology application projects and efforts to educate telecommunications users about advanced services.

Fox River Navigational System Authority – created under Chapter 237 as a public body corporate and politic to oversee the navigational system on the Fox River after the federal government (the U.S. Army Corps of Engineers) transferred the system to the State.

Health Insurance Risk-Sharing Plan Authority – created under 2005 Wisconsin Act 74, Chapter 149, to assume all responsibilities for administration of the health insurance risk-sharing plan.

C. Government-wide and Fund Financial Statements

The *government-wide* financial statements consist of the statement of net assets and the statement of activities.

These statements report information on all activities, except for fiduciary activities, of the primary government and its component units. The statement of net assets and the statement of activities distinguish between the governmental and business-type activities of the State. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are generally financed in whole or in part by fees charged to external parties for goods and services. The focus of the government-wide statements is the primary government. A separate column on the statement of net assets and the statement of activities reports activities for all discretely presented component units.

The *fund* financial statements provide detailed information on all governmental, proprietary and fiduciary funds. Separate columns are presented for all major governmental and enterprise funds. Nonmajor governmental and enterprise funds are aggregated and presented as a single column on the respective governmental or proprietary statements. Internal service funds are exempt from the major fund reporting requirements and are aggregated and ultimately reported as a single column on the proprietary statement. Fiduciary funds are also exempt from major fund reporting and are aggregated by fund type and ultimately reported as single columns on the fiduciary statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *government-wide* statement of net assets and statement of activities, as well as the *proprietary and fiduciary fund* statements, are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Under the accrual basis, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

In the University of Wisconsin System's enterprise fund, revenues and expenses of an academic term that spans two fiscal years are recognized in two years based on a proration of summer session days.

In reporting the financial activity of its enterprise funds and business-type activities, the State applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure. Further, except for the State Life Insurance Fund, the State has elected not to apply the provisions of relevant pronouncements of FASB issued after November 30, 1989 for its enterprise funds and business-type activities. The State Life Insurance Fund is reported as an insurance enterprise fund and, accordingly, applies the provisions of relevant pronouncements of FASB, including those issued after November 30, 1989.

The Wisconsin Health Care Liability Insurance Plan (Plan) and the State Fair Park Exposition Center, Inc. (the Center) are reported as component units, and in applying GAAP, have elected to apply the provisions of relevant pronouncements of FASB including those issued after November 30, 1989.

Governmental fund financial statements are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net available financial resources.

Governmental funds are reported on the modified accrual basis of accounting. This basis of accounting recognizes revenues generally when they become measurable and available to pay current reporting period liabilities. For this purpose, the State considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Other revenues are considered to be available if received within one year after the fiscal year end. Material revenue sources susceptible to accrual include individual and corporate income taxes, sales taxes, public utility taxes, motor fuel taxes and federal revenues.

Expenditures and related liabilities are recognized when obligations are incurred as a result of the receipt of goods and services. However, expenditures related to debt service, compensated absences, and claims and judgments, are recorded only when payment is due.

The State reports the following major funds:

Major Governmental Funds

- *General Fund* – the primary operating fund of the State, accounts for all financial transactions except those required to be accounted for in another fund.

- *Transportation Fund* – a special revenue fund, accounts for the proceeds from motor fuel taxes, vehicle registrations, licensing fees, and federal and local governments which are used to supply and support safe, efficient and effective transportation in Wisconsin.

Major Enterprise Funds

- *Injured Patients and Families Compensation Fund* – accounts for the program to provide excess medical malpractice insurance for Wisconsin health care providers. The revenues to finance this insurance are primarily derived from assessments against health care providers.

- *Environmental Improvement Fund* – accounts for financial resources generated and used for clean water projects. Federal capitalization grants, interest earnings, revenue bond proceeds, and general obligation bond proceeds are its primary funding sources.

- *University of Wisconsin System Fund* – accounts for the 13 universities, 13 two-year colleges, the University of Wisconsin Extension and System Administration.

- *Unemployment Reserve Fund* – accounts for unemployment contributions made by employers, federal program receipts, benefit payment recoveries and unemployment benefits paid to laid off workers in the State.

In addition, the State reports the following fund types:

Governmental Funds

- *Special Revenue Funds* – account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes. Examples include the Conservation Fund and the Petroleum Inspection Fund.

- *Debt Service Funds* – account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

- *Capital Projects Funds* – account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

- *Permanent Funds* – account for resources that are legally restricted to the extent that only earnings and not principal, may be used for purposes that support the State's programs.

Proprietary Funds

- *Enterprise Funds* – account for the activities for which fees are charged to external users for goods or services. Examples include the Lottery Fund and the Veterans Trust Fund.

- *Internal Service Funds* – account for the operations of State agencies which provide goods or services to other State units or other governments on a cost-reimbursement basis. These services include technology, fleet management, financial, facilities management, and risk management. Additional goods and services are provided by the inmate work experience program, Badger State Industries.

Fiduciary Funds

- *Pension and Other Employee Benefit Trust Funds* – account for the Wisconsin Retirement System as well as other employee benefit programs including accumulated sick leave, duty disability, employee reimbursement accounts, life insurance, and retiree life insurance.

- *Investment Trust Funds* – account for the local government investment pool managed by the State Treasurer and the Milwaukee Retirement System.

- *Private-purpose Trust Funds* – account for the State-sponsored college savings programs and the BadgerRx for Individuals Fund.

- *Agency Funds* – account for the assets of liquidated insurance companies to insure payments to claimants, transactions of the retiree health insurance program, assets held by the State for inmates and residents of state facilities, deposits of bank and insurance companies doing business in the state, and the collection and disbursement of court-ordered support payments.

Amounts reported as program revenues on the government-wide statement of activities include (a) charges for services – amounts received from customers or applicants who purchase, use or directly benefit from the goods, services or privileges provided by the State; including interest earnings from various loan funds/ component units, (b) program-specific operating grants, contributions, and restricted interest, and (c) program-specific capital grants, contributions, and restricted interest. General revenues consist of taxes and all other revenues that do not meet the definition of program revenues. Special items, if any, are significant transactions or events within the control of management that are either unusual in nature or infrequent in occurrence.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes all internal service fund activity, as well as, other internal allocations. Exceptions to this general rule are certain charges between various functions of the government, whose elimination would distort the direct costs and program revenues reported for the various functions concerned.

The revenues and expenses shown on the proprietary fund statements are identified as either operating or nonoperating. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's primary mission. The State's enterprise funds are involved in many diverse fields including patient care, insurance programs, loan programs, the University of Wisconsin System, employee benefit plans, and the lottery. The internal service funds provide services and goods to other State agencies and departments.

A significant portion of operating revenues for the proprietary funds are recorded under charges for goods and services. In the case of the State's loan program enterprise funds, investment and interest income is an important component of operating revenue. Operating revenues of the University of Wisconsin include tuition and fees, certain grants and contracts resulting from exchange transactions, and sales and services of educational activities and auxiliary enterprises. In regards to the employee benefit plans, the primary operating revenue source is participant and employer contributions. Operating expenses for the proprietary funds include the costs of sales and services, benefit expenses, administration expenses and depreciation on capital assets. All revenues and expenses not related to a fund's primary purpose are reported as nonoperating.

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

E. Assets, Liabilities, and Net Assets/Fund Balances/Fund Equity

1. Cash and Cash Equivalents

Cash balances of most funds are deposited with the Department of Administration where the available balances beyond immediate needs are pooled in the State Investment Fund for short-term investment purposes. Balances pooled are restricted to legally stipulated investments valued consistent with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Cash balances not controlled by the Department of Administration may be invested where permitted by statute.

Cash and cash equivalents, reported on the balance sheet and statement of cash flows, include bank accounts, petty cash, cash in transit, short-term investments with an original maturity of three months or less such as certificates of deposit, money market certificates and repurchase agreements and individual funds' shares in the State Investment Fund.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure of risks associated with deposit and investment balances and the policies applied to mitigate such risks. Specific disclosures are included in Note 5, Deposits and Investments.

2. Investments

Primary Government

The State may invest in direct obligations of the United States and Canada, securities guaranteed by the United States, certificates of deposit issued by banks in the United States and solvent financial institutions in the State, commercial paper and nonsecured corporate notes and bonds, bankers acceptances, participation agreements, privately placed bonds and mortgages, common and preferred stock and other securities approved by applicable sections of the Wisconsin Statutes, bond resolutions, and various trust indentures (see Note 5 to the financial statements).

Generally, investments of the primary government are reported at fair value consistent with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Typically, fair value information is determined using quoted market prices. However, when quoted market prices are not available for certain securities, fair values are estimated through techniques such as discounted future cash flows, matrix pricing and multi-tiers.

There are a certain number of securities carried at cost. Certain non-public or closely held stock are carried at cost since no independent quotation is available to price these securities. Further, certain investment agreements are reported on a cost basis because the State cannot readily determine whether these agreements meet the definition of interest-earning investment contracts as defined by GASB Statement No. 31. However, the impact on the financial statements is immaterial.

Under Wisconsin Statutes, the investment earnings of certain Permanent Funds are assigned to other funds. The following table shows the funds earning the investment income and the ultimate recipients of that income:

Fund Generating Investment Income	Fund Receiving Investment Income
Agricultural College	University of Wisconsin System
Normal School	General
University	University of Wisconsin System
Benevolent	General

Component Units

Except for forward delivery agreements, investments of the Badger Tobacco Asset Securitization Corporation, a blended component unit, are reported at fair value. Forward delivery agreements are securities with maturities of one year or less and are reported at cost.

Investments of the Wisconsin Housing and Economic Development Authority (the Authority) are reported at fair value based on quoted market prices. Collateralized and uncollateralized investment agreements are not transferable and are considered nonparticipating contracts. As such, both types of investment agreements are reported at contract value.

Investments of the University of Wisconsin Hospitals and Clinics Authority (the Hospital) in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based on quoted market prices.

Certain investments of the Wisconsin Health Care Liability Insurance Plan are reported on a cost basis; however, the impact on the financial statements is not material.

Investments of the University of Wisconsin Foundation are reported at fair value.

3. Mortgage and Other Loans

Mortgage loans of the Wisconsin Housing and Economic Development Authority, a component unit, are carried at their unpaid principal balance, less allowance for possible loan losses. Loan origination fees and associated costs are deferred and recognized as income or expenses over the projected life of the loan.

Mortgage loans of the Veterans Mortgage Loan Repayment Fund and the Veterans Trust Fund programs, business-type activities, are stated at the outstanding loan balance less an allowance for doubtful accounts.

4. Forestation State Tax

The State levies an annual tax of two-tenths of one mill for each dollar of the assessed valuation of the property in the State, as described in Wis. Stat. Sec. 70.58. This tax is levied for the purpose of acquiring, preserving and developing the forests of the state; for forest crop law and county forest law administration and aid payments; and for the acquisition, purchase and development of forests. The proceeds of the tax are paid to the Conservation Fund.

This tax, the only property tax levied by the State, is levied to each county on or before the fourth Monday in August of each year on assessed valuation as of January 1 of that year. The tax is due and payable January 31 or on the due dates established through an installment option permitted under Wis. Stat. Sec. 74.12.

Consistent with the requirements of GASB Interpretation No. 5, *Property Tax Revenue Recognition in Governmental Funds,* collections received July 1 through August 31 that were due but unpaid at June 30 are accrued.

5. Interfund Assets/Liabilities

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The balance sheet classifies these receivables and payables as "Due from Other Funds" or "Due to Other Funds." Short-term interfund loans are classified as "Interfund Receivables" or "Interfund Payables."

Long-term interfund loans are classified as "Advances to Other Funds" and "Advances from Other Funds." Advances to Other Funds, as reported in the governmental fund financial statements, are offset with a fund balance reserve to indicate that they are neither available for appropriation nor expendable available financial resources.

Balances that exist between the primary government and component units are classified as "Due to/from Primary Government" and, correspondingly, "Due to/from Component Units". Further, cash and investments invested by one component unit with another component unit are reported on the statement of net assets as "Cash and Investments with Other Component Units" and "Amounts Held in Trust by Component Units for Other Component Units".

Amounts reported in the funds as interfund assets/liabilities are eliminated in the governmental and business-type columns of the Statement of Net Assets, except for the net residual amount due between governmental and business-type activities which is shown as internal balances.

6. Inventories and Prepaid Items

Inventories of governmental and proprietary funds are valued at cost, which approximates market, using the first-in/first-out, last in/first out, or weighted-average method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

Inventories of the University of Wisconsin System held by central stores are valued at average cost, fuels are valued at market, and other inventories held by individual institutional cost centers are valued using a variety of cost flow assumptions that, for each type of inventory, are consistently applied from year to year.

Prepaid items reflect payments for costs applicable to future accounting periods.

The fund balances of governmental funds are reserved for inventories and prepaid items, except in cases where prepaid items are offset by deferred revenues, to indicate that these accounts do not represent expendable available financial resources.

7. Capital Assets

Capital assets, which include property, plant, equipment, land and infrastructure assets (roads, bridges, and buildings considered an ancillary part of roads), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets of the primary government, other than infrastructure and land purchased for the construction of infrastructure assets, are capitalized when they have a unit cost of $5,000 or more (except for a collection of library resources that must have a cumulative value equal to or greater than $5.0 million) and a useful life of two or more years. Assets of the discretely presented component units are capitalized when they have a unit cost of $5,000 or more, except for the University of Wisconsin Foundation, which capitalizes assets greater than $2,500, and the State Fair Park Exposition Center, Inc., which capitalizes assets greater than $500.

Purchased or constructed capital assets are valued at cost or estimated historical cost if actual historical cost is not practicably determinable. Donated capital assets are recorded at their fair value at the time received.

The State has elected to report infrastructure assets (roads, bridges and buildings considered an ancillary part of roads) using the modified approach. Under this method infrastructure assets are not required to be depreciated if the State manages its eligible infrastructure assets using an asset management system designed to maintain and preserve its infrastructure assets at a condition level established and disclosed by the State. All infrastructure assets constructed prior to July 1, 2000 have been recorded at estimated historical cost. The estimated historical cost was determined by calculating current cost of a similar asset and deflating that cost through the use of a price-index to the estimated average construction date. Costs, which exclude right of way, are expressed in 2000 dollars and deflated back to the average construction date using the Federal Highway Administration's composite index for federal-aid highway construction. The costs of maintenance and preservation that do not add to the asset's capacity or efficiency are not capitalized. Interest incurred during construction is not capitalized.

Exhaustible capital assets of the primary government and the component units generally are depreciated on the straight-line method over the asset's useful life. Select buildings of the University of Wisconsin System are depreciated using the componentized method over the estimated useful life of the related assets. Depreciation expense is recorded in the government-wide financial statements, as well as the proprietary funds and component units. There is no depreciation recorded for land, construction in process, infrastructure and other capital assets defined as inexhaustible. Generally, estimated useful lives are as follows:

Buildings and improvements	2 - 40 years
Equipment, machinery and furnishings	2 - 40 years

Collections of works of art, historical treasures, and similar assets, which are on public display, used in furtherance of historical education, or involved in advancement of artistic or historical research, are not capitalized unless these collections were already capitalized at June 30, 1999. Collections range from memorabilia on display in the Wisconsin Veterans Museum, the Wisconsin Historical Society Museum and other museums to buildings such as the Villa Louis Mansion and the Fur Trade Museum located at the Villa Louis historical site. In addition, works of art or historical treasures on display in the various State office buildings, as well as statues on display outside the State Capitol, also are not capitalized.

8. Restricted and Limited Use Assets

Governmental fund and proprietary fund assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions, and donor specifications have been reported as Restricted and Limited Use Assets. Likewise, assets of the Wisconsin Housing and Economic Development Authority, the University of Wisconsin Hospitals and Clinics Authority, and the University of Wisconsin Foundation (discretely presented component units) that meet similar criteria have been reported as Restricted and Limited Use Assets. These assets are classified into four categories: Cash and Cash Equivalents, Investments, Cash and Investments with Other Component Units, and Other Restricted Assets.

9. Local Assistance Aids

Municipal and County Shared Revenue Program

Through the Municipal and County Shared Revenue Program, the State distributes general revenues collected from general State tax sources to municipal and county governments to be used for providing local government services. State statutes require that payment to local governments be made during July and November.

At June 30, 2008, the State was liable to various local governments for unpaid shared revenue aid. To measure the amount of the program allocable to the State's fiscal year, the amount is prorated over portions of recipient local governments' calendar fiscal years that are within the State's fiscal year. The result is that a liability of $476.2 million representing one-half of the total appropriated amount is reported at June 30, 2008 as Due to Other Governments.

State Property Tax Credit Program

At June 30, 2008, the State was liable to various taxing jurisdictions for property tax credits paid through the State Property Tax Credit Program. Under the program, payments to local taxing jurisdictions provide property tax relief directly to taxpayers in the form of State credits on individual property tax bills. State statutes require that payment to local taxing jurisdictions be made during July. Although the property tax credit is calculated on the property tax levy for school purposes, the State's July payment is paid to an administering municipality who treats the payment the same as other tax collections and distributes the collections to the various tax levying jurisdictions (e.g., cities; towns; villages; school districts; technical colleges).

The school portion of the property tax credit liability represents the amount of the July payment earned over the school districts' previous fiscal year ended June 30. Since the entire school districts' portion of the July payment occurs within the State's fiscal year, 100 percent of the July payment relating to the school taxing jurisdictions' levy is reported as a liability at June 30, 2008.

The general government portion of the property tax credit liability represents the amount of the July payment prorated over the portion of the local governments' calendar year which is within the State's fiscal year. The result is that 50 percent of the July payment based on the general government taxing jurisdictions' levy is reported as a liability at June 30, 2008.

The aggregated State Property Tax Credit Program liability of $508.7 million is reported in the General Fund as Due to Other Governments.

Lottery Property Tax Credit Program

The Lottery Property Tax Credit provides direct property tax relief to taxpayers in the form of State Credits on property tax bills. Under the program, owners of property used as a primary residence receive a tax credit equal to the school property tax on a portion of the dwelling's value.

The State pays municipal treasurers for lottery credits who distribute the moneys to the various taxing jurisdictions. For credits reducing the calendar year 2008 property tax bills, the State made this payment in March 2008.

The Lottery Tax Credit Program is accounted for in the Lottery Fund, an enterprise fund, that records revenues and expenses on the accrual basis. A portion of the State's March payment distributed to the general government taxing jurisdictions applies to their fiscal year that ends on December 31. Therefore, part of the March distribution represents an expense of the State in Fiscal Year 2008, while the remaining portion represents a prepaid item. The resulting prepaid item reported within the Lottery Fund totals $31.5 million at June 30, 2008.

State Aid for Exempt Computers

The Aid for Exempt Computers compensates local governments for tax base lost due to the property tax exemption for computers, software and related equipment. Aid payments are calculated using a procedure that results in an aid amount equal to the amount of taxes that would be paid if the property were taxable. Payments to local governments are made on the fourth Monday in July.

At June 30, 2008, the State was liable to various local governments and other taxing jurisdictions for unpaid exempt computer aid payments of $48.3 million.

10. Long-term Debt Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt is reported as a liability. Bond premiums and discounts, as well as issuance costs, are deferred and amortized using the effective interest rate method on a prospective basis beginning in Fiscal Year 2004, except for the annual appropriation bonds that are amortized ratably over the life of the obligations to which they relate. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and other financing uses, respectively.

Debt issuance costs, as well as bond premiums and discounts, relating to revenue obligations of the Environmental Improvement Fund, an enterprise fund, were deferred and are being amortized using the effective interest rate method.

Debt issuance costs relating to general obligation bonds of the University of Wisconsin System Fund and the Veterans Mortgage Loan Repayment Fund, both enterprise funds, are amortized using the effective interest method. On the government-wide financial statements, bond premiums and discounts, as well as issuance costs, related to the Transportation Revenue Bonds and the Petroleum Inspection Fee Obligation Revenue Bonds (which finance programs in a capital projects fund and a special revenue fund, respectively) are also amortized ratably over the life of the obligations to which they relate. Results from the use of this method do not vary materially from those that would be obtained by use of the effective interest rate method.

Debt issuance costs, and bond premiums and discounts, of the Wisconsin Housing and Economic Development Authority and the University of Wisconsin Hospitals and Clinics Authority, both discretely presented component units, are amortized ratably over the life of the obligations to which they relate.

Debt issuance costs, bond premiums and discounts of the Badger Tobacco Asset Securitization Corporation, a blended component unit, are capitalized and amortized over the lives of the related debt using the effective interest rate method.

Debt issuance costs of the State Fair Park Exposition Center, Inc., a discretely presented component unit, are being amortized using the effective-interest method over the life of the related bonds.

11. Compensated Absences

Consistent with the compensated absences reporting standards of GASB Statement No. 16, *Accounting for Compensated Absences,* an accrual for certain salary-related payments associated with annual leave and an accrual for sick leave is included in the compensated absences liability at year end.

Annual Leave

Full-time employees' annual leave days are credited on January 1 of each calendar year in general at a minimum of 15 or 13 days per year, depending on Fair Labor Standards Act (FLSA) status. There is no requirement to use annual leave. However, unused leave is lost unless approval to carry over the unused portion is obtained from the employing agency. Generally, compensatory time accumulates for eligible employees for hours worked in excess of forty hours per week. Each full-time employee is eligible for four and one-half personal holidays each calendar year, provided the employee is in pay status for at least one day in the year. If a holiday occurs on a Saturday, employees receive leave time proportional to their working status to use at their discretion.

The State's compensated absence liability at June 30 consists of accumulated unpaid annual leave, compensatory time, personal holiday hours, and Saturday/legal hours earned and vested during January through June. The liability is reported in the government-wide, proprietary fund types and fiduciary funds.

Sick Leave

Full-time employees earn sick leave at a rate of five hours per pay period. Unused sick leave is accumulated from year to year without limit until termination or retirement. Accumulated sick leave is not paid. However, at employee retirement the accumulated sick leave may be converted to pay for the retiree's health insurance premiums. The State accumulates resources to pay for the expected health insurance premiums of retired employees. The portion of the health insurance obligation funded through the sick leave conversion and accumulated resources are presented in the Accumulated Sick Leave Fund, a pension and other employee benefit trust fund.

12. Unearned and Deferred Revenue

In both the government-wide and fund financial statements unearned revenue represents amounts for which asset recognition criteria have been met, but not revenue recognition criteria. Unearned revenue arises when resources are received by the State before it has a legal claim to them, as when grant moneys are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the State has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Unearned revenue of the University of Wisconsin System consists of payments received but not earned at June 30, 2008, primarily for summer session tuition, tuition and room deposits for the next fall term, advance ticket sales for upcoming intercollegiate athletic events, and amounts received from grant and contract sponsors that have not yet been earned under the terms of the agreement.

Deferred revenue, reported in the governmental fund statements, represents revenues that are unavailable and consequently not susceptible to accrual. Primarily, this relates to items like long-term receivables, which represent amounts owed to the State that will not be collectible for many years. That is, under modified accrual accounting, revenue is not recognized until it is both measurable and available to finance expenditures of the current period.

13. Self-Insurance

Consistent with the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues,* the State's risk management activities are reported in an internal service fund, and the claims liabilities associated with that fund are reported therein.

The State's policy is generally not to purchase commercial insurance for the risk of losses to which it is exposed. Instead, State management believes it is more economical to manage its own risks internally. The Risk Management Fund, an internal service fund, is used to pay for losses incurred by any State agency and for administrative costs incurred to manage a state-wide risk management program. These losses include damage to property owned by the agencies, personal injury or property damage liabilities incurred by a State officer, agent or employee, and worker's compensation costs for State employees. A limited amount of insurance is purchased to limit the exposure to catastrophic losses. Annually, a charge is allocated to each agency for its proportionate share of the estimated cost attributable to the program per Wis. Stat. Sec. 16.865(8).

14. Fund Balance Reserves and Restricted Net Assets/Fund Equity

Fund Balance Reserves

Reservations of fund balances of governmental funds represent amounts that are not available for appropriation. Examples of fund balance reservations include reserves for encumbrances, inventories, prepaid items, and the Budget Stabilization Fund.

Restricted Net Assets/Fund Equity

Restricted Net Assets (presented in the government-wide statement of net assets) and Restricted Fund Equity (presented in the balance sheet of proprietary funds) are reported when constraints placed on net assets or fund equity use are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Unrestricted net assets or fund equity may be used at the State's discretion but often have limitations on use based on State statutes.

NOTE 2. DETAILED RECONCILIATION OF THE GOVERNMENT-WIDE AND FUND STATEMENTS

A. Explanation of Differences Between the Balance Sheet – Governmental Funds and the Statement of Net Assets

During the year ended June 30, 2008, the following adjustments and reclassifications were necessary to reconcile the information from the fund-based Balance Sheet – Governmental Funds to the amounts presented in the governmental section of the Statement of Net Assets (in thousands). The differences result primarily from the long-term economic focus of the Statement of Net Assets compared to the current financial focus of the Balance Sheet – Governmental Funds.

	Total Governmental Funds	Long-term Assets and Liabilities (1)	Internal Service Funds (2)	Reclassifications and Eliminations (3)	Total Amount for Statement of Net Assets
Assets:					
Cash and Cash Equivalents	$ 838,325	$ -	$ 16,453	$ -	$ 854,778
Investments	123,586	-	-	-	123,586
Receivables (net of allowance):					
Taxes	1,291,604	-	-	(1,291,604)	-
Loans to Local Governments	501,607	-	-	(501,607)	-
Other Loans Receivable	54,021	-	-	(54,021)	-
Other Receivables	309,017	2,948	457	2,836,444	3,148,866
Due from Other Funds	280,867	-	39,182	(320,048)	-
Interfund Receivables	9,342	-	-	(9,342)	-
Due from Other Governments	942,037	-	-	(942,037)	-
Internal Balances	-	-	(1,755)	(350,878)	(352,633)
Inventories	28,699	3,284	5,016	-	36,999
Prepaid Items	318,080	-	718	-	318,798
Advances to Other Funds	81	-	-	(81)	-
Restricted Assets:					
Cash and Cash Equivalents	336,399	-	-	-	336,399
Investments	184,863	-	-	-	184,863
Other Restricted Assets	389	-	-	-	389
Deferred Charges	-	81,900	708	-	82,608
Depreciable Capital Assets	-	1,222,322	259,705	-	1,482,027
Infrastructure	-	11,207,969	-	-	11,207,969
Other Non-depreciable Capital Assets	-	3,400,767	35,336	-	3,436,103
Other Assets	36,076	-	-	-	36,076
Total Assets	$ 5,254,991	$ 15,919,191	$ 355,820	$ (633,174)	$ 20,896,829
Liabilities:					
Accounts Payable and Other Accrued Liabilities	$ 1,120,275	$ -	$ 14,350	$ 30,846	$ 1,165,471
Due to Other Funds	269,164	-	51,570	(320,734)	-
Interfund Payables	340,446	-	-	(340,446)	-
Due to Other Governments	1,929,297	-	-	-	1,929,297
Tax Refunds Payable	1,119,044	-	-	-	1,119,044
Tax and Other Deposits	80,908	-	-	-	80,908
Unearned Revenue/Deferred Revenue	835,307	(397,688)	-	-	437,619
Interest Payable	38,529	90,498	-	-	129,027
Advances from Other Funds	2,839	-	-	(2,839)	-
Short-term Notes Payable	891,480	-	15,766	-	907,246
Long-term Liabilities:					
Current Portion	101,675	406,012	58,614	-	566,301
Noncurrent Portion	-	8,463,323	211,031	-	8,674,354
Total Liabilities	6,728,964	8,562,146	351,331	(633,174)	15,009,266
Fund Balances/Net Assets	(1,473,973)	7,357,046	4,489	-	5,887,562
Total Liabilities and Fund Balances/Net Assets	$ 5,254,991	$ 15,919,191	$ 355,820	$ (633,174)	$ 20,896,829

(1) Long-term asset and liability differences arise because governmental funds focus only on short-term financing (that is, resources that will be available to pay for current period expenditures). In contrast, the Statement of Net Assets has a long-term economic focus and reports on all capital and financial resources.

(2) The adjustment for internal service funds reflects the reclassification of these funds for the government-wide statement. The assets and liabilities of these funds are reported as proprietary activities on the fund statements, but are included as governmental activities on the Statement of Net Assets

(3) Various reclassifications are necessary due to the differing level of detail needed on each of the statements. Eliminations are done on the Statement of Net Assets to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government. The net residual amounts due between governmental and business-type activities are shown as internal balances.

B. Explanation of Differences Between the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds and the Statement of Activities

During the year ended June 30, 2008, the following adjustments and reclassifications were necessary to reconcile the information from the fund-based Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the amounts presented in the governmental section of the Statement of Activities (in thousands). The differences result primarily from the long-term economic focus of the Statement of Activities compared to the current financial focus of the Statement of Revenues, Expenditures, Changes in Fund Balance – Governmental Funds.

	Total Governmental Funds	Long-term Revenues and Expenses (1)	Capital-Related Items (2)
Revenues:			
Taxes	$ 14,229,280	$ -	$ -
Income Taxes	-	(16,909)	-
Sales & Excise Taxes	-	521	-
Public Utility Taxes	-	-	-
Other Taxes	-	(99)	-
Motor Fuel (Transportation) Taxes	-	727	-
Other Dedicated Taxes	-	(1,150)	-
Intergovernmental	6,638,741	-	-
Operating Grants	-	-	625
Capital Grants	-	-	60
Licenses and Permits	1,202,109	-	-
Charges for Goods and Services	378,769	3,687	-
Investment and Interest Income	109,850	-	-
Fines and Forfeitures/Contributions to Permanent Fund	58,430	-	-
Gifts and Donations	17,447	-	-
Miscellaneous:		10,186	(5,360)
Tobacco Settlement	150,165	-	-
Other	191,087	-	-
Total Revenues	22,975,877	(3,038)	(4,675)
Expenditures/Expenses:			
Current Operating:			
Commerce	294,650	3,142	1,113
Education	6,445,647	1,733	3,279
Transportation	1,857,435	4,689	43,408
Environmental Resources	471,737	5,418	9,042
Human Relations and Resources	8,969,935	28,006	48,556
General Executive	535,493	(2,396)	8,516
Judicial	121,720	1,633	2,516
Legislative	63,964	412	894
Tax Relief and Other General Expenditures	1,085,775	-	-
Intergovernmental - Shared Revenue	1,019,275	-	-
Debt Service:			
Principal	420,188	-	-
Interest and Other Charges	542,458	1,709	-
Capital Outlay	688,598	-	(688,598)
Total Expenditures/Expenses	22,516,874	44,347	(571,275)
Excess of Revenues Over (Under) Expenditures/Expenses	459,003	(47,385)	566,600
Other Financing Sources (Uses):			
Net Transfers	(1,003,605)	-	(536)
Long-term Debt Issued	1,292,099	-	-
Premium/Discount on Bonds	11,139	-	-
Payments to Refunding Bond Escrow Agent	(944,850)	-	-
Capital Lease Acquisitions	8,529	(8,529)	-
Installment Purchase Acquisitions	770	(770)	-
Total Other Financing Sources (Uses)	(635,918)	(9,299)	(536)
Net Change in Fund Balance	(176,915)	$ (56,683)	$ 566,063
Change in Reserve for Inventories	(6,151)		
Net Change for the Year	$ (183,066)		

(1) Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," while government-wide statements report revenues when earned. Long-term expense differences arise because governmental funds report operating expenses (including interest) using the modified accrual basis of accounting, while government-wide statements report using the accrual basis of accounting.

(2) Capital-related adjustments consist of the difference between proceeds for the sales of capital assets and the gain or loss from the sales of capital assets, and from the difference between capital outlay expenditures recorded in the governmental funds and depreciation expense recorded in the government-wide statements.

(3) The adjustment for internal service funds reflects the elimination of these funds from the government-wide statement, which is accomplished by charging/refunding additional amounts to participating governmental activities to completely offset the internal service funds' cost for the year.

Internal Service Funds (3)	Long-term Debt Transactions (4)	Eliminations (5)	Revenue/Expense Reclassifications (6)	Total Amount for Statement of Activities
$ -	$ -	$ -	$ (14,229,280)	$ -
-	-	-	7,520,526	7,503,616
-	-	-	4,808,741	4,809,262
-	-	-	286,501	286,501
-	-	-	382,628	382,529
-	-	-	1,037,013	1,037,740
-	-	-	193,872	192,722
-	-	-	(6,638,741)	-
-	-	66,454	5,963,559	6,030,638
-	-	-	726,611	726,671
-	-	-	(1,202,109)	-
6,465	-	(12,260)	1,240,808	1,617,470
131	-	-	(33,982)	75,998
-	-	-	(38,699)	19,731
-	-	-	(17,447)	-
-	-	-	341,524	346,349
-	-	-	(150,165)	-
-	-	-	(191,087)	-
6,596	-	54,194	273	23,029,227
(339)	-	(5,023)	(182)	293,362
1,731	-	25,232	(429)	6,477,194
691	204	-	5,087	1,911,514
90	184	-	59	486,531
2,717	(13,057)	41,222	1,286	9,078,665
2,070	-	(7,238)	82	536,527
(71)	-	-	-	125,798
22	65	-	-	65,356
(2)	50,206	-	(427)	1,135,551
-	-	-	-	1,019,275
-	(420,188)	-	-	-
8,532	(53,104)	-	675	500,270
-	-	-	-	-
15,441	(435,690)	54,194	6,151	21,630,042
(8,845)	435,690	-	(5,878)	1,399,185
2,414	-	-	(273)	(1,002,000)
-	(1,292,099)	-	-	-
-	(11,139)	-	-	-
-	944,850	-	-	-
-	-	-	-	-
-	-	-	-	-
2,414	(358,388)	-	(273)	(1,002,000)
$ (6,431)	$ 77,302	$ 0	(6,151)	397,186
			6,151	-
			$ (0)	$ 397,186

(4) Long-term debt transaction differences consist of bond proceeds and principal repayments reported as other financing sources and expenditures in governmental funds, but as increases and decreases in liabilities in the government-wide statements.

(5) Intra-entity activity within the same function is eliminated to remove the grossing up of both direct expenses and program revenues within that category.

(6) Revenue and expense reclassifications are necessary due to the differing level of detail needed on each of the statements. In addition, the Statement of Activities focuses on program revenue, which has been redefined from the traditional revenue source categories.

NOTE 3. BUDGETARY CONTROL

The legal level of budgetary control for Wisconsin is at the function, agency, program, appropriation-level. Supplemental appropriations require the approval of the Joint Finance Committee of the Legislature. Routine adjustments, such as pay plan supplements and rent increases, are distributed by the Division of Executive Budget and Finance from non-agency specific appropriations authorized by the Legislature. Various supplemental appropriations were approved during the year and have been incorporated into the budget figures.

The budgetary comparison schedule and related disclosures for the General and Transportation funds are reported as Required Supplementary Information. This schedule presents the original budget, the final budget and actual data of the current period. The related disclosures describe the budgetary practices of the State, as well as, provide a detailed reconciliation between the General and Transportation funds' equity balance on the budgetary basis compared to the GAAP basis as shown on the governmental fund statements.

NOTE 4. DEFICIT FUND BALANCE/FUND EQUITY AND RESTRICTED NET ASSETS

A. Deficit Fund Balance/Fund Equity

In addition to the General Fund, funds reporting a deficit fund balance, fund equity, or net assets position at June 30, 2008 are (in thousands):

Special Revenue:		
Petroleum Inspection	$	139,679
VendorNet		2,839
Capital Projects:		
Capital Improvement		526,476
Transportation Revenue Bonds		201,627
Enterprise:		
Injured Patients and Families Compensation		61,490
Northern Developmental Disabilities Center		7,254
Life Insurance		113
Internal Service:		
Technology Services		3,557
Risk Management		82,815
Pension and Other Employee Benefit Trust:		
Accumulated Sick Leave		48,245

B. Restricted Net Assets

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, which amends GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* provides guidance in determining when net assets have been restricted to a particular use by the passage of enabling legislation and how those net assets should be reported in financial statements when there are changes in the circumstances surrounding such legislation. Net assets restricted (1) by external parties or for constitutional purposes or (2) by enabling legislation were as follows on June 30, 2008 (in thousands):

Governmental Activities:		
Net Assets Restricted by External Parties or for Constitutional Purposes	$	1,220,796
Net Assets Restricted by Enabling Legislation		88,614
Business-type Activities:		
Net Assets Restricted by External Parties or for Constitutional Purposes		2,814,258
Net Assets Restricted by Enabling Legislation		347,644

NOTE 5. DEPOSITS AND INVESTMENTS

The State maintains a short-term investment "pool", the State Investment Fund, for the State, its agencies and departments, and certain other public institutions which elect to participate. The investment "pool" is managed by the State of Wisconsin Investment Board (the Board) which is further authorized to carry out investment activities for certain enterprise, trust and agency funds. A small number of State agencies and the University of Wisconsin System also carry out investment activities separate from the Board.

A. Deposits

Deposits include cash and cash equivalents on deposit in banks or other financial institutions, and nonnegotiable certificates of deposit. The majority of the State's deposits are under the control of the Department of Administration. The Department of Administration maintains multiple accounts with an agreement with the bank that allows an overdraft in one account if the overdraft is offset by balances in other accounts.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The State's policy regarding custodial credit risk is detailed in Chapter 34 of the State Statutes. In brief, any federal or state bank, credit union or savings bank may be designated a public depository. A surety bond may be required. The State's insured deposits are covered by the Federal Deposit Insurance Corporation (FDIC) and an appropriation for losses on public deposits. In the event of loss, the division of banking makes payments up to $400,000 per depositor for the excess of the payments made by the Federal Deposit Insurance Corporation or the Wisconsin Credit Union Savings Insurance Corporation. Payments are made, until the funds available in the appropriation are exhausted, in the order in which satisfactory proofs of loss are received by the State's Department of Financial Institutions.

1. Primary Government

As of June 30, 2008, $457.2 million of the primary government's bank balance of $465.8 million (excluding one bank overdraft of $29.3 million in a bank account that is covered by compensating balances in other accounts) was exposed to custodial credit risk as follows (in millions):

Uninsured and uncollateralized	$	457.2

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. Deposits in foreign currency at June 30, 2008 are immaterial. The primary government does not have a formal policy specifically related to foreign currency risk.

The State's Unemployment Reserve Fund had $461.3 million on deposit with the U.S. Treasury. This amount is presented as Cash and Cash Equivalents and is not included in the carrying amount of deposits nor is it categorized according to risk because it is neither a deposit with a financial institution nor an investment.

2. Component Units

The bank balance of deposits of the Wisconsin Housing and Economic Development Authority at June 30, 2008, the Wisconsin Health Care Liability Insurance Plan at December 31, 2007, the University of Wisconsin Hospitals and Clinics Authority at June 30, 2008, the University of Wisconsin Foundation at December 31, 2007, and the State Fair Park Exposition Center, Inc. at December 31, 2007 was $327.0 million.

As of their fiscal year end, $324.0 million of the component units' bank balance of $327.0 million was exposed to custodial credit risk as follows (in millions):

Uninsured and uncollateralized	$	324.0

B. Investments

1. Primary Government

Wisconsin Statutes, program policy provisions, appropriate governing boards, and general resolutions contained in revenue bond indenture documents define the types of securities authorized as appropriate investments and the conditions for making investment transactions.

Investments of the State are managed by various portfolios. For disclosure purposes, the following investment portfolios are discussed separately:

- Primary government, excluding the University of Wisconsin System, the Wisconsin Retirement System and the State Investment Fund. The primary government portfolios include various funds managed by the State of Wisconsin Investment Board consisting of the following:
  -- Local Government Property Insurance Fund (LGPIF)
  -- State Life Insurance Fund (SLF)
  -- Injured Patients and Families Compensation Fund (IPFCF)
  -- Historical Society Fund
  -- Tuition Trust Fund
- University of Wisconsin System (UWS)
- Wisconsin Retirement System (WRS)
- State Investment Fund (SIF) -- functions as the State's cash management fund by "pooling" the idle cash balances of all State funds and other public institutions. Investments of the SIF are discussed in section B 3 of this note disclosure.

Primary Government *(excluding the University of Wisconsin System (UWS), the Wisconsin Retirement System (WRS), and the State Investment Fund (SIF))*

For the primary government, except for the various funds discussed later, permitted investments include: direct general obligations of the United States of America and obligations (including obligations of any federal agency or corporation) for which the payment of the principal and interest are unconditionally guaranteed by the full faith and credit of the United States; bonds or other obligations of any state or the United States of America or of any agency, instrumentality or local governmental unit of any such state including the State of Wisconsin; bonds, debentures, participation certificates, notes or similar evidences of indebtedness of any of the Federal Financing Bank, Federal Home Loan Bank System, Federal Farm Credit Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Resolution Funding Corporation, Government National Mortgage Association, Student Loan Marketing Association or Tennessee Valley Authority; public housing bonds issued by public agencies or municipalities; commercial paper; interest-bearing time deposits, certificates of deposit or other similar banking arrangements; shares of a diversified open-end management investment company; repurchase agreements; common and preferred stock; bankers acceptances; corporate commercial paper; bonds issued by a local district created under Wisconsin Act 229; and investment agreements with a bank, bank holding company, insurance company or other financial institution.

The State of Wisconsin Investment Board (the Board) has exclusive control over the investments of the Local Government Property Insurance Fund (LGPIF), the State Life Insurance Fund (SLF), the Injured Patients and Families Compensation Fund (IPFCF), the Historical Society Fund, and the Tuition Trust Fund, which are collectively known as the “various funds”.

Wisconsin Statutes allows investments of the LGPIF in direct obligations of the United States and Canada, securities guaranteed by the United States, unsecured notes of financial and industrial issuers, Yankee/Euro dollar issues, and certificates of deposit issued by banks in the United States, and solvent financial institutions in this State.

Permitted classes of investments of the SLF and the IPFCF include bonds of government units or of private corporations, loans secured by mortgages, preferred or common stocks, real property and other investments not specifically prohibited by statutes.

Funds available for the Historical Society Fund are authorized to be invested in every kind of property, real, personal or mixed, and every kind of investment specifically including but not limited to bonds, debentures and other corporate obligations, preferred or common stocks, and shares of investment companies and investment trusts.

The Board is directed to invest moneys held in the Tuition Trust Fund in investments with maturities and liquidity that are appropriate for the needs of the fund as reported by the State Treasurer.

University of Wisconsin System (UWS)

The University of Wisconsin System (UWS) investment policies and guidelines are governed and authorized by the Board of Regents. The current approved asset allocation policy for long-term funds sets a general target of 24.5 percent marketable equities, 16.5 percent fixed income, 34.0 percent alternatives, and 25.0 percent tactical strategies. The approved asset allocation for intermediate term funds is 100 percent intermediate maturity, investment-grade fixed income.

Wisconsin Retirement System (WRS)

All assets of the WRS are invested by the State of Wisconsin Investment Board (the Board). The WRS consists of shares in the core retirement trust fund and the variable retirement trust fund.

The investments of the core retirement trust fund consist of a highly diversified portfolio of securities. Wis. Stat. Sec. 25.17(3)(a) allows investments in loans, securities and any other investments as authorized by Wis. Stat. Sec. 620.22. Permitted classes of investments include bonds of governmental units or of private corporations, loans secured by mortgages, preferred or common stock, real property and other investments not specifically prohibited by statute.

Investments of the variable retirement trust fund are authorized under Wis. Stat. Sec. 25.14 and 25.17. Wis. Stat. Sec. 25.17(5) states assets of the variable retirement trust fund shall be invested primarily in equity securities which shall include common stocks, real estate or other recognized forms of equities whether or not subject to indebtedness, including securities convertible into common stocks and securities of corporations in the venture capital stage. The variable retirement trust fund consists primarily of common stock and bonds convertible into common stock, although, because of existing conditions in the securities market, there may temporarily be other types of investments.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the State will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

Primary Government *(excluding the University of Wisconsin System (UWS), the Wisconsin Retirement System (WRS), and the State Investment Fund (SIF))*

At June 30, 2008, the reported amount of investments of the primary government, including the various funds, was $4,830.9 million, of which $471.4 million is reported as cash equivalents and $333.2 million is reported as “Other Assets”. The primary government, including the various funds, does not have an investment policy specifically for custodial credit risk, however, at June 30, 2008, the primary government had no custodial credit risk exposure for these investments.

University of Wisconsin System (UWS)

At June 30, 2008, the UWS reported investments of $393.7 million, of which $45.2 million is reported as cash equivalents. No custodial credit risk exposure existed for these investments.

Wisconsin Retirement System (WRS)

At June 30, 2008, the WRS investments were $79.8 billion. The WRS does not have a formal policy for custodial credit risk. As of June 30, 2008, the WRS held 16 tri-party repurchase agreements totaling $1.0 billion. The securities lending collateral account and cash management account participate in repurchase agreement pools, purchasing only a portion of a repurchase agreement in which the manager of these accounts is the buyer-lender. Since the manager that purchased the repurchase agreements is the counterparty, the securities are not held in the WRS’s name. They are held in the counterparty’s name and held by the counterparty’s agent.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment.

Primary Government *(excluding the University of Wisconsin System (UWS), the Wisconsin Retirement System (WRS), and the State Investment Fund (SIF))*

Although the primary government, except for the various funds discussed later, does not have a formal policy on limiting the exposure to changes in interest rates, it is the primary government’s policy to comply with the provisions contained within the general resolutions of revenue bond indentures and other program policy investment criteria. For example, the Lottery Fund acquires investments with maturity dates that significantly coincide with scheduled payment dates of prize annuities. Investments are held to maturity unless an annuitant requests premature termination of an annuity, then any loss or gain due to market fluctuations are passed through to the redeeming annuitant. Therefore, the Lottery Fund has minimal interest rate risk exposure. Further, as a means of limiting its exposure to interest rate risks, certain funds are required to limit at least half of the fund’s investment portfolio to maturities of less than one year. In addition, interest rate risk of certain other funds such as the Retiree Life Insurance Fund is minimized by maintaining a diversified portfolio of investments and monitoring cash flow patterns in order to approximately match the expected maturity of liabilities.

The following table provides information about the interest rate risks associated with the primary government's investments, except those of the various funds. The investments include certain short-term cash equivalents, and various long-term items.

At June 30, 2008, the primary government's investments were (in millions):

Primary Government (excluding Badger Tobacco Securitization Corporation, the various funds, UWS, WRS, SIF, and investments in an external investment pool)

	Investment Maturities				
Investment Type	**Less Than 1 Year**	**1 to 5 Years**	**6 to 10 years**	**More Than 10 Years**	**Fair Value**
U.S. Government and U.S. agency holdings	$ 17.4	$ 36.6	$ 22.6	$ 12.4	$ 89.0
State and municipal bonds and notes	1.9	89.4	40.7	120.6	252.6
Corporate bonds and notes	.1	--	--	--	.1
Negotiable certificates of deposit	.5	--	--	--	.5
Repurchase agreements	7.6	--	--	--	7.6
Forward delivery agreements	47.7	--	--	--	47.7
Guaranteed investment contracts	28.1	--	--	--	28.1
Money market funds	284.0	--	--	--	284.0
Mutual funds – open ended	44.5	537.8	23.9	--	606.2
Total	$ 432.0	$ 663.8	$ 87.1	$ 133.1	$ 1,316.0

External Investment Pool

Investments of the Retiree Life Insurance Fund and the Life Insurance Fund (reported as pension and other employee benefit trust funds) are held in an external investment pool with the investment objective of maintaining levels in its general account sufficient to guarantee principal amounts of reserves. The interest rate exposure of this pool expressed in terms of duration and average remaining life is 4.8 and 7.5 to 8 years, respectively.

As of May 31, 2008, the Badger Tobacco Asset Securitization Corporation's investments were as follows (in millions):

Investment	**Fair Value**	**Weighted Average Maturity (Years)**
JPM Prime Moneymarket Fd 829 Inst	$ 153.1	0.06
Federal Natl. Mtge. Assn.	68.6	0.12
Mont Blanc Capital Corp.	68.6	0.02
Federated Tax-free Obligations Fund 15	0.8	0.00
Total Fair Value	$ 291.1	
Portfolio weighted average maturity		0.06

The various funds, which are managed by the Board, use the duration method to identify and manage interest rate risk. Three of the various funds have investment guidelines relating to interest rate risk. The LGPIF guidelines provide that a bond's maturity must not exceed ten years. The SLF guidelines provide the weighted average maturity (WAM), including cash, shall be a minimum of ten years. The IPFCF guidelines provide that the average duration of the aggregate bond portfolio shall be less than ten years.

As of June 30, 2008, the various funds had interest rate risk statistics as detailed below (in millions):

Various Funds
Duration for Fixed Income Securities (in years)

	LGPIF		SLF		IPFCF		Historical Society		Tuition Trust	
	Fair Value	Duration	Fair Value	WAM	Fair Value	Duration	Fair Value	Duration	Fair Value	Duration
Government/ Agency	$ --	--	$ 36.1	15.47	$ 269.2	4.41	$ --	--	$ 7.5	4.51
Corporate	--	--	45.9	18.01	370.2	5.17	--	--	0.9	3.97
Bond Funds	--	--	--	--	--	--	2.5	5.18	--	--
Total/Average	$ 0	--	$ 82.0	16.89	$ 639.4	4.85	$ 2.5	5.18	$ 8.4	4.45

University of Wisconsin System (UWS)

The UWS uses the option adjusted duration method to analyze interest rate risk. The UWS's investment guidelines mandate that individual fixed income manager portfolios must maintain an effective modified duration within one year of the effective modified duration of the index. As of June 30, 2008, all investment managers were in compliance with the effective modified duration guideline.

As of June 30, 2008, the UWS had interest rate risk statistics as detailed below (in millions):

UWS

Fixed Income Sector	Fair Value	Modified Duration
Corporate and other credit	$ 14.6	3.28
U.S. Government mortgages	4.2	5.49
Government	.9	1.29
Collateralized mortgage obligations: U. S. Agencies	10.1	3.70
U.S. private placements	2.4	3.09
Asset backed securities	1.3	3.04
Collateralized mortgage obligations: Corporate	11.1	2.90
U.S. Agencies	3.3	4.28
Treasury inflation protected securities	30.5	7.37
Total	$ 78.4	

As of June 30, 2008, the University of Wisconsin System's Long Term Fund had an aggregated modified duration of 4.29 while the Lehman Aggregate benchmark had an aggregated modified duration of 4.9. As of June 30, 2008, the University of Wisconsin System's Intermediate Term Fund had an aggregated modified duration of 4.75 while the Lehman Government/Credit Intermediate benchmark had an aggregated modified duration of 3.9.

Wisconsin Retirement System (WRS)

Generally, analysis of long or intermediate term portfolios' interest rate risk is performed using various duration calculations. Modified duration, which is stated in years, is the measure of price sensitivity of a fixed income security to an interest rate change of 100 basis points. The calculation is based on the weighted average of present values for all cash flows. Some pooled investments are analyzed using an option adjusted duration calculation which is similar to the modified duration method. Option adjusted duration incorporates the duration shortening effect of any embedded call provisions in the securities.

On the other hand, short term portfolios use the weighted average maturity to analyze interest rate risk. Weighted average maturity is the maturity of each position in a portfolio weighted by the dollar value of the position to compute an average maturity for the portfolio as a whole. This measure indicates a portfolio's sensitivity to interest rate changes: a longer average weighted maturity implies greater volatility in response to interest rate changes. SWIB's investment guidelines related to interest rate risk vary by portfolio. Some fixed income portfolios are required to be managed within a range of a targeted duration, while others are required to maintain a weighted average maturity at or below a specified number of days or years.

Interest rate risk exposure as of June 30, 2008, stated in terms of modified duration and weighted average maturity, is presented below (in millions):

WRS		
Investment Type	**Fair Value**	**Modified Duration (Years)**
Asset backed securities	$ 145.1	5.230
Certificates of deposit	2.5	0.164
Commercial paper	156.0	0.111
Commercial paper	7.5	N/A
Corporate bonds	3,125.3	5.203
Corporate bonds	4.3	N/A
Municipal bonds	3.4	8.007
Government agency	906.5	3.929
Commercial mortgages	157.9	3.575
Private placements	444.1	5.706
Private placements	1.2	N/A
Repurchase agreements	141.1	0.001
Sovereign debt	3,545.3	6.286
Sovereign debt	13.8	N/A
U.S. Treasury securities	3,473.0	7.967
Total	$12,127.0	

Pooled Investments		
Pooled Investment	**Fair Value**	**Modified Duration (Years)**
Emerging market fixed income	$ 497.0	6.768
Global fixed income	491.4	4.670
Domestic fixed income	9,656.8	5.156
	$ 10,645.2	

Securities Lending Collateral Pool	**Fair Value**	**Weighted Average Maturity (Days)**
Asset backed securities	$ 683.0	25
Certificate of deposit	86.9	59
Commercial paper	592.5	35
Corporate bonds	2,830.9	26
Repurchase agreements	865.3	1
Pooled investments	918.6	28
	$ 5,977.2	

	Fair Value	**Weighted Average Maturity (Days)**
Short term pooled investments	$ 82.3	40

Credit Quality Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Primary Government *(excluding the University of Wisconsin System (UWS), the Wisconsin Retirement System (WRS), and the State Investment Fund (SIF)*

The primary government, except for the various funds discussed later, follows Wisconsin Statutes, program policy provisions, appropriate governing boards, and general resolutions contained in revenue bond indenture documents limits investments in public housing bonds issued by public agencies or municipalities, the State of Wisconsin, interest-bearing time deposits, certificates of deposit or other similar banking arrangement, shares of a diversified open-end management investment company repurchase agreements and investment agreements to a rating no lower than the rating assigned to the bonds. Investments in all other permitted debt securities are required to bear the highest rating available from each nationally recognized rating agency. In addition, credit risk of certain funds such as the Retiree Life Insurance Fund is minimized by monitoring portfolio diversification by asset class, creditor and industry and by complying with investment limitations governed by insurance laws and regulations.

As of June 30, 2008, the above mentioned investments for the primary government including the various funds, were rated by Standard and Poor's, Moody's Investors Service, and Fitch Ratings and the ratings are presented below using the Standard and Poor's rating scale (in millions):

Primary Government (excluding the various funds, UWS, WRS and SIF)	
Credit Quality Ratings	**Fair Value**
AAA	$ 582.6
AA	765.1
A	106.5
Not Rated	619.5
Total	$ 2,073.8

The various funds' (except for the Tuition Trust Fund) investments guidelines provide that issues be rated "A-" or better at the time of purchase based on the minimum credit ratings as issued by nationally recognized rating agencies. IPFCF guidelines provide that at the time of purchase at least 80 percent of the bond portfolio must be rated "A3/A1-" or better. The Tuition Trust Fund guidelines do not specifically list a minimum credit quality.

The following schedule displays the credit ratings at June 30, 2008, for the various funds (in millions):

	Various Funds				
	LGPIF	SLF	IPFCF	Historical Society	Tuition Trust
	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
AAA	$ --	$ 38.1	$ 293.5	$ --	$ 7.6
AA	--	8.7	52.7	--	.2
A	--	22.1	157.7	--	.2
BBB	--	11.9	108.9	--	.1
BB	--	.7	16.7	--	.1
B	--	--	4.7	--	--
CCC	--	.5	5.2	--	.2
Not rated	--	--	--	2.5	--
Totals	$ 0	$ 82.0	$ 639.4	$ 2.5	$ 8.4

University of Wisconsin System (UWS)

The UWS's investment guidelines prohibit security transactions that involve a counterparty rated below AA by Standard & Poor's and/or Aa by Moody's. In addition, all securities in that individual manager's portfolio must have a minimum quality rating of investment grade of BBB- by Standard & Poor's and/or Baa3 by Moody's with an average portfolio quality of at least AA as rated by Standard & Poor's and/or Aa by Moody's.

The following schedule displays the lowest credit rating available as rated by several nationally recognized statistical rating organizations on debt securities held as of June 30, 2008 (in millions). Obligations of the United States and obligations explicitly guaranteed by the U.S. government have been included in the AAA rating below although they are considered to be without credit risk.

UWS	
Ratings	Fair Value
AAA	$ 58.6
AA+	1.2
AA	1.2
AA-	3.0
A+	1.7
A	1.7
A-	3.2
BBB+	1.7
BBB	1.5
BBB-	1.1
Unrated and Unrated Pooled Cash	48.0
Total	$ 122.9

Wisconsin Retirement System (WRS)

With the exception of derivative instrument credit risk, there are no fund-wide or system-wide investment guidelines related to credit risk exposures for investments of the WRS. Fixed income credit risk investment guidelines spell out the minimum ratings at the time of purchase by individual portfolios or groups of portfolios based on the portfolios' investment objectives. In addition, some fixed income portfolios are required to carry a minimum weighted average rating at all times.

The following schedule displays the lowest credit rating available as rated by several nationally recognized statistical rating organizations on debt securities held as of June 30, 2008 (in millions). Obligations of the United States and obligations explicitly guaranteed by the U.S. government have been included in the AAA rating below although they are considered to be without credit risk.

WRS	
Ratings	Fair Value
P-1 or A-1	$ 878.1
AAA	7,481.0
AA	2,808.9
A	2,552.8
BBB	964.4
BB	413.8
B	380.4
CCC	129.8
CC	4.2
D	8.6
Commingled or pooled	11,646.1
Not rated	1,563.6
Total	$ 28,831.7

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Primary Government *(excluding the University of Wisconsin System (UWS), the Wisconsin Retirement System (WRS), and the State Investment Fund (SIF)*

Although the primary government, except for the various funds discussed later, does not have a formal policy on limiting the exposure to concentrations of credit risk, it is the primary government's policy to comply with the provisions contained within the general resolutions of revenue bond indentures and other program policy investment criteria. For example, the College Savings Program Trust Fund's exposure to a particular industry is limited to no more than double that industry's percentage in the ML All Corporate Index (COAO).

The primary government's, except for the various funds, largest concentration by a single issuer is the State of Wisconsin Global Certificates with approximately 3.0 percent and the State of Wisconsin's general obligation bonds with approximately 1.6 percent of investments.

With the exception of the Tuition Trust Fund, the various funds investment guidelines limit concentrations of credit risk by establishing maximum issuer and/or sector exposure limits. Generally, the guidelines provide that no single issuer may exceed 5 percent of the fund investments, with the exception of U.S. Government and its agencies, which may be unlimited. The LGPIF further limits AAA-rated mortgage-backed, AAA-rated asset-backed and individual corporate issuers to 3 percent of the market value of the fund investments.

Excluding investments issued or explicitly guaranteed by the U.S. Government, as of June 30, 2008, none of the various funds had more than five percent of their total investments in a single issuer.

University of Wisconsin System (UWS)

The UWS's investment guidelines prohibit more than 7 percent of the fund be invested in the securities of any one issuer, unless the issue is U.S. Government guaranteed, or an issue of an agency of the U.S. government. The UWS's largest concentration by issuer is Wachovia Bank with .9 percent of total trust fund assets.

Wisconsin Retirement System (WRS)

For investments of the WRS, concentration of credit risk is limited by establishing investment guidelines for individual portfolios or groups of portfolios that generally restrict issuer concentrations in any one company or Rule 144A securities below 5 percent of assets.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

Primary Government *(excluding the University of Wisconsin System (UWS), the Wisconsin Retirement System (WRS), and the State Investment Fund (SIF)*

The primary government, except for the various funds discussed later, does not have a formal policy to limit foreign currency risk, however, certain funds such as the Environmental Improvement Fund are not permitted to invest in foreign currency based on provisions contained in its bond indenture general resolution. However, foreign currency risk of the Retiree Life Insurance Fund is minimized by utilizing short-duration spot forward contracts to minimize the adverse impact of foreign currency exchange rate risks inherent in the elapsed time between trade processing and trade settlement.

At June 30, 2008, the primary government, except for the various funds, did not own any issues denominated in a foreign currency.

The various fund's investment guidelines do not specifically address foreign currency risk with the exception that SLF only allows investments in U.S. dollar denominated instruments. As of June 30, 2008, the various funds did not own any issues denominated in a foreign currency.

University of Wisconsin System (UWS)

As of June 30, 2008, the UWS held equity securities denominated in foreign currencies within pooled investment vehicles only, with market values totaling $94.3 million. Some of the trades for such foreign positions will not settle in foreign currencies until after the fiscal year end. Foreign currency forward exchange contracts are often used to manage the risk related to fluctuations in currency exchange rates between the time of purchase or sale and the actual settlement of foreign currencies. The UWS's foreign pooled investment managers also use foreign exchange forwards and futures to manage longer term currency risk exposures. Counterparty risk in foreign exchange forwards and futures instruments is negligible.

Wisconsin Retirement System (WRS)

The WRS held foreign currency denominated cash and securities directly in designated actively managed portfolios and indirectly through its investment in certain commingled invest funds.

As of June 30, 2008, the following assets were denominated in the following currencies (in millions):

Currency Exposure by Investment Type

Currency	Cash and Cash Equivalents	Convertible Securities	Equity	Fixed Income	Preferred Securities	Limited Partnerships	Mortgage	Real Estate	Multi Asset	Total Exposure by Currency
Australian Dollar	3.8	--	421.6	111.1	--	--	--	--	--	536.6
Brazil Real	0.9	--	10.6	60.4	179.9	--	--	--	--	251.8
British Pound Sterling	6.5	--	1,809.8	316.1	--	125.7	--	--	--	2,258.1
Canadian Dollar	8.4	--	512.9	108.5	--	29.2	--	--	--	659.0
Columbian Peso	--	--	--	8.3	--	--	--	--	--	8.3
Danish Krone	0.8	--	81.0	28.8	--	--	--	--	--	110.6
Euro Currency Unit	114.2	--	3,561.9	1,333.6	34.2	521.2	--	--	--	5,565.1
German Mark	--	--	--	0.2	--	--	--	--	--	0.2
Hong Kong Dollar	1.7	--	186.8	--	--	--	--	--	--	188.6
Hungarian Forint	--	--	1.9	--	--	--	--	--	--	1.9
Iceland Krona	--	--	--	17.9	--	--	--	--	--	17.9
Indian Rupee	1.2	--	27.3	--	--	--	--	--	--	28.4
Indonesian Rupian	0.1	--	23.5	25.8	--	--	--	--	--	49.4
Israeli Shekel	0.3	--	12.6	--	--	--	--	--	--	12.9
Italian Lira	--	--	--	1.8	--	--	--	--	--	1.8
Japanese Yen	31.5	--	2,074.8	931.8	--	--	--	--	--	3,038.1
Malaysian Ringgit	1.7	--	7.7	77.5	--	--	--	--	--	86.9
Mexican New Peso	(0.1)	--	76.9	64.5	--	--	--	--	--	141.3
Taiwan Dollar	1.6	--	157.0	--	--	--	--	--	--	158.6
Turkish Lira	1.9	--	33.4	5.8	--	--	--	--	--	41.1
New Zealand Dollar	--	--	1.9	50.2	--	--	--	--	--	52.1
Norwegian Krone	2.3	--	198.5	16.9	--	--	--	--	--	217.7
Peruvian Nuevo Sol	0.4	--	--	1.8	--	--	--	--	--	2.2
Philippines Peso	--	--	6.9	--	--	--	--	--	--	6.9
Polish Zloty	--	--	10.1	55.5	--	--	--	--	--	65.6
South African Rand	0.4	--	29.5	31.0	--	--	--	--	--	60.9
Singapore Dollar	1.3	--	125.3	56.4	--	--	--	--	--	183.0
South Korean Won	--	--	154.9	8.1	8.5	--	--	--	--	171.5
Swedish Krona	7.6	--	130.0	97.0	--	--	--	--	--	234.6
Swiss Franc	1.6	--	534.4	--	--	--	--	--	--	536.0
Thailand Baht	0.8	--	32.8	--	--	--	--	--	--	33.6
Uruguayan Peso	--	--	--	2.2	--	--	--	--	--	2.2
Total Foreign Currency Exposure	189.2	--	10,224.5	3,411.3	222.6	676.1	--	--	--	14,723.9
United States Dollar	928.5	35.6	39,465.2	18,867.7	5.2	5,493.2	129.0	467.9	840.1	66,232.5
Total Investments by Currency Exposure	1,117.7	35.6	49,688.7	22,279.0	227.8	6,169.3	129.0	467.9	840.1	80,956.4

Securities Lending Transactions

Wisconsin Retirement System (WRS)

Securities Lending Transactions – State statutes and Board policies permit the use of investments of the WRS to enter into securities lending transactions. These transactions involve the lending of securities to broker-dealers and other entities for collateral, in the form of cash or securities, with the simultaneous agreement to return the collateral for the same securities in the future. The securities custodian is an agent in lending the domestic and international securities. When domestic securities are delivered to a borrower as part of a securities lending agreement, the borrower is required to place collateral equal to 102 percent of the loaned securities' fair value, including interest accrued, as of the delivery date with the lending agent. In the event that foreign securities are loaned, the borrower is required to place collateral totaling 105 percent of the loaned securities' fair value, including interest accrued, as of the delivery date with the lending agent except when the collateral is denominated in the same currency as the loaned security. In this case, collateral is required to total 102 percent of the loaned securities' fair value including interest accrued, as of the delivery date.

The cash collateral is reinvested by the lending agent or its affiliate in accordance with the contractual investment guidelines, which are designed to insure the safety of principal and obtain a moderate rate of return. The investment guidelines include very high credit quality standards and also allow for a portion of the collateral investments to be invested with short-term securities. The earnings generated from the collateral investments, less the amount of rebates paid to the dealers and fees paid to agents, results in the gross earnings from lending activities, which is then split on a percentage basis with the lending agent.

In accordance with money market mutual fund industry standards, the cash collateral reinvestment pools are valued at amortized cost. The amortized or book value of a fund's assets and underlying fair market value of the assets may differ based on market conditions. The pools' market value relative to its amortized cost is expressed as net asset value (NAV) and is derived by dividing total market value by amortized cost. In Fiscal Year 2008, the securities lending reinvestment pools' NAV fell below the typical money market fund floor value of 99.50 percent. As of June 30, 2008, the U.S. dollar cash collateral reinvestment pools' NAV was 99.38 percent while the foreign reinvestment pool had a NAV of 99.36 percent.

At year end, no credit risk exposure to borrowers existed because the amounts owed the borrowers exceeded the amounts the borrowers owed. The contract with the lending agent requires it to indemnify if the borrowers fail to return the loaned securities and the collateral is inadequate to replace the securities lent. Losses resulting from violations of investment guidelines are also indemnified.

The majority of securities loans can be terminated on demand. The average term of the loans is approximately one week, which is shorter than the weighted average maturity of 23 days for investments made with the U.S. dollar cash collateral and the weighted average maturity of 28 days for investments made with foreign cash collateral.

Pledging or selling collateral securities cannot be done without a borrower default. The quantity of dollar value of securities lending contracts entered into is not restricted.

Derivative Financial Instruments

Various Funds

Interest Only Strips — Interest only strips are securities that derive cash flow from the payment of interest on underlying debt securities. The Tuition Trust Fund held several interest only strips for yield enhancing purposes. Because the underlying securities are United States Treasury obligations, the credit risk is low. On the other hand, interest only strips are more volatile in terms of pricing, and thus the market risk is higher than traditional United States Treasury obligations.

As of June 30, 2008 the Tuition Trust Fund held interest only strips valued at $7.3 million representing approximately 78.8 percent of portfolio investments.

Wisconsin Retirement System (WRS)

Derivatives offer a very liquid, low cost and effective way to establish or hedge existing portfolio positions. Investment guidelines define allowable derivative activity for each portfolio and are based on the investment objectives which have been established by the Board. Where derivatives are permitted, guidelines stipulate allowable instruments and the manor in which they are to be used. For those portfolios given the authority to utilize derivatives, all derivative issuers or counterparties used must be a recognized exchange or a bank or broker dealer with an actual credit rating of at least: (1) 'A1/P1' or better on short term debt from S&P or Moody's; or (2) 'A' or better on long term debt from S&P or Moody's.

Foreign Currency Forwards and Options – Currency exposure management is permitted through the use of exchange traded currency instruments, and through the use of spot and forward contracts in foreign currencies. Direct currency hedging is permitted to hedge currency exposure back to the U.S. dollar when consistent with the strategy of the portfolio. Cross-currency exposure management to transfer out of an exposed currency and into a benchmark currency is permitted. In certain cases, currencies of non-benchmark countries may be held through the use of forward contracts provided that the notional value of any single non-benchmark currency does not exceed 5 percent of the

market value of the portfolio. Losses may arise from future changes in the value of the underlying currency, or if the counterparties do not perform under the terms of the contract.

During Fiscal Year 2008, currency exposure management involved foreign currency spot and forward contracts only. Generally, these contracts are entered into to hedge foreign exchange risk. At June 30, 2008, the fair value of foreign currency forward contract assets totaled $4.5 billion, while the liabilities totaled $4.5 billion.

Futures Contracts – A financial futures contract is an exchange traded agreement to buy or sell a financial instrument at an agreed upon price and time in the future. Upon entering into a futures contract, collateral is deposited with the broker in accordance with the initial margin requirements of the broker. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. The resulting gain/loss is received/paid the following day until the contract expires. Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin. Losses may arise from future changes in the value of the underlying instrument, or if the counterparties do not perform under the terms of the contract.

Asset Backed Securities – Asset backed securities are debt securities whose value is derived from payments and prepayments of principal and interest generated from whole loan mortgages, mortgage pass-through securities, credit card receivables, car loans and leases receivables, insurance proceeds receivable, as well as, airline and railroad car loans receivable. In some cases, cash flows are distributed to different investment classes or traunches in accordance with the security's established payment order. Some traunches have more stable cash flows relative to changes in interest rates while others are significantly more sensitive to interest rate fluctuations. In a declining interest rate environment, some asset backed securities may be subject to a reduction in interest payments as a result of prepayment of underlying mortgages, leases or loans that make up the collateral pool. A reduction in interest payments causes a decline in cash flows and thus a decline in the fair value of the security. Rising interest rates may cause an increase in anticipated interest payments, thus an increase in fair value of the security. Only high quality, senior traunches, resulting in minimal risks of default and prepayment are held for the WRS. The degree of prepayment risk also varies with the type of underlying assets. Mortgage backed securities tend to have a higher degree of prepayment risk due to the long term nature of the security. At June 30, 2008, mortgage backed securities with a fair value totaling $169.8 million were held for the WRS.

Credit Default Swaps – Certain fixed income portfolios are permitted to manage credit exposures through the use of credit default swaps. A credit default swap (CDS) is an over-the-counter contract whereby the credit risk associated with an investment is transferred by entering into an agreement with another party who, in exchange for periodic fees, agrees to make payments in the event of a default or other predetermined credit event. This agreement effectively introduces credit exposure to the seller's portfolio without actually holding the bond, basket of investments, or bond index. One of the main advantages of CDS is that it allows for exposure to credit risk while limiting exposure to other risks such as interest rate, currency, and call risk, that often come with a typical bond. Losses may arise in the event of the bond issuer's bankruptcy or failure to make a coupon payment, or if the counterparties do not perform under the terms of the contract. Liquidity in the cash bond market may also affect performance of these instruments, if the contract is structured to have a physical, rather than a cash settlement.

As of June 30, 2008, no open CDS contracts were held.

Options – Option contracts give the purchaser of the contract the right to buy (call) or sell (put) the security or index underlying the contract at an agreed upon price on or before the expiration of the option contract. The seller of the contract is subject to market risk, while the purchaser is subject to credit risk and market risk to the extent of the premium paid to enter into the contract. Internal U.S. equity portfolios are allowed to buy put options and sell call options in connection with existing portfolio positions. Call options may be purchased or put options sold on investments that could be held in the portfolio if the options were exercised. Domestic fixed income portfolios are permitted to enter into option contracts for the purpose of adjusting duration, taking or modifying positions, or investing anticipated cash flows. At June 30, 2008, the WRS held no options.

Unfunded Capital Commitments

University of Wisconsin System (UWS)

The UWS has unfunded limited partnership commitments of $20.6 million as of June 30, 2008.

Wisconsin Retirement System (WRS)

The Board has committed to fund various limited partnerships and side-by-side agreements related to its private equity and real estate holdings. Commitments that have not been funded as of June 30, 2008 totaled $5.9 billion.

2. Component Units

Component Units *except for the Wisconsin Health Care Liability Insurance Plan and the University of Wisconsin Foundation (Other Component Units)*

Wisconsin Housing and Economic Development Authority (Authority) – The Authority is required by statute to invest at least fifty percent of its General Fund funds in obligations of the State, of the United States, or of agencies or instrumentalities of the

United States, or obligations, the principal and interest of which are guaranteed by the United States, or agencies or instrumentalities of the United States. Each investment portfolio specifies what constitutes a permitted investment and such investments may include obligations of the U.S. government and agencies securities; corporate bonds and notes; money market mutual funds; commercial paper; and repurchase agreements and investment agreements.

The Authority enters into collateralized investment contracts with various financial institutions. The investment contracts are generally collateralized by obligations of the United States government.

The Authority is also authorized to invest its funds in the State Investment Fund.

The Authority's aggregate investments at June 30, 2008 were $830.4 million of which $348.9 million are reported as cash equivalents.

University of Wisconsin Hospital and Clinics Authority – The University of Wisconsin Hospitals and Clinics Authority's (the Hospital) aggregate investments at June 30, 2008 were $288.1 million of which $255.0 million (invested with the University of Wisconsin Foundation, see subsequent investment disclosure discussion for the University Wisconsin Foundation) are reported as "Cash and Investments with Other Component Units." The board of directors has authorized management to invest in debt and equity securities. In addition, the Hospital reported $33.1 million of investments in highly liquid short-term securities.

State Fair Park Exposition Center, Inc. – The aggregate investments at December 31, 2007 were $4.4 million, consisting of $3.9 million of money market funds that are reported as cash equivalents.

Custodial Credit Risk

The component units do not have a formal policy for custodial credit risk. At fiscal year end, the reported amount of investments was $867.9 million. Of this amount, $332.1 million were securities held by the counterparty but in the State's name.

Interest Rate Risk

It is the component units' policy to comply with the provisions contained within the general resolutions of revenue bond indentures and other program policy investment criteria. For example, investment maturities will coincide with the anticipated debt service payment dates and cash flow obligations associated with the life of bonds outstanding. Market conditions, rates of return, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the projected cash flow obligations. No investment will mature after the final bond maturity of the issue.

The following table provides information about the interest rate risks associated with the component units' investments. The investments include certain short-term cash equivalents, and various long-term items. As of fiscal year end, the component units had the following debt investments and maturities (in millions):

	Investment Maturities				
Investment Type	**Less Than 1 Year**	**1 to 5 Years**	**6 to 10 years**	**More Than 10 Years**	**Fair Value**
U.S. Government and U.S. agency holdings	$ 62.1	$ 58.6	$ 3.9	$ 3.3	$ 127.9
Corporate notes and bonds	--	1.7	--	--	1.7
Money market funds	386.4	--	--	--	386.4
Noncollateralized investment contracts	10.7	138.7	--	--	149.4
Mortgage-backed securities	161.3	5.0	0.6	18.7	185.6
Collateralized investment contracts	0.7	1.4	--	--	2.2
Negotiable certificates of deposit	13.9	0.6	--	--	14.5
Total	$ 635.2	$ 206.2	$ 4.5	$ 22.0	$ 867.9

Credit Quality Risk

The component units have established different investment policies for different investment types that generally include minimum rating requirements. For example, corporate bonds and notes are limited to U.S. domestic corporations having been rated not less than AA category or its equivalent as to investment quality by two or more nationally recognized investment rating firms. At least one rating must be in the top two short- or long-term rating categories and all other ratings must be in the top three rating categories. Further, money market funds must be regulated by the Securities and Exchange Commission and must consist of Government securities or other dollar-denominated permitted investments. Securities purchased by money market funds must be rated by at least one nationally recognized rating agency in the top two short-term rating categories or must be guaranteed by an entity with such ratings. Any other ratings must be in the top three rating categories. The following table presents the component units' ratings at fiscal year end (in millions):

		Credit Quality Ratings			
Investment Type	**Fair Value**	**AAA**	**AA**	**A**	**Unrated**
Corporate notes and bonds	$ 1.7	$ --	$ 1.7	$ --	$ --
Money market funds	386.4	348.9	37.5	--	--
Noncollateralized investment contracts	149.4	--	--	149.4	--
Negotiable certificates of deposit	14.6	--	--	--	14.6
Mortgage-backed securities	2.4	--	--	--	2.4
Collateralized investment contracts	185.6	--	--	185.6	--

Concentration of Credit Risk

Investment policies generally limit the concentration of credit risk with an issuer to a predetermined dollar value and/or percent. For example, the investment policy outlined in a general resolution requires that for funds not invested in government securities or money market mutual funds, no more than 5 percent of total portfolio market value can be invested with any issuer or secured by any one guarantor, and not more than 15 percent of the portfolio's market value will be invested in any municipal or industry sector. There were no non-government investments that exceeded 5 percent of the total portfolio.

Foreign Currency Risk

The component units' policy generally prohibits investments traded in foreign currencies. Although trading in foreign currencies may be acceptable for a limited number of portfolios, no exposure to foreign currency existed at fiscal year end.

Securities Lending

The Wisconsin Housing and Economic Development Authority's (Authority) Finance committee approved the use of a security-lending program with the trust department of a bank acting as an agent. As of June 30, 2008 the Authority had $103.0 million of securities on loan to broker-dealers for a fee.

Security lending transactions involve the lending of securities to broker-dealers and other entities for collateral, in the form of cash or securities, with the simultaneous agreement to return the collateral for the same securities in the future. The securities custodian is an agent in lending the domestic and international securities for collateral of 102 percent and 105 percent, respectively, of the loaned securities' market value. The lending agent in accordance with contractual investment guidelines, which are designed to insure the safety of principal and obtain a moderate rate of return, reinvests the collateral. The investment guidelines include very high credit quality standards and also allow for a portion of the collateral investments to be invested with short-term securities. The Authority has the following types of securities on loan: U.S. agency securities, U.S. government securities and corporate notes. The Authority receives cash collateral for securities lent. The fair value of the investment securities loaned was $103.0 million as of June 30, 2008, and the fair value of the collateral received was $100.9 million. The Authority may request the bank to terminate any loan of securities for any reason at any time.

As of June 30, 2008, no credit risk exposure to borrowers existed because the amounts owed the borrowers exceeded the amounts the borrowers owed. The contract with the lending agent states that in the event that a borrower fails to return the lent security, the bank will indemnify the Authority for the following amounts: a) The difference between the closing market value of security on the date it should have been returned to the account and the cash collateral substituted for the lent securities, or b) In the case of collateral received in kind, the difference between the closing market value of the security on the date it should have been returned to the account and the closing market value of the collateral in kind on the same date.

The Authority assumes all risk of loss arising out of collateral investment loss and any resulting collateral deficiencies. The bank expressly assumes the risk of loss arising from negligent or fraudulent operations of its securities lending program. The bank operates the securities lending program as a business trust investment pool with open and matched components. In the matched portion of the investment pool, the maturities of the securities lent and collateral are the same. The open portions of the pool maintain a weighted average maturity of the portfolio at approximately 15 days, with a range from one day to 25 days. The open portions of the pool generally have a 15-day mismatch between the portfolio coverage maturity and the open loans. As of June 30, 2008 approximately 100 percent of the securities lent were in the open portion of the investment pool. No restrictions on the amount of the loans exist or can be made. The earnings generated from the securities lending program is reported as other income. During the year ended June 30, 2008 the Authority received $163 thousand of income related to security lending transactions.

Other Component Units

Wisconsin Health Care Liability Insurance Plan (WHCLIP) – Aggregate investments of the WHCLIP were $64.8 million, of which $2.5 million are money market and other highly liquid debt instruments reported as cash equivalents.

The board of governors is responsible for and establishment of appropriate investment policies relating to the investment of the WHCLIP's assets. The following investment guidelines are established: a minimum of 30 percent of the loss reserves must be invested in U.S. treasuries or agency securities and AAA rated CMOs, investments must be in the form of marketable debt issues, at the time of purchase all bonds must be rated no lower than A by a major rating bond agency, at least 80 percent of the bond portfolio must be rated A or better, adequate corporate diversification by issuer and sector must be maintained (the securities of any issuer should not exceed 1.5 percent of the bond portfolio based on market value at the time of purchase, excluding government or government agency securities), the average duration of the aggregate bond portfolio shall be less than 10

years, as deemed appropriate by the investment manager(s) and is not permitted to invest in common stock.

Excluded investments include: bonds rated below A by a major rating service at the time of purchase, foreign bonds not denominated in U.S. currency, futures transactions, short selling, use of margin, derivatives and hedge funds.

The investments of the WHCLIP at December 31, 2007 were $61.6 million consisting of the following (in millions):

Investment Type	Amortized Cost	Estimated Fair Value
U.S. Treasury securities and obligations of the U.S. government corporations and agencies	$ 9.3	$ 10.7
Debt securities issued by foreign governments and corporations	2.5	2.5
Industrial and miscellaneous	22.3	22.5
Public utilities	2.0	2.0
Loan-backed securities	25.5	25.8
Total	$ 61.6	$ 63.5

The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the component units will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the name of the WHCLIP. The WHCLIP had no custodial credit risk exposure for these investments.

The amortized cost and estimated fair value of bonds at December 31, 2007, by contractual maturity are presented in the table below (in millions):

	Amortized Cost	Estimated Fair Value
1 Year or Less	$ 5.0	$ 5.0
1 to 5 Years	16.7	16.7
6 to 10 Years	10.5	11.6
More Than 10 Years	3.9	4.5
	36.1	37.8
Loan-backed securities	25.5	25.7
Total	$ 61.6	$ 63.5

Mortgage-backed securities (includes residential and commercial MBS) consist of the following (in millions):

Pass-through securities:	
Guaranteed by GNMA	$ .1
Issued by FNMA and FHLMC	21.2

The WHCLIP does not hold investments in any one issuer that exceeds 5 percent of total assets.

As of December 31, 2007, the WHCLIP did not own any issues denominated in a foreign currency.

University of Wisconsin Foundation (the Foundation) - Aggregate investments of the Foundation are $2,363.4 million.

The following table summarizes the types of investments of the Foundation at December 31, 2007 (in millions):

Investment Type	Fair Value
Bond and debentures	$ 524.6
Stocks	687.7
Bond funds	104.7
Stock funds	32.7
Equity funds	3.0
Hedge funds	656.1
Limited partnerships	211.4
Real asset funds	143.2
Total	$ 2,363.4

Pooled funds and unitrusts carry investments in the University of Wisconsin Foundation Collective Bond Fund at cost on the date the units are purchased. Cost per unit is determined by the market value of the principal in the funds on the date of unit transactions. The cost and market value of University of Wisconsin Foundation Collective Bond Fund investments are as follow at December 31, 2007 (in millions):

	Cost	Market Value
Cash and Money Market Funds	$ .2	$ .2
Bonds and Debentures	18.1	18.2
Total	$ 18.3	$ 18.4

Custodial Credit Risk

At December 31, 2007, the reported amount of investments was $2,363.4 million. The Foundation had no custodial credit risk exposure for these investments.

3. State Investment Fund

The State Investment Fund (SIF) functions as the State's cash management fund by "pooling" the idle cash balances of all State funds and other public institutions. In the State's Comprehensive Annual Financial Report, the SIF is not reported as a separate fund; rather, each State fund's share in the "pool" is reported on the balance sheet as "Cash and Cash Equivalents." Shares of the SIF belonging to other participating public institutions are presented in the Local Government Pooled Investment Fund, an investment trust fund.

Wis. Stat. Secs. 25.17(3)(b), (ba), (bd) and (dg) enumerate the various types of securities in which the SIF can invest, which include direct obligations of the United States or its agencies, corporations wholly owned by the Untied States or chartered by an act of Congress, securities guaranteed by the United States, unsecured notes of financial and industrial issuers, direct obligations of or guaranteed by the government of Canada, certificates of deposit issued by banks in the United States and solvent financial institutions in Wisconsin, and bankers acceptances. Other prudent investments may be approved by the State of Wisconsin Investment Board's (the Board) Board of Trustees. The Board may approve other prudent investments and has granted derivatives authority, subject to review and approval of the Investment Committee, limited to positions in financial futures, forwards, options and swaps and only if the purpose is to hedge existing positions, to adjust portfolio duration within statutory guidelines, or otherwise to reduce the interest rate risk to which the Board is subjected in the normal course of business. Interest only and principal only securities, inverse floaters, and off balance sheet synthetic derivatives are not permitted.

Investments are valued at fair value for financial statement purposes and amortized cost for purposes of calculating income to participants. The custodial bank has compiled fair value information for all securities by utilizing third party pricing services. The fair value of investments is determined at the end of each month. Government and agency securities and commercial paper are priced using matrix pricing. This method estimates a security's fair value by using quoted market prices for securities with similar interest rates, maturities, and credit ratings. Short-term debt investments with remaining maturities of up to 90 days are valued using amortized costs to estimate fair value, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Repurchase agreements and nonnegotiable certificates of deposit are valued at cost because they are nonparticipating contracts that do not capture interest rate changes in their value. In addition, a bond issued by another State agency having a par value of $0.2 million is valued at par, which management believes approximates fair value.

For purposes of calculating earnings to each participant, all investments are valued at amortized cost. Specifically, income is distributed to pool participants monthly based on their average daily share balance. Distributed income includes realized investment gains and losses calculated on an amortized cost basis, interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, and investment and administrative expenses. This method differs from the fair value method used to value investments because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the pool's investments.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Board will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty or by the counterparty's trust department or agent but not in the name of the Board.

At June 30, 2008, the reported amount of investments was $5,822.4 million. The SIF had no custodial credit risk exposure for these investments.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. The weighted average maturity method is used to analyze interest rate risk and investment guidelines mandate that the weighted average maturity for the entire portfolio will not exceed one year. At June 30, 2008, the following table shows the investments by investment type, amount and the weighted average maturities (in millions):

Investment	Fair Value	Weighted Average Maturity (Days)
Repurchase agreements	$ 1,371.0	1
Government and agency	3,851.3	58
Certificates of deposit	600.0	137
Mortgage backed securities	0.1	331
Total	$ 5,822.4	
Portfolio weighted average maturity		53

Credit Quality Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This credit risk is

measured by the credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard and Poor's, Moody's Investors Service, and Fitch Ratings. Investment guidelines establish numerous, very specific maximum exposure limits based on the minimum credit ratings as issued by a nationally recognized rating agency.

The following table presents the SIF's ratings as of June 30, 2008 (in millions):

	Ratings	Fair Value	Percent
Repurchase agreements (collateral):			
U.S. government debt	N/A	$ 1,029.0	17.7
Government sponsored entity U.S agency	AAA/Aaa	342.0	5.9
Federal Home Loan Board	A-1+/P-1	1,329.8	22.8
Federal Home Loan Mortgage Corporation	A-1+/P-1	1,283.6	22.1
Federal National Mortgage Association	A-1+/P-1	1,212.8	20.8
Fed. Home Loan Board-Note	AAA/Aa	25.0	0.4
Certificates of deposit:			
Nonnegotiable (Var Wis Banks)	N/R	500.0	8.6
Negotiable	A-1+/P-1	100.0	1.7
Mortgage backed securities	N/R	0.2	0.0
Totals		$ 5,822.4	100.0%

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer. The SIF's investment guidelines limit concentrations of credit risk by establishing numerous maximum issuer and/or issue exposure limits based on credit rating. These guidelines do not place a limit on maximum exposure for any U.S. agency. As of June 30, 2008 the SIF has more than five percent of its investments in FHLB (23.3 percent), FHLMC (22.1 percent), FNMA (20.8 percent), and repurchase agreement collateral consisting of various securities issued by these same three U.S. agencies (5.9 percent). Since the repurchase agreements mature each day, new collateral, consisting of a different blend of U.S. Treasury and agency securities, is assigned each night.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The SIF is permitted to invest in Canadian or Euro denominated issues provided they are fully hedged against foreign currency risk. At June 30, 2008 the SIF did not own any issues denominated in foreign currency.

Copies of the separately issued financial report that includes financial statements and other supplementary information for the SIF may be obtained by writing to:

State of Wisconsin Investment Board
PO Box 7842
Madison, WI 53707-7842

4. Lottery Investments and Related Future Prize Obligations

Investments of the State Lottery Fund totaling $85.3 million are held to finance grand prizes payable over a 20-year or 25-year period. The investments in prize annuities are debt obligations of the U.S. government and backed by its full faith and credit as to both principal and interest. Liabilities related to the future prize obligations are presented at their present value and included as Accounts Payable and Other Accrued Liabilities. The following is a schedule of future prize obligations (in thousands):

Fiscal Year	Amount
2009	$ 16,974
2010	14,564
2011	9,747
2012	7,284
2013	7,350
Thereafter	51,503
Total future value	107,422
Less: Present value adjustment	(29,867)
Present value of payments	$ 77,555

NOTE 6. RECEIVABLES AND NET REVENUES

A. Receivables

Receivables at June 30, 2008 were as follows (in thousands):

	Taxes	Loans to Local Governments	Other Loans Receivable: Student Loans	Other Loans Receivable: Veterans Loans	Other Loans Receivable: Mortgage Loans	Other Loans Receivable: Other Loans	Other Receivables	Due From Other Governments	Due From Component Units	Total Receivables
Governmental Activities:										
General	$ 1,168,517	$ 5,962	$ -	$ -	$ -	$ 20,997	$ 198,557	$ 664,497	$ -	$ 2,058,529
Transportation	92,285	-	-	-	-	32,989	7,503	261,849	-	394,626
Nonmajor Governmental	30,802	495,645	-	-	-	35	102,956	15,692	-	645,130
Total Governmental:	1,291,604	501,607	-	-	-	54,021	309,017	942,037	-	3,098,286
Government-wide Adjustments:										
Internal Service Funds	-	-	-	-	-	-	159	297	-	457
Accrual Adjustments	-	-	-	-	-	-	2,948	-	-	2,948
Fiduciary Receivables	-	-	-	-	-	-	47,175	-	-	47,175
Total – Governmental Activities	$ 1,291,604	$ 501,607	$ 0	$ 0	$ 0	$ 54,021	$ 359,299	$ 942,335	$ -	$ 3,148,866
Related revenue deferral because the receivable does not meet the availability criteria	$ 271,598	$ 0	$ 0	$ 0	$ 0	$ 0	$ 107,500	$ 0	$ 0	$ 379,098
Business-type Activities:										
Current:										
Injured Patients and Families Compensation	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,905	$ -	$ -	$ 9,905
Environmental Improvement	-	131,939	-	-	-	-	1,090	8,103	-	141,133
University of Wisconsin System	-	-	34,012	-	-	-	105,123	106,672	1,235	247,042
Unemployment Reserve	-	-	-	-	-	-	153,636	4,185	-	157,821
Nonmajor Enterprise	-	288	-	6,263	8,278	-	80,421	11,003	-	106,254
Total Current:	-	132,227	34,012	6,263	8,278	-	350,176	129,964	1,235	662,155
Noncurrent:										
Environmental Improvement	-	1,583,604	-	-	-	-	-	-	-	1,583,604
University of Wisconsin System	-	-	165,787	-	-	-	5,490	-	-	171,277
Unemployment Reserve	-	-	-	-	-	-	33,639	-	-	33,639
Nonmajor Enterprise	-	2,160	-	19,536	272,719	3,773	754	-	-	298,942
Total Noncurrent	-	1,585,764	165,787	19,536	272,719	3,773	39,883	-	-	2,087,462
Government-wide Adjustments:										
Fiduciary Receivables	-	-	-	-	-	-	56	-	-	56
Total – Business-type Activities	$ 0	$ 1,717,991	$ 199,799	$ 25,799	$ 280,998	$ 3,773	$ 390,115	$ 129,964	$ 1,235	$ 2,749,673

B. Net Revenues

Certain revenues of the University of Wisconsin System are reported net of scholarship allowances. For Fiscal Year 2008, these scholarship allowances totaled as follows (in thousands):

Student Tuition and Fees	$ 90,875
Sales and Services of Auxiliary Enterprises	15,936
Total	$ 106,811

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended June 30, 2008 was as follows (in thousands):

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and Land Improvements	$ 1,724,581	$ 124,022	$ (357)	$ 1,848,245
Buildings and Improvements	158,793	1,463	-	160,256
Library Holdings	79,823	924	(25)	80,722
Equipment	642	10	-	652
Construction in Progress	1,134,812	533,478	(322,062)	1,346,227
Infrastructure	11,022,515	222,317	(36,863)	11,207,969
Total capital assets, not being depreciated	14,121,165	882,215	(359,308)	14,644,072
Capital assets, being depreciated:				
Land Improvements	94,226	20,278	(10)	114,493
Buildings and Improvements	1,750,378	78,769	(1,109)	1,828,037
Equipment	651,051	52,550	(43,341)	660,261
Totals	2,495,655	151,597	(44,460)	2,602,792
Less accumulated depreciation for:				
Land Improvements	42,959	5,742	(3)	48,698
Buildings and Improvements	605,789	48,567	(343)	654,013
Equipment	403,317	55,663	(40,926)	418,054
Totals	1,052,065	109,972	(41,272)	1,120,764
Total Capital Assets, being depreciated, net	1,443,590	41,625	(3,188)	1,482,027
Governmental activities capital assets, net	$ 15,564,755	$ 923,840	$ (362,495)	$ 16,126,100
Business-type activities:				
Capital assets, not being depreciated:				
Land and Land Improvements	$ 121,567	$ 3,266	$ (7)	$ 124,826
Library Holdings	1,052,658	22,590	(3,979)	1,071,269
Construction in progress	320,971	235,882	(192,327)	364,526
Total Capital Assets, not being depreciated	1,495,196	261,738	(196,313)	1,560,621
Capital assets, being depreciated:				
Land Improvements	9,390	99	-	9,489
Buildings	4,198,022	105,065	181,700	4,484,787
Equipment	872,644	67,980	(28,334)	912,290
Totals	5,080,056	173,143	153,366	5,406,565
Less accumulated depreciation for:				
Land Improvements	7,083	494	-	7,577
Buildings	1,789,496	121,955	(3,502)	1,907,949
Equipment	602,406	64,533	(16,484)	650,455
Totals	2,398,984	186,982	(19,987)	2,565,980
Total Capital Assets, being depreciated, net	2,681,072	(13,839)	173,353	2,840,585
Business-type activities capital assets, net	$ 4,176,268	$ 247,898	$ (22,960)	$ 4,401,206

In addition to the capital assets reported by governmental and business-type activities, the fiduciary funds reported gross capital assets of $2,759 thousand at June 30, 2008, with accumulated depreciation totaling $2,717 thousand.

Depreciation Expense

Depreciation expense was charged to functions of the primary government as follows (in thousands):

Governmental Activities			Business-type Activities		
Commerce	$	1,097	University of Wisconsin System	$	174,720
Education		2,932	Lottery		42
Transportation		10,695	Veterans Mortgage Loan Repayment		21
Environmental Resources		8,648	Other Business-Type		12,198
Human Relations and Resources		47,160	Total depreciation expense - business-type activities	$	186,981
General Executive		8,725			
Judicial		2,516			
Legislative		871			
Depreciation on capital assets held by the internal service funds		27,326			
Total depreciation expense - governmental activities	$	109,970			

Impaired Capital Assets

The University of Wisconsin System reported two assets meeting the definition of a temporarily impaired asset. The University of Wisconsin – Whitewater's Central Heating Plant, net book value of $5.3 million, and the University of Wisconsin – Oshkosh's River Commons, net book value of $.6 million, were both idle as of June 30, 2008. The Central Heating Plant is expected to be fully functional in Fall 2008. Decisions regarding the River Commons are expected to be made during the 2009 fiscal year.

Construction in Progress

Construction in progress of the primary government reported in the government-wide statement of net assets at June 30, 2008 included the following projects (in thousands):

	Allotments	Expended to June 30, 2008	Encumbrances Outstanding	Unencumbered Allotment Balance
Governmental Activities:				
Reported through capital projects funds:				
State Highway Rehabilitations and Marquette Interchange	$ 253,896	$ 253,896	$ --	$ --
Armed Forces Reserve Center	38,309	3,972	1,839	32,498
Sand Ridge Secure Treatment Center Housing	21,500	10,365	9,905	1,231
Wild Rose Fish Hatchery	17,477	--	--	17,477
Madison Crime Lab Remodeling	16,030	14,255	140	1,634
Winnebago Corrections Facility Replacement	13,900	637	591	12,671
Other projects with allotments totaling less than $10 million		51,837		
		334,962		
Other:				
Transportation-related funded through sources other than capital projects		940,050		
Other		71,216		
Total construction in progress – governmental activities		$ 1,346,228		
Business-type Activities:				
University of Wisconsin System:				
Interdisciplinary Center – Madison	159,081	$ 143,424	14,002	1,656
Biochemistry II Building – Madison	116,950	7,447	1,943	107,560
University Square Development – Madison	59,681	38,643	15,837	5,200
Institute for Discovery – Madison	49,304	2,798	60	46,446
Academic Building – La Crosse	43,900	1,078	--	42,822
Jarvis Science Wing Renovation - Stout	42,991	2,357	32,346	8,287
Business and Economics Building – Whitewater	42,273	25,457	10,719	6,148
Residence Hall - Whitewater	36,860	1,755	658	34,447
Education Building Renovation - Madison	33,345	1,973	1,499	29,873
Academic Building - Superior	30,174	1,072	--	29,102
Campus Utility Upgrade – Madison	28,747	21,956	6,402	389
Engineering Building - Platteville	25,667	16,197	4,553	4,916
Student Union Expansion – Parkside	25,191	19,612	3,162	2,417
Rothwell Student Center – Superior	24,857	3,143	18,346	3,374
Residence Hall - Parkside	17,740	1,253	14,698	1,789
Sterling Hall Renovation - Madison	17,500	1,621	567	15,311
Stadium Field Complex – La Crosse	15,863	1,288	13,630	944
Chadbourne & Barnard Hall - Madison	12,373	273	70	12,030
Veteran Memorial Cemetery – Phase III Cemetery	10,900	116	86	10,699
Other projects with allotments totaling less than $10 million:				
University of Wisconsin System		70,534		
Other		6,032		
Total construction in progress – business-type activities		$ 368,031		

Certain construction in progress of the University of Wisconsin System as listed above is reported in the applicable major capital assets categories. Construction in progress of the University of Wisconsin System and of the other business-type activities as reported in the financial statements totaled $358.4 million and $6.1 million as of June 30, 2008, respectively.

Component Units

Capital Assets balance of the Wisconsin Housing and Economic Development Authority at June 30, 2008, the University of Wisconsin Hospitals and Clinics Authority at June 30, 2008, the University of Wisconsin Foundation at December 31, 2007, and the State Fair Park Exposition Center, Inc. at December 31, 2007 were as follows (in thousands)

	Amount
Capital Assets, not being depreciated:	
Land and Land Improvements	$ 15,819
Construction in Progress	22,959
Total Capital Assets, not being depreciated	38,778
Capital Assets, being depreciated:	
Buildings	513,632
Equipment	219,016
Totals	732,648
Less accumulated depreciation for:	
Buildings	180,065
Equipment	135,520
Totals	315,585
Total Capital Assets, being depreciated, net	417,063
Component Units Capital Assets, net	$ 455,840

NOTE 8. ENDOWMENTS

Primary Government

University of Wisconsin System

The University of Wisconsin System invests its trust funds, principally gifts and bequests designated as endowments or quasi-endowments, in two of its own investment pools: the Long Term Fund and the Intermediate Term Fund. Benefiting University of Wisconsin System entities receive quarterly distributions from the Long Term Fund, principally endowed assets, based on an annual spending rate applied to a 12-quarter moving average market value of the fund. Effective since the final quarter of Fiscal Year 2005, a spending rate of 4.0 percent was applied. Distributions from the Intermediate Term Fund, principally quasi-endowments and unspent income distributions, consist of interest earnings distributed quarterly. Spending rate and interest distributions from both of these funds are transferred to the State Investment Fund, pending near-term expenditures. At June 30, 2008, net appreciation of $11.8 million was available to be spent.

University of Wisconsin System investment policies and guidelines for the Long Term Fund and Intermediate Term Fund are governed and authorized by the Board of Regents. The approved asset allocation policy for the Long Term Fund sets a general target of 24.5 percent marketable equities, 16.5 percent fixed income, 34.0 percent alternatives, and 25.0 percent tactical strategies. Accordingly, the fund includes investments in domestic and non-U.S. stocks and bonds, and limited partnerships consisting of venture capital and other private equity investments. The approved asset allocation for the Intermediate Term Fund is 15.0 percent marketable equities, 65.0 percent fixed income, 10.0 percent alternatives and 10.0 percent cash.

The fair value of Endowments as of June 30, 2008 was $398.5 million including an unrealized loss of $38.7 million when fair values as of June 30, 2008 are compared to asset acquisition costs. This compares to a fair value as of June 30, 2007 of $420.3 million. The net decrease in fund balance during 2007-08 was $21.8 million.

The book value of Endowments under control of the University of Wisconsin System was $420.3 million as of June 30, 2008 compared to a book value of $366.1 million as of June 30, 2007. The calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments since realized gains and losses are based on the difference between the selling price and the acquisition cost of the asset. Therefore, when assets are reported at fair value much of the realized gain or loss may have already been included in prior years as part of the overall change in the fair value of investments.

At June 30, 2008, the book value and fair value of principal funds under control of the University of Wisconsin System was (in millions):

Original Contributions and Distributed Net Gains	$ 144.9
Realized Gains – Undistributed	275.4
Book Value	420.3
Unrealized Net Gains/Losses - Undistributed	(21.8)
Fair Value	$ 398.5

On June 30, 2008, the portfolio at market contained 38.5 percent in stocks, 13.9 percent in fixed income obligations, 19.3 percent in alternative assets, 17.4 percent in tactical allocation strategies, and 10.9 percent in short-term investments. The total return on the principal Long Term Fund including capital appreciation was (2.7) percent. The total return on the principal Intermediate Fund including capital appreciation was 7.6 percent. External investment counsel was furnished for funds representing 83.8 percent of market-value principal.

Component Unit

University of Wisconsin Foundation

At December 31, 2007 there were 3,700 funds pooled in an endowment fund for investment purposes. Generally, principal of the funds is to be kept intact with income from investments being distributed according to the wishes of the donor. For certain funds, principal is also available for distribution.

The University of Wisconsin Foundation's investment policies and guidelines are governed and authorized by the University of Wisconsin Foundation's Board of Directors. The Board does not limit the types of investments allowed.

For the fiscal year ended December 31, 2007, the endowment fund accounts reported cash and money market funds of $105.3 million, margin deposits for futures contracts of $2.9 million and investments with a fair value of $1,629.3 million. This compares to a fair value for investments as of December 31, 2006 of $1,444.4 million. The asset allocation for endowment assets at December 31, 2007 is 24.9 percent in domestic equities, 16.9 percent in international equities, 30.8 percent in absolute returns, 10.1 percent in fixed income, 11.1 percent in private equity, 6.1 percent in real assets and .1 percent in cash.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances as of or for the year ended June 30, 2008 consist of the following (in thousands):

A. Due from/to Other Funds:

Due from Other Funds and the Due to Other Funds represent short-term interfund accounts receivable and payable. The balances in these accounts at June 30, 2008 were as follows (in thousands):

	Due to Other Funds:			
	General	Transportation	Nonmajor Governmental	Injured Patients and Families Compensation
Due from Other Funds:				
General	$ -	$ 31,085	$ 18,048	$ 342
Transportation	1,859	-	48,927	-
Nonmajor Governmental	22,910	14,741	5,869	4
Environmental Improvement	17	-	4	-
University of Wisconsin System	48,178	679	2,263	-
Unemployment Reserve	319	-	-	-
Nonmajor Enterprise	8,122	60	4,065	1
Internal Service	22,422	2,373	7,028	4
Fiduciary	25,750	1,847	2,598	4
Total	$ 129,578	$ 50,784	$ 88,802	$ 355

The balances in the Due from Other Funds and Due to Other Funds accounts typically result from the time lag between the dates that

(1) interfund goods and services were provided and when the payments occurred, and

(2) interfund transfers were accrued and when the liquidations occurred.

Environmental Improvement	University of Wisconsin System	Unemployment Reserve	Nonmajor Enterprise	Internal Service	Fiduciary	Total
$ 219	$ 49,794	$ 6,626	$ 29,088	$ 3,387	$ 44,467	$ 183,054
-	263	-	15	-	-	51,064
1,162	57	1	1,179	824	-	46,748
-	-	-	-	-	-	22
47	-	-	28	219	-	51,414
-	-	-	-	-	-	319
-	-	-	3,013	39	52	15,350
1	889	-	519	474	2,632	36,343
5	4,008	-	2,044	651	250	37,157
$ 1,433	$ 55,012	$ 6,627	$ 35,886	$ 5,595	$ 47,400	$ 421,471

B. Due from/to Component Units

Receivables and payables between funds and component units at June 30, 2008 were as follows (in thousands);

	Due from Component Unit		Due from Primary Government		
	University of Wisconsin System	Fiduciary	University of Wisconsin Hospitals and Clinics Authority	Timing Differences	Total
Due to Primary Government:					
University of Wisconsin Hospitals and Clinics Authority	$ 1,235	$ 3,267	$ -	$ -	$ 4,502
State Fair Park Exposition, Center Inc.	-	-	-	33	33
Due to Component Unit:					
University of Wisconsin System	-	-	1,501	-	1,501
Total	$ 1,235	$ 3,267	$ 1,501	$ 33	$ 6,035

Receivables and liabilities between the primary government and the discretely presented component unit do not agree because the State Fair Park Exposition Center, Inc. has a December 31 fiscal year end.

C. Interfund Receivables/Payables

Interfund Receivables/Payables represent short-term loans from one fund to another to cover cash overdrafts. Interfund receivables/payables at June 30, 2008 were as follows (in thousands):

	Interfund Receivables:			
	University of Wisconsin System	Transportation	Fiduciary	Total
Interfund Payables:				
General	$ 331,105	$ 9,342	$ -	$ 340,446
Injured Patients and Families Compensation	35,338	-	-	35,338
Nonmajor Enterprise	39,166	-	-	39,166
Internal Service	45,975	-	-	45,975
Fiduciary	-	-	2,023,294	2,023,294
Total	$ 451,584	$ 9,342	$2,023,294	$2,484,219

D. Advances to/from Other Funds

Advances to/from Other Funds represent long-term loans to one fund from another fund. Advances at June 30, 2008 were as follows (in thousands):

	Advances to Other Funds (asset):		
	General	Internal Service	Total
Advances from Other Funds (liability):			
Nonmajor Governmental	$ -	$ 2,839	$ 2,839
Fiduciary	81	-	81
Total	$ 81	$ 2,839	$ 2,920

E. Interfund Transfers

Interfund Transfers in and out that occurred during Fiscal Year 2008 were as follows (in thousands):

	Transfers in:							
	General	Transportation	Nonmajor Governmental	Environmental Improvement	University of Wisconsin System	Nonmajor Enterprise	Internal Service	Total
Transfers out:								
General	$ -	$ 4,008	$ 506,084	$ -	$ 979,069	$ 67,945	$ 5,986	$ 1,563,092
Transportation	156,783	-	45,501	-	-	-	-	202,284
Nonmajor Governmental	13,063	20,322	46,524	40,655	117,699	1,858	1,879	241,999
Injured Patients and Families Compensation	71,500	-	12	-	-	-	-	71,512
Environmental Improvement	-	-	6,085	-	-	-	-	6,085
University of Wisconsin System	48,169	-	42,069	-	-	-	181	90,418
Unemployment Reserve	5,561	-	-	-	-	-	-	5,561
Nonmajor Enterprise	25,787	-	6,140	-	-	741	266	32,934
Internal Service	4,890	5	996	-	1	12	759	6,663
Fiduciary	-	-	273	-	-	-	-	273
Noncurrent Assets Transferred Between Proprietary Funds and Governmental Funds	-	-	-	-	-	531	5	536
Total	$ 325,752	$ 24,335	$ 653,684	$ 40,655	$ 1,096,769	$ 71,086	$ 9,077	$ 2,221,358

Transfers are typically used to move: (1) revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with statute or budgetary authorizations, and (4) accumulated surpluses from other funds to the General Fund when authorized by statute.

Nonroutine and Other Transfers

In the fiscal year ended June 30, 2008, transfers considered non-routine or inconsistent with the fund making the transfer included the following (in thousands):

Funds Reporting the Transfer	Amount
Transfers to the General Fund from other funds to address revenue shortfalls:	
Transportation	$155,209
Petroleum Inspection	1,019
Financial Services	2,200
Risk Management	1,300
Other funds	2,307

Funds Reporting the Transfer	Amount
Transfers to the Medical Assistance Trust Fund later reclassified to the General Fund:	
University Wisconsin System	$ 15,000
Injured Patients and Families Compensation	71,500
Transfer to the Transportation Fund from Petroleum Inspection Fund	20,322

NOTE 10. CHANGES IN LONG-TERM LIABILITIES

During the year ended June 30, 2008, the following changes occurred in long-term liabilities (in thousands):

Primary Government

Governmental Activities	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Amounts Due Within One Year
Bonds Payable:					
General Obligation Bonds for Governmental Funds	$ 3,785,444	$ 284,979	$ 268,525	$ 3,801,899	$ 289,517
General Obligation Bonds for Internal Services Funds	155,606	8,262	8,357	155,511	8,692
Annual Appropriation Bonds	1,794,850	1,007,120	944,850	1,857,120	6,475
Revenue Bonds	3,072,245	-	142,935	2,929,310	132,895
Less Deferred Amounts:					
Issuance Premiums and Discounts	242,075	15,993	34,888	223,180	
Refundings	(56,154)	-	(6,587)	(49,567)	
Total Bonds Payable	8,994,066	1,316,354	1,392,968	8,917,452	437,579
Other Liabilities:					
Future Benefits and Loss Liability	95,984	34,531	35,515	95,000	38,063
Capital Leases	46,660	11,231	20,061	37,830	19,099
Installment Contracts	451	770	905	316	257
Compensated Absences	131,528	52,512	45,475	138,565	46,731
Other Postemployment Benefits	-	50,059	-	50,059	-
Claims, Judgments and Commitments	14,491	-	13,057	1,434	-
Total Governmental Activities Long-term Liabilities	$ 9,283,180	$ 1,465,456	$ 1,507,981	$ 9,240,655	$ 541,730

Repayment of the general obligation bonds is made from the Bond Security and Redemption Fund. The amount presented in this fund represents the liability to be paid from resources accumulated to provide debt service payments in Fiscal Year 2008. Repayment of the revenue bonds principal and interest is made from the appropriate debt service fund with payments secured by registration and inspection fees collected by the appropriate program. The compensated absences liability will be liquidated by the State's governmental and internal service funds. Long-term liabilities for claims, judgments and commitments are generally liquidated with resources of the governmental activities.

Business-type Activities	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Amounts Due Within One Year
Bonds Payable:					
General Obligation Bonds	$ 1,104,111	$ 97,954	$ 66,026	$ 1,136,038	$ 42,210
Revenue Bonds	729,575	127,335	83,085	773,825	60,730
Less Deferred Amounts:					
Issuance Premiums and Discounts	55,905	14,132	7,801	62,236	
Refundings	(21,072)	(432)	(1,978)	(19,526)	
Total Bonds Payable	1,868,518	238,989	154,934	1,952,574	102,940
Other Liabilities:					
Future Benefits and Loss Liability	966,560	233,622	111,537	1,088,646	168,421
Capital Leases	121,183	114,810	119,554	116,439	5,751
Compensated Absences	118,175	7,586	3,185	122,576	58,747
Other Postemployment Benefits	-	53,812	-	53,812	-
Total Business-type Activities Long-term Liabilities	$ 3,074,437	$ 648,819	$ 389,209	$ 3,334,046	$ 335,859

Component Units

The following table presents the changes in long-term liabilities of the Wisconsin Housing and Economic Development Authority at June 30, 2008, the Wisconsin Health Care Liability Insurance Plan at December 31, 2007, the University of Wisconsin Hospitals and Clinics Authority at June 30, 2008, the University of Wisconsin Foundation at December 31, 2007, and the State Fair Park Exposition Center, Inc. at December 31, 2007:

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Amounts Due Within One Year
Bonds and Notes Payable:					
Revenue Bonds and Notes	$ 3,325,010	$ 603,599	$ 372,831	$ 3,555,778	$ 113,199
Future Benefits and Loss Liability	29,806	7,316	--	37,122	10,420
Capital Leases	11,972	--	1,728	10,244	2,320
Compensated Absences	6,545	7,563	6,049	8,059	7,559
Split-interest Agreement	--	43,143	--	43,143	--
Other Post Employment Benefits	--	4,148	--	4,148	--
Pension Related	72,901	--	1,205	71,696	4,426
Total Component Units Long-term Liabilities	$ 3,446,234	$ 665,769	$ 381,190	$ 3,730,190	$ 137,924

NOTE 11. BONDS, NOTES AND OTHER DEBT OBLIGATIONS

The following schedule summarizes outstanding long-term bonds and notes payable at June 30, 2008 (in thousands):

Primary Government	
Governmental Activities:	
General Obligation Bonds	$ 4,080,881
Annual Appropriation Bonds	1,850,802
Revenue Bonds:	
Transportation	1,485,849
Petroleum Inspection	111,142
Badger Tobacco Asset Securitization Corporation	1,388,778
Total Governmental Activities	8,917,452
Business-type Activities:	
General Obligation Bonds:	
University of Wisconsin System	738,609
Other Business-type	415,986
Revenue Bonds:	
Environmental Improvement	797,979
Total Business-type Activities	1,952,574
Total Primary Government	10,870,026
Component Units:	
Wisconsin Housing and Economic Development Authority Revenue Bonds	3,274,499
University of Wisconsin Hospitals And Clinics Authority Revenue Bonds	229,696
State Fair Park Exposition Center, Inc. Revenue Bonds and Notes Payable	40,795
University of Wisconsin Foundation Note Payable	10,788
Total Component Units	3,555,778
Total at June 30, 2008	$14,425,804

A. General Obligation Bonds

Primary Government

The State of Wisconsin Building Commission, an agency of the State, is empowered by law to consider, act upon, authorize, issue and sell all debt obligations of the State. To date, the Commission has authorized and issued general obligation bonds primarily to provide funds for the acquisition or improvement of land, water, property, highways, buildings, equipment or facilities for public purposes. Occasionally, general obligation bonds are also issued for the purpose of providing funds for veterans housing loans and to refund general obligation bonds. All general obligation bonds authorized and issued by the State are secured by a pledge of the full faith, credit and taxing power of the State of Wisconsin and are customarily repaid over a period of twenty to thirty years.

Article VIII of the Wisconsin Constitution and Wis. Stat. Sec. 18.05 set limits on the amount of debt that the State can contract in total and in any calendar year. In total, debt outstanding cannot exceed five percent of the value of all taxable property in the State. Annual debt issued cannot exceed the lesser of three-quarters of one percent or five percent of the value of all taxable property in the State less net indebtedness at January 1.

At June 30, 2008, $4,084.9 million of general obligation bonds were authorized but unissued.

General obligation bonds issued and outstanding as of June 30, 2008 were as follows (in thousands):

Fiscal Year Issued	Series	Dates	Interest Rates	Maturity Through	Amount Issued	Amount Outstanding
1990	1990 Series D	5/90	7.0	5/10	$ 65,859	$ 8,016
1991	1991 Series B	5/91	6.80 to 6.85	5/11	117,136	19,442
1992	1992 Refunding Issue	3/92	6.25	5/15	448,935	37,825
1993	1992 2;	10/92;	5.0 to 6.5	5/15	423,565	111,385
	1993 1, 2	1/93; 3/93				
1994	1993 Refunding Issues 3, 5, 6;	8/93; 12/93;	5.125 to 6.2	5/24	515,830	128,905
	1994 Refunding Issue 2	10/93; 3/94				
1995	1995 Series B	2/95	6.65	5/25	29,265	670
1996	1996 Series B	5/96	5.75 to 6.2	11/24	45,000	2,725
1997	1996 D;	10/96;	5.75 to 6.0	5/27	75,000	6,490
	1997 1 and A	3/97; 3/97				
1998	1997 C and D;	9/97; 9/97;	4.5 to 7.25	11/28	310,755	40,945
	1998 A, B and C	3/98; 5/98; 5/98				
1999	1998 Series 1, 2, D, E and F;	8/98; 9/98; 9/98; 10/98; 10/98	4.0 to 7.25	11/30	590,675	166,085
	1999 Series 1, A and B	5/99; 2/99; 5/99				
2000	1999 C and D; 2000 A	10/99; 11/99; 3/00	5.0 to 7.7	11/30	315,000	33,100
2001	2000 Series B and E;	7/00;11/00;	4.5 to 8.05	11/31	259,030	44,430
	2001 Series A, B, C and D	2/01; 4/01; 6/01; 6/01				
2002	2001 Series 1, E, F;	10/01; 10/01; 10/01;	4.0 to 6.96	5/33	819,545	412,920
	2002 Series 1, A, B, C, D	3/02; 3/02; 3/02; 6/02; 6/02				
2003	2002 Series E, F, G and H;	9/02; 9/02; 10/02; 12/02;	2.85 to 5.25	5/33	415,190	212,265
	2003 Series 1, 2, and A	4/03; 4/03; 5/03				
2004	2003 B, C, and 3;	7/03; 10/03;10/03;	0 to 19.088	5/34	1,305,096	1,009,426
	2004 1, 2, A, 3 and CWGBC	1/04; 1/04; 3/04; 6/04; 4/04				
2005	2004 Series 4, B, C, D and E;	7/04; 8/04; 8/04; 8/04; 10/04;	3.0 to 5.65	5/35	1,079,440	977,880
	2005 Series 1, A, B and C	2/05; 2/05; 4/05; 4/05				
2006	2005 Series D and E;	8/05; 12/05;	4.0 to 5.25	5/26	662,910	627,930
	2006 Series 1 and A	1/06; 3/06				
2007	2006 Series B, C and D;	7/07; 8/06; 8/06;	4.25 to 5.76	5/37	867,570	861,875
	2007 Series AW, BW and 1;	2/07; 2/07; 2/07;				
	2007 Series A and B	2/07; 6/07				
2008	2007 Series 2,3 and C;	10/07; 10/07;11/07; 6/08;6/08;	2.3 to 6.26	5/38	391,195	391,135
	2008 Series 1,2, A, AW,and BW	4/08;3/08; 5/08; 6/08				
Total					8,736,996	5,093,449
Premiums/Discounts					--	201,029
Deferred Amount on Refunding					--	(59,002)
Total General Obligation Bonds					$ 8,736,996	$ 5,235,476

As of June 30, 2008, general obligation bond debt service requirements for principal and interest for governmental activities and business - type activities are as follows (in thousands):

Fiscal Year	Governmental Activities		Business-Type Activities	
Ended June 30	Principal	Interest	Principal	Interest
2009	$ 298,209	$ 207,959	$ 42,210	$ 56,531
2010	301,798	179,408	43,002	54,604
2011	296,821	160,768	42,070	52,448
2012	283,889	146,763	44,998	50,334
2013	275,517	133,546	47,321	48,132
2014-2018	1,227,151	473,941	273,214	203,869
2019-2023	890,733	210,713	283,937	132,757
2024-2028	372,992	45,919	273,597	58,906
2029-2033	10,300	773	62,375	14,926
2034-2038	--	--	23,315	2,357
Total	3,957,410	1,559,790	1,136,039	674,864
Premiums/Discounts	171,771	--	29,258	--
Deferred Amount on Refunding	(48,300)	--	(10,702)	--
Total	$ 4,080,881	$ 1,559,790	$ 1,154,595	$ 674,864

Zero Coupon Bonds

The general obligation bonds of 1990, Series D (Higher Education Series), are zero coupon bonds recorded in the amount of $8.0 million which is the accreted value at June 30, 2008. The bonds mature on May 1 through the year 2010.

The general obligation bonds of 1991, Series B, are zero coupon bonds recorded in the amount of $19.4 million. The bonds mature on May 1 through the year 2011.

B. Annual Appropriation Bonds

In December 2003, the State issued $1.8 billion of General Fund Annual Appropriation Bonds consisting of Series A (Taxable Fixed Rate) and Series B (Taxable Auction Rate Certificates). These appropriation obligations were authorized by Wisconsin Statutes to obtain proceeds to pay the State's anticipated unfunded accrued prior service (pension) liability under Wis. Stat. Section 40.05(2)(b) and its unfunded accrued liability for sick leave conversion credits under Wis. Stat. Section 40.05(4)(b), (bc), and (bw) and Subchapter IX of Chapter 40. In April and June 2008, the State issued $1.0 billion of General Fund Annual Appropriation Refunding Bonds to refund the Series B (Taxable Auction Rate Certificates) that were issued in 2003. The 2008 issuance consisted of Series A (Taxable Fixed Rate) and Series B and C (Taxable Floating Rate Notes).

These appropriation obligations are not general obligations of the State, and do not constitute "public debt" of the State as that term is used in the Constitution and in the State Statutes. The payment of the principal of, and premium, if any, and interest on the obligations is subject to annual appropriation; that is, payments due in any fiscal year of the State will be made only to the extent sufficient amounts are appropriated by the Legislature. The State is not legally obligated to appropriate any amounts for payment of debt service. The Legislature, recognizing its moral obligation to make timely appropriations from the General Fund sufficient to pay debt service on such obligations, expresses in Wis. Stat. Section 16.527(10) its expectation and aspiration that it will do so. The Legislature's recognition of a moral obligation, however, does not create a legally enforceable obligation.

The General Fund Annual Appropriation Bonds, Series A (Taxable Fixed Rate) in the amount of $850.0 million ("2003 Series A Bonds"), bear interest at rates from 4.80 percent to 5.70 percent computed on the basis of a 30-day month and a 360-day year, payable semiannually on each May 1 and November 1 until their maturity dates.

The General Fund Annual Appropriation Refunding Bonds of 2008, Series A (Taxable Fixed Rate) in the amount of $498.1 million ("2008 Series A Bonds"), bear interest a rates from 2.936 percent to 5.238 percent computed on the basis of a 30-day month and a 360-day year, payable semiannually on each May 1 and November 1 until their maturity dates.

The General Fund Annual Appropriation Bonds of 2008, Series B (Taxable Floating Rate Notes), ("2008 Series B Bonds"), in the amont of $300.0 million, bear interest at rates 120 basis points over the one-month LIBOR, computed on the basis of a 360-day year and for the number of days actually elapsed, payable monthly on the first business day of the month.

The General Fund Annual Appropriation Bonds of 2008, Series C (Taxable Floating Rate Notes), ("2008 Series C Bonds") in the amount of $209.0 million, bear interest at rates 110 basis points over the one-month LIBOR computed on the basis of a 360-day year and for the number of days actually elapsed, payable monthly on the first business day of the month.

As of June 30, 2008, the debt service requirements for principal and interest on these bonds are as follows (in millions):

Fiscal Year Ended June 30	Principal	Interest
2009	$ 6.5	$ 104.7
2010	13.8	102.5
2011	20.1	101.9
2012	26.9	101.2
2013	286.5	100.0
2014 - 2018	518.3	414.2
2019 - 2023	229.4	275.4
2024 - 2028	518.0	165.4
2029 - 2032	237.6	34.5
Total	1,857.1	1,399.8
Unamortized Premium/Discount	(6.3)	--
Total, net	$ 1,850.8	$ 1,399.8

Interest Rate Swaps

The State has entered into interest rate exchange agreements, or swap agreements, to modify interest rates for nearly all of the 2008 Series B bonds and 2008 Series C bonds. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

Objective – In December 2003, the State entered into four interest rate exchange agreements with four different counterparties in order to reduce the interest rate risk in connection with $595.2 million of the Series B (Taxable Auction Rate Certificates) issued in 2003. In June 2005, the State entered into four additional interest rate exchange agreements with three counterparties in order to reduce the interest rate risk on the balance of the Series B (Taxable Auction Rate Certificates) issued in 2003, ($349.7 million). In April and June 2008, the State issued $509 million of annual appropriation refunding bonds as floating rate notes having variable interest rate set every month (2008 Series B Bonds and 2008 Series C Bonds). In conjunction with issuance in April 2008, at its option the State terminated and made corresponding termination payments in the aggregate amount of $40.0 million on some, and a portion of other, interest rate exchange agreements previously entered into in December 2003 and June 2005. As a result, interest rate exchange agreements remain to reduce the interest rate risk in connection with $500 million in floating rate notes.

Terms – Nearly all of the 2008 Series Series B and 2008 Series C bonds are subject to the interest rate exchange agreements. 2008 Series Bond B and Series C bonds mature and a related notional amount of the related interest rate exchange agreements decline from May 1, 2009 through 2032. Based on the interest

rate exchange agreements, the State owes to the counterparties an amount calculated at fixed rates ranging from 4.661 percent to 5.47 percent and the counterparties owe the State interest on an amount based on a variable rate, which is the one-month LIBOR. The net amount is paid monthly.

Fair Value – As of June 30, 2008, the aggregate fair value of the interest exchange agreements was negative $34.6 million. The fair value was valued by a third party consultant based on information contained in the broker Interest Rate Swap Confirmations supplied by the three counterparties -- JP Morgan Chase, Citigroup N.A. New York, and UBS AG. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the interest rate exchange agreement. The fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by the interest rate exchange agreements, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the interest rate exchange agreements. Based on those parameters, and swap market conditions prevailing on the June 30, 2008 valuation date, the third party consultant calculated the estimate market value. The valuations of derivative transactions provided by the third party consultant are indicative values based on mid-market levels as of the close of business on the date for which they are provided. The fair value may vary throughout the life of the swap agreements due to any changes in fixed swap interest rates and swap market conditions.

Associated Debt – Using rates as of June 30, 2008, debt service requirements are presented for the 2008 Series B and 2008 Series C bonds that are subject to the interest rate exchange agreements and the net swap payments assuming that interest rates remain the same for their term. As rates vary, interest payments on the floating rate notes and net swap payments will vary.

(in millions)

Fiscal Year Ended June 30	Principal	Interest	Interest Rate Swaps, Net	Totals
2009	$ 1.3	$ 18.4	$ 14.2	$ 33.9
2010	2.3	18.3	14.2	34.8
2011	3.4	18.3	14.1	35.8
2012	4.6	18.2	14.0	36.8
2013	5.9	17.9	14.0	37.8
2014 - 2018	5.5	88.5	68.9	162.9
2019 - 2023	30.9	86.5	67.8	185.2
2024 - 2028	211.1	71.7	57.3	340.1
2029 - 2032	235.0	19.0	15.3	269.3
	$ 500.0	$ 356.8	$ 279.8	$ 1,136.6

Interest Rate Risk – Currently, the State does not have interest rate risk because it is paying a fixed-rate of interest on the interest rate exchange agreements. However, if for some unforeseen reason any of the swaps agreements are terminated prior to maturity, the State will have interest rate risk associated with the outstanding 2008 Series B and 2008 Series C bonds until their maturity.

Credit Risk – As of June 30, 2008, the State was exposed to only a minimal amount of credit risk, as the fair values of three of the four interest rate exchange agreements were negative. Should rates change, the State could have increased exposure in the future. The State has entered into four interest rate agreements with five different counterparties. The lowest rating assigned to these counterparties is, as of June 30, 2008, Aa1 by Moody's, AA- by Standard & Poor's, and AA- by Fitch Ratings (which only assigns a rating for four of the five counterparties). Under the interest rate exchange agreements and to mitigate the potential for credit risk, if any of the counterparties' credit quality falls below A3 by Moody's Investors Service or A- by either Standard & Poor's or Fitch Ratings, the fair value of the interest rate exchange agreement for that respective counterparty will be fully collateralized by that counterparty. In addition, an event of termination occurs if any of the counterparties' credit quality falls below Baa2 by Moody's investors service or BBB by either Standard & Poor's or Fitch Ratings.

Basis Risk – The interest rate exchange agreements expose the State to basis risk (i.e., a shortfall or surplus between the variable interest rate received on the interest rate exchange agreements and the interest rate paid on the floating rate notes), however this risk is fixed at the spreads for the respective series.

Termination Risk – The interest rate exchange agreements may be terminated by the State, upon two business days written notice, designating to the counterparty the termination date. In addition, the State or the counterparties may terminate the interest rate exchange agreements if the other party fails to perform under the terms of the interest rate exchange agreements or if other various events occur. As of June 30, 2008, there have not been any such events. If any interest rate exchange agreement is terminated, the State would be unhedged and exposed to additional interest rate risk on the 2008 Series B bonds and the 2008 Series C bonds. In addition, if the interest rate exchange agreement has a negative fair value at the time of termination, the State would incur a loss and would be required to make a settlement payment to the related counterparty. Actual termination payments, if required to be made, can be made, at the State's discretion, from the Stabilization Fund, or delayed until funds are available in the Subordinated Payment Obligations Fund or until the next biennium when appropriations can be made in the biennial budget for the termination payments.

Market-access Risk and Rollover Risk – The State's swap agreements are for the term (maturity) of the 2008 Series B bonds

and the 2008 Series C bonds and, therefore, there is no market-access risk or rollover risk.

C. Revenue Bonds

Primary Government

Chapter 18, Wisconsin Statutes, authorizes the State to issue revenue obligations secured by a pledge of revenues or property derived from the operation of a program funded by the issuance of these obligations. The resulting bond obligations are not general obligations of the State.

Transportation Revenue Bonds

Transportation Revenue Bonds are issued to finance part of the costs of certain transportation facilities and major highway projects. Chapter 18, Subchapter II of the Wisconsin Statutes as amended, Wis. Stat. Sec. 84.59 and a general bond resolution and series resolutions authorize the issuance of these bonds.

The Department of Transportation is authorized to issue a total of $2,708.3 million of revenue bonds. Presently, there are twelve issues of Transportation Revenue Bonds totaling $1,485.8 million. Debt service payments are secured by driver and vehicle registration fees and also a reserve fund, which will be used in the event that a deficiency exists in the redemption fund.

The Transportation Revenue Bonds issued and outstanding as of June 30, 2008 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2007A	3/07	4.25 to 5.0	7/27	$ 148,710	$ 148,710
20071	3/07	4.35 to 5.0	7/22	206,900	206,900
2005B	9/05	4.0 to 5.0	7/25	158,400	151,360
2005A	3/05	3.0 to 5.25	7/25	235,585	234,915
2004 1	9/04	5.0 to 5.25	7/17	95,905	76,800
2003A	11/03	4.0 to 5.0	7/24	166,230	142,395
2002A	10/02	4.0 to 5.0	7/23	119,785	93,715
2002 1& 2	4/02	3.625 to 5.75	7/15 & 7/19	200,080	124,810
2001A	11/01	4.0 to 5.0	7/22	106,450	69,005
1998A&B	8&10/98	4.25 to 5.5	7/9 & 7/16	169,115	108,945
1993A	9/93	4.7 to 5.0	7/12	116,450	48,975
				1,723,610	1,406,530
Unamortized Premium				--	79,319
Total				$1,723,610	$1,485,849

Petroleum Inspection Fee Revenue Bonds

Petroleum Inspection Fee (PIF) Revenue Bonds are issued to finance claims made under the Petroleum Environmental Cleanup Fund Award (PECFA) Program for reimbursement of cleanup costs to soil and groundwater contamination. The program reimburses owners for 75 percent to 99 percent of cleanup costs associated with soil and groundwater contamination.

Presently, PIF Bonds outstanding are $111.1 million. Debt service payments are secured by petroleum inspection fees.

The PIF revenue bonds issued and outstanding as of June 30, 2008 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2004-A&1	2/04; 5/04	3.0 to 5.0	7/12	$ 140,470	$ 110,020
Deferred amount on refunding				--	(1,268)
Unamortized Premium				--	2,390
Total				$ 140,470	$ 111,142

Clean Water Revenue Bonds

The Environmental Improvement Fund (the Fund) provides loans and grants to local municipalities to finance wastewater treatment planning and construction. The Fund is authorized to issue up to $1,984.0 million in Revenue Bonds. At June 30, 2008, there were twelve issues of Revenue Bonds outstanding totaling $797.9 million. These bonds are secured by payments on program loans and earnings of investments.

Bonds issued and outstanding for the Environmental Improvement Fund as of June 30, 2008 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2008-2	2/08	5.0	6/18	$ 27,335	$ 27,335
2006-1	2/08	4.0 to 5.0	6/28	100,000	100,000
2006-2	11/06	4.0 to 5.0	6/27	100,000	96,975
2006-1	3/06	3.5 to 5.0	6/27	80,000	77580
2004-2	1/05	3.25 to 5.25	6/20	107,025	107,025
2004-1	3/04	4.0 to 5.0	6/24	116,795	89,075
2002-2	8/02	3.0 to 5.5	6/16	85,575	44,345
2002-1	5/02	4.0 to 5.25	6/23	100,000	55,720
2001-1	4/01	4.5 to 5.25	6/21	70,000	24,390
1999-1	9/99	5.0 to 5.75	6/20	80,000	3,535
1998-2	8/99	4.0 to 5.5	6/17	104,360	90,400
1991-1	4/91	6.875	6/11	225,000	57,445
				1,196,090	773,825
Unamortized Premium				--	33,036
Less: Unamortized discount and charge				--	(8,882)
Total, net of discount, charge and premium				$1,196,090	$ 797,979

As of June 30, 2008, revenue bond debt service requirements for principal and interest for governmental activities and business-type activities are as follows (in thousands):

	Governmental Activities				Business-Type Activities	
	Transportation Revenue Bonds		Petroleum Inspection Fee Revenue Bonds		Clean Water Revenue Bonds	
Fiscal Year Ended June 30	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 80,395	$ 67,601	$ 21,280	$ 4,686	$ 60,730	$ 37,754
2010	79,395	63,768	22,350	3,622	63,880	34,406
2011	71,600	60,045	23,470	2,507	67,555	30,891
2012	75,325	56,254	24,635	1,366	47,410	27,916
2013	76,760	52,330	18,285	391	48,025	25,515
2014-2018	396,770	198,204	--	--	218,445	93,063
2019-2023	441,865	94,748	--	--	174,240	43,622
2024-2028	184,420	13,012	--	--	93,540	9,764
Total	1,406,530	605,962	110,020	12,572	773,825	302,931
Unamortized Premium	79,319	--	2,390	--	33,036	--
Unamortized Discount/Charge	--	--	(1,268)	--	(8,882)	--
Total, net	$ 1,485,849	$ 605,962	$ 111,142	$ 12,572	$ 797,979	$ 302,931

Component Units – Blended Presentation

Badger Tobacco Asset Securitization Corporation

In May 2002, the Badger Tobacco Asset Securitization Corporation (BTASC) (a blended component unit – debt service fund) issued $1.6 billion of bonds for the purpose of making a one-time purchase of Tobacco Settlement Revenue (TSRs) from the State. Interest on the bonds is due on June 1 and December 1. These bonds are revenue obligations of the BTASC secured by, and payable solely and only out of, the moneys, assets or revenues pledged by the BTASC.

Debt service requirements for principal and interest for the BTASC at May 31, 2008 were as follows (in thousands):

Fiscal Year Ended	Principal	Interest
2009	$ 31,220	$ 88,261
2010	33,565	86,642
2011	35,070	84,838
2012	32,770	82,932
2013	34,040	81,011
2014-2018	209,260	370,170
2019-2023	213,250	234,387
2024-2028	309,115	170,744
2029-2033	514,470	76,805
Total	1,412,760	1,275,790
Unamortized Premium/Discount	(23,982)	--
Total	$ 1,388,778	$ 1,275,790

Component Units – Discrete Presentation

Wisconsin Housing and Economic Development Authority

Bonds and notes payable at June 30, 2008 of the Wisconsin Housing and Economic Development Authority (Authority) consisted of the following (in thousands):

Revenue bonds and notes	$ 3,220,345
Special obligation and subordinated Special obligation	58,162
Total	3,278,507
Less: Deferred amount on refunding	(4,008)
Total, net	$ 3,274,499

Authority's Revenue Bonds and Notes

The Authority's revenue bonds and notes are collateralized by the revenues and assets of the Authority, subject to the provisions of resolutions and note agreements which pledge particular revenues or assets to specific bonds or notes. The bonds are subject to mandatory sinking fund requirements and may be redeemed at the Authority's option at various dates and at prices ranging from 100 percent to 108 percent of par value. Any particular series contains both term bonds and serial bonds which mature at various dates.

The Authority's revenue bonds and notes outstanding at June 30, 2008 consisted of the following (in thousands):

Series/ Issue	Date	Rates	Maturity Through	Outstanding
Housing Revenue Bonds:				
1998 A,B&C	2/98	4.75 to 6.88	2032	$ 17,025
1999 A&B	10/99	5.1 to 6.18	2031	31,065
2000 A&B	9/00	Variable	2032	9,760
2002 A,B&C	5/02	3.9 to 5.6	2033	52,425
2002 D,E,F,G&I	5/02	Variable	2034	30,605
2002 H	5/02	Variable	2033	22,395
2003 A&B	12/03	Variable	2034	6,075
2003 C	12/03	2.75 to 5.25	2043	13,610
2003 D&E	12/03	Variable	2044	19,975
2005 A,B&C	12/05	3.2	2035	9,655
2005 D&E	12/05	3.45 to 5.15	2035	40,320
2005 F	12/05	4.31	2030	121,330
2006 A&B	12/06	3.4 to 4.75	2037	19,270
2006 C&D	12/06	Variable	2030	8,970
2007 A&B	12/07	Variable	2042	17,675
2007 C,D&E	12/07	Variable	2038	8,710
2007 F&G	12/07	Variable	2042	16,125
2008 A,B,C,D, E, F&G	6/08	Variable	2034	56,155
				501,145
Home Ownership Revenue Bonds:				
1996 E&F	11/96	5.5	2008	1,055
1997 A,B&C	4/97	5.6 to 5.65	2010	2,075
1997 D&E	6/97	5.55 to 5.8	2017	11,955
1997 G,H&I	11/97	5.25	2017	415
1998 A,B&C	4/98	5.5	2027	34,850
1998 D&E	6/98	5.35	2028	15,565
1999 C,D&E	4/99	4.55 to 6.17	2029	9,395
1999 F,G&H	7/99	5.25 to 5.65	2027	10,605
2000 A,B&C	3/00	5.6 to 5.8	2030	4,045
2000 D,E&F	6/00	5.75 to 7.91	2029	7,570
2000 F	7/00	Variable	2015	3,240
2000 H	11/00	Variable	2031	9,210
2000 G & H	11/00	7.21	2024	3,580
2001 A,B&C	5/01	4.85 to 6.4	2032	13,810
2002 A&C	2/02	4.4 to 5.5	2032	41,845
2002 B	2/02	Variable	2032	8,850
2002 C	2/02	Variable	2016	9,200
2002 E&G	3/03	3.7 to 4.85	2022	34,175
2002 I	10/02	3.4 to 4.85	2032	20,810
2002 E & F	7/02	Variable	2032	40,950
2002 I	10/02	Variable	2032	35,020

(Continued)

Series/ Issue	Date	Rates	Maturity Through	Outstanding
2003 A	4/03	4.95	2024	4,140
2003 A	4/03	Variable	2033	69,730
2003 B	7/03	Variable	2034	76,455
2003 C	11/03	3.05 to 4.85	2024	6,535
2003 C	11/03	Variable	2034	58,580
2003 D	11/03	Variable	2028	16,030
2004 A	4/04	Variable	2035	86,965
2004 A	4/04	3.05 to 4.2	2014	12,545
2004 B	4/04	Variable	2035	5,200
2004 C&D	7/04	3.4 to 5.1	2024	21,380
2004 D	7/04	Variable	2035	108,675
2004 E	11/04	Variable	2035	84,325
2005 A	4/05	3.6 to 4.95	2025	22,670
2005 A	4/05	Variable	2036	90,920
2005 B	4/05	Variable	2035	8,935
2005 C	6/05	Variable	2033	155,120
2005 C	6/05	4.875	2036	33,695
2005 D&E	9/05	3.93 to 4.875	2036	136,695
2006 A&B	1/06	4.32	2037	193,330
2006 C&D	5/06	4.85 to 6.0	2037	235,565
2006 E&F	10/06	4.7 to 5.727	2037	175,480
2007 A&B	4/07	4.65 to 5.75	2038	148,870
2007 B	4/07	Variable	2026	28,785
2007 C&D	4/07	Variable	2038	164,530
2007 C&D	4/07	3.82 to 6.06	2038	58,050
2007 E&F	12/07	3.99 to 6.0	2038	90,750
2007 E&F	12/07	Variable	2038	39,240
2008 A&B	4/07	Variable	2038	114,210
2008 A&B	5/08	5.3 to 5.625	2038	75,790
				2,641,415
Business Development Bonds:				
1989 3	Various	7.75	2014	715
1995 1-2,4-9	Various	Variable	2015	3,525
				4,240
Multifamily Housing Bonds:				
2006 A&B	7/06	Variable	2036	7,405
2007 A&B	6/07	Variable	2040	11,520
2007 C	8/07	Variable	2048	6,315
				25,240
Notes Payable	Various	Variable	2021	48,305
Authority's Total Revenue Bonds and Notes				$3,220,345

Authority's Special Obligation Bonds

The Authority's Special Obligation Bonds are special limited obligations of the Authority and are collateralized by the revenues and assets of each bond resolution.

Special obligation bonds at June 30, 2008 consist of the following (in thousands):

Series/ Issue	Date	Rates	Maturity Through	Outstanding
Home Ownership Revenue Bonds:				
1998 F&G	10/98	4.55 to 5.51	2029	$ 10,415
Single Family Drawdown Revenue Bonds:				
2006-1	4/06	Variable	2011	47,747
Total Special Obligation Bonds				$ 58,162

Debt service requirements for principal and interest for the Authority at June 30, 2008 are as follows (in thousands):

Fiscal Year Ended	Principal	Interest
2009	$ 109,190	$ 109,656
2010	66,500	105,763
2011	115,762	102,859
2012	67,850	99,385
2013	64,350	96,642
2014-2018	369,790	447,409
2019-2023	483,710	374,935
2024-2028	652,690	274,989
2029-2033	761,310	158,995
2034-2038	539,990	49,354
Thereafter	47,365	3,631
Total	3,278,507	1,823,618
Deferred Amount on Refunding	(4,008)	--
Total	$ 3,274,499	$ 1,823,618

Under a Business Development Program and a Beginning Farmer Program, revenue bonds are issued which do not constitute indebtedness of the Authority within the meaning of any provision or limitation of the Constitution or Statutes of the State of Wisconsin. They do not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit. They are payable solely out of the revenues derived pursuant to the loan agreement, or in the event of default of the loan agreement, out of any revenues derived from the sale, releasing or other disposition of the mortgaged property. Therefore, the bonds are not reflected in the financial statements. As of June 30, 2008 the Authority had issued 142 series of such bonds in an aggregate principal amount of $82.6 million for economic projects in Wisconsin.

The commercial paper obligations are issued for terms of one to 270 days. These obligations bear interest at various rates, which are 1.75 to 2.25 percent and 3.9 to 3.95 percent at June 30, 2008 and June 30, 2007 respectively. The obligations are backed by a line of credit agreement which is renewable annually and bears interest at variable rates, based on an index defined in the agreement. The Authority has entered into various line of credit agreements. A WAHA, LLC. line of credit bears interest at the rate of 5.54 percent at June 30, 2008, while a Construction Plus line of credit bears interest at the rate of 2.65 percent at June 30, 2008. Both line of credit rates are based on the 30 day Eurodollar rate.

The Authority has entered into various interest rate swap agreements. The agreements provide the Authority with synthetic fixed interest rates on a portion of its debt. During the term of the swap agreements, the Authority expects to effectively pay a fixed rate on the debt. In return, the counterparty pays interest based on a contractually agreed upon variable rate. The Authority will be exposed to variable rates on the outstanding bonds if the counterparty to the swap defaults, the swap is terminated such that the bonds outstanding is greater than the swap notional value or the effective interest rate, determined by the remarketing agent used for bond holder payments, increases over the variable rate index used for calculating the interest received from the counterparty. All interest rate swap agreements at June 30, 2008 are classified as effective. The Authority does not intend to terminate these agreements other than at par and for purposes of maintaining a match between bonds outstanding and the swap notional value prior to their maturity.

Using rates as of June 30, 2008, debt service requirements of the Authority outstanding variable rate debt and net swap payments, assuming current interest rates remain the same for their term, are as follows (in thousands). As rates vary, variable rate bond interest payments and net swap payments will vary.

Fiscal Year Ended	Principal	Interest	Interest Rate Swaps, Net	Total
2009	$ 44,850	$ 30,479	$ 35,225	$ 110,554
2010	49,815	30,086	33,869	113,770
2011	53,280	28,655	33,239	115,174
2012	50,240	27,575	32,268	110,083
2013	49,320	26,615	31,249	107,184
2013 - 2048	1,324,650	310,559	367,985	2,003,194
Totals	$1,572,155	$ 453,969	$ 533,835	$2,559,959

The following table outlines information related to agreements in place as of June 30, 2008 (in thousands):

Program and Bond Issue	Notional Value at 6/30/08	Effective Date	Swap Termination Date	Counterparty Credit Rating	Percent Fixed Rate Paid	Variable Rate/Index Received	Swap Termination Market Value at 6/30/08
Housing Revenue Bonds							
2002 Series H	$ 22,395	5/21/2002	11/1/2033	AAA	4.68	70% of one month London Interbank Offered Rate (LIBOR)	$ (934)
2003 Series D	8,515	1/5/2005	5/1/2044	AAA	4.21	65% of one month LIBOR + 25 basis points	(273)
2003 Series E	11,460	1/5/2005	5/1/2043	AAA	4.05	63.5% of one month LIBOR + 20 basis points	(353)
2005 Series F	81,005	1/17/2006	11/1/2030	AAA	5.21	One month LIBOR	(3,982)
2006 Series C	3,890	12/14/2006	11/1/2016	AAA	3.64	BMA + 2 Basis Points	(66)
2006 Series D	5,080	12/14/2006	11/1/2016	AAA	3.64	BMA + 2 Basis Points	(86)
2007 Series A	10,180	12/19/2007	11/1/2016	AAA	4.72	BMA + 6 Basis Points	(170)
2007 Series B	7,495	12/19/2007	11/01/2016	AAA	4.58	BMA + 2 Basis Points	(110)
2007 Series F	10,950	12/19/2007	11/01/2016	AAA	4.01	BMA + 2 Basis Points	(270)
2007 Series G	5,175	12/19/2007	11/01/2016	AAA	4.01	BMA + 6 Basis Points	(127)
							(6,371)
Multifamily Housing Bonds							
2006 Series A&B	7,405	7/19/2006	10/1/2013	AAA	4.21	BMA + 2 Basis Points	(347)
2007 Series A	7,580	6/29/2007	10/1/2022	AAA	4.43	BMA + 6 Basis Points	(512)
2007 Series B	3,940	6/27/2007	10/1/2022	AAA	5.9	BMA + 2 Basis Points	(464)
2007 Series C	6,315	8/2/2007	10/1/2048	AAA	4.33	BMA + 2 Basis Points	(383)
							(1,706)
1987 Home Ownership Revenue Bonds							
2002 Series B	8,850	2/6/2002	3/1/2020	AAA	5.88	One month LIBOR + 35 Basis Points	(395)
2002 Series C	9,200	2/6/2002	9/1/2012	AAA	3.69	67 percent of one month LIBOR	(207)
2002 Series I	35,020	10/17/2002	9/1/2032	AA+	4.07	70 percent of one month LIBOR	(548)
2003 Series B	76,455	7/29/2003	9/1/2034	AAA	3.94	65 percent of one month LIBOR + 25 Basis Points	(1,634)
2004 Series A	31,020	4/29/2004	9/1/2022	AAA	4.47	BMA + 8 basis points	(1,311)
2004 Series A	18,955	4/29/2004	9/1/2012	AAA	2.87	65 percent of one month LIBOR + 25 Basis Points	(96)
2004 Series A	36,990	4/29/2004	3/1/2035	AAA	4.27	65 percent of one month LIBOR + 25 Basis Points	(1,189)
2005 Series A	90,920	4/12/2005	3/1/2036	AAA	4.03	65 percent of one month LIBOR + 25 Basis Points	(2,466)
2005 Series D	81,275	9/29/2005	9/1/2036	AAA	3.9	65 percent of one month LIBOR + 25 Basis Points	(1,392)
2007 Series B	28,785	4/10/2007	9/1/2026	AAA	5.16	One month LIBOR + 35 Basis Points	(905)
2007 Series E	27,980	12/18/2007	9/1/2038	AAA	3.96	62 percent of one month LIBOR + 38 Basis Points	(663)
2007 Series F	11,260	12/18/2007	9/1/2014	AAA	4.43	One month LIBOR	(12)
							(10,818)
1988 Home Ownership Revenue Bonds							
2002 Series E	8,170	7/11/2002	3/1/2011	AAA	3.24	70 percent of one month LIBOR	(96)
2002 Series E	23,890	7/11/2002	9/1/2032	AAA	4.67	70 percent of one month LIBOR	(142)
2002 Series F	8,890	7/11/2002	9/1/2014	AAA	5.20	Three months LIBOR + 40 Basis Points	(174)
2003 Series A	20,435	4/3/2003	9/1/2014	AAA	2.98	65 percent one month LIBOR + 25 Basis Points	(83)
2003 Series A	31,375	4/3/2003	9/1/2030	AAA	4.26	65 percent one month LIBOR + 25 Basis Points	54
2003 Series A	17,920	4/3/2003	9/1/2033	AAA	4.17	65 percent one month LIBOR + 25 Basis Points	128
2003 Series C	19,975	11/4/2003	3/1/2019	AAA	3.32	65 percent one month LIBOR + 25 Basis Points	(211)
2003 Series C	38,605	11/4/2003	3/1/2034	AAA	4.3	65 percent one month LIBOR + 25 Basis Points	(770)
2004 Series D	108,675	7/27/2004	9/1/2035	AAA	4.04	65 percent one month LIBOR + 25 Basis Points	(3,086)
2004 Series E	84,325	7/27/2004	9/1/2035	AAA	3.99	65 percent one month LIBOR + 25 Basis Points	(1,743)
2005 Series C	92,430	8/3/2005	3/1/2024	AAA	3.34	BMA + 8 basis points until 3/1/06, then 65 percent one month LIBOR + 25 Basis Points	(630)
2003 Series C	62,690	8/3/2005	9/1/2033	AAA	4.07	BMA + 8 Basis Points until 3/1/06, then 65 percent one month LIBOR + 25 Basis Points	(518)
2006 Series A	96,955	1/9/2006	3/1/2029	AAA	3.65	65 percent of one month LIBOR + 25 Basis Points	(1,744)
2006 Series A	59,020	1/9/2006	3/1/2037	AAA	4.27	65 percent of one month LIBOR + 25 Basis Points	(1,189)
2007 Series C	26,500	6/28/2007	9/1/2007	AAA	4.32	BMA + 8 Basis Points	(749)
2007 Series C	22,575	6/28/2007	9/1/2023	AAA	4.63	BMA + 8 Basis Points	(1,116)
2007 Series C	46,675	6/28/2007	9/1/2016	AAA	4.11	BMA + 8 Basis Points	(1,633)
2007 Series D	23,760	6/28/2007	9/1/2027	AAA	6.48	100 percent of one month LIBOR	(1,687)

2007 Series D	27,370	6/28/2007	9/1/2016	AAA	5.62	100 percent of one month LIBOR	(1,552)
2007 Series D	18,730	6/28/2007	9/1/2028	AAA	6.01	100 percent of one month LIBOR	(1,849)
2008 Series A	38,000	5/15/2008	9/1/2038	AAA	3.35	BMA + 8 Basis Points	105
2008 Series A	86,175	5/15/2008	9/1/2038	AAA	3.86	62 percent of one month LIBOR + 38 Basis Points	85
							(18,600)
							($37,495)

Swap Valuation -- The swap termination market values presented above were estimated by the Authority's counterparties to the swap agreements using proprietary valuation models based on standard valuation methodology. The market values in the table above represent the termination payments that would have been due had the swaps terminated on June 30, 2008. A positive value represents money due to the Authority by the counterparty upon termination while a negative value represents money payable by the Authority.

Termination Risk -- Counterparties to the Authority's swap agreements have ordinary termination rights that require a settlement payment by the Authority or the counterparty based on the market value of the swap agreement at the time of termination. As of June 30, 2008, no termination events have occurred.

Credit Risk -- The Authority is exposed to credit risk, the risk that the counterparty fails to perform according to its contractual obligations, on all swap agreements. To mitigate this risk, the Authority has entered into swap agreements with highly rated counterparties. As of June 30, 2008, the counterparties in 98 percent of the outstanding swaps were rated AAA/Aaa and the remaining counterparty was rated AA-/Aa2 by Standard and Poor's and Moody's Financial Services, respectively.

Basis and Interest Rate Risk -- This risk arises when the amount that is paid by the swap counterparty is different than the variable rate interest payment due to the bondholders. For the Authority, this can happen when the swap counterparty payment is based on a taxable index (LIBOR) while the underlying bonds are traded in the tax exempt market. Based on market conditions, the relationship between taxable and tax exempt rates may vary. To minimize this risk, the Authority has chosen to use the formula that best represents the relationship between the taxable index and the Authority's historical bond rates. In addition, even when the swap counterparty payment is based on a tax exempt index (BMA) and the underlying bonds are tax exempt, or the swap counterparty payment is based on a taxable index (LIBOR) and the underlying bonds are taxable, the Authority's variable rate bonds may be traded differently from the market indices.

Rollover Risk -- The Authority is exposed to rollover risk only on swaps that mature or may be terminated at the counterparty's option prior to the maturity of the associated bond. For the home ownership revenue bonds (HORB) issues, the Authority's swap agreements have limited rollover risk. The swap agreements contain scheduled reductions to the notional amounts that are expected to follow the scheduled and anticipated reductions in the associated bonds under a wide range of mortgage prepayment speeds. In the case of the housing revenue bonds (HRB) and multifamily housing bonds (MHB) issues, the underlying mortgages will adjust at the swap termination date to current market conditions.

The following swaps expose the Authority to rollover risk:

Associated Debt Issuance	Bond Maturity Date	Swap Termination Date
1987 HORB 2002 Series B	9/1/2032	3/1/2020
1987 HORB 2002 Series C	9/1/2016	9/1/2012
1987 HORB 2002 Series D	9/1/2022	9/1/2006
1987 HORB 2002 Series I	3/1/2025	3/1/2008
1987 HORB 2004 Series A	9/1/2028	9/1/2012
1987 HORB 2007 Series F	9/1/2018	9/1/2014
1988 HORB 2002 Series E	3/1/2028	3/1/2011
1988 HORB 2002 Series F	9/1/2032	9/1/2014
1988 HORB 2003 Series A	3/1/2029	9/1/2014
1988 HORB 2003 Series C	9/1/2033	3/1/2019
1988 HORB 2005 Series C	3/1/2028	3/1/2024
1988 HORB 2006 Series A	9/1/2030	3/1/2029
1974 HRB 2006 Series C&D	5/1/2037	11/1/2016
1974 HRB 2007 Series F&G	5/1/2042	11/1/2025
2006 MHB 2006 Series A&B	10/1/2036	10/1/2013
2007 MHB 2007 Series A&B	10/1/2040	10/1/2022
2007 MHB 2007 Series C	10/1/2048	9/1/2024

University of Wisconsin Hospitals and Clinics Authority (the Hospital)

In April 1997, the Hospital issued $50.0 million of Variable rate Demand Hospital Revenue Bonds, Series 1997 ("Series 1997 Bonds"). The Series 1997 Bonds had bore interest at weekly rates determined by a remarketing agent. Interest was payable monthly. The effective annual interest rate was 4.30 percent in 2008 and 3.7 percent in 2007. In May 2008, the Hospital refunded $50.0 million of outstanding Series 1997 with Fixed Rate Hospital Revenue Refunding Bonds, Series 2008A. The refunding of the Series 1997 Bonds resulted in the recognition of a loss of $422 thousand due to the unamoritized insurance premium and recognition of a deferred loss of $271 thousand for other unamortized deferred costs of the Series 1997 Bonds.

In March 2000, the Hospital issued $56.5 million of Hospital Revenue Bonds, Series 2000 ("Series 2000 Bonds"). In September 2005, the Hospital refunded $52.5 million of the outstanding bonds with variable Rate Demand Hospital Revenue Bonds, Series 2005. Principal payments on the remaining Series 2000 Bonds are due semiannually in April 2009 through April 2010. Interest rates range from 5.35 percent to 5.50 percent and interest is payable semiannually on April 1 and October 1 of each year. The effective annual interest rate was 6.30 percent and 5.70 percent in 2008 and 2007, respectively.

In October 2002, the Hospital issued $68.5 million of Hospital Revenue Bonds, Series 2002 (Series 2002 Bonds) consisting of $55.6 million Series 2002A Short-term Adjustable Securities and $12.9 million Series 2002B Fixed Interest Rate Bonds. The bond proceeds are designated to finance qualified capital projects. Principal payments on the Series 2002A Bonds range from $500 thousand to $3.9 million due annually commencing in April 2013 through 2032. The interest rates and the interest payment dates for the Series 2002A Bonds vary depending on if the bonds are in auction mode, daily mode, weekly mode, or in flexible mode. Principal payments on the Series 2002B Bonds range from $1.6 million to $1.9 million due annually commencing in April 2009 through April 2013. Interest rates for the Series 2002B Bonds range from 5.25 percent to 5.50 percent and interest is payable semiannually on April 1 and October 1 of each year beginning April 1, 2003. The effective annual interest rate of the Series 2002 A Bonds was 3.6 percent in 2008. The effective annual interest rate of the Series 2002B Bonds was 6.0 percent in 2008.

In October 2002, the Hospital entered into an interest rate swap in order to convert a portion of the Series 2002A Short-term Adjustable Rate Securities to fixed rates. The notional amount of this swap agreement was $21.4 million at June 30, 2008 which matures on April 1, 2022. The terms of the swap agreement are for the Hospital to pay the counterparty a fixed rate of 3.85 percent per annum, payable semiannually, and the Hospital to receive a floating rate of 70 percent of one-month LIBOR per annum, payable monthly. As of June 30, 2008 the interest rate received by the Hospital was 3.0 percent. The Hospital will be exposed to variable rates if the counterparty to the swap defaults or if the swap is terminated. The swap exposes the Hospital to basis risk should the relationship between LIBOR and auction rate converge, changing the synthetic rate on the bonds. The Hospital does not intend to terminate this agreement. The fair value of the swap is $(1.2) million at June 30, 2008.

In November 2004, the Hospital issued $60.0 million of Hospital Revenue Bonds, Series 2004 consisting of Short-term Adjustable Rate Securities, Series 2004 ("Series 2004 Bonds"). The bond proceeds were designated to finance qualified capital projects. The interest rates and the interest payment date for the Series 2004 Bonds varied depending on if the bonds were in auction mode, daily mode, weekly mode, or in flexible mode. The effective annual interest rate of the Series 2004 Bonds was 4.60 percent through June 2008 and 3.70 percent in 2007. In June 2008, the Hospital refunded $60.0 million of the outstanding Series 2004 with Variable Rate Demand Revenue Refunding Bonds, Series 2008B. The refunding of the Series 2004 Bonds resulted in the recognition of a loss of $1.5 million due to the unamortized insurance premium and recognition of a deferred loss of $1.5 million due to the unamortized insurance premium and recognition of a deferred loss of $464 thousand for other unamortized deferred costs of Series 2004 Bonds.

In November 2004, the Hospital entered into an interest rate swap in order to convert a portion of the Series 1997 Variable Rate Demand Bonds to fixed rates. The notional amount of this swap agreement was $26.8 million at June 30, 2008, which matures on April 1, 2021. The terms of the swap agreement are for the Hospital to pay the counterparty a fixed rate of 3.45 percent per annum, payable semiannually, and the Hospital to receive a floating rate of 70 percent of one-month LIBOR per annum, payable monthly. In 2008, the effective interest rate received by the Hospital was 2.9 percent. The Hospital will be exposed to variable rates if the counterparty to the swap defaults or if the swap is terminated. The swap exposes the Hospital to basis risk should the relationship between LIBOR and auction rate converge, changing the synthetic rate on the bonds. The Hospital does not intend to terminate this agreement. The fair value of the swap was $(694) thousand at June 30, 2008.

In September 2005, the Hospital issued $59.8 million of Variable Rate Demand Hospital Revenue Bonds, Series 2005 ("Series 2005 Bonds"). The bond proceeds were designated to refund a portion of the Series 2000 Bonds. Principal payments on the Series 2005 Bonds, ranging from $495 thousand to $8.1 million are due annually in April 2009 through April 2029. Series 2005 Bonds bear interest at a weekly rate determined by a remarketing agent. Interest is payable monthly. The effective interest rate was 2.9 percent in 2008.

In September 2005, the Hospital entered into an interest rate swap in order to convert the Series 2005 Variable Rate Demand Hospital Revenue Bonds to fixed rates. The notional amount of the swap agreement was $58.6 million at June 30, 2008, which matures on April 1, 2029. The terms of the swap agreement are for the Hospital to pay the counterparty a fixed rate of 3.31 percent per annum, payable monthly, and the Hospital will receive a floating rate of 58.3 percent of one-month LIBOR per annum plus 0.36 percent payable monthly. The effective interest rate received by the Hospital was 2.8 percent in 2008. The Hospital will be exposed to variable rates if the counterparty to the swap defaults or if the swap is terminated. The swap exposes the Hospital to basis risk should the relationship between LIBOR and auction rate converge, changing the synthetic rate of the bonds. The Hospital does not intend to terminate this agreement. The fair value of the 2005 swap agreement was $(1.3) million at June 30, 2008.

In May 2008, the Hospital issued $50.4 million of Fixed Rate Bonds, Series 2008A ("Series 2008A Bonds") through a private placement. The bond proceeds were used to refund $50.0 million of Variable Rate Demand Hospital Revenue Bonds, Series 1997. Principal payments on the Series 2008 A Bonds, ranging from $315 thousand to $5.2 million are due annually in April 2010 through April 2026. Interest is payable semi-annually. In 2008, the effective interest rate was 5.28 percent.

In June 2008, the Hospital issued $61.0 million of Variable Rate Demand Revenue Refunding Bonds, Series 2008B ("2008B Bonds"). The bonds proceeds were used to refund $60.0 million of Hospital Revenue Bonds consisting of Short-term Adjustable Rate Securities, Series 2004. Principal payments on the Series 2008B Bonds, ranging from $9.95 million to $15.275 million are due annually in April 2030 through April 2034. Series 2008B Bonds bear interest at a daily rate determined by a remarketing agent. Interest is payable monthly. In 2008, the effective interest rate was 1.80 percent.

The Series 2000 Bonds, Series 2002 Bonds, Series 2005 Bonds, Series 2008A Bonds, and Series 2008B are collateralized by a security interest in substantially all of the Hospital's revenue. The borrowing agreements contain various covenants and restrictions, including compliance with the terms and conditions of a Lease Agreement and provisions limiting the amount of additional indebtedness that may be incurred. The borrowing agreements also require the establishment and maintenance of certain funds under the control of a trustee. The Hospital is in compliance with all debt covenants at June 30, 2008.

The Series 2005 Revenue Bonds with variable interest rates are subject to remarketing provisions that require the Hospital to repurchase the bonds if they cannot be sold to a third party. The Hospital has entered into a standby bond purchase agreement (the "Agreement") with a commercial bank, which expires in 2010, to provide the funding for such repurchases as necessary. In the absence of the Agreement, the Hospital would be required to replace them with similar credit arrangements, convert the related debt from variable to fixed rate debt, or fund required repurchases from available funds. As of and for the year ended June 30, there was no borrowing under the agreement.

The Series 2008B Revenue Bonds with variable interest rates, while in a daily or weekly mode, are secured by an irrevocable transferable direct pay letter of credit issued by a commercial bank. The initial letter of credit expires in 2013.

Legislation which had limited the Hospital's total borrowings, exclusive of amounts payable to the State, to 235.0 million, with limited exeptions, was amended in April 2008. The statute now requires the Hospital to obtain approval of additional bond issuance from its Board of Directors, maintain an unenhanced bond rating in the category of "A" or better from Standard and Poor's Corporation and Moody's Investor service, Inc., and notify the State Joint Committee on Finance.

Scheduled principal and interest repayments on all of the Hospital's long-term debt, including the effect of the swap, are as follows (in thousands):

Fiscal Year Ended	Principal	Interest	Interest Rate Swap, Net	Total
2009	$ 5,357	$ 6,327	$ 1,796	$ 13,480
2010	5,653	6,053	1,788	13,494
2011	5,941	5,785	1,754	13,480
2012	6,731	5,540	1,716	13,987
2013	8,098	5,292	1,672	15,062
2014-2018	37,007	23,158	6,859	67,024
2019-2023	44,321	17,212	3,468	65,001
2024-2028	52,905	9,612	1,530	64,047
2029-2033	65,035	3,816	--	68,851
2034	15,275	224	--	15,499
Deferred loss on refundings	(7,215)	--	--	(7,215)
Premium on 2002B Bonds	306	--	--	306
	$239,414	$ 83,019	$ 20,583	$343,016

The revenue bonds of the Hospital do not constitute debt of the State nor is the State liable on those bonds.

Debt service requirements for principal and interest for the Hospital's revenue bonds at June 30, 2008 are as follows (in thousands):

Fiscal Year Ended	Principal	Interest
2009	$ 3,310	$ 7,644
2010	3,850	7,473
2011	4,230	7,266
2012	5,090	7,072
2013	6,810	6,851
2014-2018	35,910	29,903
2019-2023	44,190	20,663
2024-2028	52,905	11,142
2029-2033	65,035	3,816
2034	15,275	224
Total	236,605	102,054
Deferred loss on refunding	(7,215)	--
Premium/Discount	306	--
Total	$ 229,696	$ 102,054

State Fair Park Exposition Center, Inc.

In August 2001, the State Fair Park Exposition Center, Inc. (the Center) issued $44.9 million of City of West Allis, Wisconsin, Variable Rate Demand Revenue Bonds, Series 2001, which were issued to finance the construction of the exposition center. The bonds call for monthly interest-only payments until date of maturity. The bonds have a final maturity date of August 1, 2028, with no set schedule for principal repayment. However, the bonds require mandatory redemption to the extent of unused bond proceeds. Repayment of the bonds is guaranteed by a ground lease and license agreement, and letter of credit issued by US Bank which expired on April 15, 2005. The letter of credit was renewed effective April 15, 2005 through April 15, 2008. The Center refinanced the bonds on July 1, 2007. The refinance locked in a 6.1 percent interest rate, does not require a letter of credit, and requires interest payments to be made on February 1 and August 1 of each year until the bonds are paid off on August 1, 2028. The Center has not been notified of any event of default with respect to the industrial revenue bonds payable restrictive covenants as of December 31, 2007. The outstanding balance on these bonds was $40.8 million as of December 31, 2007.

Debt service requirements for interest for the Center, at December 31, 2007 are as follows (in thousands):

Fiscal Year Ended	Principal	Interest
2008	$ --	$ 2,488
2009	--	2,488
2010	--	2,489
2011	--	2,489
2012	--	2,489
2013-2017	1,250	12,422
2018-2022	12,370	10,920
2023-2027	21,950	5,769
2028-2032	5,225	319
Total	$ 40,795	$ 41,873

University of Wisconsin Foundation

Long-term debt of the University of Wisconsin Foundation consists of two notes payable to U.S. Bank, N.A. One of the notes is payable in accreting monthly principal installments with a final balloon payment due February 2010. The note is collateralized by certain investments equal to the outstanding loan balance. The outstanding balance as of December 31, 2007 was $2.2 million.

The second note is a mortgage that was assumed in April 2004. The note is payable in monthly installments, including interest, with a final balloon payment due September 2009. The outstanding balance as of December 31, 2007, is $8.6 million.

Future maturities of long-term debt as of December 31, 2007 are as follows (in thousands):

Year ended December 31	Total Principal
2008	699
2009	8,290
2010	1,799
Total	$ 10,788

D. Refundings, Exchanges and Early Extinguishments

Refunding Provisions of GASB Statement No. 23

The State implemented the provisions of GASB Statement No. 23. *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities* beginning with Fiscal Year 1996. This Statement requires proprietary activities to adopt certain accounting and reporting changes for both current refunding and advance refunding resulting in defeasance of debt. GASB Statement No. 23 permits, but does not require, retroactive application of its provisions. The State has chosen not to apply the provisions retroactively to previously issued financial statements.

In February 1996, the State participated in a refunding (1996 Series 1) of general obligation debt that fell within the provisions of GASB Statement No. 23. The State is amortizing these deferred amounts over a period of approximately 19 years, using the straight-line method.

Current Year Refundings/General Obligation Bonds

In October 2007, the State issued $16.7 million of general obligation refunding bonds (2007 Series 2), the proceeds of which were used to current refund, on December 1, 2007, various general obligation bonds issued for the veterans housing loan program. The refunding resulted in an increase in total debt service of $701 thousand and an economic gain of $1.7 million. Also in October 2007, the State issued $3.8 million of general obligation refunding bonds (2007 Series 3), the proceeds of which were used to current refund, on December 1, 2007, all of the outstanding 1994 Series C bonds issued for the veterans housing loan program. The refunding resulted in an increase in total debt service payments of $1.5 million and an economic gain of $26 thousand.

In May 2008, the State issued $4.4 million of general obligation bonds (2008 Series B, Taxable), the proceeds of which were used for the redemption of $4.4 million of Extendible Municipal Commercial Paper (EMCP), (2006 Series C AMT). As a result the EMCP (2006 Series C AMT) was paid in full and the associated liability removed from the financial statements.

In June 2008, the State issued $18.0 million of general obligation refunding bonds (2008 Series 1), the proceeds of which were used to refund, on August 1, 2008, various general obligation bonds issued for the veterans housing loan program. The refunding resulted in an increase in total debt service of $2.2 million and an economic gain of $744 thousand. Also in June 2008, the State issued $1.9 million of general obligation refunding bonds (2008 Series 2), the proceeds of which were used to current refund, on August 1, 2008, various general obligation bonds issued for the veterans housing loan program. The refunding resulted in an increase in total debt service payments of $156 thousand and an economic gain of $146 thousand.

Prior Year Refundings/General Obligation Bonds

Government Accounting Standards Board Statement No. 7 *Advance Refundings Resulting in Defeasance of Debt*, provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. At June 30, 2008, approximately $1.1 billion of general obligation bond principal have been defeased.

Current Year Refundings/Revenue Bonds

In February 2008, the State issued $27.3 million of environmental improvement fund revenue refunding bonds (2008, Series 2), the proceeds of which were deposited in an escrow account to provide for future debt service payments and redemption of various outstanding clean water revenue bonds. As a result of the refunding, the bonds are considered defeased and the associated liability removed from the financial statements. The refunding resulted an economic gain of $2.0 million.

Prior Year Refundings/Revenue Bonds

For financial reporting purposes, the following primary government revenue bonds have been defeased, and therefore, removed as a liability from the balance sheet:

- Environmental Improvement Fund revenue bonds – At June 30, 2008, revenue bonds outstanding of $265.1 million have been defeased.

- Transportation revenue bonds – At June 30, 2008, revenue bonds outstanding of $509.9 million have been defeased.

Refundings -- Component Units

Wisconsin Housing and Economic Development Authority

The Wisconsin Housing and Economic Development Authority (the Authority) defeased Insured Mortgage Revenue Bonds payable aggregating $48.4 million and sold the related Insured Mortgage Loan portfolio on March 1, 1990. As of June 30, 2008, the remaining outstanding defeased debt was $24.4 million.

Early Extinguishments/Redemptions

Component Units

Badger Tobacco Asset Securitization Corporation

In December 2007 and June 2008, the Trustee in aggregate redeemed $41.2 million of the 6.125 percent turbo term bonds due June 2027.

Wisconsin Housing and Economic Development Authority

During 2008, the Wisconsin Housing and Economic Development Authority (the Authority) redeemed early various outstanding bonds according to the redemption provisions in the bond resolutions. None of these redemptions resulted in extraordinary losses due to the write-off of remaining unamortized deferred debt financing costs. A summary of these early redemptions follows (in thousands):

Bond Issue	Redemptions 2008
Home Ownership Revenue Bond Resolutions:	
1987	$ 50,585
1988	56,745
All Other	49,165
Housing Revenue Bonds	17,250
Multifamily Housing Bonds	95
General Fund	25

E. Short-term Financing

The State of Wisconsin Building Commission, an agency of the State, is empowered by law to consider, authorize, issue, and sell debt obligations of the State. To date, the Commission has authorized the issuance of notes. When this short-term debt does not meet long-term financing criteria, it is classified among fund liabilities.

General Obligation Commercial Paper Notes

The State has authorized General Obligation Commercial Paper Notes for the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highway, buildings, equipment or facilities. Periodically, additional commercial paper notes are issued to pay for maturing commercial paper notes.

The State intends to make annual May 1 payments on the outstanding commercial paper notes that reflect principal amortization of the notes. The State also intends to make regular deposits to the issuing and paying agent that will be used to pay interest due on maturing notes. At June 30, 2008, the amount of general obligation commercial paper notes outstanding was $205.2 million which had interest rates ranging from 1.2 percent to 2.05 percent and maturities ranging from July 7, 2008 to October 14, 2008.

Short-term debt activity for the year ended June 30, 2008 for the general obligation commercial paper notes was as follows (in millions):

Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008
$ 213.2	$ --	$ 8.0	$ 205.2

General Obligation Extendible Municipal Commercial Paper

The State has authorized general obligation extendible municipal commercial paper for the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highway, buildings, equipment or facilities. Periodically, additional extendible municipal commercial papers are issued to pay for maturing extendible municipal commercial paper. The State intends to make annual May 1 payments on the outstanding extendible commercial paper that reflect principal amortization of the paper. The State also intends to make regular deposits to the issuing and paying agent that will be used to pay interest due on maturing notes. At June 30, 2008, the amount of the general obligation extendible municipal commercial paper outstanding was $435.3 million which had interest rates ranging from 1.58 percent to 2.15 percent and maturities ranging from July 7, 2008, to October 15, 2008.

Short-term debt activity for the year ended June 30, 2008 for the general obligation extendible municipal commercial paper was as follows (in millions):

Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008
$ 452.2	$ --	$ 16.9	$ 435.3

Petroleum Inspection Fee Revenue Extendible Municipal Commercial Paper

The State has authorized petroleum inspection fee revenue extendible municipal commercial paper to pay the costs of claims under the Petroleum Environmental Cleanup Fund Award (PECFA) Program. Periodically, additional extendible municipal commercial paper is issued to pay for maturing paper. The State may periodically deposit money into the Junior Subordinate Principal Account, which represents principal payments to be made on the extendible municipal commercial paper. The State also intends to make regular deposits to the issuing and paying agent that will be used to pay interest due on maturing paper. At June 30, 2008, the amount of petroleum inspection fee revenue extendible commercial paper outstanding was $142.3 million which had interest rates ranging from 1.48 percent to 2.0 percent and maturities ranging from July 8, 2008 to September 12, 2008.

Short-term debt activity for the year ended June 30, 2008 for the petroleum inspection fee revenue extendible municipal commercial paper was as follows (in millions):

Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008
$ 142.3	$ --	$ --	$ 142.3

Transportation Revenue Commercial Paper Notes

The State authorized transportation revenue commercial paper notes to pay the costs of major highway projects and certain State transportation facilities. Periodically, additional commercial paper notes are issued to pay for maturing commercial paper notes. The State intends to make annual July 1 payments on the commercial paper notes that reflect principal amortization of the notes. The State also intends to make regular deposits to the issuing and paying agent that will be used to pay interest due on maturing notes. At June 30, 2008, the amount of transportation revenue commercial paper notes outstanding was $192.0 million which had interest rates ranging from 1.94 percent to 2.21 percent and maturities ranging from July 2, 2008 to February 5, 2009.

Short-term debt activity for the year ended June 30, 2008 for the transportation revenue commercial paper notes was as follows (in millions):

Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008
$ 198.8	$ --	$ 6.8	$ 192.0

F. Certificates of Participation

The State established a facility in 1992 that provides lease purchase financing for property and certain service items acquired by State agencies. This facility is the Third Amended and Restated Master Lease 1992-1. Pursuant to the terms and conditions of this agreement, the trustee for the facility issues parity Master Lease certificates of participation that evidence proportionate interest of the owners thereof in lease payments. A common pool of collateral ratably secures all Master Lease certificates. Title in the property and service items purchased under the facility remains with the State and the State grants to the Trustee, for the benefit of all Master Lease certificate holders, a first security interest in the leased items. At June 30, 2008, the following parity Master Lease certificates were outstanding:

- Master Lease Certificates of Participation of 2006, Series A, in the amount of $51.6 million. This series of Master Lease certificates has interest rates ranging from 4.0 percent to 5.0 percent and matures semi-annually through September 1, 2016.

- Master Lease Certificates of Participation of 2007, Series A (Revolving Credit Agreement – Taxable) in the amount of $10.5 million. This Master Lease certificate evidences the State's obligation to repay advances under a Revolving Credit Agreement, dated June 22, 2007, between U.S. Bank National Association (as trustee), the State of Wisconsin, acting by and through its Department of Administration, as lessee, and Dexia Credit Local. The scheduled termination date under the Revolving Credit Agreement is September 1, 2010. This Master Lease certificate shall bear interest at the rates and mature on the dates provided for in the Revolving Credit Agreement. The balance of this Master Lease certificate may include some accrued interest that will be payable at the next semi-annual interest payment date.

- Master Lease Certificates of Participation of 2007, Series B (Revolving Credit Agreement-Tax Exempt) in the amount of $16.0 million. This Master Lease certificate of participation evidences the State's obligation to repay certain advances uder a Reveolving Credit Agreement, dated June 22, 2007, between U.S. Bank National Association, as trustee, the State of Wisconsin, acting by and through its Department of Administration, as lessee, and Dexia Credit Local. The scheduled termination date under the revolving credit agreement is September 1, 2010. This master lease certificate of participation shall bear interest at the rates and mature on the dates provided for in the Revolving Credit Agreement..

The Third Amended and Restated Master Lease 1992-1 provides that certain lease schedules to the facility can be terminated if the State deposits with the Trustee an amount that is equal to the outstanding amount of the lease schedule, or in amounts that are sufficient to purchase investments that mature on dates and in amounts to make the lease payments when due. At June 30, 2008, the State has deposited with the Trustee amounts, that when invested, will terminate lease schedules having an aggregate outstanding amount of $0.1 million. As a result of terminating these lease schedules, the associated liability is removed from the financial statements.

G. Arbitrage Rebate

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt subsequent to August 1986, calculate and rebate arbitrage earnings to the federal government. Specifically, the excess of the aggregated amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield, is to be rebated to the federal government. As of June 30, 2008, a liability of $36 thousand was recorded for the State arbitrage rebate.

H. Moral Obligation Debt

Through legislation enacted in 1999, the State authorized the creation of local districts. These districts (Wisconsin Center District, Southeast Wisconsin Professional Baseball Park District, and the Green Bay/Brown County Professional Football Stadium District) are authorized to issue bonds for their respective purpose, and if the State determines that certain conditions are satisfied, the State may have a moral obligation to appropriate moneys to make up deficiencies in the districts' special debt service reserve funds. To date, the Wisconsin Center District has the authority to issue up to $200.0 million and has issued $125.8 million of bonds that are subject to the moral obligation. The two other local districts each have authority to issue $160.0 million of revenue obligations that, subject to the Secretary of Administration's determination that certain conditions have been met, could carry a moral obligation of the State. All of the districts have issued revenue obligations that do not carry the moral obligation of the State.

Through legislation enacted in 1999, the State authorized the issuance of up to $170.0 million principal amount of bonds to finance the development or redevelopment of sites and facilities to be used for public schools. If certain conditions are satisfied, and if a special debt service reserve fund is created for the bonds, the State will provide a moral obligation pledge, which would restore the special debt reserve fund established for the bonds to an amount not to exceed the maximum annual debt service on the bonds. Three bond issues with an aggregate outstanding balance of $107.8 million have been issued that have a special debt service reserve fund secured by the State's moral obligation.

I. Credit Agreements

Primary Government

The State has, as part of the working bank contract, a letter of credit agreement with the US Bank National Association under which the Bank has agreed to provide to the State an open line of credit in the amount of $50.0 million. The agreement provides for advances in anticipation of bond issuance proceeds. As of June 30, 2008, $50.0 million was unused and available.

The State has entered into a credit agreement to provide a line of credit for liquidity support for up to $233.0 million of general obligation commercial paper notes. The line of credit expires in March, 2013, but is subject to renewal as provided for in the credit agreement. The cost of this line of credit is 0.095 percent per year.

Also, the State has entered into a credit agreement to provide a line of credit for liquidity support for its transportation revenue commercial paper program. The amount of the line of credit is $207.0 million. This line of credit expires in April, 2013, but is subject to termination and renewal as provided for in the credit agreement. The cost of this line of credit is 0.100 percent per year.

NOTE 12. LEASE COMMITMENTS AND INSTALLMENT PURCHASES

The State leases office buildings, space, and equipment under a variety of agreements that vary in lease term, many of which are subject to appropriation from the State Legislature to continue the lease commitment. If such funding, i.e., through legislative appropriation, is judged to be assured, and the likelihood of cancellation through exercise of the fiscal funding clause is remote, leases are considered noncancelable and reported as either a capital lease or an operating lease.

A. Capital Leases

Primary Government

Capital lease commitments in the government-wide and proprietary funds statements are reported as liabilities at lease inception. The related assets along with the depreciation are also reported at that time. Lease payments are reported as a reduction of the liability.

For capital leases in governmental funds, "Other Financing Sources - Capital Lease Acquisitions" and expenditures are recorded at lease inception. Lease payments are recorded as expenditures.

The following is an analysis of the gross minimum lease payments along with the present value of the minimum lease payments as of June 30, 2008 for capital leases (in thousands):

Fiscal Year	Governmental Activities	Business-type Activities
2009	$ 20,878	$ 10,545
2010	7,821	10,391
2011	4,947	10,021
2012	4,369	9,764
2013	2,651	9,679
2014 - 2018	1,037	36,984
2019 - 2023	-	24,335
2024 - 2028	-	29,607
2029 - 2033	-	36,022
2034 - 2038	-	25,258
Total minimum future payments	41,703	202,606
Less: Interest	(3,873)	(86,167)
Present value of net minimum lease payments	$ 37,830	$ 116,439

Assets acquired through capital leases are valued at the lower of fair market value or the present value of minimum lease payments at the inception of the lease. The following is an analysis of capital assets recorded under capital leases as of June 30, 2008 (in thousands):

Fiscal Year	Governmental Activities	Business-type Activities
Land and Land Improvements	$ 376	$ 209
Buildings and Improvements	24,181	124,750
Machinery and Improvements	13,051	2,492
Less: Accumulated Depreciation	(50,132)	(1,319)
Carrying Amount	$ 54,339	$ 126,133

Master Lease Program

The State established a facility in 1992 that provides lease purchase financing for property and certain service items acquired by state agencies. This facility is the Third Amended and Restated Master Lease between the State acting by and through the Department of Administration and U.S. Bank National Association. Lease purchase obligations under the Master Lease are not general obligations of the State, but are payable from appropriations of State agencies participating in the Master Lease Program, subject to annual appropriation. The interest component of each lease/purchase payment is subject to a separate determination. Pursuant to terms of the Master Lease, the Trustee for the facility issues parity Master Lease certificates of participation that evidence proportionate interest of the owners thereof in lease payments. The outstanding balance as of June 30, 2008 was as follows:

Balance Due	Average Life (Weighted Term)
$78,036,599	2.71637 Years

Component Unit

University of Wisconsin Hospital and Clinics Authority

Under the terms of a lease agreement, the University of Wisconsin Hospitals and Clinics Authority (the Hospital) leases facilities which were occupied by the Hospital as of June, 1996 (see Note 1B to the financial statements). The initial term of the lease is 30 years to be renewed annually with automatic extensions of one additional year on each July 1 until action is taken to stop the extensions. Included in the consideration for the lease is an amount equal to the debt service during the term of the lease agreement on all outstanding bonds issued by the State for the purpose of financing the acquisition, construction or improvement of the leased facilities. The balance at June 30, 2008 for amounts related to this agreement was $9.7 million.

University of Wisconsin Foundation

The University of Wisconsin Foundation (the Foundation) leases computer hardware and software under a capital lease which expires January 2010. The Foundation also leases a copy machine under a capital lease which expires in April 2009.

The following is a schedule by years of future minimum payments under capital leases as of December 31, 2007:

Year ended December 31	Capital Leases
2008	$ 272,608
2009	272,608
2010	21,189
2011	-
Total	566,405
Less: Interest	40,692
	$ 525,713

B. Operating Leases

Operating leases, those leases not recorded as capital leases as required by FASB Statement No. 13, are not recorded in the statement of net assets. These leases contain various renewal options, the effect of which are reflected in the minimum lease payments only if it is considered that the option will be exercised. Certain other operating leases contain escalation clauses and contingent rentals which are not included in the calculation of the future minimum lease payments. The State has adopted the operating lease scheduled rent increase provisions of FASB Statement No. 13. Operating lease expenditures/expenses are recognized as incurred or paid over the lease term.

Governmental and business-type activities and fiduciary funds rental expenses under operating leases for Fiscal Year 2008 were $76.8 million. Of this amount, $76.5 million relates to minimum rental payments stipulated in lease agreements, $277 thousand relates to contingent rentals, and $275 thousand relates to sublease rental payments received. Component unit rental expenses under operating leases were $15.9 million, of which $15.9 million relates to minimum rental payments stipulated in lease agreements.

The following is an analysis of the future minimum rental payments due under operating leases (in thousands):

Fiscal Year	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Units
2009	$ 43,015	$ 22,791	$ 138	$ 13,847
2010	36,859	12,528	11	9,187
2011	31,289	8,420	-	5,263
2012	27,317	6,566	-	2,797
2013	22,339	4,767	-	1,236
2014 - 2018	62,206	23,439	-	1,292
2019 - 2023	16,081	23,780	-	-
2024 - 2028	887	23,246	-	-
2029 - 2033	321	23,007	-	-
2034 - 2038	148	-	-	-
2039 - 2043	159	-	-	-
2044 -2048	287	-	-	-
Minimum lease payments	$ 241,336	$ 148,544	$ 149	$ 33,621

C. Installment Purchases

The State has entered into installment purchase agreements. The following is an analysis of the gross minimum installment payments, along with the present value of the minimum installment payments, as of June 30, 2008 for installment purchases (in thousands):

Fiscal Year	Governmental Activities
2009	$ 268
2010	61
Total minimum future payments	329
Less: Interest	(13)
Present value of net minimum installment payments	$ 316

NOTE 13. RETIREMENT PLAN

The Wisconsin Retirement System (WRS) was established and is administered by the State of Wisconsin to provide pension benefits for State and local government public employees. The WRS consists of the Core Retirement Investment Trust, the Variable Retirement Investment Trust, and the Police and Firefighters Trust. Although separated for accounting purposes, the assets of these trust funds can be used to pay benefits for any member of the WRS, and are reported as one pension plan.

The WRS is considered part of the State of Wisconsin's financial reporting entity. Copies of the separately issued financial report that includes financial statements and required supplementary information for the year ending December 31, 2006, may be obtained by writing to:

Department of Employee Trust Funds
801 West Badger Road
P.O. Box 7931
Madison, WI 53707-7931.

The separately issued financial reports for the year ended December 31, 2007 will be available at a later date.

Plan Description

The WRS, governed by Chapter 40 of the Wisconsin Statutes, is a cost-sharing multiple-employer defined benefit pension plan. It provides coverage to all eligible State of Wisconsin, local government and other public employees. Any employee of a participating employer who is expected to work at least 600 hours per year (440 hours per year for teachers) for at least one year must be covered by the WRS. As of December 31, 2007, the number of participating employers was:

State Agencies	58
Cities	152
Counties	71
4th Class Cities	34
Villages	240
Towns	223
School Districts	427
Wisconsin Technical College System Board Districts	16
Cooperative Educational Service Agencies	12
Other	192
Total Employers	1,425

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 are immediately vested. Employees who retire at or after age 65 (55 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

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

Accounting Policies and Plan Asset Matters

The financial statements of the WRS have been prepared in accordance with generally accepted accounting principles, using the flow of economic resources measurement focus and a full accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Plan member contributions are recognized in the period in which contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

All assets of the WRS are invested by the State of Wisconsin Investment Board. The retirement fund assets consist of shares in the Variable Retirement Investment Trust and the Core Retirement Investment Trust. The Variable Retirement Investment Trust consists primarily of equity securities. The Core Retirement Investment Trust is a balanced investment fund made up of fixed income securities and equity securities. Shares in the Core Retirement Investment Trust are purchased as funds are made available from retirement contributions and investment income, and sold when funds for benefit payments and other expenses are needed.

The assets of the Core and Variable Retirement Investment Trusts are carried at fair value with all market value adjustments recognized in current operations. Investments are revalued monthly to current market value. The resulting valuation gains or losses are recognized as income, although revenue has not been realized through a market-place transaction.

The WRS does not have any investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represent 5.0 percent or more of plan net assets.

State Contributions Required and Contributions Made

Covered State employees in the General/Teacher category are required by statute to contribute 5.0 percent of their salary (3.0 percent for Executives and Elected Officials, 5.1 percent for Protective Occupations with Social Security, and 3.4 percent for Protective Occupations without Social Security) to the plan as of June 30, 2008. Employers may make these contributions to the plan on behalf of employees.

Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits. State contributions made for the years ended December 31, 2007, 2006, and 2005 were as follows (in millions):

	2007	2006	2005
Employer current service	$ 182.9	$ 170.6	$ 159.2
Percent of payroll	5.1%	5.0%	4.9%
Employer prior service	$ 2.8	$ 2.5	$ 2.2
Percent of payroll	0.1%	0.1%	0.1%
Employee required	$ 178.4	$ 169.5	$ 161.6
Percent of payroll	5.0%	5.0%	5.0%
Benefit adjustment contributions	$ 31.0	$ 26.6	$ 22.8
Percent of payroll	0.9%	0.7%	0.7%
Percent of Required Contributions	100%	100%	100%

The WRS uses the "Entry Age Normal with Frozen Initial Liability" actuarial method in establishing employer contribution rates. Under this method, the unfunded actuarial accrued liability (UAAL) is generally affected only by the monthly amortization payments, compound interest, the added liability created by new employer units, and any liabilities caused by changes in benefit provisions. The UAAL is being amortized over a 40 year period beginning January 1, 1990. However, periodically, the Employee Trust Funds Board has reviewed and, when appropriate, adjusted the actuarial assumptions used to determine this liability. Changes in the assumptions may affect the UAAL, and the resulting actuarial gains or losses are credited or charged to employers' unfunded liability accounts.

All actuarial gains or losses arising from the difference between actual and assumed experience are reflected in the determination of the normal cost.

As of June 30, 2008 and 2007, the WRS's unfunded actuarial accrued liability was $0.3 billion and $0.3 billion, respectively. These amounts are presented as Prior Service Contributions Receivable on the financial statements. New prior service liabilities resulting from employers entering the WRS or increasing their prior service coverage are recognized as contributions in the year service is granted and are added to the Prior Service Contributions Receivable. Employer contributions for prior service reduce the receivable. The receivable is increased as of calendar year end with interest at the assumed interest rate of 7.8 percent.

NOTE 14. MILWAUKEE RETIREMENT SYSTEM

The Milwaukee Retirement System (MRS) is reported as an Investment Trust Fund. MRS participants provide assets to the State of Wisconsin, Department of Employee Trust Funds (DETF) for investing in its Core Retirement Investment Trust (CRIT) and the Variable Retirement Investment Trust (VRIT), funds of the Wisconsin Retirement System (WRS). Participation of the MRS in the CRIT and VRIT is described in the DETF Administrative Code, Chapter 10.12. The State of Wisconsin Investment Board (SWIB) manages the CRIT and VRIT with oversight by a Board of Trustees as authorized in Wis. Stat. 25.14 and 25.17. SWIB is not registered with the Securities and Exchange Commission as an investment company.

The investments of the CRIT and VRIT consist of a highly diversified portfolio of securities. Wis. Stat. 25.17(3)(a) allow investments in loans, securities and any other investments as authorized by Wis. Stat. 620.22. Permitted classes of investments include bonds of governmental units or of private corporations, loans secured by mortgages, preferred or common stock, real property and other investments not specifically prohibited by statute.

Investments are revalued monthly to fair value, with unrealized gains and losses reflected in income.

Monthly, the DETF distributes a pro-rata share of the total CRIT and VRIT earnings less administrative expenses to the MRS accounts. The MRS accounts are adjusted to fair value and gains/losses are recorded directly in the accounts per DETF Administrative Code, Chapter 10.12(2).

Neither State statute, a legal provision nor a legally binding guarantee exists to support the value of shares.

Copies of the separately issued financial report that includes financial statements along with the accompanying footnote disclosures and supplementary information for the CRIT and the VRIT may be obtained by writing to:

State of Wisconsin Investment Board
P.O. Box 7842
Madison, Wisconsin 53707-7842

NOTE 15. POSTEMPLOYMENT BENEFITS – STATE HEALTH INSURANCE PROGRAM

Effective Fiscal Year 2008, the State implemented the Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of other postemployment benefit expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in financial reports of state and local governmental employers.

Plan Description

The State's Health Insurance Program, a cost-sharing multiple employer, defined benefit plan, is an employer-sponsored program (not administered as a trust) offering group medical coverage to eligible employees and retirees of State and participating local government 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 2007, there were 55,117 active, and 21,103 retirees and beneficiaries participating in the plan.

Under this plan, retired employees of the State are allowed to pay the same healthcare premium as active employees, creating an implicit rate subsidy for retirees. This implicit rate subsidy, which is calculated to cover pre-age 65 retirees (since at age 65 retirees are required to enroll in Medicare when eligible), is treated as an other postemployment benefit (OPEB).

The Department of Employee Trust Funds issues a publicly available financial report. That report is available at www.etf.wi.gov or may be obtained upon request from:

The Department of Employee Trust Funds
801 West Badger Road
P.O. Box 7931
Madison, Wisconsin 53707-7931

Funding Policy

The health insurance plan is currently funded on a "pay-as-you-go" basis. GASB Statement No. 45 does not require funding of the OPEB expense and the State does not currently intend to prefund the OPEB obligation. Under this plan, retirees contribute premiums directly to the plan either through "out-of-pocket" or from unused accumulated sick leave conversion credits. The value of the sick leave benefit is defined as a compensated absences and reported under the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*.

Contribution requirements are established and may be amended by the Group Insurance Board. For retirees that participate in the health insurance plan, premiums, for non-medicare retirees, are based on an effective rate structure for the health care service provider selected. Rates range from $476.20 to $895.70 for single coverage and $1,186.80 to $2,235.60 for family coverage.

The annual required contribution of the employer (ARC), is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. At December 31, 2007, the ARC was $148.5 million while the employer contributions were $44.3 million.

Annual OPEB Cost

As of January 1, 2007, the State's annual OPEB cost, the percentage of annual OPEB costs contributed to the plan, and the net OPEB obligation were as follows (in thousands):

Fiscal Year	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	$148,497	$44,333	29.9%	$104,164

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2007 was as follows (in thousands):

Actuarial accrued liability (AAL)	$1,472,774
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	$1,472,774
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	$2,842,917
UAAL as a percentage of covered payroll	51.8%

The actuarial accrued liability calculation considers the retiree drug subsidy (RDS) provisions of Medicare Part D as a separate transaction. Therefore, the actuarial accrued liability, the annual required contribution of the employer (ARC), and the annual OPEB costs are determined without reduction of RDS payments. At January 1, 2007, the Medicare part D portion included in the actuarial accrued liability is $537.7 million.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2007 actuarial valuation, the entry age normal actuarial costs method (with costs determined as a level dollar amount) was used. Actuarial assumptions included a discount rate of 4.0 percent, determined using an underlying assumption of 3.0 percent for inflation plus 1.0 percent for high quality investments with durations of one year or less, and a 4.1 percent assumed annual payroll growth. The projected annual healthcare cost trend rate is 6.2 percent initially, reduced by decrements to an ultimate rate of 5.0 percent. Other assumptions used, such as mortality, disability and retirement rates for active members, are consistent with an actuarial valuation on the Wisconsin Retirement Plan dated December 31, 2006. In addition, a 30 year, level percent of pay, closed amortization period was used for the initial UAAL, while a 15 year, level percent of pay, closed amortization period was used for any future gains and losses.

Currently, the health insurance plan is not funded by assets held in a separate trust. The discount rate (discussed above) was based on the State's general assets not earmarked for certain uses, such as building funds. The State's general assets are held in short-term fixed income investments. Therefore, the discount rate reflects that type of investment policy.

A Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, is designed to present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 16. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The State of Wisconsin, Department of Employee Trust Funds (DETF), administers three postemployment benefit plans other than pension plans – the State Retiree Health Insurance Fund, the Duty Disability Fund, and the Retiree Life Insurance Fund.

Plan Descriptions

State Retiree Health Insurance Fund

The State *Retiree Health Insurance Fund* is a multiple-employer defined benefit OPEB plan offering group health insurance. Disclosures relating to the plan are provided in Note 15 – *Postemployment Benefits of the State Other Than Pensions – Health Insurance Program*.

Duty Disability Fund

The *Duty Disability Fund* is a cost-sharing multiple-employer defined benefit OPEB plan. The plan offers special disability insurance for state and local participants in protective occupations. The plan is self-insured, and risk is shared between the State and local government employers in the plan. The plan is administered under Wis. Stat. Section 40.65. The plan is reported as a pension and other employee benefit trust fund.

Contributions are actuarially determined in accordance with Wis. Stats. Section 40.05 (2)(ar). All contributions are employer paid based on a graduated, experienced-rated formula. During Calendar Year 2006 contribution rates ranged from 1.9 percent to 6.6 percent of covered payroll based on employer experience.

Eligibility for program benefits is based upon whether a duty-related injury or disease is likely to be permanent, which causes a protective occupation participant to retire, accept reduced pay or light duty assignment, or in some cases, that impairs promotional opportunities. Benefits approximate 80 percent of salary (75 percent if partially disabled and not a State Employee), less certain offsets such as; social security, unemployment compensation, worker's compensation and other retirement benefits. Survivor benefits are also offset by certain benefits based on program requirements.

Retiree Life Insurance Fund

The *Retiree Life Insurance Fund* is a cost-sharing multiple-employer defined benefit OPEB plan. The plan provides post-employment life insurance coverage to all eligible employees. The plan is administered under Wis. Stats. Section 40.70. The plan is reported as a pension and other employee benefit trust fund.

Generally, members may enroll during a 30-day enrollment period once they satisfy a six-month waiting period. They may enroll after the initial 30-day enrollment period with evidence of insurability. Members under evidence of insurability enrollment must enroll in group life insurance coverage before age 55 to be eligible for Basic or Supplemental coverage.

Employers are required to pay the following contributions for active members to provide them with basic coverage after age 65. There are no employer contributions for pre-65 annuitant coverage. All contributions are actuarially determined.

	State	Local
50 percent post retirement coverage	28 percent of the employee premium	40 percent of employee premium
25 percent post retirement coverage	N/A	20 percent of employee premium

At retirement, the member must have active group life insurance coverage and satisfy one of the following:

- Wisconsin Retirement System (WRS) coverage prior to January 1, 1989, or
- At least one month of group life insurance coverage in each of five calendar years after 1989 and one of the following:
- Eligible for an immediate WRS benefit, or
- At least 20 years from their WRS creditable service as of January 1, 1990, plus their years of group life insurance coverage after 1989, or
- At least 20 years on the payroll of their last employer.

In addition, terminating members and retirees must continue to pay the employee premiums until age 65 (age 70 if active).

After retirement, basic coverage is continued for life in amounts for the insurance in force before retirement. Additional coverage may be continued until age 65 at 100 percent of the amount of the insurance in force before retirement at the employee's expense, and spouse and dependent coverage benefits is terminated.

Summary of Significant Accounting Policies

Basis of Accounting

The OPEB plans are reported in accordance with GASB 43, *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. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Method Used to Value Investments

Duty Disability Fund

Investments for the *Duty Disability Fund* are invested in the Core Retirement Investment Trust, which is managed by the State of Wisconsin Investment Board (SWIB). These investments are valued at fair value. Generally, fair value information represents actual bid prices or the quoted yield equivalent at the end of the year for securities of comparable maturity, quality, and type, as obtained from one or more major investment brokers. If quoted market prices are not available, a variety of third-party pricing methods are used, including appraisals, certifications, pricing models, and other methods deemed acceptable by industry standards.

Retiree Life Insurance Fund

Investments for the *Retiree Life Insurance Fund* are held with the insurance carrier (the Company). The Retiree Life Insurance Fund's investment is a share in the investment pool.

Fixed maturity securities, which may be sold prior to maturity, including fixed maturities on loan, are classified as available-for-sale and are carried at fair value. Premiums and discounts are amortized or accreted over the estimated lives of the securities based on the interest yield method.

The Company uses book value as cost for applying the retrospective adjustment method to loan-backed fixed maturity securities purchased. Prepayment assumptions for single class and multi-class mortgage-backed securities were obtained from broker/dealer survey values or internal estimates.

Marketable equity securities are classified as available-for-sale and are carried at fair value. Mutual funds and exchange traded fund investments in select asset classes that are sub-advised are carried at the fair value of the underlying net assets of the funds.

Available-for-sale securities are stated at fair value.

Mortgage loans are carried at amortized cost less any valuation allowances. Premiums and discounts are amortized or accreted over the terms of the mortgage loans based on the effective interest yield method.

Private equity investments in limited partnerships are carried at the amount invested, adjusted to recognize the Company's ownership share of the earnings or losses of the investee after the date of the acquisition, adjusted for any distributions received (equity method accounting).

Investments in partnerships, which represent minority interests owned in certain general agencies, are carried at the amount invested, adjusted to recognize the Company's ownership share of the earnings or losses of the investee after acquisition adjusted for any distributions received (equity method accounting).

Fair values of fixed maturity securities are based on quoted market prices where available. Fair values of marketable equity securities are based on quoted market prices. Fair values of private equity investments are obtained from the financial statement valuations of the underlying fund or independent broker bids. For fixed maturity securities not based on quoted market prices, generally private placement securities, securities that do not trade regularly, and embedded derivatives, an internally developed pricing model using a commercial software application is most often used. The internally developed pricing model is developed by obtaining spreads versus the U.S. Treasury yield for corporate securities with varying weighted average lives and bond ratings.

Real estate is carried at cost less accumulated depreciation.

The Company's derivative instrument holdings are carried at fair value. All derivatives are recorded as non-hedge transactions. Derivative instrument fair values are based on quoted market prices or dealer quotes. If a quoted market price is not available, fair value is estimated using current market assumptions and modeling techniques, which are then compared with quotes from counterparties.

For mortgage-backed securities of high credit quality, excluding interest-only securities, the Company recognizes income using a constant effective yield method based on prepayment assumptions obtained from an outside service provider or upon analyst review of the underlying collateral and the estimated economic life of the securities.

Policy loans are carried at the unpaid principal balance.

Cash and cash equivalents are carried at cost, which approximates fair value. The Company considers all money market funds and commercial paper with original maturity dates of less than three months to be cash equivalents.

Finance receivables that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding unpaid principal balances reduced by any charge-offs.

The Company holds "To-Be-Announced" (TBA) Government National Mortgage Association forward contracts that require the Company to take delivery of a mortgage-backed security at a settlement date in the future. Most of the TBAs are settled at the first available period allowed under the contract. However, the deliveries of some of the Company's TBA securities happen at a later date, thus extending the forward contract date. These securities are reported at fair value as derivative instruments with the changes in fair value reported in net realized investment gains and losses on the consolidated statements of operations.

Required Supplementary Information

Required Supplementary Information about the OPEB plans is presented in the Department of Employee Trust Funds audited financial statements. The December 31, 2007 financial report will be available at a later date.

Separately issued financial reports are available at www.etf.wi.gov and on request from:

The Department of Employee Trust Funds
801 West Badger Road
P.O. Box 7931
Madison, Wisconsin 53707-7931

NOTE 17. PUBLIC ENTITY RISK POOLS ADMINISTERED BY THE DEPARTMENT OF EMPLOYEE TRUST FUNDS

The Department of Employee Trust Funds operates four public entity risk pools: group health insurance, group income continuation insurance, long-term disability insurance, and pharmacy benefits. The information provided in this note applies to the period ending December 31, 2007.

A. Description of Funds

The Health Insurance Fund offers group health insurance for current employees of the State government and of participating local public employers. All public employers in the State are eligible to participate. Approximately 325 local employers plus the State currently participate. The State and local government portions of the fund are accounted for separately and have separate contribution rates, benefits, and actuarial valuations. The fund includes both a self-insured, fee-for-service plan as well as various prepaid plans, primarily Health Maintenance Organizations (HMO's) and a self-insured plan that provides for pharmacy benefits of covered members.

The Income Continuation Insurance Fund offers disability wage continuation insurance for current employees of the State government and of participating local public employers. All public employers in the State are eligible to participate. Approximately 165 local employers plus the State currently participate. The State and local government portions of the fund are accounted for separately and have separate contribution rates, benefits, and actuarial valuations. The plan is self-insured.

The Long-term Disability Insurance Fund offers long-term disability benefits to participants in the Wisconsin Retirement System (WRS). The long-term disability benefits provided by this program are an alternative coverage to that currently provided by the WRS. All new WRS participants on or after October 15, 1992, are eligible only for the long-term disability insurance coverage, while participating employees active prior to October 15, 1992, may elect coverage through WRS or the long-term disability insurance program.

B. Accounting Policies for Risk Pools

Basis of Accounting - All Public Entity Risk Pools are accounted for in enterprise funds using the full accrual basis of accounting and the flow of economic resources measurement focus.

Valuation of Investments - Assets of the Health Insurance Fund are invested in the State Investment Fund. Assets of the Income Continuation Insurance and Long-term Disability Insurance funds are invested in the Core Retirement Investment Trust. Investments are valued at fair value.

Unpaid Claims Liabilities - Claims liabilities are based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The estimate includes the effects of inflation and other societal and economic factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Unpaid claims liability is presented at face value and is not discounted for health insurance. It is discounted using an interest rate of 7.8 percent for income continuation and long-term disability insurance. The liabilities for income continuation, long-term disability, and health insurance were determined by actuarial methods.

Administrative Expenses - All maintenance expenses are expensed in the period in which they are incurred. Acquisition costs are immaterial and are treated as maintenance expenses. Premium deficiencies are not calculated because acquisition costs are immaterial. Claim adjustment expenses are also immaterial.

Reinsurance - Health insurance plans provided by HMO's and health insurance for local government annuitants are fully insured by outside insurers. All remaining risk is self-insured with no reinsurance coverage.

Risk Transfer - Participating employers are not subject to supplemental assessments in the event of deficiencies. If the assets of the fund were exhausted, participating employers would not be responsible for the fund's liabilities.

Premium Setting - Premiums are established by the Group Insurance Board in consultation with actuaries.

C. Unpaid Claims Liabilities

As discussed in Section B of this Note, each fund establishes a liability for both reported and unreported insured events, which is an estimate of future payments of losses. The following represents changes in those aggregate liabilities for the nonreinsured portion of each fund during Calendar Year 2007 (in millions):

	Health Insurance		Income Continuation Insurance		Long-term Disability Insurance		Pharmacy Benefits	
	2007 *	2006	2007	2006	2007	2006	2007 *	2006
Unpaid claims at beginning of the calendar year	$ 10.2	$ 7.8	$ 71.3	$ 67.1	$ 108.3	$ 90.3	$ (6.7)	$ (8.2)
Incurred claims:								
Provision for insured events of the current calendar year	41.6	72.0	27.4	29.1	48.1	34.6	116.5	144.9
Changes in provision for insured events of prior calendar years	(3.4)	0.4	(14.7)	(8.7)	(6.2)	(2.3)	0.4	1.0
Total incurred claims	38.2	72.1	12.7	20.4	41.9	32.3	116.9	145.9
Payments:								
Claims and claim adjustment expenses attributable to insured events of the current calendar year	35.6	62.1	2.5	4.4	1.1	1.1	119.6	153.6
Claims and claim adjustment expenses attributable to insured events of prior calendar years	6.6	7.9	12.8	11.8	13.3	13.2	(8.3)	(9.2)
Total payments	42.2	70.0	15.3	16.2	14.4	14.3	111.3	144.4
Total unpaid claims expenses at end of the calendar year	$ 6.2	$ 10.2	$ 68.7	$ 71.3	$ 135.8	$ 108.3	$ (1.1)*	$ (6.7) **

* Starting in 2006, in accordance with GASB 43, retiree health is reported separately in an agency fund and is not included with the active health information in this table.

** Total unpaid claims at the end of 2007 is the net of $6.7 million in unpaid claims and $7.8 million in rebates due from pharmaceutical companies; total unpaid claims at the end of 2006 is the net of $6.6 million in unpaid claims and $13.3 million in rebates due from pharmaceutical companies.

D. Trend Information

Historical trend information showing revenue and claims development information is presented in the Department of Employee Trust Funds audited financial statements. The separately issued financial report for the year ended December 31, 2006 is available at www.etf.wi.gov and on request from:

The Department of Employee Trust Funds
801 West Badger Road
P.O. Box 7931
Madison, Wisconsin 53707-7931

The December 31, 2007 financial report will be available at a later date.

NOTE 18. SELF-INSURANCE

It is the general policy of the State not to purchase commercial insurance for the risks of losses to which it is exposed. Instead, the State believes it is more economical to manage its risks internally and set aside assets for claim settlement in its internal service fund, the Risk Management Fund. The fund services most claims for risk of loss to which the State is exposed, including damage to State owned property, liability for property damages and injuries to third parties, and worker's compensation. All funds and agencies of the State participate in the Risk Management Fund.

State Property Damage

Property damages to State-owned properties are covered by the State's self-funded property program up to $2.5 million per occurrence and $2.7 million annual aggregate. When claims, which exceed $25,000 per occurrence, total $2.7 million, the State's private insurance becomes available. Losses to property occurring after the threshold are first subject to a $25,000 deductible. The amount of loss in excess of $25,000 is covered by the State's private insurance company. During Fiscal Year 2008, the excess insurance limits were written to $300 million.

The liabilities for State property damage are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The estimate for future benefits and loss liabilities is based on the reserves on open claims and paid claims. Losses incurred but not reported are expected to be immaterial. Claims incurred but not paid as of June 30, 2008 are estimated to total $13.9 million.

Property Damages and Bodily Injuries to Third Parties

The State is self-funded for third party liability to a level of $4 million per occurrence and purchases insurance in excess of this self-funded retention. The policy limit during Fiscal Year 2008 was $50 million.

The liabilities for property damages and injuries to third parties are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The estimate for future benefits and loss liabilities for the prior fiscal year was the reserves on open claims. The estimate for future benefits and loss liabilities is calculated by an actuary based on the reserves on open claims and prior experience. No liability is reported for environmental impairment liability claims either incurred or incurred but not reported because existing case law makes it unlikely the State would be held liable for material amounts. Because actual claims liabilities depend upon complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Immaterial non-incremental claims adjustment expenses are not included as part of the liability. Claims incurred but not paid as of June 30, 2008 are estimated to total $24.2 million.

Worker's Compensation

The Worker's Compensation Program was created by Wisconsin Statutes Chapter 102 to provide benefits to workers injured on the job. All employees of the State are included in the program. An injury is covered under worker's compensation if it is caused by an accident that arose out of and in the course of employment.

The responsibility for claiming compensation is on the employee. A claim must be filed with the program within two years from the date of injury, otherwise the claim is not allowable.

The worker's compensation liability has been determined by an actuary using paid claims and current claims reserves. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities are affected by external factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims incurred but not paid as of June 30, 2008 are estimated to total $68.6 million.

Changes in the balances of claims liability for the Risk Management Fund during the current and prior fiscal years are as follows (in thousands):

	2008	2007
Beginning of fiscal year liability	$ 95,984	$ 100,161
Current year claims and changes in estimates	34,531	17,638
Claim payments	(23,815)	(21,815)
	106,700	95,984
Excess insurance reimbursable	(11,700)	--
Balance at fiscal year-end	$ 95,000	$ 95,984

Settlements have not exceeded coverages for each of the past three fiscal years.

Annuity Contracts

The Risk Management Fund purchased annuity contracts in various claimants' names to satisfy claim liabilities. The likelihood that the fund will be required to make future payments on those claims is remote and, therefore, the fund is considered to have satisfied its primary liability to the claimants. Accordingly, the annuity contracts are not reported in, and the related liabilities are removed from, the fund's balance sheet. The aggregate outstanding amount of liabilities removed from the financial statements at June 30, 2008 is $8.5 million.

NOTE 19. INSURANCE FUNDS

A. Primary Government

1. Local Government Property Insurance Fund

Created by the Legislature in 1911, the purpose of the Local Government Property Insurance Fund is to provide property insurance coverage to tax-supported local government units such as counties, towns, villages, cities, school districts and library boards. Property insured includes government buildings, schools, libraries and motor vehicles. Coverage is available on an optional basis. As of June 30, 2008 the Local Government Property Insurance Fund insured 1,124 local governmental units. The total amount of insurance in force as of June 30, 2008 was $45.5 billion.

Valuation of Cash Equivalents and Investments - All investments of the Local Government Property Insurance Fund are managed by the State of Wisconsin Investment Board, as discussed in Note 5-B to the financial statements. At June 30, 2008, the fund had $53.2 million of shares in the State Investment Fund which are considered cash equivalents.

Premium - Unearned premium reported as deferred revenue represents the daily pro rata portion of premium written which is applicable to the unexpired terms of the insurance policies in force. Policies are generally written for annual terms.

Unpaid Claims Liabilities - The Local Government Property Insurance Fund establishes the unpaid claim liability titled future benefits and loss liabilities on the financial statements based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. Estimated amounts of reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Claims liabilities are recomputed periodically to produce current estimates that reflect recent settlements, claim frequency, and other economic factors. Adjustments to future benefits and loss liabilities are charged or credited to expense in the periods in which they are made.

Policy Acquisition Costs - Since the Local Government Property Insurance Fund has no marketing staff and incurs no sales commissions, acquisition costs are minimal and charged to operations as incurred.

Reinsurance - The Local Government Property Insurance Fund uses reinsurance agreements to reduce its exposure to large losses on all types of insured events. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the fund as direct insurer of the risks reinsured. The fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. As of June 30, 2008 the fund had $425.0 million of per occurrence excess of loss reinsurance in force with a $2.0 million combined single limit retention for each occurrence, and an annual aggregate reinsurance contract with a $22.0 million annual aggregate retention plus a per claim retention of $5 thousand once the aggregate is met, as respects occurrences for the term of the agreement. Premiums ceded to reinsurers, which is netted against premium revenue (charges for goods and services in the financial statements), amounted to $4.7 million during the fiscal year. Reinsurance loss and adjusting expense recoveries earned, which reduces claims paid (benefit expense on the financial statements), amounted to $3.0 million during the fiscal year.

Unpaid Claims Liabilities

As discussed above, the Local Government Property Insurance Fund establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the fund during the past two fiscal years (in thousands):

	2007	2008
Unpaid claims and claim adjustment expenses at beginning of the year	$9,619	$16,215
Less: Reinsurance recoverable	(912)	(6,684)
Net unpaid loss liability at beginning of year	8,707	9,531
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current year	16,260	21,417
Increase (decrease) in provision for insured events of prior years	959	(416)
Total incurred claims and claim adjustment expenses	17,219	21,001
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current year	7,855	9.917
Claims and claim adjustment expenses attributable to insured events prior years	8,540	7,816
Total payments	16,395	17,733
Net unpaid claims and claim adjustment expenses at end of year	9,532	12,799
Reinsurance recoverable	6,684	5,318
Total unpaid claims and claim adjustment expenses	$16,215	$18,117

Trend Information

Historical trend information showing revenue and claims development information is presented in the Office of the Commissioner of Insurance June 30, 2008 financial statements. Copies of these statements may be requested from:

Office of the Commissioner of Insurance
125 South Webster Street
Madison, Wisconsin 53702

2. State Life Insurance Fund

The State Life Insurance Fund was created under Chapter 607, Wisconsin Statutes, to offer life insurance to residents of Wisconsin in a manner similar to private insurers. This fund functions much like a mutual life insurance company and is subject to the same regulatory requirements as any life insurance company licensed to operate in Wisconsin.

Premiums are reported as earned when due. Benefits and expenses are associated with earned premiums so as to result in recognition of profits over the life of the contracts. This association is accomplished by means of the provision for liabilities for future benefits and the amortization of acquisition costs.

The costs of policy issuance and underwriting, all of which vary with, and are primarily related to, the production of new business, have been deferred. These deferred acquisition costs are amortized over a forty year period, considered representative of the life of the contract. The amortization is in proportion to the ratio of annual in-force business to the amount of business issued. Such anticipated in-force business was estimated using similar assumptions to those used for computing liabilities for future policy benefits.

Deferred Acquisition Cost Assumptions

Issue Years	Interest Rate	Lapse Rate	Mortality
1913-1966	3.0%	2.0%	None
1967-1976	3.0	2.0	None
1977-1985	4.0	2.0	None
1986-1994	5.0	2.0	None
1995+	4.0	2.0	None

The State Life Insurance Fund does not pay commissions nor does it incur agent expenses.

Future benefits and loss liabilities have been computed by the net level premium method based upon estimated future investment yield and mortality. The composition of liabilities and the more material assumptions pertinent thereto are presented below (in thousands):

Issue Year	Ordinary Life Insurance in Force	Amount of Policy Liability
1913-1966	$ 10,796	$ 7,842
1967-1976	33,491	16,381
1977-1985	78,188	22,748
1986-1994	52,221	7,914
1995+	41,413	4,432
	$ 216,109	$ 59,317

Bases of Assumptions

Issue Year	Interest Rate	Mortality
1913-1966	3.0%	American Experience, ANB*
1967-1976	3.0	1958 CSO, ALB, Unisex
1977-1985	4.0	1958 CSO, ALB, Female Setback 3 years
1986-1994	5.0	1980 CSO, ALB, Aggregate
1995+	4.0	1980 CSO, ALB, Aggregate

* Age Next Birthday

All of the State Life Insurance Fund's ordinary life insurance in force is participating. This fund is required by statute to maintain surplus at a level between 7 percent and 10 percent of statutory admitted assets as far as practicably possible. All excess surplus is to be returned to the policyholders in the form of policyholder dividends. Policyholder dividends are declared each year in order to achieve the required level of surplus.

The statutory assets at December 31, 2007 were $87.0 million and the statutory capital and surplus was $6.2 million, and the fund equity at June 30, 2008 was $9.0 million.

3. Injured Patients and Families Compensation Fund

The Injured Patients and Families Compensation Fund was created in 1975 for the purpose of providing excess medical malpractice claims exceeding the legal primary insurance limits prescribed in Wis. Stat. Section 655.23(4), or the maximum liability limit for which the health care provided is insured, whichever limit is greater. Management of the Injured Patients and Families Compensation Fund is vested with a 13-member Board of Governors, which is chaired by the Commissioner of Insurance. Most health care providers permanently practicing or operating in the State of Wisconsin are required to pay Injured Patients and Families Compensation Fund operating fees. Risk of loss is retained by the fund.

The Future Benefits and Loss Liability account includes individual case estimates for reported losses and estimates for incurred but not reported losses based upon the projected ultimate losses. Individual case estimates of the liability for reported losses and net losses paid from inception of the Injured Patients and Families Compensation Fund are deducted from the projected ultimate loss liabilities to determine the liability for incurred but not reported losses as of June 30, 2008 as follows (in thousands):

Projected ultimate loss liability	$ 1,488,728
Less: Net loss paid from inception	(700,503)
Less: Liability for reported losses	(49,634)
Liability for incurred but not reported losses	$ 738,591

The Future Benefits and Loss Liability account also includes a provision for the estimated future payment of the costs to settle claims. These ultimate loss adjustment expenses as of June 30, 2008 are estimated at 20.0 percent of the projected ultimate loss liabilities. The loss reserves are actuarially determined. The loss adjustment expenses paid from the inception of the Injured Patients and Families Compensation Fund are deducted from the projected ultimate loss adjustment expenses provision to determine the liability for loss adjustment expenses as of June 30, 2008 as follows (in thousands):

Projected ultimate loss adjustment expense liability	$ 224,823
Less: Loss adjustment expense paid from inception	(54,900)
Liability for loss adjustment expense	$ 164,923

In accordance with Section Ins. 17.27(3), Wis. Adm. Code, the liability for reported losses, liability for incurred but not reported losses, and liability for loss adjustment expense are maintained on a present value basis with the difference from full value being reported as a contra account to these estimated loss liabilities. These estimated loss liabilities are discounted only to the extent that they are matched by cash and invested assets. Using the actuarially determined discount factor of 0.810, which is based on an investment yield assumption of 5.5 percent approved by the Board of Governors, the discounted loss liability would be as follows as of June 30, 2008 (in thousands):

Estimated liability for Incurred But Not Reported (IBNR)	$ 738,591
Estimated liability for reported losses	49,634
Estimated unpaid loss adjustment expense	164,923
Total estimated loss liabilities	953,148
Less: Amount representing interest	(181,098)
Discounted loss liabilities	$ 772,050

Included in the above estimates of loss liabilities, both undiscounted and discounted, is a 25 percent risk margin, which was recommended by the actuary and approved by the Board of Governors. The current 25 percent risk margin represents an increase from the 5 percent risk margin approved by the Board of Governors for FY 2007.

On behalf of the Board of Governors, the Office of the Commissioner of Insurance contracted for an actuarial audit of the fund, which included a review by another actuary of the reasonableness of the actuarial methodology and assumptions used in developing estimates of the Injured Patients and Families Compensation Fund's estimated loss liabilities. The actuarial audit, which was completed on December 3, 2007, concluded that the projected ultimate loss and loss adjustment expense liabilities (before discounting) are at the high end of the reasonable range, when combined with a 25 percent risk margin.

In addition to discounted loss liabilities, the Future Benefit and Loss Liabilities account also includes a future medical expenses liability and a contributions being held liability. The future medical expenses liability consists of those accounts required by Wis. Stat. Sec. 655.015 to be established for future medical expense awards in excess of $25,000 that were entered into or rendered before June 14, 1986, or in excess of $100,000 that were entered into or rendered on or after May 25, 1995. The contributions being held liability consists of nonrefundable payments, generally in amounts equal to the primary coverage in effect for related claims, that primary insurers have voluntarily presented to the fund and which are negotiable with the fund in exchange for a release of payment for any future defense costs that may be incurred on the claim.

The breakdown of Future Benefit and Loss Liabilities, including the portions that are estimated as current and noncurrent as of June 20, 3008 (in thousands), is as follows:

Discounted loss liabilities	$ 772,050
Future medical expense liability	23,415
Contributions being held liability	1,000
Total estimated loss liabilities	796,465
Current portion	(108,677)
Noncurrent portion	$ 687,788

The uncertainties inherent in projecting the frequency and severity of large claims because of the Injured Patients and Families Compensation Fund's unlimited liability coverage, and extended reporting and settlement periods, makes it likely that the amounts ultimately paid will differ from the recorded estimated loss liabilities. These differences cannot be quantified.

The estimated amounts included in the balance of Future Benefits and Loss Liabilities are continually reviewed and adjusted as the Injured Patients and Families Compensation Fund gains additional experience. Such adjustments are reflected in current operations. Because of the changes in these estimates, the benefit expense for the fiscal year is not necessarily indicative of the loss experience for the year.

The following is a reconciliation of the change in the balance of Future Benefits and Loss Liabilities during FY 2008:

Liability at the beginning of the year	$ 701,999
Incurred claims and related expenses for the current year and the change in estimated amounts for claims incurred in prior years	135,728
Less: current year payments attributable to claims incurred in current and prior years	(41,262)
Liability at the end of the year	$ 796,465

B. Component Units

Wisconsin Health Care Liability Insurance Plan

The Wisconsin Health Care Liability Insurance Plan (the Plan) is a statutory unincorporated association established by rule of the Commissioner of Insurance of the State of Wisconsin as mandated by the State of Wisconsin legislature. The Plan provides health care liability insurance and liability coverages normally incidental to health care liability insurance to eligible health care providers in the State of Wisconsin calling for payment of premium prior to the effective date of the policy. All insurers authorized to write personal injury liability insurance in the State of Wisconsin, with certain minor exceptions, are required to be members of the Plan.

The Plan generates its premium written revenue by selling medical malpractice insurance. Rates are calculated in accordance with generally accepted actuarial principles. The rates are set so that the Plan will be self-supporting. Profit is not the intent of the Plan.

Since the inception of the Plan in 1975, the health care liability coverage limits have increased from $200 thousand per occurrence and $600 thousand annual aggregate to the current limits of $1.0 million per occurrence and $3.0 million annual aggregate. A general liability coverage is also available to participating health care providers with limits of $1.0 million per occurrence and $3.0 million annual aggregate. The Plan is not covered under any reinsurance contracts.

In the event that sufficient funds are not available for the sound financial operation of the Plan, all members shall, on a temporary basis, contribute to the financial needs of the Plan. Members shall participate in the contributions in the proportion of their respective premiums to the aggregate premiums written by all members of the Plan. Such assessments shall be recouped by rate increases applied prospectively. There were no assessments for the year ended December 31, 2007.

The future benefits and loss liability includes amounts determined from individual reported losses (case reserves) and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on estimates and, while management believes that the amounts are adequate, the ultimate liability will differ from the amounts provided. The methods for making such estimates and for establishing the resulting liability are annually reviewed, and any adjustments are reflected in income currently. Specific account balances as of December 31, 2006 and December 31, 2007, are as follows (in thousands):

	2007	2006
Balance at January 1	$ 29,806	$ 32,167
Incurred related to:		
Current year	10.608	9.786
Prior years	(726)	(10,866)
Total Incurred	9,882	(1,080)
Paid related to:		
Current year	188	169
Prior years	2,378	1,112
Total paid	2,566	1,281
Balance at December 31	$ 37,122	$ 29,806

There is inherent uncertainty in medical malpractice claims when establishing the estimates of unpaid losses and unpaid loss adjustment expenses. In 2005, 2006 and 2007 the Plan decreased its estimates of unpaid losses and unpaid loss adjustment expenses related to insured events of prior years. These decreases were greater than the estimated losses incurred for the current year, causing negative incurred losses and loss adjustment expenses.

NOTE 20. SEGMENT INFORMATION AND CONDENSED FINANCIAL DATA

Primary Government

The State issues revenue bonds to finance the Leveraged Loan Program, which is accounted for as part of the Environmental Improvement Fund. Investors in those bonds rely solely on the revenue generated within the Leveraged Loan Program. Assets of this program are used primarily for loans for Wisconsin municipal waste water projects. Condensed financial statement information of the Leveraged Loan Program as of and for the year ended June 30, 2008 is presented below (in thousands):

Condensed Balance Sheet

Assets:		
Current Assets	$	137,250
Other Assets		862,932
Total Assets	$	1,000,182
Liabilities:		
Due to Other Funds	$	2,427
Other Current Liabilities (Including Current Portion of Long-term Debt)		65,864
Noncurrent Liabilities		738,476
Total Liabilities		806,767
Fund Equity:		
Restricted		193,415
Total Fund Equity		193,415
Total Liabilities and Fund Equity	$	1,000,182

Condensed Statement of Revenues, Expenses and Changes in Fund Equity

Operating Revenues (Expenses):		
Loan Interest	$	18,907
Interest Expense		(36,439)
Other Operating Expenses		(2,514)
Operating Income (Loss)		(20,046)
Nonoperating Revenues (Expenses):		
Investment Income		13,751
Income (Loss) before Transfers		(6,295)
Transfers In (Out)		29,900
Change in Fund Equity		23,605
Beginning Fund Equity		169,810
Ending Fund Equity	$	193,415

Condensed Statement of Cash Flows

Net Cash Provided (Used) by :		
Operating Activities	$	(4,876)
Noncapital Financing Activities		46,980
Investing Activities		(35,618)
Net Increase (Decrease)		6,486
Beginning Cash and Cash Equivalents		114,384
Ending Cash and Cash Equivalents	$	120,870

NOTE 21. COMPONENT UNITS – CONDENSED FINANCIAL INFORMATION

Significant financial data for the State's five discretely presented component units for the year ended December 31, 2007 or June 30, 2008 is presented below (in thousands):

	Wisconsin Housing and Economic Development Authority	Wisconsin Health Care Liability Insurance Plan	University of Wisconsin Hospitals and Clinics Authority	University of Wisconsin Foundation*	State Fair Park Exposition Center	Total
Condensed Balance Sheet						
Assets:						
Cash, Investments and Other Assets	$ 3,937,615	$ 65,762	$ 230,880	$ 2,876,047	$ 7,028	$ 7,117,332
Due from Primary Governments	-	-	1,501	-	-	1,501
Cash and Investments with Other Component Units	-	-	255,000	-	-	255,000
Capital Assets, net	16,993	-	398,111	7,788	32,948	455,840
Total Assets	$ 3,954,608	$ 65,762	$ 885,492	$ 2,883,835	$ 39,976	$ 7,829,672
Liabilities:						
Accounts Payable and Other Current Liabilities	$ 167,859	$ 14,528	$ 79,897	$ 24,116	$ 2,116	$ 288,516
Due to Primary Government	-	-	4,502	-	33	4,535
Amounts Held for Other Component Units	-	-	-	260,026	-	260,026
Long-term Liabilities (Current and Noncurrent portions)	3,274,999	37,122	322,778	54,457	40,834	3,730,190
Total Liabilities	3,442,858	51,650	407,177	338,598	42,983	4,283,266
Fund Equity:						
Invested in Capital Assets, Net of Related Debt	1,678	-	162,156	7,788	(7,495)	164,127
Restricted	502,072	14,112	10,445	1,844,345	-	2,370,974
Unrestricted	8,000	-	305,714	693,103	4,487	1,011,305
Total Fund Equity	511,750	14,112	478,315	2,545,236	(3,007)	3,546,407
Total Liabilities and Fund Equity	$ 3,954,608	$ 65,762	$ 885,492	$ 2,883,835	$ 39,976	$ 7,829,672
Condensed Statement of Revenues, Expenses and Changes in Fund Equity						
Program Expenses:						
Depreciation	$ 8,743	$ -	$ 37,959	$ 358	$ 1,036	$ 48,096
Payments to Primary Government	-	-	2,042	228,686	-	230,728
Other	324,858	24,461	807,157	57,390	4,254	1,218,121
Total Program Expenses:	333,601	24,461	847,158	286,435	5,290	1,496,945
Program Revenues:						
Charges for Goods and Services	6,369	6,409	838,146	-	4,193	855,118
Investment and Interest Income	172,472	3,749	-	183,334	-	359,555
Operating Grants and Contributions	144,681	-	1,781	269,929	-	416,391
Capital Grants and Contributions	-	-	7,710	-	-	7,710
Miscellaneous	11,683	6	23,726	91	328	35,834
Total Program Revenues	335,205	10,164	871,363	453,354	4,521	1,674,607
Net Program Revenue/(Expense)	1,604	(14,297)	24,205	166,920	(769)	177,662
General Revenues:						
Interest and Investment Earnings	33,005	-	7,821	-	23	40,849
Loss on Unamortized Bond Insurance Premium			(1,958)			(1,958)
Contributions to Endowments	-	-	67	-	-	67
Change in Fund Equity	34,609	(14,297)	30,135	166,920	(747)	216,620
Fund Equity, Beginning of Year	477,141	28,410	448,180	2,378,317	(2,261)	3,329,787
Fund Equity, End of Year	$ 511,750	$ 14,112	$ 478,315	$ 2,545,236	$ (3,007)	$ 3,546,407

* The University of Wisconsin Foundation Balance Sheet was audited for 2008 but the Statement of Revenues, Expenses and Changes in Fund Equity was not.

NOTE 22. RESTATEMENTS OF BEGINNING FUND BALANCES/FUND EQUITY/NET ASSETS AND OTHER CHANGES

The reconciliations that follow summarize restatements of the end-of-year fund balance/fund equity/net assets as reported in the 2007 Comprehensive Annual Financial Report to the beginning-of-year fund balances/fund equity/net assets reported for Fiscal Year 2008 (in thousands):

A. Fund Statements – Governmental Funds

	Major Funds			
	General	Transportation	Nonmajor Funds	Total Governmental
Fund Balances June 30, 2007 as reported in the 2007 Comprehensive Annual Financial Report	$ (2,444,142)	$ 459,078	$ 647,124	$ (1,337,940)
Fund structure reclassification:				
Medical Assistance Trust Fund incorporated in General Fund	2,665	-	(2,665)	-
Department of Revenue additional revenues	45,713	-	-	45,713
Other adjustments of assets and liabilities as of June 30, 2007	1,294	-	27	1,321
Fund Balances July 1, 2007 as restated	$ (2,394,471)	$ 459,078	$ 644,486	$ (1,290,907)
Effect of prior period adjustments on the amount of excess revenues and other sources over expenditures and other uses of Fiscal Year 2007	$ 47,006	$ -	$ 27	$ 47,033

B. Fund Statements – Proprietary Funds

	Major Funds						
	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System	Unemployment Reserve	Nonmajor Funds	Total Enterprise	Internal Service Funds
Fund Equity June 30, 2007 as reported in the 2007 Comprehensive Annual Financial Report	$ 94,409	$ 1,320,978	$ 4,274,264	$ 783,852	$ 708,292	$ 7,181,794	$ 12,393
Fund structure reclassifications:							
Life Insurance Fund reclassified from fiduciary fund	-	-	-	-	4,007	4,007	-
Other adjustments of assets and liabilities as of June 30, 2007	-	-	213	-	3,491	3,704	2,224
Fund Equity July 1, 2007 as restated	$ 94,409	$ 1,320,978	$ 4,274,477	$ 783,852	$ 715,790	$ 7,189,505	$ 14,617
Effect of prior period adjustments on the amount of net change in fund equity of Fiscal Year 2007	$ -	$ -	$ -	$ -	$ 777	$ 777	$ 1,706

C. Fund Statements – Fiduciary Funds

	Pension and Other Employee Benefit Trust	Investment Trust	Private Purpose Trust	Total Fiduciary
Net Assets June 30, 2007 as reported in the 2007 Comprehensive Annual Financial Report	$ 85,990,092	$ 3,407,979	$ 2,161,599	$ 91,559,671
Fund structure reclassification/restatement:				
Life Insurance reclassified to proprietary fund	(4,007)	-	-	(4,007)
Retiree Health Insurance reclassified from agency fund	-	-	26,851	26,851
Net Assets July 1, 2007 as restated	$ 85,986,085	$ 3,407,979	$ 2,188,450	$ 91,582,514
Effect of prior period adjustments on the amount of net increase in net assets of Fiscal Year 2007	$ -	$ -	$ -	$ -

D. Government-wide Statements

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
Net Assets June 30, 2007 as reported in the 2007 Comprehensive Annual Financial Report	$ 5,437,898	$ 7,185,492	$ 12,623,390	$ 3,329,787
Fund structure reclassifications:				
Reclassification of Life Insurance from Fiduciary to Proprietary	-	4,007	4,007	-
Department of Revenue additional revenue	45,713	-	45,713	-
Department of Transportation restatement of capital assets and Infrastructure	(33,993)	-	(33,993)	-
Capital Accounting restatement of construction in progress	15,573	-	15,573	-
Department of Corrections restatement of unearned revenue and capital assets	18,905	-	18,905	-
Other adjustments of assets and liabilities as of June 30, 2007	6,281	3,704	9,985	-
Net Assets July 1, 2007 as restated	$ 5,490,377	$ 7,193,202	$ 12,683,579	$ 3,329,787
Effect of prior period adjustments on the amount of net increase in net assets of Fiscal Year 2007	$ 98,569	$ 777	$ 99,346	$ -

NOTE 23. LITIGATION, CONTINGENCIES AND COMMITMENTS

A. Litigation and Contingencies

The State is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine governmental operations.

Claims and Judgments Reported in Governmental Activities

The State accrues liabilities related to legal proceedings, if a loss is probable and reasonably estimable. Such losses, totaling $1.4 million on June 30, 2008 reported in the governmental activities, are discussed below:

Other Claims -- Work Injury Supplemental Benefits - The Work Injury Supplemental Benefit Fund, administered by the Department of Workforce Development, provides compensatory payments to survivors of fatally injured employees or disabled employees with work-related injuries. The liability for annuities to be paid totaled $1.4 million at June 30, 2008.

The U. S. Department of Health and Human Services (U.S. DHHS) determined that the Department of Workforce Development should refund the federal share of recovered AFDC overpayments. The State of Wisconsin appealed the decision, however in fiscal year 2008 the appeal was denied. A liability for $14.2 million is reported at June 30, 2008, in the General Fund as a "Due to Other Governments".

Other Claims, Judgments, and Contingencies

The State is also named as a party in other legal proceedings where the ultimate disposition and consequence are not presently determinable. The potential liability amount relating to an unfavorable outcome for certain of these proceedings could not be reasonably determined at this time. However, the ultimate dispositions and consequences of any single legal proceeding or all legal proceedings collectively should not have a material adverse effect on the State's financial position.

Federal Share of Billings in Excess of Costs -- In September 2006, the U.S. DHHS notified the State that it had determined that the federal share of billings for mainframe, data and voice services provided by the Department of Administration exceeded costs. The U.S. DHHS proposes to collect the billings in excess of costs through several alternative methods. Because a fiscal impact cannot be readily determined and due to uncertainity in predicting an outcome if appeals were to proceed, a liability has not been recorded.

Taxability of Custom Software -- On July 11, 2008, the Wisconsin Supreme Court decided in favor of the Menasha Corporation in the case regarding the taxability of custom software. While the actual amount of the liability cannot be reasonably estimated, the State may receive refund claims that could potentially reach up to $270.0 million in tax and interest. The amount of actual refunds paid will be determined by the degree to which taxpayers make valid refund claims. However, a liability for $507.0 thousand is reported at June 30, 2008, in the General Fund as a tax refund payable.

Transfer from Injured Patients and Families Compensation Fund - -- 2007 Wisconsin Act 20, which was signed into law October 2007, included a transfer of $200 million from the Injured Patients and Families Compensation Fund. The transfer consisted of $71.5 million, which was transferred in October 2007, and an additional $128.5 million which was transferred in July 2008. Subsequent to the signing of this legislation and the initial transfer, the Wisconsin Medical Society filed a lawsuit on behalf of their members challenging the transfer as unconstitutional.

Environmental Clean-up Actions - The State is involved in environmental clean-up of property owned by the State that has the potential to cause soil and groundwater contamination. Four sites have soil and/or groundwater contamination associated with underground storage tank releases with an estimated remediation cost of $0.2 million.

The State is also involved in environmental remediations on six properties that do not involve releases from underground storage tanks, with an estimated cost of $2.3 million.

B. Commitments

Primary Government

In addition to legal proceedings, the State is party to commitments which normally occur in governmental operations.

In addition to the amount of encumbrances outstanding at June 30, 2008 reported as Fund Balance - Reserved for Encumbrances, additional obligations at June 30, 2008 representing multi-year, long-term commitments included (in thousands):

Transportation Fund	$ 311,187
Transportation Revenue Bonds Capital Projects Fund	47,803
General Fund – Department of Commerce programs, including economic and community development programs	20,834
Environmental	4,479

The Environmental Improvement Fund (the Fund) was established to administer the Clean Water Fund Loan Program. Loans are made to local units of government for wastewater treatment projects for terms of up to 20 years. These loans are made at a number of prescribed interest rates based on environmental priority. The loans contractually are revenue obligations or general obligations of the local governmental unit. Additionally, various statutory provisions exist which provide further security for payment. The Fund has made financial assistance commitments of $219.9 million as of June 30, 2008. These loan commitments are expected to be met through additional federal grants and proceeds from issuance of revenue obligations.

In addition, the revenue obligation bonds of the Leveraged Loan Program in the Fund are collateralized by a security interest in all the assets of the Leveraged Loan Program. Neither the full faith and credit nor the taxing power of the State is pledged for the payment of the Fund's revenue obligation bonds. However, as the loans granted to local units of government are at an interest rate less than the revenue bond rate, the State is obligated by the Fund's General Resolution to fund, at the time each loan is made, a reserve which subsidizes the Leveraged Loan Program in an amount which offsets this interest disparity.

The *Injured Patients and Families Compensation Fund* may be required to purchase an annuity as a result of a claim settlement. Under specific annuity arrangements, the fund may have ultimate responsibility for annuity payments if the annuity company and the reassignment company default on annuity payments. One of the fund's annuity providers defaulted on $99 thousand in annuity payments through June 30, 2008, which the fund subsequently paid. The annuity provider is currently making the majority of these annuity payments, but the fund continues to make monthly annuity payments to cover defaulted payments. The fund has received reimbursement for these payments, including interest of $93 thousand through June 30, 2008. It is unclear when the annuity provider will be able to make the remaining annuity payments and whether the fund will be able to recover the remaining annuity payments made on the behalf of the annuity provider. The total estimated replacement value of the fund's annuities as of June 30, 2008 was $32.8 million. The replacement value calculation includes only annuities where the Fund remains the owner. Annuities with qualified assignments are no longer included. The fund reserves the right to pursue collection from State guarantee funds.

State Public Deposit Guarantee - As required by Wis. Stat. Sec. 34.08, the State is to make payments to public depositors for proofs of loss (e.g., loss resulting from a bank failure) up to $400 thousand per depositor above the amount of federal insurance. This statutory requirement guarantees that the State will make payments in favor of the public depositor that has submitted a proof of loss. Payments would be made in the order in which satisfactory proofs of loss are received by the State's Department of Financial Institutions, until the designated appropriation is exhausted. At June 30, 2008, the appropriation available totaled $38.8 million. Losses become fixed as of the date of the loss. A public depositor experiencing a loss must assign its interest in the deposit, to the extent of the amount paid, to the Department of Financial Institutions. Any recovery made by the Department of Financial Institutions under the assignment is to be repaid to the appropriation. The possibility of a material loss resulting from payments to and recovery from public depositors is remote.

The *Veterans Mortgage Loan Repayment Fund* accounts for the issuance and administration of veterans' first mortgage loans. The loans are made to veterans for the purchase of homes to terms up to 30 years. The loan interest rates are set by the Board of Veterans Affairs. The loans are secured by real estate mortgages. The fund has commitments for loans of $4.2 million as of June 30, 2008. The loan commitments are expected to be met from current fund assets.

Component Units

The Wisconsin Housing and Economic Development Authority's mission was expanded since its creation to include administration of the Agricultural and Business Programs. These programs administer funds that are legislatively appropriated to subsidize interest and provide guarantees of principal balances of qualifying loans. At June 30, 2008, outstanding loan guarantees totaled $33.6 million.

In April 2003, the Authority approved the Neighborhood Business Revitalization Guarantee program. The guarantee program will provide up to $12.0 million in loan guarantees for revitalization in targeted urban commercial communities with populations greater than 35,000. As of June 30, 2008, $8.3 million of loan guarantees had been approved with outstanding loan guarantees of $5.6 million.

NOTE 24. SUBSEQUENT EVENTS

Primary Government

Short-term Debt

Operating Notes – In July 2008, the State issued $800.0 million of operating notes. The proceeds of the notes were to be used within six months to fund local assistance payments to the State's municipalities and school districts, and finance day-to-day operations in anticipation of revenue received later in the fiscal year. The notes were issued because of an imbalance between the timing of payments disbursed and receipts collected. The imbalance exists because a greater percentage of receipts are received in the second half of the fiscal year, primarily January, March and April. The notes will be paid at maturity on June 15, 2009.

Long-term Debt

General Obligation Bonds – In September 2008, the State issued $302.2 million general obligation bonds 2008, Series C to be used for the acquisition, construction, development, extension, enlargement or improvement of land, water, property, highways, buildings, equipment or facilities for public purposes. The interest rates ranged from 4.0 percent to 5.0 percent payable semiannually, beginning May 1, 2009. The bonds mature May 1 of the years 2010 through 2029.

In December 2008, the State will issue $100.0 million general obligation bonds 2008, Series D to be used for the acquisition, construction, development, extension, enlargement or improvement of land, water, property, highways, buildings, equipment or facilities for public purpose. The interest rates range from 5.0 percent to 6.0 percent payable semiannually, beginning May 1, 2009. The bonds mature May 1 of the years 2012 through 2030.

Revenue Bonds – On August 27, 2008, the State issued 2008 Series A Transportation Revenue Bonds in the amount of $185.0 million. Interest rates are fixed at 5.0 percent, payable semiannually. The bonds are due in various maturities beginning in 2010, with final maturity in 2029. The bonds are being used to finance certain State transportation facilities and highway projects and to pay costs of issuance.

In November 2008, the State issued $92.2 million of 2008, Series 3 clean water revenue bonds to be used to make loans to municipalities primarily for construction or improvement of their wastewater treatment facilities, make a deposit into the Loan Credit Reserve Fund, and pay for costs of issuance. The interest rates range from 3.0 percent to 5.5 percent and are payable semiannually beginning June 1, 2009. The bonds mature June 1 of the years 2010 through 2021, 2025 and 2026.

Investment Market Events

Subsequent to June 30, 2008, global investment markets have been experiencing unprecedented, adverse events including a worldwide credit crisis, liquidity constraints in the markets and the continued write down of mortgage related assets. These events resulted in bankruptcies and acquisitions of several large financial institutions and a decline in the world's financial markets. In response to the deteriorating market conditions governments across the globe have attempted stabilization efforts. Financial markets have responded with steep declines and periodic rebounds in value indicating continued uncertainty of global market conditions.

These turbulent global investment market conditions have a significant impact on the State's investment assets. For example, the assets of the Wisconsin Retirement System (WRS) (consisting of shares in the Variable and Core Investment Trust Funds) have experienced a decline in value; however, because of the volatility in the capital markets and the changes in its values daily, assessing the long-term impact on the WRS investment assets is undeterminable at this time.

To counteract this market volatility, the State continues to focus on asset allocation and diversification as key components of a long-term investment strategy.

Component Units

Wisconsin Housing and Economic Development Authority (the Authority) – In August 2007, the Authority issued $6.3 million of variable rate demand home multifamily revenue bonds, 2007 Series C. The bonds, issued under the multifamily housing bond general resolution, are general obligations of the Authority. The Series bonds are rated Aa3 and VMIG-1 by Moody's Investor Service.

Subsequent to June 30, 2008, the Authority redeemed the following bonds (in thousands):

Program/Bond Resolution	Amount Redeeme
Home Ownership Revenue Bonds:	
1999 Series F, G, H and I	$ 1,690
1998 Series F and G	505
Housing Revenue Bonds	
2000 Series A and B	9,760
2002 Series A, B, C, D, E, F, G, H and I	46,575

In addition, the Authority retired early the following bonds (in thousands):

Program/Bond Resolution	Amount Redeeme
Home Ownership Revenue Bond Resolutions:	
1987	$ 25,635
1988	38,340
All Other	2,240
Housing Revenue Bonds	56,335

The Authority also issued the following bonds (in thousands):

Program/Bond Resolution	Amount Redeeme
Multifamily Stand Alone Bonds	13,810
Single Family Drawdown Revenue Bonds 1991-1	32,510
General Fund:	
Line of Credit – Mortgage Financing	5,162
Commercial Paper - Building	32,816

University of Wisconsin Hospital and Clinics Authority (the Hospital) – In July 2008, the Hospital exercised its option to convert the interest rate on the Series 2002A Bonds from auction rates to a weekly variable rate mode. Upon this conversion, payment of the purchase price of the Series 2002A bonds, which were tendered for purchase and not remarketed, were made available by a commercial bank under the Standby Bond Purchase Agreement. The Series 2002A Bonds continue to be insured by an insurance policy issued by Financial Security Assurance, Inc.

Required Supplementary Information

Postemployment Benefits - State Health Insurance Program

The funding progress for the State of Wisconsin Health Insurance Plan is provided below (in thousands):

Actuarial Valuation Date	Actuarial Valuation Of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b – a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b – a) / c)
1/1/2007	$ 0	$ 1,472,774	$ 1,472,774	0.0%	$ 2,842,917	51.8%

Infrastructure Assets Reported Using the Modified Approach

The State has adopted the modified approach for reporting infrastructure assets. Under the modified approach, infrastructure assets are not depreciated as long as the State can demonstrate that these assets are properly managed and are being preserved at or above an established condition level. Instead of depreciation, the costs to maintain and preserve infrastructure assets are expensed, while additions and improvements are capitalized. The State owns approximately 11,200 centerline miles of roads and 4,900 bridges.

Road Network

Condition assessments are completed on a two-year cycle with the most current results reported for each State road. Numerous measures are used to assess the condition of the State's road network. The State has adopted the International Roughness Index (IRI), as defined by the Federal Highway Administration, as its primary condition measure. IRI is measured on a scale of 0 to 5, with an IRI of 2.69 or greater being defined as a "poor" ride. Roads with a "poor" IRI assessment cause negative impacts for the traveling public by decreasing driver comfort and increasing the damage to vehicles and goods. It is the State's policy to ensure no more than 15 percent of its roads receive a "poor" IRI assessment.

Recent condition assessment results are as follows:

Year Ended June 30	Miles of Road	Percent Rated "Poor"	Established Percent	Variance Favorable/ (Unfavorable)
2008	11,200	6.9	15.0	8.1
2007	11,200	6.4	15.0	8.6
2006	11,200	5.4	15.0	9.6
2005	11,200	5.8	15.0	9.2
2004	11,200	6.1	15.0	8.9
2003	11,200	4.3	15.0	10.7
2002	11,200	4.6	15.0	10.4

Each year the State estimates the costs to maintain and preserve the road network at, or above, the established condition level. Actual maintenance/preservation costs compare to estimates as follows:

Year Ended June 30	Estimated Costs (In millions)	Actual Costs (In millions)	Variance (In millions) Favorable/ (Unfavorable)
2008	$ 531.8	$ 538.8	$ (7.0)
2007	501.8	458.6	43.2
2006	495.7	425.9	69.8
2005	478.6	372.3	106.4
2004	450.8	341.1	109.7
2003	420.9	336.7	84.2
2002	470.7	437.6	33.1

Estimated costs are developed at the beginning of the fiscal year based on projects planned for the current and future years. The types of projects ultimately contracted and incurring costs during the year are often very different. In addition, the State of Wisconsin, Department of Transportation's multi-year contracting process, allowing encumbrances to carry forward, makes a comparison of actual to estimated amounts difficult since expenditures for the current year may have been budgeted and committed to a project in prior years.

Bridge Network

Condition assessments are completed on a two-year cycle, with more frequent inspections completed if warranted. The most current assessment results are reported for each State bridge, making the overall assessment a blend of measures completed in the current fiscal year and those completed in the prior year.

The structural condition rating is a broad measure of the condition of a bridge. Each bridge is rated using three National Bridge Inventory (NBI) condition codes and two NBI appraisal ratings. The three NBI condition codes are Deck Condition, Superstructure Condition, and Substructure Condition. The two NBI appraisal ratings are Structural Evaluation and Waterway Adequacy. The NBI uses a 10-point scale for condition codes and appraisal ratings. A bridge is considered "structurally deficient" if any condition code is 4 or less, or if either appraisal code is 2 or less.

"Structurally deficient" bridges cause negative impacts for the public by increasing the likelihood that heavy loads will need to be rerouted to less efficient routes, thus increasing logistic costs for State businesses. It is the State's policy to ensure no more than 15 percent of its bridges are "structurally deficient".

Recent condition assessment results are as follows:

Year Ended June 30	Number of Bridges	Percent Structurally Deficient	Established Percent	Variance Favorable/ (Unfavorable)
2008	4,900	4.5	15.0	10.5
2007	4,900	4.1	15.0	10.9
2006	4,900	4.3	15.0	10.7
2005	4,900	5.1	15.0	9.9
2004	4,900	5.4	15.0	9.6
2003	4,900	6.2	15.0	8.8
2002	4,900	7.6	15.0	7.4

Each year the State estimates the costs to maintain and preserve the bridge network at, or above, the established condition level. Actual maintenance/preservation costs compare to estimates as follows:

Year Ended June 30	Estimated Costs (In millions)	Actual Costs (In millions)	Variance (In millions) Favorable/ (Unfavorable)
2008	$ 61.0	$ 46.2	$ 14.8
2007	36.0	46.9	(10.9)
2006	42.4	31.3	11.1
2005	28.3	38.6	(10.3)
2004	47.8	52.3	(4.5)
2003	46.4	45.7	0.7
2002	33.6	38.4	(4.8)

Estimated costs are developed at the beginning of the fiscal year based on projects planned for the current and future years. The types of projects ultimately contracted and incurring costs during the year are often very different. The State of Wisconsin, Department of Transportation's multi-year contracting process, allowing encumbrances to carry forward, makes a comparison of actual to estimated amounts difficult since expenditures for the current year may have been budgeted and committed to a project in prior years.

Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2008

(In Thousands)

	Original Budget	Final Budget	Actual Amounts
Unexpended Budgetary Fund Balances, Beginning of Year			$ 576,950
Revenues and Transfers (Inflows):			
Taxes	$ 13,123,491	$ 12,890,716	13,065,360
Departmental:			
Tribal Gaming	96,732	96,732	17,998
Other	11,035,117 (A)	11,122,348 (A)	10,914,482
Transfers from:			
Transportation Fund	(A)	(A)	155,209
Nonmajor Funds	(A)	(A)	60,294
Total Revenues and Transfers (Inflows)	24,255,340	24,109,796	24,213,342
Amounts Available for Appropriation			24,790,293
Appropriations (Outflows):			
Commerce	372,493	363,417	251,885
Education	11,116,820	11,355,560	10,827,186
Environmental Resources	379,027	354,002	320,309
Human Relations and Resources	9,512,134	10,249,795	9,681,101
General Executive	987,331	1,046,923	795,369
Judicial	127,265	128,322	126,069
Legislative	71,124	65,723	65,046
Tax Relief and Other General	2,060,650	2,046,067	2,047,768
Transfers to:			
Nonmajor Funds	15,000	15,000	15,000
Total Appropriations (Outflows)	$ 24,641,844	$ 25,624,809	24,129,732
Fund Balances, End of Year			660,560
Less Encumbrances Outstanding at June 30, 2008			(522,701)
Fund Balances, End of Year Budgetary Basis			$ 137,859

Reconciliation of the End of Year, Budgetary Basis, Fund Balance to the Detail Reported in the Annual Fiscal Report:	
General Purpose:	
Designated	$ 27,434
Undesignated	130,696
Total General Purpose	158,130
Program Revenue	(20,271)
Fund Balances, End of Year Budgetary Basis	$ 137,859

(A) Interfund transfers to the General Fund were budgeted under departmental revenue during Fiscal Year 2008.

Budgetary Comparison Schedule
Transportation Fund
For the Fiscal Year Ended June 30, 2008

(In Thousands)

	Original Budget	Final Budget	Actual Amounts
Unexpended Budgetary Fund Balances, Beginning of Year			$ 396,128
Revenues (Inflows):			
Taxes	$ 1,035,040	$ 1,035,040	1,035,040
Departmental	1,468,887	1,468,887	1,468,887
Total Revenues (Inflows)	2,503,927	2,503,927	2,503,927
Amounts Available for Appropriation			2,900,054
Appropriations and Transfers (Outflows):			
Environmental Resources	3,794,449	4,020,533	2,405,095
General Executive	2,207	1,802	1,770
Tax Relief and Other General	31,899	21,664	22,714
Transfers to:			
General Fund	50,209	155,209	155,209
Total Appropriations and Transfers (Outflows)	$ 3,878,764	$ 4,199,208	2,584,787
Fund Balances, End of Year			315,267
Less Encumbrances Outstanding at June 30, 2008			(1,177,702)
Fund Balances, End of Year Budgetary Basis			$ (862,435)

NOTE 1. BUDGETARY INFORMATION

A. Budgetary – GAAP Reporting Reconciliation

The accompanying Budgetary Comparison Schedule compares the legally adopted budget (more fully described in RSI Note 1-B) with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on the budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of basis and perspective differences as of June 30, 2008 is presented below (in thousands):

	General Fund	Transportation Fund
Fund balance June 30, 2008 (budgetary basis – budgetary fund structure):		
General Purpose Revenue – fund balance per budgetary basis *Annual Fiscal Report*		
Undesignated fund balance	$ 130,696	
Designated fund balance	27,434	
Total General Purpose Revenue fund balance	158,130	
Program Revenue – fund balance per budgetary basis *Annual Fiscal Report*	(20,271)	
Fund balance June 30, 2008 (budgetary basis – budgetary fund structure)		
As reported on the budgetary comparison schedule	137,859	$ (862,435)
Reclassifications:		
To eliminate the effect of encumbrances that were reported as expenditures under budgetary reporting (basis difference)	522,701	1,177,702
To reclassify activities of the Budget Stabilization and Medical Assistance Trust Funds (reported as special revenue funds under budgetary reporting) as part of the General Fund (perspective difference)	1,592	--
To reclassify activities reported in another GAAP fund type (perspective differences):		
Enterprise funds (except for the University of Wisconsin System)	37,870	--
University of Wisconsin System	(449,016)	--
Internal service funds	16,078	--
Fiduciary funds	(2,665)	--
Transportation Revenue Bonds capital project fund	--	8,121
Fund balance June 30, 2008 (GAAP fund structure – budgetary basis, excluding encumbrances treated as expenditures at year end)	264,419	323,388
Adjustments (basis differences):		
To accrue receivables and establish payables for individual income taxes (net)	(867,213)	--
To defer revenues for gross receipts public utility taxes	(218,609)	--
To adjust revenues and expenditures for tax-related items and other tax credit/aid programs (net)	(366,179)	(7,859)
To adjust expenditures for the municipal and county shared revenue program	(524,570)	--
To adjust expenditures for State property tax credit program	(508,738)	--
To accrue unpaid Medicaid payments to providers (net of receivable from federal government)	(191,448)	--
To adjust revenues and expenditures for certain major Health and Family Services and Workforce Development human services payments to local governments	(50,948)	--
To accrue State educational aids payments deferred until the subsequent year	(75,000)	--
To adjust revenues and expenditures for other items (net)	35,553	106,573
Fund balance June 30, 2008 (GAAP fund structure – GAAP basis) as reported on the governmental fund statements	$(2,502,734)	$ 422,102

B. Budgetary Basis of Accounting

The State's biennial budget is prepared using a modified cash basis of accounting. The final budget is primarily a general purpose revenue and expenditure budget. General purpose revenues consist of general taxes and miscellaneous receipts which are paid into the General Fund, lose their identity, and are then available for appropriation by the Legislature. The remaining revenues consist of program revenues, which are credited by law to an appropriation to finance a specified program or State agency, and segregated revenues which are paid into separate identifiable funds.

While State departments and agencies are required to submit estimates of expected revenues for program revenue and segregated revenue categories, these estimates are not formally incorporated into the adopted budget except for revenue estimates of the Lottery Fund. As a result, legally budgeted revenues for these categories are not available and, consequently, actual amounts are reported in the budget column of the Budgetary Comparison Schedules.

Expenditure budgeting differs for the various types of appropriations. For most appropriations, budgeted expenditures equal the amount from the adopted budget plus any subsequent legislative or administrative revisions. Various supplemental appropriations were approved during the year and have been incorporated into the budget figures.

While State statutes prohibit spending beyond budgetary authority, a provision is made to include the value of accounts receivable, inventories and work in process in identifying available revenues. The State also utilizes nonbudget accounts for which no budget is established but expenditures may be incurred. As a result, actual expenditures may exceed budgeted amounts in certain categories.

The budgetary basis of accounting required by State law differs materially from the basis used to report revenues and expenditures in accordance with GAAP. Other variances arise because the State's biennial budget is developed according to the statutory required fund structure which differs extensively from the fund structure used in the GAAP basis financial statements. This difference is primarily caused by the elimination of the University of Wisconsin System, and various fiduciary, proprietary and other governmental fund activity from the statutory General and Transportation funds. In addition, the Budget Stabilization and Medical Assistance Trust Funds, special revenue funds under statutory reporting, are included as part of the General Fund under GAAP reporting. As a consequence of these differences, a reconciliation between budgetary basis and GAAP basis is provided in Note 1-A of the notes to the required supplementary information.

The Budgetary Comparison Schedules for the General and the Transportation Fund present both the original and final appropriated budgets, as well as the actual inflows, outflows, and fund balance on the budgetary basis. The supplementary budget comparison schedule provides this same information (with the exception of the original budget data) for the nonmajor governmental funds with annual budgets. The capital project and debt service funds are excluded from this schedule because no comprehensive budget is approved for these funds. Two special revenue funds, the Wisconsin Public Broadcasting Foundation and the Celebrate Children Foundation, have been excluded from reporting because they are blended component units that are neither budgeted nor included under statutory reporting. Of the permanent funds, only the Historical Society Fund and a portion of the Common School Fund are budgeted.

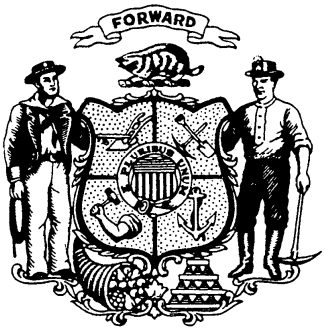
The State's biennial budget was passed in October 2007. This legislation is recognized by State officials as the original budget and is treated as such on the Budgetary Comparison Schedules.

While the legal level of budgetary control for the reported funds is maintained at the appropriation line as specified by the Legislature in Chapter 20 of the Wisconsin Statutes, this level of detail is impractical for inclusion in the Comprehensive Annual Financial Report. Accordingly, a supplementary report is available upon request which provides budgetary comparisons at the legal level of control.

Appropriation unexpended balances lapse at year-end or forward to the subsequent fiscal year depending on the type of appropriation involved:

- *Continuing* - unexpended balances automatically forward to ensuing years until fully depleted or repealed by subsequent action of the Legislature.
- *Annual*:
  - *General Purpose Revenue* - unencumbered balances lapse at year end.
  - *Program Revenue* - unexpended cash balances may be forwarded to the next fiscal year.
- *Biennial* - unexpended balances or deficits automatically forward to the second year. At the end of the second year all unencumbered general purpose revenue balances lapse.
- *Sum sufficient* - moneys are appropriated and expended in the amounts necessary to accomplish the purpose specified.

Encumbrances may be carried over to the next fiscal year as a revision to the budgetary appropriation with Department of Administration approval. Under budgetary reporting, encumbrances are treated like expenditures and are shown as a reduction of fund balance. Under GAAP reporting, encumbrances outstanding at year end for purchase orders and contracts expected to be honored in the following year are reported as reservations of fund balance since they do not constitute expenditures or liabilities.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