Report 11-4
March 2011

An Audit

State of Wisconsin 2009-10

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Janice Mueller
State Auditor

March 31, 2011

Senator Robert Cowles and
Representative Samantha Kerkman, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Cowles and Representative Kerkman:

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 $15.5 billion in federal financial assistance that state agencies administered in fiscal year 2009-10, including more than $3.5 billion in assistance received under the American Recovery and Reinvestment Act of 2009. We tested internal controls and a selection of expenditures for compliance with laws and regulations for 31 federal programs that were chosen 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 $15.5 billion in federal financial assistance during fiscal year (FY) 2009-10, consisting of $14.3 billion in cash assistance, $1.0 billion in noncash assistance, and $187.2 million in outstanding loan balances. This federal financial assistance included more than $3.5 billion spent during FY 2009-10 under the American Recovery and Reinvestment Act (ARRA) of 2009.

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 of federal Office of Management and Budget (OMB) Circular A-133. We performed this audit for FY 2009-10 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. As required by OMB Circular A-133, we focused our audit on the State's internal controls over selected federal programs and tested its compliance with laws and regulations related to these programs.

We are required by federal rules to:

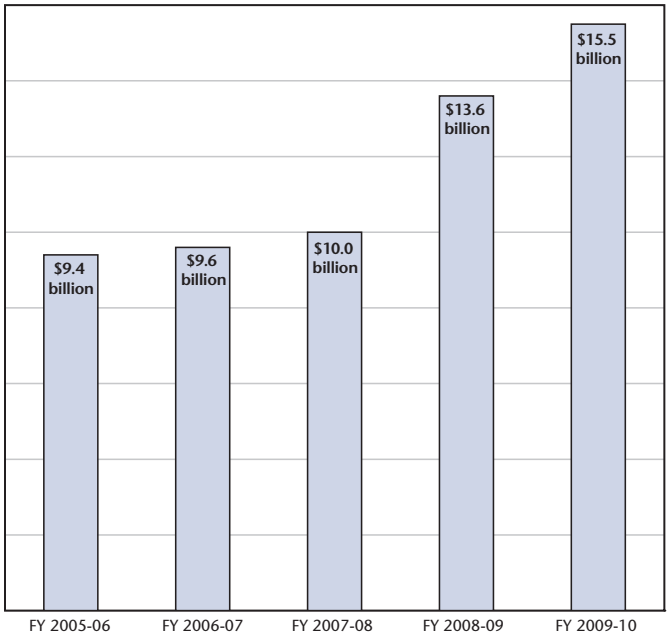
- render an opinion on the State's financial statements;
- issue a report on the State's internal control and compliance related to financial reporting; and
- issue a report on the State's compliance with requirements applicable to each major program, on its internal control over compliance, and on its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

Our opinion on the State's FY 2009-10 financial statements was included in the Comprehensive Annual Financial Report issued by the Wisconsin Department of Administration (DOA) in December 2010 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 $9.4 billion in FY 2005-06 to $15.5 billion in FY 2009-10, or $6.1 billion over the five-year period shown in Figure 1. Funds received under ARRA account for much of the increase in federal financial assistance, with initial ARRA expenditures of $1.5 billion during FY 2008-09, and more than $3.5 billion during FY 2009-10.

Figure 1

Total Federal Financial Assistance
FY 2005-06 through FY 2009-10



State agencies expended ARRA funds on programs intended to stimulate the economy and create jobs, such as highway construction projects. ARRA funds were also expended to support families and workers, including additional funds for benefits under Wisconsin's FoodShare and unemployment insurance programs. In some cases, OMB Circular A-133 requires closely related federal programs to be grouped into "clusters" to be combined for federal reporting purposes and to be audited as one program. As shown in Table 1, the largest separately identifiable

expenditures of ARRA funds during FY 2009-10 were in four program areas or clusters:

- $1.7 billion was expended to fund enhanced and extended unemployment insurance benefits;
- $673.2 million was expended to help support the Medical Assistance (MA) program, which is included in the Medicaid Cluster;
- $324.7 million was expended under the State Fiscal Stabilization Fund Cluster, primarily to help fund both a portion of general equalization aid payments to school districts in June 2010 and a portion of the shared revenue payments to counties in November 2009; and
- $313.3 million was expended for construction and maintenance of highways and bridges.

Table 1

ARRA Expenditures
FY 2009-10

Federal Program[1]	FY 2009-10 ARRA Expenditures
Unemployment Insurance	$1,718,735,692
Medicaid Cluster	673,180,646
State Fiscal Stabilization Fund Cluster	324,662,096
Highway Planning and Construction Cluster	313,292,370
Special Education Cluster	82,097,545
Capitalization Grants for Clean Water State Revolving Funds	75,913,815
Weatherization Assistance for Low-Income Persons	61,447,296
Other Federal Programs	287,565,677
Total	**$3,536,895,137**

[1] Excludes programs for which the federal government does not separately identify expenditures funded under ARRA. The largest of those programs is the Supplemental Nutrition Assistance Program (SNAP).

As shown in Table 2, eight programs accounted for 80.8 percent of the State of Wisconsin's $15.5 billion in federal assistance during FY 2009-10.

Table 2

Federal Expenditures[1]
FY 2009-10

Federal Program	Primary Grant Recipient	FY 2009-10 Expenditures	Percentage of Federal Expenditures
Medicaid Cluster	DHS	$4,726,099,440	30.5%
Unemployment Insurance[2]	DWD	3,498,188,223	22.6
Student Financial Assistance Cluster	UW System	1,125,016,031	7.3
Highway Planning and Construction Cluster	DOT	978,028,485	6.3
Supplemental Nutrition Assistance Program (SNAP) Cluster	DHS	971,949,311	6.3
Research and Development Cluster	UW System	585,854,837	3.8
State Fiscal Stabilization Fund Cluster	DPI, DOR, DOC	324,662,096	2.1
Special Education Cluster	DPI	291,676,022	1.9
Subtotal		12,501,474,445	80.8
Other Federal Programs		2,961,528,536	19.2
Total		**$15,463,002,981**	**100.0%**

[1] Represents cash assistance; noncash assistance, such as food commodities; and outstanding loan balances.

[2] In accordance with federal requirements, consists of insurance benefits paid from employer contributions, direct federal funding, and cash advances from the federal government.

The Department of Health Services (DHS) is responsible for administering two of the eight largest federal programs, including the Medicaid Cluster, which was the largest federal program administered by the State of Wisconsin in FY 2009-10. In addition, DHS disbursed $971.9 million in federal funds and benefits under the Supplemental Nutrition Assistance Program (SNAP) Cluster, Wisconsin's FoodShare program.

The Department of Workforce Development (DWD) is responsible for administering the Unemployment Insurance (UI) program, which was the second-largest federal program administered by the State of Wisconsin during FY 2009-10. We note that the Unemployment Reserve Fund's cash balances were depleted in February 2009, and through June 30, 2010, cash advances from the federal government have financed $1.4 billion in UI program expenditures.

Other state agencies administering large federal grant programs include the University of Wisconsin (UW) System, which disbursed $941.2 million for student financial assistance, administered student loans totaling $183.8 million, and disbursed $585.9 million under a variety of research and development grants; the Department of Transportation (DOT), which expended $978.0 million for the

Highway Planning and Construction Cluster; and the Department of Public Instruction (DPI), which expended $291.7 million to provide funds to local schools under the Special Education Cluster. In addition, of the assistance received under the State Fiscal Stabilization Fund Cluster, DPI used $236.7 million for general equalization aids to schools, the Department of Revenue (DOR) used $76.1 million for shared revenue payments to counties, and the Department of Corrections (DOC) used $11.8 million for youth aids to counties.

During FY 2009-10, the State of Wisconsin administered approximately 780 individual grant programs and 880 research and development grants. 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 had expenditures of $30.0 million or more in federal funds. We reviewed and tested the type A programs that are subject to a higher risk of noncompliance. In addition, we audited a selection of type B programs with expenditures of approximately $4.6 million to $30.0 million.

Our compliance review focused on the 27 type A programs and 4 type B programs listed in Note 2 to the Schedule of Expenditures of Federal Awards. These programs were administered by 12 different state agencies, including UW System, and accounted for 92.8 percent of total 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 10-5).

With the influx of ARRA funds, we were required to audit significantly more programs and expenditures in FY 2009-10 than in prior years, and we expect increased audit efforts to continue until ARRA funds have been fully expended. ARRA also places an increased emphasis on accountability and transparency in the administration of federal funds, and it created several new reporting requirements. For example, for selected grant programs, ARRA requires quarterly reporting of amounts awarded and expended, as well as identification of subgrantors and vendors that received funds under the programs. These reports are publicly accessible on the federal government's Web site at *www.recovery.gov.* Information specific to programs administered by agencies of the State of Wisconsin is also available on the Wisconsin Office of Recovery and Reinvestment Web site at *www.recovery.wisconsin.gov.*

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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, 2010, which collectively comprise the State's basic financial statements, and have issued our report thereon dated December 10, 2010. The basic financial statements and related auditor's report have been included in the State of Wisconsin's Comprehensive Annual Financial Report for fiscal year 2009-10. Our report includes a reference to other auditors.

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 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 University of Wisconsin Foundation as described in our report on the State of Wisconsin's financial statements. The financial statements of the Wisconsin Department of Transportation Revenue Bond Program and Commercial Paper Program, the Environmental Improvement Fund, the College Savings Program Trust, and 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 entities 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 on 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 (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the State's financial statements will not be prevented or will not be detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses as defined in the preceding paragraph. However, we consider the deficiencies described in Section II of the Schedule of Findings and Questioned Costs to be significant deficiencies. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the State'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 responses to findings identified in our audit are summarized 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 management of certain state agencies in separate communications. In addition, we plan to report to the Joint Legislative Audit Committee certain budgetary accounting concerns.

This independent auditor's report is intended for the information and use of the 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 10, 2010 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 That Could Have a Direct and Material Effect on 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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's Schedule of Expenditures of Federal Awards. 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, the Wisconsin Court System, and the University of Wisconsin Hospitals and Clinics Authority. These entities expended $179.9 million in federal awards that are not included in the State of Wisconsin's Schedule of Expenditures of Federal Awards during the year ended

June 30, 2010. Our federal compliance audit, as described in the following paragraph, did not include the operations of the Wisconsin Housing and Economic Development Authority, the Wisconsin Court System, and the University of Wisconsin Hospitals and Clinics Authority because these entities engaged other auditors, if required, 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 with the types of compliance requirements referred to in the first paragraph that could have a direct and material effect on a major federal program occurred. 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.

As described in Finding WI-10-21 in the accompanying agency report narrative for the Department of Children and Families and in Section III of the Schedule of Findings and Questioned Costs, the State of Wisconsin did not comply with requirements regarding allowable activities that are applicable to the Adoption Assistance program (CFDA #93.659). Compliance with such requirements is necessary, in our opinion, for the State of Wisconsin to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Wisconsin complied, in all material respects, with the compliance requirements referred to in the first paragraph that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed other 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-10-1 through WI-10-8, WI-10-10, WI-10-11, WI-10-18, WI-10-20, WI-10-21, WI-10-23, WI-10-24, and WI-10-26 through WI-10-29.

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 the requirements that could have a direct and material effect

on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying agency report narrative for the Department of Children and Families and in Section III of the Schedule of Findings and Questioned Costs as Finding WI-10-21 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. 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-10-1, WI-10-3 though WI-10-6, WI-10-8, WI-10-10, WI-10-11, WI-10-20, WI-10-22 through WI-10-24, WI-10-26 through WI-10-29, and WI-10-31 to be significant deficiencies.

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, 2010, and have issued our report thereon dated December 10, 2010. 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. Such information 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 21, 2011, 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-10-9, WI-10-12 through WI-10-17, WI-10-19, and WI-10-25.

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

This 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 10, 2010
March 21, 2011

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 continues to lapse amounts to the General Fund from the internal service funds, resulting in additional amounts being owed to the federal government.

Finding WI-10-1: Lapses from Internal Service Funds

The State provides various services to other state agencies centrally through several internal service funds, accounts, and, in some cases, individually billable cost pools, administered by DOA. These services relate to centralized computer processing, telecommunications and networking, fleet, financial services, facilities operations and maintenance, procurement, and risk management. DOA is responsible for setting billing rates for these central services that are sufficient to recover its costs but not generate profits. DOA bills state agencies based on their levels of use. State agencies, in turn, charge user fees to state and federal accounts and seek reimbursement from the federal government for its share of the charges.

In prior audits, we reported that DOA has lapsed amounts from the internal service funds, accounts, and billable cost pools to the State's General Fund to help address budget shortfalls. We were concerned because federal rules require the State to return to the federal government the federal share of amounts used for other purposes, such as amounts lapsed to the State's General Fund.

During our current audit, we found that DOA has continued its practice of lapsing funds from internal service funds, accounts, and billable cost pools to the State's

General Fund. These lapses were made in order for DOA to meet its own lapse requirements included in 2009 Wisconsin Acts 2 and 28. As discussed in our January 20, 2011, letter to the Joint Legislative Audit Committee, we questioned the appropriateness of lapses from certain appropriations with negative cash balances. In response, the State is taking steps to effectively reverse these lapses, thereby returning the lapsed amounts to the internal service funds, accounts, or billable cost pools.

However, as shown in Table 3, in June 2010 DOA lapsed a total of $4.0 million from various internal service funds and accounts with positive cash balances that were generated, in part, from charges to the federal government. We estimate the federal share of these lapses to be $736,000.

Table 3

Lapses from Internal Service Funds to General Fund
June 2010

Fund/Account	Amount Lapsed	Estimated Federal Share
Financial Services Fund	$1,800,000	$367,900
Risk Management Fund	2,000,000	361,000
Central Fuel Procurement	232,500	7,100
Total	**$4,032,500**	**$736,000**

The State could return the $4.0 million from the General Fund to the internal service funds and accounts in order to avoid returning the federal share to the federal government. However, given current budget shortfalls, this may be unlikely. Therefore, the State will be required to return an estimated $736,000 to the federal government for the federal share of the lapsed amounts. DOA has not formally notified the federal government of the lapses made in June 2010, and as indicated in its prior-year corrective action plan, does not plan to return the federal share until the federal government specifically directs it to do so. Because of the delay, it is likely that the State will incur interest charges in addition to the $736,000 that must be returned. We question an estimated $736,000, representing the federal share of amounts lapsed from internal service funds and accounts with positive cash balances to the State's General Fund, exclusive of any interest or penalties that may be charged.

☑ Recommendation

We recommend the Wisconsin Department of Administration resolve this issue with the federal government.

In prior audits, we have also reported concerns related to excess working capital reserve balances. 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 balance of no more than 60 days' operating expenses. Ideally, in the event a working capital reserve balance exceeds the maximum allowed, the State would provide user rebates or reduce user rates to reduce the working capital reserve balance while also maximizing the amount of federal funds available for federal programs.

During our current audit, we determined that DOA had an excess working capital reserve balance of $1.5 million as of June 30, 2009, in the Fleet Services internal service fund. We estimate the federal share of the excess balance to be $99,650. DOA staff stated that the federal government typically allows the State at least one additional year before making a repayment determination for internal service funds that do not frequently have excess balances, such as the Fleet Services internal service fund, because the excess balance may be eliminated in the subsequent year. Therefore, we do not question any costs at this time because the calculations of the working capital reserve balances as of June 30, 2010, are not yet completed.

Finding WI-10-1: Lapses from Internal Service Funds

Multiple Programs

Questioned Costs: $736,000

DOA Response and Corrective Action Plan: DOA acknowledges that it had continued the practice of lapsing funds from internal service funds to the State's General Fund to meet the requirements of state legislation, including lapsing funds in FY 2009-10 pursuant to 2009 Wisconsin Acts 2 and 28. As noted by the auditors, the State is taking steps to reverse the lapses from appropriations that had negative cash balances. Once this reversal has been completed and the final federal share of lapses has been determined, a transmittal letter showing the calculation of the federal share and imputed interest will be sent to the U.S. Department of Health and Human Services, Division of Cost Allocation. The transmittal letter will include a check for the entire amount due. This approach is intended to avoid additional interest or penalties that could result from delaying the payment of the amounts owed to the federal government.

Additionally, over the past several years, DOA has taken measures to reduce excess balances and maximize the federal funds available to federal programs. User rates are evaluated annually and some rates have been adjusted to mitigate the accumulation of funds. For example, DOA has provided user agencies with rebates, including a $7.9 million rebate in FY 2009-10 for mainframe services in the Technology Services internal service fund.

Wisconsin Department of Administration
Summary of Findings and Questioned Costs
FY 2009-10

Noncompliance Findings Affecting Multiple Programs

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-1		Multiple Programs	Lapses from Internal Service Funds*	$ 736,000

* Repeat finding from audit report 10-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix 1 of this report.

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Department of Health Services ■

The Wisconsin Department of Health Services provides a wide range of services to clients in communities and institutions, regulates certain care providers, and supervises and consults with local public and voluntary agencies. It administers state and federal programs involving public health, mental health, substance abuse, long-term care, services to the disabled, and medical assistance. DHS disbursed $9.3 billion during FY 2009-10; direct federal grants financed $6.2 billion of that amount, including more than $680.8 million funded under ARRA. As a result of ARRA, the federal government increased the amount it reimburses the State for expenditures under the Medical Assistance (MA) Program grant (CFDA #93.778). For the quarter ending June 30, 2010, the federal MA participation rate for Wisconsin was 70.63 percent, which includes a 6.2 percent increase given to all states as well as an unemployment adjustment, specific to Wisconsin, of 4.22 percent. As a result, the State received an additional $673.2 million during FY 2009-10 in federal reimbursement for MA expenditures. These rate increases are expected to be phased out by June 30, 2011.

As part of our standard audit procedures, we reviewed DHS's internal controls over revenues, expenditures, and the administration of federal grant programs. We tested compliance with grant requirements for five type A programs and one type B program. Overall, internal controls were appropriate, and the agency complied with the grant requirements for the programs we tested. However, we have findings related to the Supplemental Nutrition Assistance Program (SNAP) (CFDA #10.551), MA, and the Children's Health Insurance Program (CHIP) (CFDA #93.767). In addition, as a part of our audit of the State's basic financial statements, we identified a concern related to access DHS staff had to a critical Community Aids Reporting System (CARS) database table (Finding WI-10-31 on page 108). CARS is used by DHS to process subrecipient payments for its grant

programs, and we believe this represents a reportable finding for MA and the Emergency Food Assistance Cluster (CFDA #10.568/10.569).

We also followed up on the progress DHS has made in addressing prior audit findings WI-09-2 through WI-09-5. DHS has adequately addressed our prior audit concerns related to costs allocated based on the random moment sample (Finding WI-09-3) and subrecipient monitoring (Finding WI-09-5). However, continued effort is needed to operate a federally required Medicaid Eligibility Quality Control (MEQC) system and to ensure that follow-up is completed for discrepancies identified through computer data matches.

Finding WI-10-2: FoodShare Benefits Provided to Inmates

DHS administers SNAP, which funds Wisconsin's FoodShare program. To be eligible for SNAP benefits, individuals and households must meet financial and nonfinancial requirements established by the federal government. The amount of benefits received depends on household income, the number of eligible individuals in the household, and other factors. For example, a household of three generally must have a monthly gross income at or below $3,052 and, after certain deductions, a net income at or below $1,526. Individuals who are incarcerated are not eligible to receive SNAP benefits either as an individual or member of a household.

As required by federal regulations, a variety of steps are taken to ensure the accuracy of the information used to determine eligibility for SNAP. For example, DHS requires that individuals provide social security numbers to verify identity, pay stubs or other wage statements to verify reported income, and utility bills or other records to support the reported mailing address. In addition, DHS matches reported social security numbers against U.S. Social Security Administration (SSA) records.

Eligible individuals and households receive SNAP benefits monthly and are required to sign and submit a renewal form every six months that verifies some limited information, including address and household composition. Every 12 months, eligible individuals and households must also complete a full recertification, either in person or by telephone with a caseworker, to verify household information and assess whether they remain eligible for benefits. During the annual recertification process, SNAP recipients are required to report changes in household income, as well as the number of individuals in the household. Federal regulations generally do not require benefit recipients to otherwise report most changes, including the death of a household member or when a household member has been incarcerated and is no longer eligible for benefits.

The federal Food Stamp Act of 1977, as amended by the Balanced Budget Act of 1997, requires DHS to regularly review and verify that individuals incarcerated for more than 30 days do not receive SNAP benefits. We first reviewed DHS's efforts

to ensure that incarcerated individuals do not receive SNAP benefits during our FY 2006-07 audit. At that time, we found DHS did not have adequate procedures in place and had inappropriately provided benefits to incarcerated individuals, and we recommended DHS develop a plan to regularly verify that individuals who were ineligible due to incarceration were not receiving program benefits. As a part of our FY 2009-10 audit, we followed up on efforts to address these concerns. We found that DHS took initial steps to identify sources of incarceration data and reviewed the data's validity, but, because of other priorities, no further action was taken until January 2011, when DHS authorized final planning for the implementation of an automated process to provide incarceration data through the State Verification and Exchange System maintained by SSA.

Because this automated process is not yet in operation, DHS continues to rely on applicants to properly inform caseworkers of any household members who are ineligible for SNAP benefits because they are incarcerated. However, when we compared social security numbers, dates of birth, and names of SNAP recipients to information available from the Department of Corrections for the month of May 2010, we identified 33 incarcerated individuals who are likely either to have improperly received SNAP benefits as an individual or to have increased the benefits available to the households that improperly reported them as members and selected ten of their case files for further review. These ten individuals had been incarcerated for more than 12 months and either received SNAP benefits themselves or improperly increased the benefits available to their households. During the time each of the individuals was incarcerated, they would have been required to complete a 12-month recertification with a caseworker to assess their continued eligibility for SNAP benefits and would have submitted a six-month renewal form to verify their address and household composition.

In three of the ten cases we reviewed, incarcerated individuals were improperly reported as members of households that consequently received an estimated $12,590 in additional SNAP benefits for which they were not eligible. However, the amount specific to our audit period is unknown. For example, in one case a household received excess benefits for 44 months beginning in October 2006, when an individual who was reported to be a member began his period of incarceration.

In the remaining seven cases we reviewed, incarcerated individuals received a total of $20,011 in SNAP benefits as "single-person households" for a cumulative total of 97 months. In two of the seven cases, benefits were terminated automatically when the incarcerated individuals failed to complete six-month renewal forms. In two of the remaining five cases, benefits were terminated in January 2011, after several renewal and recertification periods had elapsed. In the final three cases, benefits continued into January 2011. For example, one individual has received 23 months of SNAP benefits as a single-person household from the time he was incarcerated in March 2009 through January 2011.

We note that although the seven individuals awarded SNAP benefits as single-person households were incarcerated and unable to use their benefits directly, DHS records indicate that unknown persons used $18,238 in benefits credited to the

electronic benefits debit card issued to six of those individuals for the purchase of food, including $9,248 used during FY 2009-10.

In total, we question $21,838 in unallowable SNAP benefits: $9,248 for benefits used during our audit period by single-person households and $12,590 for benefits used by multiple-person households. We note that some of the benefits from multiple-person households may have been used either before or after our audit period.

We discussed our concerns with DHS staff and provided the names and case numbers of the 33 incarcerated individuals who most likely either improperly received SNAP benefits themselves or increased the benefits available to households that improperly reported them as members. DHS staff acknowledge that additional steps could be taken to prevent or detect such activity and indicated they will further research all 33 cases we identified and, if necessary, seek to recover the value of SNAP benefits inappropriately used.

☑ Recommendation

We recommend the Wisconsin Department of Health Services continue to automate the process to regularly identify SNAP participants who are not eligible for benefits because of incarceration and seek collection of any identified overpayments.

Finding WI-10-2: FoodShare Benefits Provided to Inmates

Supplemental Nutrition Assistance Program (CFDA #10.551)

No award number available. Questioned SNAP benefits used.

Questioned Costs: $21,838

DHS Response and Corrective Action Plan: DHS agrees with the recommendation to develop a plan to periodically verify that FoodShare program participants are not ineligible due to incarceration and to seek collection of any overpayments when identified. DHS has an existing data sharing agreement with SSA to identify FoodShare recipients who have been incarcerated. Currently, the match is initiated by eligibility workers when information about household composition is considered questionable. Beginning in April 2011, DHS will automatically match all adult FoodShare participants with the SSA database to identify incarcerated members and will provide this information to eligibility workers along with instructions about taking corrective action and establishing claims when overpayments are identified. Although initially this will be a monthly batch process for current participants, the process will be enhanced in November 2011 so that it occurs in a more automated and comprehensive manner.

Medical Assistance Program

DHS administers MA and CHIP, which provide health care assistance to eligible individuals. DHS disbursed $4.7 billion in federal funds during FY 2009-10 under MA, as well as an additional $102.7 million under CHIP. For purposes of administering these health care assistance programs, DHS has, in all counties except Milwaukee, entered into contracts with counties and tribes to perform eligibility determination functions, such as obtaining information from program applicants and entering the information into the statewide CARES computer system used for determining eligibility for various income-maintenance programs. For Milwaukee County, DHS is responsible for the administration of MA, including the eligibility determination function.

Overall, DHS has appropriate procedures to administer these federal grant programs. However, we noted one new concern for FY 2009-10 related to the need to ensure that documentation of citizenship status is retained in the electronic case files maintained in CARES. Further, continued effort is needed to fully comply with the federal requirements related to operating a MEQC system and to ensure that follow-up is completed for discrepancies identified through computer data matches between the CARES system and other databases.

Finding WI-10-3: Eligibility Documentation

MA and CHIP either separately, or in combination, fund several health care assistance programs to eligible individuals, such as BadgerCare Plus and Family Care. DHS is responsible for determining eligibility for these programs in accordance with the requirements defined in the approved state plan. Caseworkers are to obtain documentation to support eligibility determinations and store electronic copies of these documents in each participant's electronic case file. In addition, actions taken to verify eligibility may also be noted in case comments within CARES. Every 12 months, caseworkers are required to determine whether participants continue to be eligible for the program.

The federal government has established several requirements that states must follow when determining whether a participant is eligible for assistance under MA and CHIP. However, the federal government does allow states some flexibility in establishing certain eligibility criteria and the level of documentation needed to support the eligibility determinations. For example, Wisconsin has eligibility criteria related to Wisconsin residency and income, and further establishes documentation standards related to the verification of citizenship status. The State's eligibility requirements and levels of documentation are specified in manuals and other policy and procedure documents that are available to caseworkers.

As part of our current audit, we reviewed the case file documentation for 60 cases that received assistance under one of the various health care assistance programs that are funded by MA and CHIP between May 1, 2009, and April 30, 2010, to

determine if caseworkers obtained and maintained appropriate documentation to support eligibility determinations. Generally, we found caseworkers complied with documentation standards and that the eligibility determinations were appropriate. However, for six households receiving assistance under the BadgerCare Plus program, there was no documentation in the CARES electronic case files to support the citizenship status for one or more members of the household. Because this documentation was not included in the electronic case files, we were unable to assess whether the caseworkers followed DHS's policy to verify the citizenship status of recipients.

We discussed these cases with DHS staff and were told that this information may have been verified through the use of an online birth query from the State's Vital Records system but that the caseworker did not appropriately update the CARES electronic case file to reflect that this query had been completed. We note that a social security number verified with SSA was included in the case file for each recipient for whom assistance was provided. Because SSA verifies citizenship status before issuing a social security number, we do not disagree with the eligibility determinations for these cases. Therefore, we do not question any costs.

☑ Recommendation

We recommend the Wisconsin Department of Health Services ensure caseworkers verify, obtain, and maintain documentation of the citizenship status for participants in federally funded health care assistance programs.

Finding WI-10-3: Eligibility Documentation

Children's Health Insurance Program (CFDA #93.767)

Award Numbers	Award Years
050905WI5021	2009
051005WI5021	2010

Questioned Costs: None

Medical Assistance Program (CFDA #93.778)

Award Numbers	Award Years
050905WI5028	2009
051005WI5028	2010

ARRA-Medical Assistance Program (CFDA #93.778)

Award Numbers	Award Years
050905WIARRA	2009
051005WIARRA	2010

Questioned Costs: None

DHS Response and Corrective Action Plan: As mentioned in the finding, the eligibility determination or citizenship status of these household members was not found to be in question. The finding indicates that for the six cases identified, the code used by the caseworker to identify the means of verification may have been incorrectly entered. DHS believes citizenship was verified electronically (online birth query), and the caseworker entered the 'BC-Birth Certificate' code instead of the 'BQ-Birth Query' code. DHS has taken the following steps to ensure that these documentation errors are reduced:

- In November 2010, DHS implemented and automated citizenship verification from SSA. With this process, 95.0 percent of applicant citizenship is automatically verified during the application process. The SSA citizenship verification codes are automatically populated in the CARES Worker Web system. This eliminates reliance on manual code entries by eligibility caseworkers for 95.0 percent of cases.

- The new online birth query system was incorporated into the CARES Worker Web system in January 2011. The birth query returns demographic and birth information real time from the State's Vital Records system. Caseworkers no longer have to go to a separate system to get birth record information. This system is used to verify U.S. citizenship for the 5.0 percent of applicants whose citizenship was not verified using the SSA data exchange process described above.

- If the citizenship is verified through the use of the online birth query system, there is no document scanned to CARES electronic case files, but the verification code should indicate a 'BQ-Birth Query' was used. The cases researched showed that a 'BC-Birth Certificate' verification code was used in error. A reminder is being sent to instruct the agency caseworkers to use the correct verification codes. The caseworkers will also be instructed to add case comments into CARES to indicate they verified citizenship through the online birth query.

Finding WI-10-4: Medicaid Eligibility Quality Control

As part of the ongoing process to ensure the eligibility determination process at DHS is working as intended, the federal government requires DHS to operate a MEQC system as specified by 42 CFR 431.800, or operate an otherwise approved MEQC pilot program. As part of a MEQC system or pilot program, DHS reviews its own procedures, reports to the Centers for Medicare and Medicaid Services (CMS), and implements improvements, if necessary. For example, in response to its report for federal fiscal year (FFY) 2005-06, additional language was added to

customer publications stressing the need to report all address changes to the tribal or county agency to avoid HMO capitation overpayments.

During our prior audit, we reported that DHS had suspended its efforts related to operating a MEQC system or approved pilot project because staff reported having been assigned other priorities. These priorities included work needed to perform a separate, but similar, CMS program called the Payment Error Rate Measurement (PERM). As a result, DHS had not completed its FFY 2006-07 report, which was due by July 31, 2008, related to review of presumptive MA eligibility and disability determinations. In addition, DHS did not operate a MEQC program or approved pilot program for FFY 2007-08 or FFY 2008-09. We recommended that DHS comply with federal regulations and operate a MEQC system or an approved MEQC pilot program (Finding WI-09-2).

During our current audit, we followed up on the status of DHS's efforts to operate a MEQC system. We found that DHS has reassigned staff previously devoted to the PERM program to perform the MEQC reviews and, as a result, completed the FFY 2006-07 MEQC report and submitted it to CMS on October 26, 2010. Further, in March 2010, DHS requested permission to operate a MEQC pilot program for FFY 2007-08 related to a review of the accuracy of the various application methods that can be used to determine a family's eligibility for MA. DHS has gone forward with its proposed FFY 2007-08 MEQC pilot program and, as of February 2011, is in the process of performing fieldwork. DHS has also recently requested permission to operate a MEQC pilot program for FFY 2008-09 and has begun fieldwork. However, because these reviews had not been completed as of the end of FY 2009-10, DHS was in noncompliance with federal requirements during our audit period and is at risk that weaknesses in its internal controls have not been identified and addressed, resulting in an increased likelihood of inappropriate eligibility determinations for individuals in the MA program.

☑ Recommendation

We recommend the Wisconsin Department of Health Services comply with federal regulations and operate a Medicaid Eligibility Quality Control system or an approved Medicaid Eligibility Quality Control system pilot program.

Finding WI-10-4: Medicaid Eligibility Quality Control

Medical Assistance Program (CFDA #93.778)

Award Numbers	Award Years
050805WI5028	2008
050905WI5028	2009
051005WI5028	2010

ARRA-Medical Assistance Program (CFDA #93.778)

Award Numbers	Award Years
050905WIARRA	2009
051005WIARRA	2010

Questioned Costs: None

DHS Response and Corrective Action Plan: In the past several months DHS has completed projects to come into compliance with federal MEQC requirements. DHS submitted the FFY 2006-07 report to CMS in November 2010, which CMS acknowledged and closed out in December 2010. On February 15, 2011, CMS also approved Wisconsin's time lines for submission of its FFY 2007-08 and FFY 2008-09 reports. The FFY 2007-08 report will be submitted to CMS by March 31, 2011. CMS has established a deadline of February 28, 2012, for the FFY 2008-09 report.

Further, CMS has asked the State to submit proposed topics for FFY 2009-10 and FFY 2010-11 MEQC pilot projects by March 11, 2011. Given that Wisconsin now has received approved time lines from CMS for all of our pending MEQC pilot projects, DHS is not currently out of compliance with federal requirements. DHS is fully committed to meeting these requirements and will continue to make progress in the months ahead to assure this.

Finding WI-10-5: Computer Data Matches

In administering MA, federal regulations require states to use the Income Eligibility and Verification System (IEVS) to verify the reasonableness of wage and other information provided by individuals applying 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 the information contained in other computer databases, including:

- all available information from SSA, including social security numbers and supplemental security income (SSI) payments;
- 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
- unearned income from the Internal Revenue Service (IRS).

It is important that DHS perform the data matches and that caseworkers follow up on data match exceptions in a timely manner to ensure eligibility determinations are based on the most recent and reliable data. In the event it is determined that benefits were provided to ineligible individuals, DHS needs to take steps to recoup the overpayments and return the federal share to the federal government.

In our prior audit, we reported that DHS completed the required data matches with SSA, SWICA, and UC. The SSA data matches automatically update CARES for social security numbers and SSI payments used in making eligibility

determinations and do not require further review by caseworkers. However, we found that caseworkers continued to be untimely in following up on the SWICA and UC data matches. In addition, we found that while DHS had requested and received information needed to complete the data match with the IRS, DHS staff were still in the process of developing specific criteria needed to complete the match. We recommended that DHS ensure counties and tribes follow up in a timely manner on the data matches and continue its efforts to complete the IRS data match (Finding WI-09-4).

DHS has taken steps to address our concerns in this area. For example, DHS provides training and guidance to caseworkers on how to use data exchange information in determining eligibility and the actions to be taken to address data match discrepancies. In addition, DHS has automated the data exchange process through enhancements to the CARES system.

However, despite these efforts, caseworkers continue to be untimely in following up on SWICA and UC data matches. For example, during our current audit, we tested the follow-up efforts for 20 SWICA data matches and found 14 timeliness exceptions. In addition to our concerns about the timeliness of the caseworker review, we are also concerned that the follow-up performed by the caseworker may not be appropriate. For example, DHS's policy is that all SWICA data match discrepancies over $300 should be investigated. However, we found that a caseworker indicated that no follow-up was needed for one of the SWICA matches we reviewed, even though the discrepancy was $488, or $188 higher than the threshold required by DHS's policy.

We also tested the follow-up efforts for a selection of 20 cases for which a UC data match occurred. In our testing, we reviewed CARES to determine if income for the cases selected for testing had been updated for UC payments and also reviewed case comments for indication of review of the data match results. For 8 of the 20 cases, we did not find any indication in CARES that follow-up efforts had taken place. In addition, while DHS received data match information from the IRS, DHS staff are still in the process of developing specific criteria needed to complete the data match.

Because caseworkers are not consistently following up on the identified data match exceptions, and because DHS has not completed the required IRS data match, 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 MA.

☑ Recommendation

We recommend that the Wisconsin Department of Health Services ensure caseworkers follow up in a timely manner on data matches between CARES and other databases. In addition, we recommend the Department continue its efforts to complete the required data matches for unearned income reported by the Internal Revenue Service.

Finding WI-10-5: Computer Data Matches

Medical Assistance Program (CFDA #93.778)

Award Numbers	Award Years
050605WI5028	2006
050705WI5028	2007
050805WI5028	2008
050905WI5028	2009
051005WI5028	2010

ARRA-Medical Assistance Program (CFDA #93.778)

Award Numbers	Award Years
050905WIARRA	2009
051005WIARRA	2010

Questioned Costs: Undetermined

DHS Response and Corrective Action Plan: DHS has taken a number of steps to improve the accuracy of eligibility determinations and to ensure that caseworkers follow up in a timely manner on data matches between CARES and other databases. Steps taken include but are not limited to improving the systematic disposition process, expanding and clarifying guidance for county workers, and enhancing the data exchange systems. Work continues in this regard with a focus on moving to front-end verification and preventing eligibility determination errors.

DHS continues its efforts, with the Department of Children and Families, to complete the data matches for unearned income reported by the IRS.

Wisconsin Department of Health Services
Summary of Findings and Questioned Costs
FY 2009-10

U.S. Department of Agriculture

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-2	10.551	Supplemental Nutrition Assistance Program	FoodShare Benefits Provided to Inmates	$ 21,838

U.S. Department of Health and Human Services

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-3	93.767	Children's Health Insurance Program	Eligibility Documentation	$ 0
WI-10-3	93.778 93.778	Medical Assistance Program ARRA-Medical Assistance Program	Eligibility Documentation	0
WI-10-4	93.778 93.778	Medical Assistance Program ARRA-Medical Assistance Program	Medicaid Eligibility Quality Control*	0
WI-10-5	93.778 93.778	Medical Assistance Program ARRA-Medical Assistance Program	Computer Data Matches*	Undetermined

Noncompliance Findings Affecting Multiple Programs

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-31[1]		Multiple Programs	Staff Access to Critical CARS Tables	$ 0

[1] Finding WI-10-31 is included in Section II of the Schedule of Findings and Questioned Costs and is considered a reportable finding for both the State's basic financial statements and under Section 510(a) of OMB Circular A-133. This finding also affects programs administered by the Department of Children and Families.

* Repeat finding from audit report 10-5.

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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 $391.8 million during FY 2009-10; direct federal grants financed $177.1 million of that amount, including $41.2 million funded under ARRA. In addition, during FY 2009-10 the Wisconsin Unemployment Reserve Fund financed $1.8 billion in regular unemployment insurance benefits and $1.7 billion in federally funded benefits under ARRA.

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 overpayment collections, benefit fraud detection, and eligibility determinations for the Unemployment Insurance (UI) program (CFDA #17.225), and time reporting and distribution for federal grant programs at DWD.

As part of our current audit, we also followed up on DWD's progress in addressing Finding WI-09-6 of our FY 2008-09 single audit report. As noted on page 120 of the Summary Schedule of Prior Audit Findings, DWD has implemented appropriate corrective action to address our concerns related to Finding WI-09-06.

Finding WI-10-6: Federal Additional Compensation Overpayments

As part of ARRA, Wisconsin entered into an agreement with the federal government that provided a 100 percent federally funded $25 weekly supplement to unemployment payments. This supplement, called Federal Additional Compensation (FAC), was payable to most individuals who received unemployment compensation benefits for weeks beginning February 22, 2009, and ending December 11, 2010.

The UI Division has established routine procedures to identify and seek repayment of unemployment benefits to which claimants were not entitled. Claimants are required to repay any identified overpayments to the Unemployment Reserve Fund. The UI Division then returns the funds to its original funding source.

In some cases, the overpayment amount will include the $25 FAC supplement, for which the original funding source is the federal government. However, UI Division staff informed us that they have not had the staffing or resources necessary to complete computer programming changes that would allow the UI benefits system to automatically identify and establish overpayments related to the FAC supplement. Until the computer programming is completed, the UI Division is not able to routinely notify claimants of any overpayments of the FAC supplement and their subsequent repayment obligations, and it has not identified and sought collection of any overpayments of the FAC supplement.

At our request, the UI Division generated a computer report from the UI benefits system. The report covered the entire period the FAC program was in effect. From the program's inception through December 31, 2010, $9,858,150 in FAC overpayments were identified. Claimants who received those payments had previously been identified as receiving overpayments for regular unemployment benefits.

Data were not readily available to determine how much of the $9,858,150 in FAC overpayments were related solely to our FY 2009-10 audit period. Therefore, we question the entire $9,858,150 in FAC overpayments as unallowable costs for the UI program.

☑ Recommendation

We recommend the Wisconsin Department of Workforce Development's Division of Unemployment Insurance determine overpayments of the Federal Additional Compensation supplement, collect the overpayments from claimants, and return the funds to the federal government.

Finding WI-10-6: Federal Additional Compensation Overpayments

ARRA-Unemployment Insurance (CFDA #17.225)

No award number available. Questioned UI benefits are for FYs 2008-09 and 2009-10.

Questioned Costs: $9,858,150

DWD Response and Corrective Action Plan: The UI Division agrees with the finding on FAC overpayments. The UI Division expects to complete the programming to accurately track the overpayment collections to the appropriate claimant in March 2011. Subsequently, the UI Division will begin the notice and recovery of FAC overpayments through UI's normal recovery procedures. In the past, the UI Division has successfully recovered 78 percent of overpayments from claimants.

FAC is a federal unemployment benefit program. Therefore, all recovered FAC overpayments will be returned to the federal treasury.

Finding WI-10-7: Benefit Fraud Detection

DWD's UI Division disbursed $3.4 billion in benefits to unemployed workers during FY 2009-10. The majority of the benefit payments, which are initially determined based on information reported by the unemployed workers, are awarded in the appropriate amounts to eligible individuals. However, unemployed individuals may on occasion conceal or misrepresent information used in making benefit eligibility determinations, resulting in the issuance of inappropriate unemployment benefit payments.

States are expected to have policies and procedures in place to detect and recoup inappropriate benefits payments, which are also referred to as overpayments. The U.S. Department of Labor has established a standard overpayment identification rate that requires states to identify and detect at least 50 percent of the estimated overpayments, including those involving fraud or abuse. The UI Division uses several means to detect overpayments, including:

- comparing benefit claims to payroll records of employers in Wisconsin and other states;
- comparing claimant information to data provided by other state and federal agencies such as the Wisconsin Department of Transportation and the U.S. Social Security Administration (SSA);

- testing a selection of benefit payments; and
- investigating complaints from employers and tips from the public.

The Program Integrity Unit in the UI Division is responsible for detecting overpayments. In prior years, Wisconsin significantly exceeded the U. S. Department of Labor's overpayment identification rate. For example, for calendar year 2005, 77.5 percent of estimated overpayments were detected. However, as the economy worsened and more unemployment benefits were processed, both the workload of the Program Integrity Unit and the estimated overpayments increased, but staffing in the Program Integrity Unit did not: it remained at approximately 11 full-time equivalent employees through calendar year 2009. As a result, the overpayment identification rate dropped to 57.2 percent for calendar year 2009. Although that rate remained above the Department of Labor's standard, Program Integrity Unit staffing increased beginning in calendar year 2010.

Currently, the Program Integrity Unit has 24 full-time equivalent employees and 4 limited-term employees dedicated to overpayment detection. Its efforts are focused on areas that the UI Division believes will result in the most substantial overpayment detections, but more limited in other areas, including detecting unemployment fraud by incarcerated individuals, who are not eligible to claim benefits during periods they are unavailable for work. However, in a management letter to DWD dated February 16, 2007, we recommended the Program Integrity Unit at least periodically devote resources to that area.

In response to our recommendations, the UI Division worked with the Wisconsin Department of Corrections to obtain inmate data. However, instead of attempting to match inmate data from DOC with its own data on unemployment benefit payments, the UI Division worked with SSA to obtain inmate records for matching purposes. During the summer of 2009, the Program Integrity Unit identified matches for approximately 360 incarcerated individuals. Staff indicate those cases were investigated for possible fraud, but they could not provide us with overpayments amounts for the cases. Since September 2009, it has not been practical to complete similar data matches because of formatting changes in SSA data.

During our current audit, we were able to readily compare the names and social security numbers of individuals who claimed unemployment benefits for the month of May 2010 to information provided to us by DOC for individuals incarcerated in state prisons as of May 31, 2010. We identified 59 individuals with exact matches for names and social security numbers and provided that information to Program Integrity Unit investigators. At the time of our

fieldwork, they had determined that 37 of the 59 individuals were not available for work during the period for which they received $221,889 in unemployment benefits and that these claimants had intentionally concealed information about their eligibility for benefits. These claimants are required to repay the Unemployment Reserve Fund, and because they were found to have concealed a material fact relating to their eligibility they have also been assessed forfeitures totaling $300,006 for future unemployment benefits over the next six years. The Program Integrity Unit continues to investigate the remaining cases.

Although the incarcerated individuals were identified as part of our FY 2009-10 audit, some of the inappropriate benefit payments may relate to work weeks either before or after our audit period. Therefore, we question $221,889 in inappropriate unemployment benefits for the cases we reviewed during our FY 2009-10 audit, plus an undetermined amount for the cases the Program Integrity Unit continues to investigate. Moreover, because our analysis covered only those incarcerated individuals who received unemployment benefit payments during May 2010, it is possible that other cases of incarcerated individuals fraudulently claiming unemployment benefits could be identified. It is important that the UI Division use all available resources to detect such fraud and to deter fraud in the future.

☑ Recommendation

We recommend the Wisconsin Department of Workforce Development's Division of Unemployment Insurance resume working with either the Wisconsin Department of Corrections or the U.S. Social Security Administration to periodically compare records of unemployment insurance benefit claimants to records of incarcerated individuals and identify and investigate possible fraudulent or inappropriate unemployment insurance payments.

Finding WI-10-7: Benefit Fraud Detection

Unemployment Insurance (CFDA #17.225)

ARRA-Unemployment Insurance (CFDA #17.225)

No award number available. Questioned UI benefits are for FYs 2008-09 and 2009-10.

Questioned Costs: $221,889 Plus an Undetermined Amount

DWD Response and Corrective Action Plan: The UI Division agrees with the finding and has already implemented a cross reference of incarcerated individuals from SSA records. Matches have been identified and, where sufficient evidence exists, cases will be adjudicated.

Finding WI-10-8: Extended Benefits and High Extended Benefits Eligibility

As part of the UI program (CFDA #17.225), the Extended Benefits (EB) and High Extended Benefits (HEB) programs prolong federally funded benefit payments to individuals who have exhausted regular unemployment insurance and other benefits, such as emergency unemployment compensation. The EB program provides up to 13 additional weeks of benefits during periods of high unemployment, which Wisconsin experienced beginning February 28, 2009. The HEB program provides up to seven additional weeks of federally funded benefits during periods of extremely high unemployment, which Wisconsin experienced from June 13, 2009, until October 16, 2010. Claimants who have exhausted one type of benefit but continue to meet eligibility requirements may receive the next type of benefit until all types of benefits have been exhausted or the claimant has found employment. To qualify for regular unemployment insurance benefits, claimants must be unemployed or working reduced hours, must generally be available to work, and must be searching for work. However, they typically are not required to submit work search documentation to DWD before receiving regular unemployment benefits.

EB and HEB work search requirements are more strict. Section 108.141(3g)(c), Wis. Stats., requires that claimants make a systematic and sustained effort to obtain work and provide tangible, supporting evidence of doing so to DWD's UI Division for each week they file an EB or HEB claim.

The Department of Labor permits states to pay EB and HEB claims based on claimants' certifications that they have conducted work searches and provided supporting evidence, but it requires states to withhold payments in the event a claimant does not provide the necessary certification.

Wisconsin's UI benefits system is an online, interactive system that was programmed to generate EB and HEB benefit payments only after claimants certify they met the work search requirements and provide supporting evidence of their work searches, which can be done electronically. However, we noted several instances in which the system failed to require EB or HEB claimants to certify that they met work search requirements before it generated benefit payments. Therefore, it is possible that inappropriate EB or HEB payments were made.

The initial sample of unemployment benefit payments we tested for compliance with eligibility requirements included payments for two EB claims and two HEB claims. For one of the EB claims, the claimant was not required to certify that he fulfilled work search requirements. When we expanded our testing to include 30 additional EB or HEB claims, we found three more claimants who were not required to provide the necessary certifications. We reviewed a total of 72 EB and HEB weekly payments to these four claimants and found 21 instances in which the UI benefits system did not require them to certify that they fulfilled work search requirements. However, we found that three of the four claimants did, in

fact, provide DWD with tangible, supporting evidence that they had met work search requirements. Therefore, we do not question costs related to these three claimants.

The fourth claimant who did not certify that he met work search requirements also did not provide the required evidence for the eight weeks during our audit period in which he received EB and HEB payments. Therefore, we question $2,840 the State of Wisconsin charged the UI program for these payments.

☑ Recommendation

We recommend the Wisconsin Department of Workforce Development's Division of Unemployment Insurance implement procedures to ensure that claimants either submit tangible evidence or certify that they have provided tangible evidence of a work search before receiving payment of extended benefits or high extended benefits.

Finding WI-10-8: Extended Benefits and High Extended Benefits Eligibility

ARRA-Unemployment Insurance (CFDA #17.225)

No award number available. Questioned UI benefits are for FY 2009-10.

Questioned Costs: $2,840

DWD Response and Corrective Action Plan: The UI Division agrees with the finding on EB and HEB eligibility. While the U.S. Department of Labor rules allow EB and HEB claimants to submit claims and subsequently provide verification of work searches, the UI Division agrees to move to a higher standard and require receipt of a claimant's tangible evidence of a work search prior to the issuance of an EB or HEB benefits check.

Finding WI-10-9: Time Reporting and Distribution for Federal Grant Programs

DWD is responsible for administering a variety of federal grant programs. In accordance with OMB Circular A-87, DWD requires employees whose salaries are funded by more than one state and federal program or grant to prepare time and attendance records that document the time charged to the programs or grants. Time reports are to be of actual hours worked on program-related activities, rather than estimated or budgeted hours worked.

DWD requires its employees to use the PTAWeb Time and Attendance System to report actual hours worked and to distribute actual work effort to multiple program activities. The time distribution function within PTAWeb, if used

properly, would allow DWD staff to comply with the time reporting requirements of OMB Circular A-87, since it is an after-the-fact distribution of the employees' actual work activity. However, PTAWeb allows employees to enter predetermined work effort percentages that, unless changed, will be used to distribute their work effort. We are concerned because if employees use the default time distribution coding, they are in effect reporting estimated work effort rather than actual work effort, which is not in compliance with OMB Circular A-87.

We reviewed time reports for 80 DWD employees for three different pay periods during our audit period. We focused our review on the Division of Employment and Training (DET) and the Division of Vocational Rehabilitation, because these divisions administered two of the major grants we audited.

Of the 80 employees reviewed, we found that 14 DET employees were not recording their time accurately based on actual work hours. Instead, these employees used their default time distribution coding, resulting in grants being allocated based on estimated work effort, rather than on actual work effort. DET is responsible for administering the Workforce Investment Act Cluster, which was audited as a major grant, as well as the Employment Services Cluster and the Trade Adjustment Assistance program.

While DWD's policy is for employees to record actual work effort, some employees in DET are not adhering to the policy. It also appears that supervisory review of time reporting was not sufficient to ensure actual work effort was reported. Based on discussions with one DET supervisor, employees have been informed of the time reporting policies, but they may not be following them because of the convenience of using the default time distribution coding within PTAWeb.

Because the 14 DET employees reported estimated work effort, the payroll-related amounts charged to federal grants may have been overstated or understated. However, since actual work effort in unknown, we were not able to determine the amount, if any, of excess costs charged to federal grants. Therefore, we question an undetermined amount of payroll costs charged to multiple grant programs administered by DET.

☑ Recommendation

We recommend the Wisconsin Department of Workforce Development:

- *ensure all Division of Employment and Training staff report work effort based on actual work hours, as required by the Department's time distribution policies, and*

- *ensure that charges to federal grant programs are allowable under OMB Circular A-87.*

Finding WI-10-9: Time Reporting and Distribution for Federal Grant Programs

Multiple Programs

Questioned Costs: Undetermined

DWD Response and Corrective Action Plan: DWD agrees with the time distribution finding. The DWD policy states that all employees should record the actual hours worked on each activity. A memorandum has been distributed to all DET employees reminding them not to use the default percentages, but to record actual hours. Supervisors have also been reminded that they should ensure that employees are accurately recording time worked and that the time is appropriately charged to the correct funding source.

Wisconsin Department of Workforce Development
Summary of Findings and Questioned Costs
FY 2009-10

U.S. Department of Labor

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-6	17.225	ARRA-Unemployment Insurance	Federal Additional Compensation Overpayments	$9,858,150
WI-10-7	17.225 17.225	Unemployment Insurance ARRA-Unemployment Insurance	Benefit Fraud Detection	221,889 Plus an Undetermined Amount
WI-10-8	17.225	ARRA-Unemployment Insurance	Extended Benefits and High Extended Benefits Eligibility	2,840

Noncompliance Findings Affecting Multiple Programs

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-9[1]		Multiple Programs	Time Reporting and Distribution for Federal Grant Programs	Undetermined

[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.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 1 of this report.

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University of Wisconsin System ■

The University of Wisconsin System, which provides postsecondary academic education for approximately 179,000 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 had operating costs that totaled approximately $4.3 billion and disbursed $1.8 billion in federal financial assistance during FY 2009-10. The funds included $585.9 million in awards under the Research and Development Cluster, of which $41.4 million was funded by ARRA, and $1.1 billion under the Student Financial Assistance 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 2009-10 focused on the Research and Development Cluster and on the Student Financial Assistance 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 accounted for 32.3 percent of federal funds disbursed by UW System during FY 2009-10.

The Student Financial Assistance 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 Assistance Cluster accounted for 62.1 percent of federal funds disbursed by UW System during FY 2009-10.

In addition, 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 System Administration

UW System Administration had operating costs totaling $54.3 million in FY 2009-10, and federal grant expenditures for that period totaled $763,700. We documented and tested UW System Administration's internal controls used in preparing the UW System grant schedules. We also tested to ensure UW System Administration complied with federal requirements in preparing the schedules, tested the schedules for accuracy, and followed up on the efforts of UW System Administration to address concerns included in our FY 2008-09 single audit report. We found that UW System Administration needs to continue its efforts to resolve concerns related to its compilation and review of the UW System grant schedules.

Finding WI-10-10: Preparation of UW System Grant Schedules

OMB Circular A-133 requires an entity to prepare a schedule of expenditures of federal awards, which is audited as part of its annual single audit. Guidelines for A-133 single audits require a schedule for the reporting period that, at a minimum:

- lists individual federal programs by federal agency, including those within a cluster of programs;
- includes, for federal awards received as a subrecipient, the name of the pass-through entity and the identifying number assigned by the pass-through entity;
- provides total federal awards expended for each individual federal program and the Catalog of Federal Domestic Assistance number or other identifying number when the CFDA information is not available; and

- identifies, to the extent practical, the total amount provided to subrecipients from each federal program.

In addition, ARRA requires recipients to separately identify ARRA awards on the Schedule of Expenditures of Federal Awards.

UW System Administration financial reporting staff are responsible for coordinating and preparing the individual grant schedules for each component of UW System, including UW System Administration, the 13 campuses, UW Colleges, and UW-Extension. Staff at the campuses, UW Colleges, and UW-Extension are responsible for reviewing the schedules for accuracy prior to completion. These schedules are combined with other agencies' schedules to create the statewide Schedule of Expenditures of Federal Awards that is reported to the federal government.

To prepare the individual UW grant schedules, UW System Administration financial reporting staff first compile expenditure spreadsheets using the grant expenditures recorded in the Shared Financial System (SFS) accounting records; data in the SFS grants module for UW-Madison, UW-Milwaukee, and UW-Extension; grant information in the Project Lite system, which is used by some of the other campuses; and various reports submitted by other campuses. Financial reporting staff review the expenditure spreadsheets for missing information, such as CFDA or other identifying numbers, and reconcile the expenditures to the accounting records. Once this process is completed, the expenditure spreadsheets are sent to the campuses for verification that the information is correct.

After receiving any changes from the campus staff, financial reporting staff compile the data from the expenditure spreadsheets into the individual grant schedules. As part of this process, similar programs are grouped together; CFDA numbers, other identifying numbers, and grant names are reviewed; and mathematical accuracy is checked. The draft grant schedules are then sent to the campuses for a final review.

During our prior audit, we identified several errors in the UW grant schedules, and we recommended that UW System Administration develop detailed guidance and instructions for the campuses and for financial reporting staff, including checklists of items to review and guidance on the requirements for the grant schedule as provided by OMB Circular A-133 (Finding WI-09-7). UW System Administration agreed with our recommendation and implemented corrective actions, including developing checklists to aid financial reporting staff in compiling the individual grant schedules and to guide campus staff through a final review of the grant schedule.

Although we noted improvement in the preparation of the FY 2009-10 schedules, we continued to identify material errors. We reviewed the grant schedules for each campus, UW System Administration, UW Colleges, and UW-Extension and identified errors in the expenditures reported, as well as missing or inaccurate grant information. For example, we noted that expenditures reported for UW-Parkside's Federal Family Education Loans (FFEL) were understated by

$22.6 million. This was the result of a keying error; however, neither UW-Parkside nor UW System procedures identified this exception.

We also noted classification errors on the schedules for most campuses. For example, UW Colleges' funding of $706,639 for Academic Competitiveness Grants was inappropriately classified as Federal Pell Grants funding. Further, UW-Oshkosh misclassified $1.3 million in expenditures as direct federal awards when the grants were subgranted from another state agency or private entity. In addition, although the underlying accounting records separately identified ARRA awards, ARRA awards were not always separately identified on the grant schedules, as required by federal regulations.

Finally, we noted errors in the grant information on the draft schedules, including grants with missing or incorrect CFDA numbers; other identifying numbers not listed when CFDA numbers were not available; grant names not listed correctly; subgrants not listed with the subgrantor or not listed with the correct subgrantor; and grants that were not classified correctly as research and development, student financial assistance, or other grant programs.

It appears that campus-level reviews of the expenditure spreadsheets and draft grant schedules have not been completely effective in ensuring the accuracy of the information. Given that UW System must rely on the campuses to ensure the schedules are materially correct, it is important for financial reporting staff to continue providing guidance and instruction to campus staff that includes an emphasis on the OMB Circular A-133 requirements and campuses' responsibilities for the accuracy and completeness of the information in their grant schedules. In addition, UW System financial reporting staff could provide examples of common errors that are made in preparing the schedule, such as those noted here, so that campus staff can focus their review on these areas.

☑ Recommendation

We recommend the University of Wisconsin System Administration further improve upon guidance and instructions developed for the campuses and for financial reporting staff, including guidance on the requirements of the Schedule of Expenditures of Federal Awards as provided by OMB Circular A-133 and the identification of problem areas to focus review.

Finding WI-10-10: Preparation of UW System Grant Schedules

Multiple Programs

Questioned Costs: None

UW System Administration Response and Corrective Action Plan:
UW System management has made significant improvements in the process for preparing and reviewing the grant schedules, as well as in providing guidance to campuses. For example, UW System developed and rolled out to campuses a checklist of items to complete and review when preparing the schedules. UW System also provided additional guidance and reminders

to campuses during the grant schedule review process. Further, UW System implemented Excel-based validations to improve the accuracy of federal program names on the grant schedules and began detailed documentation of the entire process.

UW System continues to take steps to improve both the processes and the guidance provided. In the coming year, UW System will finalize process documentation, implement additional reconciliation points, and provide additional reference materials to the campuses.

University of Wisconsin-Madison

UW-Madison, which provides instruction to 41,700 students seeking undergraduate or graduate degrees, had operating costs totaling $2.3 billion in FY 2009-10. Federal grant expenditures for that period totaled $863.2 million, including $545.2 million for the Research and Development Cluster and $273.4 million for the Student Financial Assistance Cluster.

We gained an understanding of and tested UW-Madison's internal controls used in administering the Student Financial Assistance Cluster and the Research and Development Cluster. In addition, we tested compliance with grant requirements specific to these federal programs. Overall, UW-Madison's internal controls appear adequate to ensure compliance with federal requirements for these federal programs. However, for the Research and Development Cluster, we continued to identify concerns regarding controls over equipment management, and we noted a new concern regarding the key personnel compliance requirement.

Finding WI-10-11: Equipment Management

UW-Madison's equipment inventory system is used for the property management of both state and federally funded equipment. We estimate that as of June 30, 2010, UW-Madison managed federally funded equipment with an acquisition cost of over $314.3 million. OMB Circular A-110, *Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-profit Organizations*, prescribes standards for equipment either furnished by the federal government or whose cost was charged to a federally supported project. For example, Circular A-110 requires that equipment records include specific information such as a description, serial number, funding source, acquisition date and cost, location, and condition. In addition, federal rules require that an inventory of equipment be conducted at least every two years. Given the various locations of equipment and volume of equipment managed by UW-Madison, it is important that proper controls are in place to monitor and safeguard the equipment.

Several entities within UW-Madison are involved in the monitoring of equipment. The Property Control unit in the Controller's Office establishes policies and procedures for the maintenance of the equipment inventory system and attempts to ensure accurate accounting and reporting of all property in the possession of UW-Madison. Research and Sponsored Programs provides Property Control with

contract information for equipment purchased with federal funds, such as who retains title of the equipment. UW-Madison's Surplus Property unit administers the surplus equipment and provides disposition data to Property Control. The campus departments are responsible for the daily management of equipment, such as attaching inventory tags to equipment, maintaining separate department equipment records, and notifying Property Control of plans to move, alter, or dispose of equipment.

During our prior audit, we found that campus departments were not consistently notifying Property Control when equipment was moved to a new location. Further, while a physical inventory was conducted at least every two years, it appeared Property Control was not identifying whether an appropriate inventory tag was included on equipment items or updating the equipment records for changes in the location of equipment. At that time, we noted concerns with 11 of the 20 pieces of equipment reviewed, including two pieces of equipment that UW-Madison staff could not locate. We recommended UW-Madison ensure that all campus departments follow procedures for managing capital equipment, including updating records when equipment is moved and ensuring that all equipment has the appropriate inventory tag attached when feasible. When not feasible, Property Control records should include a notation to ensure the pieces of equipment are being properly tracked and maintained (Finding WI-09-8). In its corrective action plan, UW-Madison stated that Property Control would work with the appropriate UW-Madison staff to improve its management of records associated with movable capital equipment.

During our current audit, UW-Madison staff indicated that additional staff, including an internal auditor, were assigned to work with Property Control to complete all of the physical inventories. In addition, in the spring of 2010, Research and Sponsored Programs and Property Control sent notices to the department property administrators on the importance of communicating capital equipment changes in a timely manner. We also note that UW-Madison staff were able to locate one of the two computers that could not be found during our FY 2008-09 audit. The other computer was marked with a status of "lost" on the property database. Staff believe an employee on military duty may have taken the computer home before being deployed.

However, it appears additional improvements are needed to address concerns in this area. During our current audit, we reviewed equipment records and selected 40 pieces of equipment purchased with federal funds to verify the location of the items, determine whether the items had an inventory tag attached, and ascertain whether the items appeared to be properly safeguarded and maintained. We continued to note concerns with 13 of the 40 pieces of equipment reviewed. For example:

- Six items that had an inventory tag attached were located in a different location than Property Control records indicated.

- Five items that appeared to match Property Control records based on serial number or other identifying information did not have an inventory tag attached.

- Two items could not be found: a computer processor that was acquired in September 2003 at a cost of $12,735 and a particle counter that was acquired in September 2009 at a cost of $20,595. After we brought this to their attention, UW-Madison staff removed the computer processor from the inventory records because they believed the item was sent to Surplus Property. In addition, staff indicated to us that the particle counter that was included on the inventory records failed while still under warranty and was replaced by the vendor with a new particle counter. In both of these instances, it appears Property Control was not informed of the changes.

As part of our review of equipment records, we requested the results of UW-Madison's physical inventory. As noted, federal rules require UW-Madison complete a physical inventory of equipment purchased with federal funds at least once every two years. UW-Madison last completed a physical inventory in August 2008. Therefore, we requested the most recent inventory results, which we would have expected to be completed by August 2010. After several requests for the inventory results were made over a several-month period, we were informed that as of February 21, 2011, the inventory was only 44 percent complete. We believe that UW-Madison should give priority to completing its physical inventory as this is an important control for tracking federally funded equipment.

☑ Recommendation

We again recommend the University of Wisconsin-Madison ensure that all campus departments are following procedures for managing capital equipment, including updating records when equipment is moved and ensuring that all equipment has the appropriate inventory tag attached. Further, we recommend the University of Wisconsin-Madison complete its biennial physical inventory of equipment and update equipment records as necessary.

Finding WI-10-11: Equipment Management

Research and Development Cluster

Award Numbers	Award Years
Various	Various

Questioned Costs: None

UW-Madison Response and Corrective Action Plan: Property Control will continue to work with UW-Madison staff to improve its records for moveable capital equipment, a difficult task since these 60,000 pieces of equipment do move and are located throughout the world. The biennial physical inventory will be completed by March 31, 2011.

Research and Sponsored Programs will send a notice to campus research administrators on the importance of communicating to Property Control any asset changes, such as moves, in a timely manner.

Finding WI-10-12: Key Personnel

Applications for federal research and development grant funding will typically include staffing proposals that specify who will work on a grant and the extent of the planned involvement of key personnel. While the grant recipient is allowed some latitude in changing the staffing mix and level of involvement of key staff, there are specific limitations specified by federal regulations:

- OMB Circular A-110 requires that grant recipients request prior approval from federal awarding agencies for a 25 percent or more reduction in time devoted to the grant project by the principal investigator; and

- The National Institutes of Health grant policy guide states that the grant recipient is required to submit a prior approval request if the principal investigator or other key personnel reduce time devoted to the grant project by 25 percent or more from the level that was approved at the time of the proposal.

UW-Madison uses the Effort Certification and Reporting Technology (ECRT) system to track time charged to grant programs by principal investigators and others who work on research and development grants. Principal investigators are required to certify their time semiannually, using a report from ECRT that shows the time worked on each of their grant projects. The effort reporting coordinator in each department is responsible for reviewing the certifications and ensuring compliance with the key personnel compliance requirements.

During our current audit, we selected 31 federal research and development grants for detailed compliance testing, including testing of the key personnel requirement. We identified noncompliance with this requirement for the National Institutes of Health's Drug Abuse and Addiction Research Programs grant (CFDA #93.279) at the College of Engineering. We noted a reduction of more than 25 percent in the work effort charged to the grant by the principal investigator but found no record that prior or after-the-fact approval had been requested or received from the federal awarding agency. Grant awards are typically for five years, and a principal investigator commits a specified amount of time for each award year. We had concerns with years two, three, and four of this grant as follows:

- During year two of this grant, from June 1, 2007, through May 31, 2008, the principal investigator devoted 28 percent less effort to this project than the budgeted commitment.

- During year three, from June 1, 2008, through May 31, 2009, the principal investigator devoted 61 percent less effort to this project than the budgeted commitment.

- During year four, from June 1, 2009, through May 31, 2010, the principal investigator devoted 27 percent less effort to this project than the budgeted commitment.

We were told that the reduction in work effort for this principal investigator in year three related to medical issues. Staff indicated that the effort reporting coordinator in the College of Engineering should have identified the change in work effort through review of the effort reporting certifications and sought approval from the National Institutes of Health; however, it appears this control was not operating effectively. Because a grant may be suspended or terminated when a request for prior approval of changes related to key personnel is not acceptable to the National Institutes of Health, it is important that the College of Engineering requests prior approval for changes related to key personnel.

☑ Recommendation

We recommend the University of Wisconsin-Madison College of Engineering ensure it monitors changes in work effort for key personnel and seeks and receives prior approval from the federal government when changes are expected.

Finding WI-10-12: Key Personnel

Drug Abuse and Addiction Research Programs (CFDA #93.279)

Award Number	Award Year
5R01DA020832-04	FY 2009-10

Questioned Costs: None

UW-Madison Response and Corrective Action Plan: Due to a sudden and unexpected medical issue, the principal investigator on the award did have a reduced level of effort from the original proposed commitment for a portion of the project period. While this information was conveyed to the National Institutes of Health, there was not a formal request for prior approval. Verbal approval was received after the fact.

The following measures have been taken to address key personnel changes:

- UW-Madison will reiterate the requirements for sponsor notification and the process for requesting, as required, formal approval of changes in time devoted by key personnel to sponsored projects.

- ECRT was upgraded in November 2010 to include commitment percentages for key personnel. This information will facilitate monitoring of effort in relation to commitment obligations. Both principal investigators and administrative staff with oversight responsibilities will have the ability to review commitments against effort certifications.

University of Wisconsin-Green Bay

UW-Green Bay, which provides instruction to 6,600 students seeking undergraduate or graduate degrees, had operating costs totaling $75.8 million in FY 2009-10. Federal grant expenditures for that period totaled $40.9 million, including $1.0 million for the Research and Development Cluster and $38.7 million for the Student Financial Assistance Cluster.

We gained an understanding of and tested UW-Green Bay's internal controls and tested compliance with grant requirements for the Student Financial Assistance Cluster. We also followed up on the efforts of UW-Green Bay to address concerns included in our FY 2008-09 single audit report. Overall, UW-Green Bay's internal controls appear adequate to ensure compliance with grant requirements for the Student Financial Assistance Cluster. We found UW-Green Bay has resolved concerns related to enrollment reporting (Finding WI-09-10). However, we identified a new concern related to UW-Green Bay's calculation of amounts to be returned to the federal government when a student withdraws during the semester.

Finding WI-10-13: Return of Student Financial Assistance Funds

Student financial assistance funds are awarded and disbursed to UW-Green Bay students to offset attendance costs, such as tuition and housing. If a financial assistance 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 during the semester, UW-Green Bay must calculate, in accordance with federal regulations, the amount to be returned to the financial assistance programs. Both the school and the student may be responsible for returning funds to the programs. In addition, if the student has been awarded any additional grants or scholarships, UW-Green Bay should return those funds to the providing institution in accordance with the providing institution's policies. We identified three concerns with UW-Green Bay's return-of-funds calculation.

First, when calculating amounts to be returned for students who officially withdrew during the fall 2009 semester, UW-Green Bay staff incorrectly determined the number of days in the semester, which resulted in less funds being returned than required. There were 110 days in the fall 2009 semester, but, for unknown reasons, UW-Green Bay staff used 108 days in their automated calculations on the student information system. As a result, all 29 of the official withdrawals during the fall 2009 semester were calculated incorrectly. We tested the calculation for 5 of the 29 students who officially withdrew during the fall 2009 semester and found that UW-Green Bay returned $44 less than it should have to the FFEL program and $9 less than it should have to the Federal Pell Grant Program.

Second, we reviewed two of the four manual return-of-funds calculations performed for unofficial withdrawals that occurred during the 2009-10 school year. An unofficial withdrawal occurs when a student stops attending classes but does not formally inform the Registrar's Office that he or she is no longer enrolled. We found that staff incorrectly used 107 and 108 days for the fall semester in the calculations, instead of 110 days. In addition, for one of these withdrawals, staff used 24 days for the numbers of days enrolled, but the student was actually enrolled for 29 days in the fall 2009 semester. As a result of these errors, UW-Green Bay returned $48 more than it should have to the FFEL program.

Finally, we found that UW-Green Bay improperly included a Gaining Early Awareness and Readiness for Undergraduate Programs (Gear Up) scholarship in the return-of-funds calculation for one student for the spring 2010 semester. Gear Up scholarships are federal awards administered by the Department of Public Instruction. Each fall, DPI distributes the scholarships to UW-Green Bay for the school year. According to DPI policy, students who receive a Gear Up scholarship are entitled to keep their scholarship if they withdraw from classes after the disbursement of funds. However, if they withdraw during the fall semester, UW-Green Bay is required to return the spring semester portion of the scholarship to DPI. The Gear Up scholarship program is not part of the Student Financial Assistance Cluster and therefore should not be included in the U.S. Department of Education's methodology for calculating returns of federal funds. As a result of including the Gear Up scholarship in the calculation of federal returns, UW-Green Bay returned $400 more than it should have to the Federal Pell Grant Program during the spring 2010 semester for this one student.

☑ Recommendation

We recommend the University of Wisconsin-Green Bay review its process for calculating returns of federal funds to ensure amounts are being properly calculated, including:

- *ensuring that the correct number of days in the semester are counted and correctly entered into the student information system for the return calculation for official withdrawals;*
- *taking additional care in its review of unofficial withdrawals to ensure the correct number of days in the semester and days enrolled are used in completing the return calculations; and*
- *ensuring staff are aware that Gear Up scholarships are not part of the return-of-funds calculation for student financial assistance programs, but rather are handled separately.*

Finding WI-10-13: Return of Student Financial Assistance Funds

Federal Family Education Loans (CFDA #84.032)

Award Numbers	Award Year
Various	FY 2009-10

Federal Pell Grant Program (CFDA #84.063)

Award Number	Award Year
P063P092446	FY 2009-10

Questioned Costs: Undetermined

UW-Green Bay Response and Corrective Action Plan: UW-Green Bay agrees with this recommendation. Upon further investigation, the incorrect number of days in the semester used in the return-of-funds calculation appeared to be a system abnormality. Going forward, additional care will be taken to crosscheck the accuracy of the system calculation. In addition, efforts will be made to prevent human error in the unofficial withdrawals calculations. UW-Green Bay will investigate the option to use the student information system to perform the unofficial withdrawal return-of-funds calculations in the future. Finally, the Gear Up scholarship identifiers have been changed in the student information system to exclude it from the return-of-funds calculation as appropriate. UW-Green Bay reperformed the return-of-funds calculation for the one student affected by the inclusion of the Gear Up scholarship and drew the additional Federal Pell Grant funds.

University of Wisconsin-Oshkosh

UW-Oshkosh, which provides instruction to 13,200 students seeking undergraduate or graduate degrees, had operating costs totaling $150.4 million in FY 2009-10. Federal grant expenditures for that period totaled $85.3 million, including $976,800 for the Research and Development Cluster and $77.5 million for the Student Financial Assistance Cluster.

During our current audit, we followed up on efforts of UW-Oshkosh to address concerns included in our FY 2008-09 single audit report. We found that UW-Oshkosh needs to continue its efforts to resolve concerns related to the timeliness of requests for federal reimbursement.

Finding WI-10-14: Cash Management

Student financial assistance funds are requested from the U.S. Department of Education on a reimbursement basis. Effective cash management procedures include requesting reimbursement as soon as practical 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 FY 2007-08 audit, we first identified that requests for reimbursement were not being made on a timely basis at UW-Oshkosh, resulting in lost interest to the State. The reimbursement requests were delayed because the general ledger, which needs to be manually adjusted to report the funds disbursed, was not being updated on a timely basis. We recommended that UW-Oshkosh ensure it requests federal reimbursement of student financial assistance expenditures to minimize the time between when it disburses assistance to students and when it receives reimbursement (Finding WI-08-18).

During our FY 2008-09 audit, we found that UW-Oshkosh partially implemented corrective action by assigning responsibility for performing the requests for federal reimbursement to a grants accountant. However, the manual updates to the general ledger continued to be completed on an untimely basis and, as a result, the requests for reimbursement continued to be delayed. We again recommended that UW-Oshkosh ensure it requests federal reimbursement of student financial assistance expenditures to minimize the time between when it disburses assistance to students and when it receives reimbursement (Finding WI-09-12). In its corrective action plan, UW-Oshkosh stated it was working to automate the updates to the general ledger to allow requests for reimbursement to be more timely.

During our current audit, we found that UW-Oshkosh has not implemented further corrective action, and there continue to be delays in drawing federal funds. For example, UW-Oshkosh disbursed $6,629,856 in Federal Pell Grant funds on September 22, 2010, but did not request federal reimbursement until November 11, 2010, or 50 days later. Similarly, UW-Oshkosh disbursed $300,531 in funding for Academic Competitiveness Grants and $126,500 in funding for National Science and Mathematics Access to Retain Talent Grants on September 22, 2010, but did not request federal reimbursement until November 8, 2010, or 47 days later. Further, UW-Oshkosh disbursed $213,966 in funding for Federal Supplemental Educational Opportunity Grants on August 31, 2010, but did not request federal reimbursement until October 4, 2010, or 34 days later. As a result of these delays, we estimate lost interest to the State of about $2,100.

UW-Oshkosh staff have indicated to us that the project to automate the general ledger interface with the student information system is no longer being pursued. Instead, a query based on the student information system disbursements is being developed to sum the amounts of assistance disbursed, which will be run once a week by the grants accountant. This will eliminate the need to wait for the updates to the general ledger before performing the requests for federal reimbursement. UW-Oshkosh staff plan to have this new procedure in place in early March 2011.

☑ Recommendation

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

Finding 10-14: Cash Management

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)

Award Number	Award Year
P007A094555	FY 2009-10

Federal Pell Grant Program (CFDA #84.063)

Award Number	Award Year
P063P092450	FY 2009-10

Academic Competitiveness Grants (CFDA #84.375)

Award Number	Award Year
P375A092450	FY 2009-10

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

Award Number	Award Year
P376S092450	FY 2009-10

Questioned Costs: None

UW-Oshkosh Response and Corrective Action Plan: UW-Oshkosh concurs with the recommendation. UW-Oshkosh has already developed the queries to be run on the student information system. These queries are being tested by the Financial Aid Office and will be ready for use on or before March 4, 2011. After this date, the grants accountant in charge of drawing federal funds will run the query once a week and use the aggregated amounts of financial assistance disbursements to immediately draw federal funds.

University of Wisconsin-Platteville

UW-Platteville, which provides instruction to 7,800 students seeking undergraduate or graduate degrees, had operating costs totaling $91.0 million in FY 2009-10. Federal grant expenditures for that period totaled $50.1 million, including $49.0 million for the Student Financial Assistance Cluster. UW-Platteville did not administer any grants in the Research and Development Cluster during FY 2009-10.

During our current audit, we followed up on the efforts of UW-Platteville to address concerns included in our FY 2008-09 single audit report. We found that UW-Platteville needs to continue its efforts to resolve concerns related to enrollment reporting.

Finding WI-10-15: Enrollment Reporting

The National Student Loan Data System (NSLDS) periodically provides UW-Platteville 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. Federal regulations also state that, unless an institution expects to complete its next roster file within 60 days, it must notify the lender or the guaranty agency within 30 days if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis. Although UW-Platteville uses a third-party servicer for NSLDS reporting, UW-Platteville is ultimately responsible for timely and accurate enrollment reporting. It is important that this information is accurate as 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-Platteville 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-09-14). In its corrective action plan, UW-Platteville indicated it would begin reporting enrollment status changes to its third-party servicer on a monthly basis, request the third-party servicer report to NSLDS on a monthly basis, and monitor the third-party servicer to ensure enrollment status changes are reported to NSLDS in a timely and accurate manner.

UW-Platteville informed us that in February 2010, it began reporting to the third-party servicer on a monthly basis and requested that the third-party servicer report to NSLDS on a monthly basis. Further, UW-Platteville indicated that in September 2010 it implemented procedures to monitor the third-party servicer. However, these steps do not appear to have adequately addressed concerns in this area. During our current audit, we continued to identify concerns with enrollment reporting. We reviewed data for ten students who received federal student loans and had withdrawn or graduated during the fall 2010 semester, to test whether their enrollment status had been reported to NSLDS accurately and in a timely manner. We identified the following exceptions:

- Six students withdrew in September or October 2010; however, their enrollment changes were not reported to NSLDS until December 2010, January 2011, or February 2011, from 51 to 115 days after the next roster file was created.

- One student withdrew in October 2010, but her withdrawal date was reported to NSLDS as December 2010.

- One student withdrew in October 2010, and her enrollment change had not been reported to NSLDS at the time of our testing in February 2011.

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, students who transferred to a new institution would continue to appear to be enrolled at the old institution, and would appear ineligible for financial assistance at their new institution.

☑ Recommendation

We again recommend the University of Wisconsin-Platteville 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-10-15: Enrollment Reporting

Federal Family Education Loans (CFDA #84.032)

Award Numbers	Award Year
Various	FY 2009-10

Questioned Costs: None

UW-Platteville Response and Corrective Action Plan: After the prior audit, UW-Platteville adjusted its transmission schedule to report enrollment status changes to its third-party servicer on a monthly basis. UW-Platteville also confirmed the submission of its information with its third-party servicer. Furthermore, the Financial Aid Director has documentation of UW-Platteville's request to its third-party servicer to report enrollment status changes to NSLDS on a monthly basis.

The Registrar's Office will continue to report enrollment status changes to its third-party servicer on a monthly basis. However, based on the results of the FY 2009-10 audit, the Financial Aid Office will begin reporting status changes directly to NSLDS. The Financial Aid Office will also monitor NSLDS to verify that status changes have been received and recorded correctly.

University of Wisconsin-River Falls

UW-River Falls, which provides instruction to 6,700 students seeking undergraduate or graduate degrees, had operating costs totaling $86.0 million in FY 2009-10. Federal grant expenditures for that period totaled $46.9 million, including $127,000 for the Research and Development Cluster and $44.8 million for the Student Financial Assistance Cluster.

During our current audit, we followed up on the efforts of UW-River Falls to address concerns included in our FY 2008-09 single audit report. We found that UW-River Falls has resolved concerns related to reconciliation procedures

(Finding WI-09-15) and enrollment reporting (Finding WI-09-17). However, UW-River Falls needs to continue its efforts to resolve concerns related to documentation of student payroll.

Finding WI-10-16: Internal Controls over Student Payroll

UW-River Falls participates in the Federal Work-Study (FWS) Program. As part of our audit work, we review internal controls over the processing and distribution of student payroll and we test for compliance with FWS requirements. Proper internal controls over payroll are important to ensure payments are authorized and accurate. It is important that students' hours worked are properly reviewed and approved by the supervisor and that hours worked are accurately recorded on the payroll system.

Since our FY 2006-07 audit, we have identified concerns with controls related to payroll processing for the FWS Program and have made recommendations for improvement. Over this period of time, UW-River Falls implemented the following corrective actions:

- separated payroll processing duties from the disbursement of student payroll checks;
- improved security over payroll checks;
- designated a staff person from the Human Resources office as the FWS coordinator to work with the departments to improve documentation;
- updated the payroll manual; and
- created a biweekly payroll edit report that departments are required to review to ensure payroll is correct for processing.

In following up on our most recent recommendation (Finding WI-09-16), we found that Human Resources staff implemented a process to periodically review FWS payroll to ensure that appropriate and complete documentation is maintained. This review was completed for several departments in October 2010 and January 2011. Staff indicated that exceptions are communicated verbally to the departments and followed up on to ensure corrective actions have been taken by the departments.

However, it appears UW-River Falls needs to continue its efforts to improve in this area. We reviewed payroll records for 15 FWS students for one pay period in November 2010 and found one time sheet not dated by the student or supervisor, one time sheet not signed or dated by the student, and three time sheets signed by the student prior to the end of the pay period or the last date worked by the student. We also continued to find that departments are not reviewing the biweekly payroll edit reports, a control implemented by UW-River Falls to provide

assurance that the payroll is correct for processing. We found that for 9 of the 15 students tested, there was no documentation of the department's review of the biweekly payroll edit report.

UW-River Falls continues to implement corrective actions to address our prior audit concerns. However, the procedures are not always being followed. While fewer exceptions were noted in our testing, it is important that UW-River Falls continues to review its procedures related to FWS and take steps to ensure the procedures are being followed.

☑ Recommendation

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

Finding WI-10-16: Internal Controls over Student Payroll

Federal Work-Study Program (CFDA #84.033)

Award Number	Award Year
P033A094558	FY 2009-10

Questioned Costs: None

UW-River Falls Response and Corrective Action Plan: UW-River Falls agrees with this recommendation. UW-River Falls has a plan in place to audit student payroll such that appropriate and complete documentation is being maintained. UW-River Falls will continue to take steps to ensure the hiring departments are following payroll-processing procedures. In addition to verbal notification, UW-River Falls may notify the hiring department in writing when problems are found and attach the instructions they need to follow.

University of Wisconsin System
Summary of Findings and Questioned Costs
FY 2009-10

U.S. Department of Education

University of Wisconsin-Green Bay

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-13[1]	84.032	Federal Family Education Loans	Return of Student Financial Assistance Funds	Undetermined
WI-10-13[1]	84.063	Federal Pell Grant Program	Return of Student Financial Assistance Funds	Undetermined

University of Wisconsin-Oshkosh

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-14[1]	84.007	Federal Supplemental Educational Opportunity Grants	Cash Management*	$ 0
WI-10-14[1]	84.063	Federal Pell Grant Program	Cash Management*	0
WI-10-14[1]	84.375	Academic Competitiveness Grants	Cash Management*	0
WI-10-14[1]	84.376	National Science and Mathematics Access to Retain Talent Grants	Cash Management*	0

University of Wisconsin-Platteville

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-15[1]	84.032	Federal Family Education Loans	Enrollment Reporting*	$ 0

University of Wisconsin-River Falls

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-16[1]	84.033	Federal Work-Study Program	Internal Controls over Student Payroll*	0

U.S Department of Health and Human Services

University of Wisconsin-Madison

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-12[1]	93.279	Drug Abuse and Addiction Research Programs	Key Personnel	$ 0

Noncompliance Findings Affecting Multiple Programs

University of Wisconsin System Administration

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-10		Multiple Programs	Preparation of UW System Grant Schedules*	$ 0

University of Wisconsin-Madison

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-11		Research and Development Cluster	Equipment Management*	$ 0

[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.

* Repeat finding from audit report 10-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix 3 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 $6.3 billion during FY 2009-10; direct federal grants to the State financed $1.2 billion of that amount, including $355.3 million funded by ARRA.

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 compliance with grant requirements for five type A programs: Child Nutrition Cluster (CFDA #10.553/10.555/10.556/10.559), Child and Adult Care Food Program (CFDA #10.558), Title I, Part A Cluster (CFDA #84.010/84.389), Special Education Cluster (CFDA #84.027/84.173/84.391/84.392), and the State Fiscal Stabilization Funds Cluster (CFDA #84.394/84.397). Overall DPI has appropriate procedures to administer these federal grant programs. However, we identified concerns with an excess balance in the school lunch handling charges appropriation, unallowable costs charged to the Title I grant, and errors in the allocation of funding provided under the Special Education Cluster.

Finding WI-10-17: Excess Balance in the School Lunch Handling Charges Appropriation

The United States Department of Agriculture (USDA) purchases surplus food commodities and makes them available to various nutrition programs. The USDA distributes commodities to DPI for use by over 900 public and private schools throughout Wisconsin that participate in the National School Lunch Program (CFDA #10.555).

DPI incurs costs associated with the commodities, including transportation, storage, handling, processing, and program administration costs. The USDA allows DPI to charge schools for the costs associated with the commodities they order and receive. For example, DPI charges schools a storage fee of $0.0247 per pound to cover costs associated with storing commodities at a warehouse facility. DPI is responsible for setting billing rates that are sufficient to recover its costs but not generate profits. Since the schools that participate in the commodities program also participate in the National School Lunch Program, DPI collects the billed charges from the schools by offsetting the commodities handling charges from the payment made to the schools for meals served under the program. DPI records the revenues and expenditures related to this activity in its school lunch handling charges appropriation.

Federal rules outlined in 7 CFR 250.15 require DPI to annually review the balance in the school lunch handling charges appropriation to ensure it is not in excess of program needs. DPI is allowed to maintain a maximum balance of the total of the previous year's highest three months of expenditures. If the balance exceeds this maximum, DPI should reduce billing rates to the schools, return the excess funds to the USDA, or seek USDA approval to maintain the funds for use in the program.

During our current audit, we found that DPI does not appear to adequately monitor the balance in the school lunch handling charges appropriation to ensure that excessive balances are not accumulating. While DPI staff indicated that they perform an annual review of this activity, they were not able to provide us with documentation of their review. We determined that the school lunch handling charges appropriation had a balance of $4.3 million as of June 30, 2010, which was $1.2 million more than the total of the three months of highest expenditures for the previous fiscal year. This was the first year that DPI had an excessive balance in the appropriation. We also found that DPI had not contacted the USDA for approval to maintain the excess balance.

After we brought this concern to DPI's attention and discussed applicable federal requirements, DPI staff requested authorization from the federal government to temporarily exceed the maximum allowable balance. On March 1, 2011, DPI received approval from the USDA to use excess balances to upgrade its commodities computer system. DPI estimates the upgrades will cost $1.5 million. The USDA also indicated in its approval letter that DPI should inform the USDA of the results of its review and adjustments to billing rates to prevent a future excess balance in the school lunch handling charges appropriation.

☑ Recommendation

We recommend the Wisconsin Department of Public Instruction take steps to better monitor the balance in the school lunch handling charges appropriation, including:

- *developing written policies and procedures that describe the annual review process for determining the program balance;*

- *maintaining documentation of the annual review; and*
- *when balances are in excess of those allowed by federal rules, reducing billing rates to the schools or seeking federal approval in a timely manner to temporarily maintain balances in excess of those allowed by federal rules.*

Finding WI-10-17: Excess Balance in the School Lunch Handling Charges Appropriation

National School Lunch Program (CFDA #10.555)

Award Numbers	Award Years
2WI300063	2009
2WI300063	2010

Questioned Costs: None

DPI Response and Corrective Action Plan: DPI has anticipated implementation of the new federal commodities Web Based Supply Chain Management (WBSCM) system for many months and expects that its commodity ordering system will require numerous changes to interface with the new system. Because DPI had expected the system to be implemented in 2010, it did not adjust commodity fees so that funds would be available to implement the necessary changes without an increase in fees.

As recommended by the auditors, DPI will improve its process for monitoring the balance in the school lunch handling charges appropriation by taking the following actions:

- developing written policies and procedures to describe the annual review process for determining the program balance;
- maintaining documentation of the annual review; and
- if balances are in excess of those allowed by federal rules, seeking federal approval in a timely manner to temporarily maintain such balances and assess the need to adjust billing rates to the schools.

Finding WI-10-18: Title I—Allowable Costs

During FY 2009-10, DPI expended $253.7 million under the Title I, Part A Cluster, including $33.5 million funded under ARRA. These grants provide funding to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentrations of children from low-income families. Costs charged to the Title I grant should relate to the purpose and objectives of the program. While, overall, we found that

DPI appropriately administered this grant, we identified $12,600 in unallowable costs that were charged to the grant in FY 2009-10.

DPI charged the Title I grant for payroll and fixed costs for two employees who work on its Even Start Family Literacy program, which is funded by the Even Start-State Educational Agencies grant (CFDA #84.213). DPI staff believed it was allowable to use Title I funding to cover the staffing costs because both programs were established under the Elementary and Secondary Education Act (ESEA) of 1965, which allows for the consolidation of administrative costs under certain grant programs authorized under ESEA. However, the Even Start grant is not one of the authorized programs. Therefore, charging these costs to the Title I program is not allowable. We question $12,600, representing the salaries, fringe benefits, and fixed costs associated with those two employees.

☑ Recommendation

We recommend the Wisconsin Department of Public Instruction ensure costs charged to federal grants are allowable in accordance with federal regulations.

Finding WI-10-18: Title I—Allowable Costs

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

Award Number	Award Year
S010A090049	2009

Questioned Costs: $12,600

DPI Response and Corrective Action Plan: DPI has an excellent history of ensuring that costs charged to federal grants are allowable and in accordance with federal regulations. With regard to the Even Start grant, DPI has taken the following actions:

- transferred the questioned costs initially charged to the Title I program to the federal indirect cost appropriation; and
- rearranged the Even Start staff workload to ensure that time spent on the Even Start program matches the program goals in the final year of this grant.

In addition, should the cost for managing the Even Start program in the current fiscal year exceed the available funds, DPI will utilize available federal indirect revenues.

Finding WI-10-19: Funding Allocations under the Special Education Cluster

During FY 2009-10, DPI was awarded $434.3 million under the Special Education Cluster, including $218.0 million funded under ARRA. These grants provide funding to ensure that all children with disabilities have the opportunity for a public education that emphasizes special education and related services designed to meet their unique needs. While, overall, we found that DPI appropriately administered these grant programs, we identified an error in how a portion of the funding was allocated to local school districts.

Funding provided under the Special Education Cluster is allocated to school districts and independent charter schools by DPI staff based on formulas specified by federal regulations. Each entity is allocated a base award calculated according to federal regulations, and any remaining funding is allocated as follows:

- 85 percent is based on the relative number of children enrolled in public and private elementary schools within each school district or enrolled in independent charter schools; and

- 15 percent is based on the relative number of children living in poverty in each school district or attending an independent charter school.

We identified an error in the portion of DPI's allocation of special education funding that is based on school enrollment. DPI included the enrollment for the Bruce Guadalupe Charter School twice—once for the charter school and a second time for the Milwaukee Public School District—in making its allocation of FY 2009-10 funding provided under the Special Education Cluster. Prior to FY 2009-10, the Bruce Guadalupe Charter School was affiliated with the Milwaukee Public School District and its enrollment figures were included with those of the Milwaukee Public School District. During FY 2009-10, this charter school became an independent charter school. Thus, in DPI's allocation spreadsheets, the student enrollment figures should have been removed from the Milwaukee Public School District and included on a separate line for the charter school. However, DPI staff inadvertently included the charter school enrollment of 780 students when calculating the allocation for both the charter school and the Milwaukee Public School District. As a result, the Milwaukee Public School District was overallocated funding provided under the Special Education Cluster during FY 2009-10, and all other school districts were underallocated funding.

Because of this isolated error, the Milwaukee Public School District was overallocated $199,624 in Special Education Cluster funding during FY 2009-10. That amount accounts for less than 1 percent of the Milwaukee Public School District's total award of $56.8 million. The largest underallocation of funding occurred for the Madison Metropolitan School District, which was awarded $6,462 less funding than it should have received. After we brought this matter to its attention, DPI corrected the allocations, and all affected school districts were informed of their adjustments in June 2010.

☑ Recommendation

We recommend the Wisconsin Department of Public Instruction ensure Special Education Cluster funding allocation adjustments for independent charter schools are made appropriately.

Finding WI-10-19: Funding Allocations under the Special Education Cluster

Special Education Cluster (CFDA #84.027/84.173)

Award Numbers	Award Years
H027A090064	2009
H173A090070	2009

ARRA-Special Education Cluster (CFDA #84.391/84.392)

Award Numbers	Award Years
H391A090064	2009
H392A090070	2009

Questioned Costs: None

DPI Response and Corrective Action Plan: DPI agrees with the recommendation to ensure that funding to independent charter schools under the Special Education Cluster is allocated appropriately. As described by the auditors, the Bruce Guadalupe Charter School, a Milwaukee Public School District charter school until the end of the 2008-2009 school year, changed its status to become an independent charter school authorized by UW-Milwaukee. At the time of its status change, funds were inadvertently applied to both the independent charter school and the Milwaukee Public School District for FY 2009-10. To prevent a reoccurrence of this nature, DPI has improved its internal controls to include a review of new federal aid calculations by its senior staff accountant.

Wisconsin Department of Public Instruction
Summary of Findings and Questioned Costs
FY 2009-10

U.S. Department of Agriculture

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-17[1]	10.555	National School Lunch Program	Excess Balance in the School Lunch Handling Charges Appropriation	$ 0

U.S. Department of Education

WI-10-18	84.010	Title I Grants to Local Educational Agencies	Title I—Allowable Costs	$ 12,600
WI-10-19[1]	84.027/ 84.173	Special Education Cluster	Funding Allocations under the Special Education Cluster	0
	84.391/ 84.392	ARRA-Special Education Cluster		

[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.

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix 1 of this report.

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Department of Transportation ■

The Wisconsin Department of Transportation administers both state and federal transportation programs, including those affecting highways, bridges, airports, harbors, and railroads. DOT disbursed $2.9 billion during FY 2009-10; direct federal grants financed $1.1 billion of that amount, including $334.3 million funded by ARRA.

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 compliance with grant requirements for two type A programs—the Highway Planning and Construction program (CFDA #20.205) and the Airport Improvement Program (CFDA #20.106)—and one type B program, Formula Grants for Other Than Urbanized Areas (CFDA #20.509). We also followed up on the progress DOT has made in addressing prior audit findings, and found that DOT has materially resolved our prior year concerns related to monitoring compliance with Davis-Bacon Act requirements under the Airport Improvement Program (Finding WI-09-23). However, we continue to identify concerns with materials testing in the Highway Planning and Construction program (Finding WI-09-22).

Finding WI-10-20: Materials Testing

DOT disbursed $976.5 million in federal funds during FY 2009-10 under the Highway Planning and Construction program, $313.3 million of which was funding provided under ARRA. Additional ARRA funding of $205.5 million is anticipated to be expended during FY 2010-11. The Highway Planning and Construction program, which is administered by the Federal Highway Administration (FHWA), provides funding to assist states in the planning and

development of the National Highway System, and for transportation improvements to most other public roads, including bridges. The amount of funding provided by FHWA for each construction project proposed by DOT varies depending on various factors, including the purpose and scope of each project. Overall, DOT has appropriate procedures to administer this federal grant program. However, we noted continuing concerns with materials testing for the Highway Planning and Construction program.

DOT uses a variety of materials, such as asphalt mixtures, concrete, and coated high-strength bar steel reinforcement in highway and bridge construction projects. Under 23 CFR 637.205, FHWA requires the State to have a federally approved quality assurance program to ensure highway project materials meet minimum specifications. DOT's Construction and Materials Manual, which outlines the State's federally approved quality assurance program, contains the minimum specifications for sampling, testing, and acceptance of materials. In its efforts to meet the minimum specifications, the State's quality assurance program includes testing performed by materials manufacturers, contractors, regional DOT staff, and consultants. For example, contractors are required to perform a variety of tests on concrete pavement, including measuring concrete strength.

Since FY 1999-2000, we have raised concerns that DOT has not documented all required materials testing and, as a result, DOT cannot be assured that all materials used in projects meet the minimum specifications. Further, a review of construction engineering for state highway projects was completed by the Legislative Audit Bureau's Program Evaluation Division in May 2009. This review also identified concerns regarding materials testing and documentation. As a result of that review, DOT conducted an internal audit of 50 construction projects from the 2009 construction season to evaluate compliance with materials testing and documentation requirements. The results of DOT's review showed that of the 613 tests and 293 certifications required, 13.4 percent of tests and 20.1 percent of certifications had not been completed or appropriately documented. During our prior audit, we recommended that DOT continue to improve the documentation of materials certifications and verification tests completed and entered into its Materials Tracking System, and reinforce with contractors the importance of completing materials testing and appropriately documenting the results of those tests (Finding WI-09-22). In response to our recommendation, DOT has continued to emphasize the importance of appropriately conducting and documenting materials testing at various training sessions held during our audit period for regional DOT staff, consultants, and contractors.

Further, DOT has added a standard specification to all construction contracts which requires, as part of its quality assurance program for the 2011 construction season, that each contractor designate one person who will submit all contractor-generated documents and materials testing results to the project engineer or other designee and enter contractor test results into the Materials Reporting System. In addition, that specification requires DOT to designate a dedicated materials person for each project, who is either a state employee or a consultant, to work directly with the contractor designee and to monitor whether contractor-generated documents and

materials testing results are being documented and entered into the Materials Reporting System. While these changes were outside of our audit period, DOT believes these changes will streamline the submission process and make it easier for DOT staff or consultants to follow up with the contractor regarding any missing documentation.

As part of our review of DOT's quality assurance program for our FY 2009-10 single audit, we evaluated testing documentation in the following areas:

- materials testing performed by contractors;
- materials certifications provided by contractors for manufactured materials; and
- verification testing performed by regional DOT staff or consultants.

Contractor Testing

The quality assurance program requires contractors to perform a variety of tests to ensure commonly used materials, such as asphalt pavement, concrete pavement, concrete structures, and aggregate materials, meet minimum specifications. The number of tests required to be completed depends on several factors, including the quantity of material used in the project. The testing performed by contractors is documented and tracked in two ways. Some summary test information, such as project number, tester, date tested, quantity of material subject to the test, and test results, is entered into the Materials Reporting System, while the detailed testing information is provided to regional DOT staff or consultants, who maintain it in the project files.

We reviewed 15 projects with at least one contract substantially completed between July 2009 and June 2010. In addition to reviewing the test results in the Materials Reporting System, we obtained and reviewed the paper documentation from the various regional offices. Based on the documentation that we received, we determined that required testing was completed for materials related to 13 of the 15 projects. For the remaining two projects, we noted the following exceptions:

- For one project, a required fracture test was not completed for two different types of base aggregate material; however, other required tests were completed.
- For one project, aggregate material used in ancillary concrete was not tested for composition, although other parts of the ancillary concrete were tested appropriately.

We note that, in comparison to prior years, there has been an improvement in the documentation of tests that were in fact completed for the 15 projects we reviewed. For example, DOT contractors now enter more information into the Materials Reporting System than we had noted in previous years. However, we continue to identify documentation concerns for the majority of the 15 projects reviewed. For example:

- For 7 of the 15 projects reviewed, the documentation did not include the full name of the person(s) performing the testing. Without the full name of the tester, DOT cannot verify that the individual had the required training and certification to perform the test.

- For 6 of the 15 projects, the detailed documentation related to base aggregate did not clearly state the material source. Different testing is needed for base aggregate obtained from a pit versus that obtained from a quarry.

- For 3 of the 15 projects, the documentation did not include the project numbers for which the testing was being performed.

- For 2 of the 15 projects, the name of the lab performing the testing was not included.

- For 1 of the 15 projects, the material being tested was not clearly identified in the paper documentation, although it was identified in the Materials Reporting System.

- For 1 of the 15 projects, only summary testing results were included. Detailed testing results should also have been documented.

Materials Certifications

DOT allows some manufactured materials, such as bar steel reinforcement, to be used if manufacturers complete written certifications that the materials meet the minimum specifications. Contractors must obtain these certifications from manufacturers before the materials may be used. DOT uses the Materials Tracking System to track and monitor all materials certifications. Regional DOT staff or consultants enter the certifications received into the Materials Tracking System to allow DOT to monitor whether proper certifications are being obtained. It is the responsibility of regional DOT staff or consultants to ensure that the Materials Tracking System is updated for the certifications within 60 days of contract completion.

We reviewed DOT's documentation of materials certifications for the 15 projects we reviewed for contractor testing. Based on the information provided by DOT, 78 certifications were required for these 15 projects. We found that 11 of the 78 certifications, or 14.1 percent, were not documented in the Materials Tracking System at the time of our fieldwork in January 2011, compared to 5 of 58 certifications, or 8.6 percent, that had not been documented at the time of our FY 2008-09 audit.

Verification Testing

To provide further assurance that materials used in construction projects meet the minimum specifications, regional DOT staff or consultants complete verification testing. DOT uses the Materials Tracking System to track and monitor verification testing, and it is the responsibility of regional DOT staff or consultants to ensure that the Materials Tracking System is updated for verification testing results within one week after test performance. As part of our current single audit, we evaluated whether adequate verification testing was documented in the Materials Tracking System for the 15 projects we reviewed.

Based on the information provided by DOT, 106 tests were required for these 15 projects. We found that 4 of the 106 tests, or 3.8 percent, were not documented in the Materials Tracking System at the time of our fieldwork in January 2011, compared to 15 of 217 required tests, or 6.9 percent, that had not been documented at the time of our FY 2008-09 audit.

DOT has made some progress in some aspects of its materials testing and documentation. Further, because many of DOT's corrective actions were made after our current audit period, it would not be unexpected that we would continue to identify exceptions in our testing. However, we identified concerns with documentation similar to those identified by DOT in its review of 50 projects from the 2009 construction season.

We also note that on March 8, 2011, the Legislative Audit Bureau's Program Evaluation Division issued a limited-scope review of DOT's quality assurance program for asphalt state highways. The review focused on DOT's contractor warranty program and found that pavements on 12 of the 34 projects reviewed did not meet the contractually required performance standards during the warranty periods. For projects without warranties, construction engineers completed 181 of 193 tests (93.7 percent) required to measure the density of asphalt pavement on 41 projects constructed in 2009.

DOT will not be in compliance with its quality assurance program until contractor testing, materials certifications, and verification testing are more consistently completed and adequately documented. Without these assurances, DOT officials cannot verify that all quality assurance activities are completed as required or identify problems with particular contractors or construction materials.

☑ Recommendation

We recommend the Wisconsin Department of Transportation continue to:

- *reinforce with contractors the importance of completing materials testing;*
- *ensure that such testing is adequately documented in the Materials Reporting System or in the project files, as appropriate; and*
- *improve compliance with documentation of certifications obtained and verification testing performed, including entering this information into the Materials Tracking System.*

Finding WI-10-20: Materials Testing

Highway Planning and Construction (CFDA #20.205)

ARRA-Highway Planning and Construction (CFDA #20.205)

Award Numbers	Award Years
Various	Various

Questioned Costs: None

DOT Response and Corrective Action Plan: DOT has made significant progress in achieving compliance with the requirements of its quality assurance program. Verification testing, at a 96 percent compliance rate, appears to be substantially in compliance. Contractor quality control testing and documentation has also improved. DOT's goal is to obtain the highest possible level of compliance, although 100 percent compliance may never be attainable.

DOT will continue to reinforce with contractors their responsibilities and the critical importance of complying with materials testing and documentation requirements. New language in the Standard Specifications and in the Construction and Materials Manual requiring single points of contact will help improve compliance. DOT outreach and educational efforts, which have realized benefits in the past, will continue in the future.

Wisconsin Department of Transportation
Summary of Findings and Questioned Costs
FY 2009-10

U.S. Department of Transportation

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-20	20.205 20.205	Highway Planning and Construction ARRA-Highway Planning and Construction	Materials Testing*	$ 0

* Repeat finding from audit report 10-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix 1 of this report.

■ ■ ■ ■

Department of Children and Families ■

The Wisconsin Department of Children and Families administers programs such as adoption assistance, foster care, and child support enforcement. DCF also administers the Wisconsin Shares child care subsidy program and Wisconsin Works (W-2), Wisconsin's work-based public assistance program. In FY 2009-10, DCF disbursed $2.0 billion; direct federal grants financed $613.0 million of that amount, including $76.6 million funded under ARRA.

As part of our standard audit procedures, we reviewed internal controls over revenues, expenditures, and the administration of federal programs. We tested compliance with grant requirements for five type A programs and one type B program. We identified concerns related to allowable costs for the Foster Care—Title IV-E (CFDA #93.658) and Adoption Assistance (CFDA #93.659) programs. We also identified concerns related to the Temporary Assistance for Needy Families (TANF) Cluster (CFDA #93.558/93.714), the Child Care and Development Fund Cluster (CFDA #93.575/93.596/93.713), and the Child Support Enforcement program (CFDA #93.563).

During our audit of the State's basic financial statements, we also identified a concern at the Department of Health Services related to its Community Aids Reporting System (Finding WI-10-31 on page 108), which was used during FY 2009-10 to process subrecipient payments for some DCF programs. We believe our concern also represents a reportable finding for Foster Care—Title IV-E and the Community Services Block Grant Cluster (CFDA #93.569/93.710).

In addition, we followed up on DCF's progress in addressing concerns from findings WI-09-24 through WI-09-30 of our prior single audit report (report 10-5). We continue to have concerns related to TANF Cluster computer data matches and the 60-month time limit on TANF Cluster benefits.

Finding WI-10-21: Unallowable Costs under Foster Care—Title IV-E and Adoption Assistance

DCF administers Wisconsin's foster care and adoption assistance programs and uses federal Foster Care—Title IV-E funds, federal Adoption Assistance funds, and state funds to provide maintenance payments to the parents of eligible children. DCF uses the Foster Care Uniform Rate Setting form to support the maintenance payments provided under both programs and may seek reimbursement for the federal government's share of allowable costs. However, certain costs are unallowable under each program's rules. For example, the federal rules for Foster Care—Title IV-E specifically prohibit states from seeking federal reimbursement for maintenance payments covering medical and respite care costs, although states themselves may fund medical and respite care for children in foster care. In contrast, federal rules for the Adoption Assistance program do not specifically prohibit any costs from being federally reimbursed, but they do prohibit the federally allowable share of maintenance payments funded by the Adoption Assistance program from exceeding the amount the federal government would have reimbursed under Foster Care—Title IV-E.

As part of our FY 2009-10 audit, we reviewed 90 foster care and adoption assistance cases. We identified three broad areas of concern related to DCF staff's determination of the maintenance payments and amounts claimed for reimbursement under Foster Care—Title IV-E and Adoption Assistance.

First, in nine of the foster cares case we reviewed, we estimate that DCF claimed $11,783 in federally unallowable costs under Foster Care—Title IV-E; however, we question only $2,597 that was claimed for payments made during our audit period. For example, in one case, a uniform rate setting form supporting payments for foster care purposes from April 1, 2009, to September 27, 2009, included $700 for monthly respite care services and $200 for monthly medical costs, both of which are unallowable costs under Foster Care—Title IV-E. DCF claimed federal reimbursement for approximately $3,540 of these unallowable costs.

The second and perhaps more serious concern we identified relates to DCF's practice in establishing maintenance payments under the Adoption Assistance program. DCF made $44.7 million in federally funded adoption assistance maintenance payments related to 7,239 adopted children and, as required by federal regulations, DCF staff establish adoption assistance maintenance rates through discussions and negotiations with the adoptive parent(s), taking into consideration the needs of the child and circumstances of the adoptive family. However, as noted, federal rules for the Adoption Assistance program prohibit the federally allowable share of maintenance payments under Adoption Assistance from exceeding the amount the federal government would have reimbursed under Foster Care—Title IV-E.

In 73 of the 90 cases we reviewed, we found that DCF staff increased the foster care maintenance rate prior to a child's adoption, apparently to provide a higher adoption assistance maintenance rate and increase federal reimbursements for federally eligible cases. In 57 of the 73 cases, the foster care maintenance payment increased because DCF staff included respite care and medical costs that are not eligible for federal reimbursement under Foster Care—Title IV-E. For example:

- For one case, DCF staff established a foster care maintenance payment of $669, effective from January 1, 2008, through May 31, 2008, that did not include respite care or medical costs. Then, prior to adoption, DCF staff determined a new maintenance payment (net of a one-time adjustment of $338) of $1,400, effective for foster care from June 1, 2008, through June 30, 2008, which included $679 of federally reimbursable costs and $721 of unallowable respite care and medical costs. This same amount was paid as the adoption assistance maintenance payment beginning July 1, 2008, when the case became eligible under the Adoption Assistance program. Therefore, the $1,400 adoption assistance maintenance payment, which will be paid each month until the child reaches the age of majority, is $721 higher than the last federally allowable foster care rate of $679 determined by DCF.

- For another case, DCF staff established a $571 foster care maintenance payment that did not include medical or respite care costs, effective from August 1, 2009, through January 1, 2010. On January 2, 2010, DCF staff established a new rate of $847, which included $607 of federally reimbursable costs and $240 for unallowed respite care. This amount was effective for foster care until January 31, 2010, and adoption assistance payments began at this same amount on February 1, 2010. We note that unique for this case, DCF established a revised adoption assistance maintenance payment of $1,483 effective May 1, 2010, that included $150 for respite care services and $636 for medical costs. This revised amount was never paid as a foster care maintenance payment. Therefore, the $1,483 monthly adoption assistance payment, which will continue until the child reaches the age of majority, is $876 higher than the last federally allowable foster care rate of $607 determined by DCF.

While we do not disagree with the need for these payments, we are concerned that the increased foster care maintenance payments claimed for federal reimbursement prior to adoption included costs that are unallowable under Foster Care—Title IV-E. We question $11,705, representing the amounts DCF claimed under Foster Care—Title IV-E for unallowable costs during our audit period.

In addition, we are concerned that the portion of any adoption assistance maintenance payment that exceeds the allowable amounts under Foster Care—Title IV-E is also unallowable for federal reimbursement. That is, while the entire adoption assistance maintenance payments may be appropriate for state purposes, only a portion of it may be eligible for federal reimbursement under the Adoption Assistance program.

We provided examples and discussed our concerns with the federal government. After receiving guidance, we question $122,192 claimed for federal reimbursement under the Adoption Assistance program for potentially unallowable costs during our audit period. We note that we question costs only for those cases we

specifically tested. Because we identified potential concerns for the majority of the 90 cases we reviewed, the total amount the federal government may disallow for all 7,239 cases under the Adoption Assistance program could be much larger. Because of the significance of this concern, we qualify our opinion on the State's compliance with federal Adoption Assistance requirements. DCF will need to work with the federal government to resolve this issue.

Our final area of concern relates to errors made by DCF when calculating the monthly maintenance payments on the Foster Care Uniform Rate Setting form. In our testing of 90 rate setting forms, we noted seven instances in which maintenance payments provided to adoptive parents did not agree with the amounts included on the uniform rate setting forms. These discrepancies appear to be the result of mathematical errors in calculating the monthly maintenance rate. In six of the seven instances the maintenance payments were less than they should have been, and in one instance the maintenance payment was $75 higher than it should have been. However, because the State did not seek reimbursement from the federal government under Adoption Assistance for this case, we do not question any costs.

☑ Recommendation

We recommend the Wisconsin Department of Children and Families:

- *ensure foster care maintenance payments claimed under Foster Care—Title IV-E do not include costs for services that are unallowable under Foster Care—Title IV-E;*
- *work with the federal government to determine whether the Department's practice to set rates for the Adoption Assistance program is in compliance with federal regulations; and*
- *ensure that monthly maintenance payments provided to adoptive parents are accurately calculated.*

Finding WI-10-21: Unallowable Costs under Foster Care—Title IV-E and Adoption Assistance

Foster Care—Title IV-E (CFDA #93.658)

Award Numbers	Award Years
G0901WI1401	2009
G1001WI1401	2010

ARRA-Foster Care—Title IV-E (CFDA #93.658)

Award Numbers	Award Years
G0901WI1402	2009
G1001WI1402	2010

Questioned Costs: $14,302

Adoption Assistance (CFDA #93.659)

Award Numbers	Award Years
G0901WI1407	2009
G1001WI1407	2010

ARRA-Adoption Assistance (CFDA #93.659)

Award Numbers	Award Years
G0901WI1403	2009
G1001WI1403	2010

Questioned Costs: $122,192

DCF Response and Corrective Action Plan: DCF agrees with the recommendation. DCF will revise internal processing to ensure these critical services are provided for children in foster care as needed. DCF will develop allowable services guidelines, revise internal processing, train staff on the changes, issue policy exchange memos, and work with information technology and finance staff to ensure only federally reimbursable charges are included in the Foster Care—Title IV-E claim.

In addition, DCF's Division of Safety and Permanence's Adoption Section will work with the federal Administration for Children and Families Region V Office to ensure that federal Foster Care—Title IV-E claiming processes are allowable under the existing federal Foster Care—Title IV-E guidelines.

Finally, DCF is automating the previously manual calculation of monthly maintenance payments for adoptive parents by implementing a new Child and Adolescent Needs and Strengths (CANS) assessment tool. The CANS assessment tool will automatically calculate the child's monthly rate based on the information entered by the case manager. The CANS tool was released on February 28, 2011.

WI-10-22: Foster Care Rate Setting at the Bureau of Milwaukee Child Welfare

The Bureau of Milwaukee Child Welfare within DCF is responsible for providing child welfare services in Milwaukee County and for using the State's child welfare computer system, WiSACWIS, to complete the Foster Care Uniform Rate Setting form to determine the foster care maintenance payments payable on behalf of Milwaukee County children in substitute care. If certain eligibility criteria are met, DCF receives federal reimbursement under Foster Care—Title IV-E for a portion of these payments. We identified two concerns during our review.

First, foster care maintenance rates should be reviewed periodically to ensure that foster care providers are not paid more or less than the amount necessary to meet

the needs of foster children. It is the Bureau's policy to review the foster care maintenance rate every six months while a child is in a foster home or treatment foster home. However, we found rate reviews were not completed in a timely manner for 9 of the 40 cases we reviewed. For example, in one of these cases a rate review was completed on November 30, 2009, so the next rate review should have been completed by May 30, 2010. However, the next rate review was instead completed on December 31, 2010, which is 13 months after the November review and 7 months later than the Bureau's policy requires.

Second, in the event a child goes missing from a foster home, it is the Bureau's policy to update WiSACWIS within 30 days to indicate the child is in a nonpaid placement, which results in the suspension of maintenance payments to the foster care provider. However, in 1 of the 40 cases we tested, a child went missing on January 18, 2010, but the effective date entered into WiSACWIS was April 1, 2010, rather than February 18, 2010. Because the caseworker did not follow the Bureau's policy for updating WiSACWIS, DCF made $713 in unallowable foster care payments during the time the child was missing from the foster home. Because this child was eligible for federal reimbursement under Foster Care—Title IV-E, DCF claimed $474 in federal funds for this child while the child was not in foster care. After we discussed this case with the Bureau's staff, the effective date of the nonpaid placement was updated in WiSACWIS to February 18, 2010, and the child was no longer considered federally reimbursable as of that date. By making these changes, DCF effectively returned the $474 to the federal government. However, because this change was not made until after the end of our audit period, we question these costs for our FY 2009-10 audit.

☑ Recommendation

We recommend that the Wisconsin Department of Children and Families ensure that Bureau of Milwaukee Child Welfare staff complete foster care maintenance rate reviews every six months and make necessary placement changes in a timely manner.

Finding WI-10-22: Foster Care Rate Setting at the Bureau of Milwaukee Child Welfare

Foster Care—Title IV-E (CFDA #93.658)

Award Numbers	Award Years
G0901WI1401	2009
G1001WI1401	2010

ARRA-Foster Care—Title IV-E (CFDA #93.658)

Award Numbers	Award Years
G0901WI1402	2009
G1001WI1402	2010

Questioned Costs: $474

DCF Response and Corrective Action Plan: DCF agrees with the recommendation. The Bureau's Program Evaluation Manager unit will monitor the timely completion of rate reviews and nonpaid placement changes in WiSACWIS. This will be supported in part through the implementation of the automated Child Adolescent Needs and Strengths system and rate regulation changes.

Federal Reporting and Claiming of Expenditures—Foster Care and Adoption Assistance

As a part of receiving federal funds under the Foster Care—Title IV-E and Adoption Assistance programs, DCF is required to prepare a quarterly expenditure report. 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 Department of Health Services' Community Aids Reporting System. 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 made recommendations for improvement. While we noted some corrective actions to address our concerns during subsequent years, we have continued to note various errors in the quarterly reports, in part because of staff turnover. During our FY 2008-09 audit, we identified multiple errors on the quarterly expenditure reports for Foster Care—Title IV-E, Adoption Assistance, and the subsidized guardianship waiver program that is included under Foster Care—Title IV-E (Finding WI-09-28). After we brought these errors to DCF's attention, staff made the necessary adjustments in the December 31, 2009 quarterly report to correct for them.

DCF has also taken steps to reduce the manual data entry needed to complete the quarterly expenditure reports and has cross-trained another staff person to prepare the quarterly reports, and DCF staff sought guidance and clarification from the federal government regarding reporting requirements related to the subsidized guardianship waiver program.

During our current audit, we reviewed the quarterly expenditure report for the quarter ended December 31, 2009, and the amounts reported for the subsidized guardianship waiver program under Foster Care—Title IV-E for each quarter ending during FY 2009-10. We did not identify any errors in our testing. We encourage DCF to continue its efforts to ensure quarterly reports are accurately prepared.

WI-10-23: Maintenance of Effort for the Temporary Assistance for Needy Families Cluster

As a requirement of receiving federal TANF funds, states are required to maintain certain spending levels on qualified expenditures for eligible families. This requirement is referred to as a maintenance of effort (MOE) requirement. In addition, states are eligible for TANF Contingency Funds, provided they spend more than the amounts spent during FFY 1993-94. The amount of TANF Contingency Funds a state may retain equals the amount of qualified state expenditures made in excess of the amount spent in FFY 1993-94, multiplied by the federal financial participation rate. If a state fails to meet these MOE spending requirements, it may be required to repay the federal government a portion or all of the TANF Contingency Funds it received.

To keep the $62,899,872 in TANF Contingency Funds received for FFY 2008-09, the State of Wisconsin needed $105,927,706 more in qualified state expenditures than its qualified state expenditures for FFY 1993-94. Eligible expenditures could be for programs that are considered part of TANF, as well as for programs that are not TANF programs. For example, according to federal guidance, state expenditures for various pre-kindergarten, kindergarten, and other educational activities for children are considered to meet the purposes of TANF and may be counted as MOE expenditures, unless the educational activities or services are "generally available" at no cost to other state residents. Although the term "generally available" is not defined, the available federal guidance suggests using a quantified benchmark as one method of determining if the activities or services are generally available. The example presented in the federal guidance indicates that it would be reasonable to consider a public educational activity to be generally available if it is available to more than 50 percent of the appropriate age group statewide.

For FFY 2008-09, DCF calculated that the State of Wisconsin spent $130,554,939 more than its FFY 1993-94 expenditures. During our current audit, we reviewed DCF's MOE calculations and found they included $26,472,152 in state pre-kindergarten educational expenditures, including general educational and transportation expenditures, as well as start-up grants for schools to create pre-kindergarten programs. DCF staff only included expenditures for school districts that had less than 50 percent of the children eligible for pre-kindergarten education enrolled because they believed pre-kindergarten education was not generally available in those school districts.

However, we believe that because pre-kindergarten education was available to all age-appropriate children in these school districts, it was generally available, regardless of the number of children enrolled. We also analyzed pre-kindergarten enrollment information from the Department of Public Instruction and found that 316 school districts, or 76 percent of all school districts in Wisconsin, offered pre-kindergarten education to age-appropriate children during the 2008-09 school year, including Milwaukee Public Schools. We therefore believe that pre-kindergarten education was generally available throughout Wisconsin and expenditures for it cannot be counted as TANF MOE expenditures.

Because DCF staff believe that they followed federal guidance and that pre-kindergarten expenditures are allowable TANF MOE expenditures, and we believe there are uncertainties regarding the allowability of these expenditures, particularly

since pre-kindergarten was available to more than 50 percent of the age-appropriate children throughout Wisconsin, DCF should work with the federal government to resolve this issue, particularly if it seeks to claim pre-kindergarten costs as allowable MOE expenditures in the future.

If pre-kindergarten costs were removed from DCF's calculations, the State would have spent $104,082,787 more than its FFY 1993-94 TANF MOE expenditures and would have been eligible for $61,804,359 in TANF Contingency Funds, based on the federal financial participation rate. We therefore question $1,095,513, representing the TANF Contingency Funds spent in excess of the amount the State was eligible to spend for FFY 2008-09.

☑ Recommendation

We recommend the Wisconsin Department of Children and Families work with the federal government to resolve this issue.

Finding WI-10-23: Maintenance of Effort for the Temporary Assistance for Needy Families Cluster

Temporary Assistance for Needy Families Cluster (CFDA #93.558)

Award Numbers	Award Years
G-0902WITANF	2009
G-1002WITANF	2010

Questioned Costs: $1,095,513

DCF Response and Corrective Action Plan: DCF agrees with the recommendation and will work with the federal government to clarify the acceptability of using Wisconsin pre-kindergarten expenditures as allowable MOE. In the interim, DCF has identified alternative MOE to support the full $62,899,872 of contingency funds drawn.

WI-10-24: Computer Data Matches

As the State's administering agency for TANF, DCF's responsibilities include determining the eligibility of individuals who apply for assistance and maintaining program integrity. DCF has entered into contracts that require counties and W-2 agencies to perform eligibility determination functions, such as obtaining information from program applicants and entering the information into the statewide CARES computer system that is used for determining eligibility for various income maintenance programs.

Section 1137 of the Social Security Act requires states to participate in the Income Eligibility and Verification System (IEVS) to verify the reasonableness of wage and other information that is provided by individuals applying for assistance and used in making eligibility determinations. As part of IEVS, DCF is required to perform data

matches to compare the information recorded in CARES with the information contained in other computer databases, including:

- all available information from the U.S. Social Security Administration (SSA), including social security numbers and supplemental security income (SSI) payments;
- 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;
- unearned income from the Internal Revenue Service (IRS); and
- information from the Immigration and Naturalization Service (INS).

It is important that DCF perform the data matches and that county and W-2 agency caseworkers follow up on data match exceptions in a timely manner to ensure eligibility determinations are based on the most recent and reliable data. In the event it is determined that benefits were provided to ineligible individuals, DCF needs to take steps to recoup the overpayments and return the federal share to the federal government.

As reported in prior audits, the SSA data matches automatically update CARES for social security numbers and SSI payments used in making eligibility determinations and do not require further review by caseworkers. In addition, we reported that DCF had not completed the required data match with the INS, which had not yet programmed its computers to allow for data matches. However, DCF had completed the IRS match for 2005 and, in August 2009, sent letters directing applicable counties and W-2 agencies to follow up on the identified discrepancies. In addition, while we found that DCF completed the required data matches for SWICA, UC, and SSA, we reported that county and W-2 agencies, particularly those in Milwaukee County, continued to be untimely in following up on the SWICA and UC data matches. Therefore, we recommended that DCF continue its efforts to ensure counties and W-2 agencies follow up in a timely manner on data matches and continue its efforts to complete the required IRS data matches (Finding WI-09-29).

During our current audit, we followed up on DCF's, counties', and W-2 agencies' efforts to address data matching concerns. The INS still has not done the necessary computer programming and, therefore, DCF was not able to perform the INS data match. DCF did not take any further steps during our audit period to complete the IRS data matches for years subsequent to 2005. Because of federal restrictions on information from the IRS, we were unable to determine if the follow-up completed by county and W-2 agency staff on the data matches for 2005 was appropriate. In addition, DCF did not implement any new corrective action related to the SWICA and UC data matches during our audit period. However, subsequent to our audit

period, DCF staff contacted counties and W-2 agencies requesting that they develop plans to resolve overdue data matches and submit those plans to DCF. Since these actions were not taken during our audit period, it would not be unexpected for our concerns in this area to continue.

During our current audit, we reviewed the report on overdue SWICA matches as of June 27, 2010, for the five counties in Wisconsin with the largest populations. As shown in Table 4, Milwaukee, Racine, Waukesha, and Dane counties continue to have overdue SWICA data matches and had an increase in the number of overdue SWICA data matches between June 28, 2009, and June 27, 2010. However, Brown County had a decrease in the number of overdue SWICA matches and had no overdue SWICA matches as of June 27, 2010.

Table 4

Overdue SWICA Matches

County	Overdue SWICA Matches as of June 28, 2009	Overdue SWICA Matches as of June 27, 2010
Milwaukee	2,103	3,178
Racine	21	24
Brown	19	0
Waukesha	15	22
Dane	5	70

We also tested the follow-up efforts for a selection of 20 cases for which a UC data match occurred. For the cases selected, we reviewed CARES to determine whether there was evidence indicating that caseworkers followed up on the exceptions and whether income information in CARES was updated for unemployment insurance benefits received. For 10 of the 20 cases, we did not find any indication that follow-up actions had taken place.

Because county and W-2 agency caseworkers are not following up on all of the identified data match exceptions, the State is not assured that the most recent and reliable data have been used to make eligibility determinations and to establish the level of benefits and assistance received under TANF. Therefore, it is possible that some individuals received TANF benefits for which they were not eligible.

☑ Recommendation

We again recommend the Wisconsin Department of Children and Families continue its efforts to ensure 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 take steps to complete the required data matches for unearned income reported by the Internal Revenue Service.

Finding WI-10-24: Computer Data Matches

Temporary Assistance for Needy Families Cluster (CFDA #93.558)

Award Numbers	Award Years
G-0902WITANF	2009
G-1002WITANF	2010

Questioned Costs: Undetermined

DCF Response and Corrective Action Plan: DCF agrees with the recommendation. DCF will continue with its efforts in this area by monitoring W-2 agencies on a quarterly basis. Noncompliant agencies will be required to complete and implement a corrective action plan. DCF is in the process of automating CARES for unemployment compensation data matches. This automation is scheduled to be in production in July 2011 and will eliminate the need for manual review by workers.

In addition, DCF will investigate and take steps to implement the program safeguards required to obtain access to the IRS files to complete the required data matches for unearned income.

WI-10-25: TANF Cluster 60-Month Limit

Federal TANF rules impose a 60-month lifetime limit for cash assistance. However, states may extend assistance to a family based on hardships, as defined by the states, or if a family member has been battered or subjected to extreme cruelty. Within CARES, there is a "federal 60-month clock" that tracks the number of months that families participate in the TANF program and prevents assistance payments for those families that exceed the 60-month limit, unless an extension has been granted. However, it is noted that there are occasions when a caseworker retroactively determines that an individual was eligible for cash assistance for a prior month. Currently, CARES automatically counts the additional months for which assistance payments were made for purposes of tracking the 60-month limit. However, prior to March 22, 2008, the caseworker was to make a special entry into CARES to allow CARES to count and track these cases.

Since our FY 2004-05 audit, we have identified issues with the 60-month time limit, primarily because caseworkers had not consistently made the necessary special entries into CARES for months for which retroactive eligibility was granted. In response, in December 2006, caseworkers were provided with instructions to make these entries and to review all cases approaching 54 months to ensure that all months had been correctly counted. In addition, CARES was updated in March 2008 to automatically count additional months for which a case was retroactively determined eligible for cash assistance. However, during our FY 2008-09 audit, we found that the federal 60-month clock continued to be in error in 13 of 17 cases we reviewed, and we recommended that DCF continue its efforts to comply with the 60-month time limit (Finding WI-09-30).

During our current audit, we found that DCF's corrective actions have not been sufficient, and we continue to have concerns in this area. As noted during our previous audit, DCF introduced the monthly "Federal Clocks Not Matching W-2 Paid Months" report in August 2009. This report identifies cases that have reached 53 months on the federal 60-month clock and for which the number of monthly benefit payments made and the number of months tracked by the federal 60-month clock do not match. According to DCF guidance, caseworkers are required to review this report monthly and make the appropriate adjustments in CARES to ensure the federal 60-month clock is accurately tracking the monthly benefit payments. During our current audit, we reviewed ten cases that appeared on the "Federal Clocks Not Matching W-2 Paid Months" report from October 2009 and found that for nine cases, the federal 60-month clock continued to be in error. In two of these cases, the caseworker had apparently completed a review but did not make the appropriate adjustments in CARES. However, we do not question any costs for these nine cases because we did not identify any cases that had benefit payments made beyond the 60-month limit without approved extensions. While this represents a deficiency in internal control over compliance, we no longer believe that this control deficiency meets the criteria to be reported as a significant deficiency. In addition, although DCF continues to be at risk of noncompliance with the 60-month lifetime limit for TANF cash assistance, we do not believe that the noncompliance would be material.

We note that subsequent to our audit period, DCF enhanced the "Federal Clocks Not Matching W-2 Paid Months" report. The enhanced report will identify cases for which the number of monthly benefit payments made and the number of months tracked by the federal 60-month clock do not match for the most recent 12-month period. According to DCF staff, counties and W-2 agencies have been informed of the availability of the enhanced report and have been asked to provide DCF with their plan to review the report.

☑ Recommendation

We recommend the Wisconsin Department of Children and Families continue its efforts to comply with the 60-month lifetime limit for assistance payments under the Temporary Assistance for Needy Families Cluster.

Finding WI-10-25: TANF Cluster 60-Month Limit

Temporary Assistance for Needy Families Cluster (CFDA #93.558)

Award Numbers	Award Years
G-0902WITANF	2009
G-1002WITANF	2010

Questioned Costs: None

DCF Response and Corrective Action Plan: DCF agrees with the recommendation. DCF will continue to monitor W-2 agencies' use of the "Federal Clocks Not Matching W-2 Paid Months" reports on a quarterly basis. Noncompliant agencies will be required to complete and implement a corrective action plan. DCF will also continue to provide technical assistance to W-2 agencies with questions on maintenance and reconciliation of the 60-month federal clock.

WI-10-26: Child Care Case File Documentation

DCF is responsible for administering the Wisconsin Shares child care subsidy program, which is funded by the Child Care and Development Fund Cluster and TANF. For the purposes of administering Wisconsin Shares, DCF has contracted with counties and tribes, which are the local agencies required to perform eligibility determination functions, such as obtaining information from program applicants and entering the information into the statewide CARES computer system, which is used for various income maintenance programs. For Milwaukee County, DCF is responsible for administration of the child care program and has contracted with the Wisconsin Department of Health Services to perform eligibility determinations. Caseworkers are to obtain documentation to support eligibility determinations and they are to store electronic copies of these documents in each participant's electronic case file. In addition, actions taken to verify eligibility may be noted in case comments within CARES. At least every six months, caseworkers are required to determine whether participants continue to be eligible for the program.

The federal government allows states some flexibility in establishing eligibility criteria and the level of documentation needed to support the eligibility determinations. For example, Wisconsin has eligibility criteria related to citizenship, Wisconsin residency, and income. The State's eligibility requirements and levels of documentation are specified in manuals and other policy and procedure documents that are available to caseworkers.

As part of our current audit, we reviewed the case file documentation for 30 cases eligible for child care assistance between May 1, 2009, and April 30, 2010, to determine if caseworkers obtained and maintained appropriate documentation to support eligibility determinations. Generally, we found caseworkers complied with documentation standards. However, for seven cases, there was no documentation in the electronic case files to support the citizenship status indicated within CARES, and DCF staff could not provide documentation that caseworkers performed other steps to verify the status. Because this documentation was not included in the electronic case file, it does not appear that caseworkers followed DCF's policy to verify the citizenship status of children for whom child care assistance was provided. DCF staff indicated that they would contact agencies responsible for these seven cases and instruct them to obtain the appropriate documentation.

We note that for each of these seven cases, a social security number verified with the Social Security Administration was included in the case file for each child for whom child care assistance was provided. Because SSA must verify citizenship before issuing a social security number, we do not disagree with the eligibility determinations for these cases. Therefore, we do not question any costs.

☑ Recommendation

We recommend the Wisconsin Department of Children and Families ensure that caseworkers obtain and maintain supporting documentation for child care eligibility determinations.

Finding WI-10-26: Child Care Case File Documentation

Temporary Assistance for Needy Families Cluster (CFDA #93.558)

Award Numbers	Award Years
G-0902WITANF	2009
G-1002WITANF	2010

Questioned Costs: None

Child Care and Development Fund Cluster (CFDA #93.575/93.596)

Award Numbers	Award Years
G-0901WICCDF	2009
G-1001WICCDF	2010
G-1002WICCDF	2010

ARRA-Child Care and Development Fund Cluster (CFDA #93.713)

Award Numbers	Award Years
G-0901WICCD7	2009

Questioned Costs: None

DCF Response and Corrective Action Plan: DCF agrees with the recommendation. DCF has reviewed the child care cases cited by the auditors and concurs that the identity and U.S. citizenship of the children in the seven cases cited was sufficiently verified for eligibility purposes through the use of social security numbers. DCF further concurs that the seven cases cited indicate either birth certificates or hospital birth records were used for verification of citizenship, but the electronic case files lack copies of the birth certificate or hospital records.

DCF will instruct the appropriate local agencies to correct the case records for the children in the seven cases by either requesting birth query matches with Wisconsin Vital Records or obtaining copies of corresponding birth certificates or hospital birth records, and to appropriately update CARES either by or simultaneously with the next case review. In addition, an option was recently added to CARES that automates citizenship and identity verification for certain cases.

WI-10-27: Cash Management

DCF administers the State's child support program. Administrative costs of the program are partially funded by the federal Child Support Enforcement program. DCF requests federal child support funds on a reimbursement basis, and during FY 2009-10 DCF received $76.7 million in funds under the Child Support Enforcement program.

Effective cash management procedures include monitoring to ensure that amounts claimed for reimbursement do not exceed available federal funds. DCF requests federal reimbursement for the Child Support Enforcement grant through the Wisconsin Department of Administration's Federal Cash Management system. Generally, this system does not allow for reimbursements to exceed available federal funds.

However, we are concerned because DCF's cash management procedures do not appear sufficient to ensure complete compliance with all cash management requirements. During our FY 2009-10 audit, we found that DCF requested and received $563,847 more in federal funding than available under its FFY 2008-09 Child Support Enforcement grant award. DCF staff explained that the federal government had apparently reduced DCF's Child Support Enforcement grant award after DCF had requested and received federal reimbursement for administrative costs it charged to federal accounts. However, because of the reduction in the grant award, DCF will need to return these funds to the federal government and transfer $563,847 in expenditures to nonfederal accounts. We question $563,847, representing federal funds received in excess of the grant award.

☑ Recommendation

We recommend the Wisconsin Department of Children and Families immediately return $563,847 to the federal government and transfer $563,847 in expenditures to nonfederal accounts. In addition, we recommend the Department review its procedures to determine what changes, if any, are needed to ensure compliance with cash management requirements.

Finding WI-10-27: Cash Management

Child Support Enforcement (CFDA #93.563)

Award Numbers	Award Years
G0904WI4004	2009
G1004WI4004	2010

ARRA-Child Support Enforcement (CFDA #93.563)

Award Numbers	Award Years
G0904WI4002	2009
G1004WI4002	2010

Questioned Costs: $563,847

DCF Response and Corrective Action Plan: DCF agrees with the recommendation and will make an entry into the Department of Administration's Federal Cash Management system to automatically return the federal funds in the amount of $563,847 and transfer the expenditures to nonfederal accounts.

The federal award amount for the Child Support Enforcement grant is estimated and adjusted quarterly on the basis of actual expenditures incurred for a previous quarterly period. This results in a continual adjustment of the federal draw amount to reconcile with quarterly grant adjustments.

Wisconsin Department of Children and Families
Summary of Findings and Questioned Costs
FY 2009-10

U.S. Department of Health and Human Services

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-23	93.558	Temporary Assistance for Needy Families Cluster	Maintenance of Effort for the Temporary Assistance for Needy Families Cluster	$ 1,095,513
WI-10-24	93.558	Temporary Assistance for Needy Families Cluster	Computer Data Matches*	Undetermined
WI-10-25[1]	93.558	Temporary Assistance for Needy Families Cluster	TANF Cluster 60-Month Limit*	0
WI-10-26	93.558	Temporary Assistance for Needy Families Cluster	Child Care Case File Documentation	0
WI-10-27	93.563 93.563	Child Support Enforcement ARRA-Child Support Enforcement	Cash Management	563,847
WI-10-26	93.575/ 93.596 93.713	Child Care and Development Fund Cluster ARRA-Child Care and Development Fund Cluster	Child Care Case File Documentation	0
WI-10-21	93.658 93.658	Foster Care—Title IV-E ARRA-Foster Care—Title IV-E	Unallowable Costs under Foster Care—Title IV-E and Adoption Assistance	14,302
WI-10-22	93.658 93.658	Foster Care—Title IV-E ARRA-Foster Care—Title IV-E	Foster Care Rate Setting at Bureau of Milwaukee Child Welfare	474
WI-10-21	93.659 93.659	Adoption Assistance ARRA-Adoption Assistance	Unallowable Costs under Foster Care—Title IV-E and Adoption Assistance	122,192

[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.

* Repeat finding from audit report 10-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 1 of this report.

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Department of Commerce ■

The Wisconsin Department of Commerce provides development assistance in areas such as marketing, business and community finance, exporting, small business advocacy, and manufacturing assessments. Commerce also issues professional credentials for the construction trades, administers safety and building codes, and works to prevent homelessness. Commerce disbursed $258.1 million during FY 2009-10; direct federal grants financed $95.0 million of that amount, including $11.3 million funded under ARRA.

As part of our standard audit procedures, we reviewed Commerce's internal controls over revenues, expenditures, and the administration of federal grant programs. We tested compliance with grant requirements for the CDBG–State-Administered Small Cities Program Cluster (CFDA #14.228/14.255) and the Homelessness Prevention and Rapid Re-Housing Program (CFDA #14.257). While completing our audit procedures, we identified concerns related to subrecipient monitoring and reporting.

Finding WI-10-28: Subrecipient Monitoring

As part of administering federal programs, Commerce subgrants federal funds to local governments and nonprofit organizations. OMB Circular A-133 requires Commerce, as a subgrantor of federal funds, to ensure that subrecipients required to have a single audit have such an audit within nine months of the end of the subrecipient's fiscal year; to issue management decisions on audit findings within six months after receipt of the audit reports; and to ensure that subrecipients take timely and appropriate corrective action on all audit findings. In addition, the *State Single Audit Guidelines* published by the Wisconsin Department of Administration

provide guidance to state agencies in meeting the requirements outlined in OMB Circular A-133 and assign certain state agencies with cognizant responsibilities for certain local governments that received subgranted federal funds. These agencies are referred to as state cognizant agencies and have additional responsibilities, including ensuring that the subrecipients' audits meet applicable standards and notifying other state agencies of any audit issues requiring their attention.

ARRA places an increased emphasis on transparency and accountability in the administration of federal funds. It is important that Commerce appropriately monitor its subrecipients to ensure that both ARRA and non-ARRA funds are expended and accounted for in accordance with applicable federal requirements. As part of these efforts, Commerce needs to comply with the subrecipient audit monitoring requirements included in both OMB Circular A-133 and the *State Single Audit Guidelines.*

During our FY 2009-10 single audit, we found that Commerce does not have adequate procedures in place to ensure compliance with subrecipient audit monitoring requirements. For example:

- Commerce did not ensure that federally required single audits were completed for all subrecipients for which an audit was required. While Commerce tracks those audit reports it receives, it does not have procedures in place to verify that all reports that should have been received were, in fact, received.

- Commerce did not issue management decisions on audit findings to subrecipients, as required by OMB Circular A-133, although Commerce staff reviewed the audit reports received and communicated the results of these reviews internally.

- Commerce did not properly determine the subrecipients for which it is the state cognizant agency. For example, the report used by Commerce to determine the local governments for which it is the state cognizant agency erroneously excluded a number of local governments. After we identified this error, Commerce reran this report and identified three additional subrecipients for which it is the state cognizant agency.

- Commerce did not adequately track audit findings related to its programs, nor did staff ensure that findings were resolved in a timely manner. Commerce financial staff told us that they generally supplied copies of the audit exceptions to program staff, with the expectation that they would follow up with the subrecipients. However, it is unclear what, if any, follow-up was performed with the subrecipients.

As a result of these deficiencies, Commerce is not assured that its subrecipients administered federal subgrants in accordance with federal requirements. We discussed our concerns with Commerce staff, who agreed that they need to take steps to ensure Commerce meets its subrecipient audit monitoring requirements under both OMB Circular A-133 and the *State Single Audit Guidelines.*

☑ Recommendation

We recommend the Wisconsin Department of Commerce take steps to improve its monitoring procedures as they apply to subrecipient audits to ensure it fully meets its responsibilities as a pass-through entity under OMB Circular A-133 and the State Single Audit Guidelines.

Finding WI-10-28: Subrecipient Monitoring

Multiple Programs

Questioned Costs: None

Commerce Response and Corrective Action Plan: Commerce will work to improve the processes used to determine whether grantees must have an OMB A-133 audit, ensure that Commerce receives and reviews all required audits in a timely fashion and notifies grantees of follow-up requirements, and ensure that all audits are handled in a timely fashion.

Finding WI-10-29: Reporting

Commerce administers the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CFDA #14.228), part of the CDBG–State-Administered Small Cities Program Cluster, under which it provided approximately $64.0 million in subgrants during FY 2009-10 to local governments and nonprofit organizations to provide housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. Because Commerce has 15 months to obligate funds and generally tries to close out grant awards within five years, there are typically multiple award years open at any one time. A portion of these funds may be spent on activities related to Section 3 of the Housing and Urban Development Act of 1968, which requires that employment and other economic opportunities be directed to low-income and very low-income persons.

As part of administering this grant, Commerce is required to annually submit the Section 3 Summary Report and the Performance and Evaluation Report to the U.S. Department of Housing and Urban Development (HUD). The Section 3 Summary Report includes information on contracts awarded, employment training, and the number of new hires during the reporting period. The number of new hires is based upon quarterly accomplishment reports or grantee program closeout reports

submitted to Commerce by subrecipients that received assistance in excess of $200,000.

The Performance and Evaluation Report provides information on the proposed and actual accomplishments for each year that the CDBG funds were awarded and includes a description of the resources made available, the investment of available resources, the geographic distribution and location of investments, the families and persons assisted, actions taken to affirmatively further fair housing, and other actions.

It is important that information be reported correctly and accurately in the Section 3 Summary Report and the Performance and Evaluation Report. However, it appears that Commerce staff do not have a complete understanding of all of the reporting requirements and that there is no supervisory review of the Section 3 Summary Report. We identified a variety of concerns in our review of the Section 3 Summary Report completed for FFY 2008-09 and the Performance and Evaluation Report completed for the program year ending March 31, 2010. For example:

- The new hire information included in the Section 3 Summary Report may be incomplete. We requested the quarterly accomplishment reports and grantee program closeout reports for a selection of 11 subrecipients. However, Commerce was not able to provide us with some or all of the reports for 4 of the 11 subrecipients.

- Commerce erroneously included in the Section 3 Summary Report the new hire information for an approximate seven-year period, rather than the one-year reporting period ending September 30, 2009. As a result, Commerce reported 26 new hires for the subrecipients that reported new hire information, rather than the 2 new hires included in the available quarterly accomplishment reports or grantee program closeout reports for the one-year reporting period.

- Commerce included on the Section 3 Summary Report the grant award number and award amount for only one grant year, even though five grant years were open during the reporting period and should have been included in the report.

- The federal drawdown information reported on the Performance and Evaluation Report did not match supporting documentation provided by Commerce for three of the five program years included in the report. For example, Commerce reported $8,504,996 in federal drawdowns for program year 2008 but provided documentation that the amount was $8,672,634.

- Commerce inadvertently excluded from the Performance and Evaluation Report $61,674 in state administrative costs funded by program income for program year 2009.

- When a program year closes during the reporting period, HUD requires submission of a final Performance and Evaluation Report for the grant showing actual amounts and actual accomplishment measures for all activities. Commerce was unaware of this requirement and has not submitted reports for program years that have closed, including program year 2004, which closed during the period covered by the report we reviewed.

☑ Recommendation

We recommend the Wisconsin Department of Commerce:

- *ensure it receives and retains all required reports from subrecipients;*
- *ensure that it reports correct information in the Section 3 Summary Report and the Performance and Evaluation Report; and*
- *implement supervisory review of reports before they are submitted to the U.S. Department of Housing and Urban Development.*

Finding WI-10-29: Reporting

Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CFDA #14.228)

Award Numbers	Award Years
Various	Various

Questioned Costs: None

Commerce Response and Corrective Action Plan: The HUD CDBG program increased five-fold during the audit period. The section at Commerce responsible for administering this program operated at a 25 percent vacancy rate during the same period.

Section 3 applies to construction-related projects funded with HUD funds. Contractors and subcontractors providing services on projects for which the total award exceeds $200,000 and the amount of the contract or subcontract exceeds $100,000 are required to comply with Section 3.

Commerce grant management staff received additional Section 3 training and are increasing the emphasis on completing Section 3 reporting requirements with their grantees. Grant management staff now meet biweekly to ensure a consistent understanding of the reporting requirements, as well as consistent enforcement and monitoring of grantees

for compliance with federal requirements. Commerce information technology staff have corrected the problem with the Section 3 reporting database so that Commerce can now compile and report correctly.

HUD revised the online Section 3 Report tool last year. HUD has acknowledged that these revisions were made in advance of HUD's anticipated release of revised Section 3 reporting requirements and that it will be providing more training after regulations are revised. The Section 3 Summary Report that Commerce files annually has been accepted by HUD. Grant management staff monitor HUD regulations and will address necessary program changes when the new Section 3 regulations are released and guidance from HUD is received.

Wisconsin Department of Commerce
Summary of Findings and Questioned Costs
FY 2009-10

U.S. Department of Housing and Urban Development

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-29	14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Reporting	$ 0

Noncompliance Findings Affecting Multiple Programs

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-28		Multiple Programs	Subrecipient Monitoring	$ 0

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix 1 of this report.

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State of Wisconsin Schedule of Findings and Questioned Costs for the Year Ended June 30, 2010 ■

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 2009-10:

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified for all major programs except for Adoption Assistance, which was qualified.
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	Yes
Dollar threshold used to distinguish between type A and type B programs:	$30,000,000
Auditee qualified as a low-risk auditee?	No

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

CFDA Number	Name of Federal Program or Cluster
10.551/10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster
10.553/10.555/10.556/ 10.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program
10.568/10.569	Emergency Food Assistance Cluster
12.401	National Guard Military Operations and Maintenance (O&M) Projects
14.228/14.255	Community Development Block Grants (CDBG) State Administered Small Cities Program Cluster
14.257	Homelessness Prevention and Rapid Re-Housing Program (Recovery Act)
17.225	Unemployment Insurance
17.258/17.259/17.260	WIA Cluster
20.106	Airport Improvement Program
20.205/20.219/23.003	Highway Planning and Construction Cluster
20.509	Formula Grants for Other Than Urbanized Areas
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
81.042	Weatherization Assistance for Low-Income Persons
84.010/84.389	Title I, Part A Cluster
84.027/84.173/84.391/ 84.392	Special Education Cluster (IDEA)
84.126/84.390	Vocational Rehabilitation Cluster
84.394/84.397	State Fiscal Stabilization Fund Cluster
93.268/93.712	Immunization Cluster

CFDA Number	Name of Federal Program or Cluster
93.558/93.714	Temporary Assistance for Needy Families Cluster (TANF)
93.563	Child Support Enforcement
93.569/93.710	Community Services Block Grant (CSBG) Cluster
93.575/93.596/93.713	Child Care and Development Fund (CCDF) Cluster
93.658	Foster Care—Title IV-E
93.659	Adoption Assistance
93.767	Children's Health Insurance Program
93.775/93.776/93.777/ 93.778	Medicaid Cluster
96.001/96.006	Disability Insurance/SSI Cluster
Various	Research and Development Cluster
Various	Student Financial Assistance 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*. Findings WI-09-31 and WI-09-35 from report 10-5 have been resolved. Repeat findings from audit report 10-5 are indicated with an asterisk (*).

Finding WI-10-30: Internal Control Weaknesses in Financial Reporting by State Agencies

Criteria:
The Department of Administration's State Controller's Office 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, including the University of Wisconsin System, is responsible for maintaining effective internal controls to ensure the Uniform GAAP Conversion Policies and Procedures Manual is followed, that the information provided to the State Controller's Office for inclusion in the State's financial statements is fairly presented in accordance with GAAP, and that misstatements are prevented or detected in a timely manner. The State Controller's Office is responsible for performing limited reviews of the reasonableness of information submitted by other state agencies. In addition, it is responsible for developing certain information that is incorporated into the financial statements.

Condition:
In some instances, state agencies do not have sufficient procedures and controls in place to properly report financial statement balances in compliance with the Uniform GAAP Conversion Policies and Procedures Manual. In other instances, staff and management did not fully consider how to most appropriately report the information, or agencies did not appropriately review financial information for significant errors prior to submitting the information 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 agencies did not prevent or detect and correct in a timely manner misstatements in the financial information included in the State's financial statements. Agencies agreed to make corrections after the auditors brought the errors to their attention. Although adjustments were made to the financial statements, there remains a risk of potentially significant errors in the financial statements. Examples of significant errors identified by auditors, and the causes of these errors, are presented in the following table:

Agency	Fund	Misstatement[1]	Cause
Department of Health Services (DHS)	***General Fund***	On the Statement of Revenues, Expenditures, and Changes in Fund Balance, the Intergovernmental Revenues account was understated by $84.3 million, the Miscellaneous Other Revenue account was overstated by $38.9 million, and the Human Relations and Resources Expenditures account was understated by $66.0 million. On the Balance Sheet, Due from Other Governments was understated by $45.4 million, Accounts Payable and Other Accrued Liabilities was overstated by $11.1 million, and Interfund Payables was understated by $77.1 million.	Procedural changes affecting financial reporting were not communicated to staff responsible for financial reporting. Also, DHS's procedures to develop and review financial information were not sufficient to prevent or detect and correct these misstatements.
Department of Children and Families (DCF)	***General Fund***	On the Balance Sheet, Due from Other Governments and Due to Other Governments were understated by $57.2 million.	DCF's procedures to develop and review financial information were not sufficient to prevent or detect and correct this misstatement.

Agency	Fund	Misstatement[1]	Cause
University of Wisconsin System (UW System)	***UW System***	On the Statement of Revenues, Expenses, and Changes in Fund Equity, the Federal Grants and Contracts account was understated by $51.9 million, the Local and Private Grants and Contracts account was overstated by $43.8 million, and the Sales and Services of Educational Activities account was overstated by $8.1 million.	UW System Administration staff did not identify and correct the misstatement that occurred in applying accounting guidance found in Financial Accounting Standards Board *Accounting Standards Codification* 250, *Accounting Changes and Error Corrections*.
University of Wisconsin System (UW System)	***UW System***	On the Statement of Revenues, Expenses, and Changes in Fund Equity, the Supplies and Services Expenses account is overstated by $9.6 million and, on the Balance Sheet, Depreciable Capital Assets and/or Nondepreciable Capital Assets are understated by $9.6 million. Further, because some capital projects that are not yet complete are currently misclassified as an expensed project rather than a capitalized project, additional misstatements will occur over several years. If the entire budgeted amounts are expended, we estimate that an additional $37.2 million will be expensed rather than capitalized as a result of the misclassification.	UW System Administration financial reporting staff indicate that, due to a lack of staff resources, they were unable to thoroughly review UW's capital projects to ensure they were appropriately classified and reported as expensed or capitalized projects for financial reporting purposes.
Department of Workforce Development (DWD)	***Unemployment Reserve Fund***	Because of an omission of certain activity related to reimbursable employers, various accounts were understated. On the Statement of Revenues, Expenses, and Changes in Fund Equity, both the Benefit Expense account and the Federal Aid for Unemployment Insurance (UI) Program Revenue account were understated by $47.7 million. On the Balance Sheet, both Due from Other Governments and Accounts Payable and Other Accrued Liabilities were understated by $47.7 million.	UI's oversight and procedures to develop and review financial information were not sufficient to prevent or detect and correct these misstatements.
Department of Employee Trust Funds (ETF)	***Pension and Other Employee Benefit Trust (Wisconsin Retirement System)***	On the Statement of Fiduciary Net Assets, Cash and the Financial Futures Contracts accounts were understated by $125.0 million.	ETF staff did not properly incorporate a change to the financial information provided by the State of Wisconsin Investment Board, and procedures to review financial information were not sufficient to detect and correct this misstatement.

[1] The misstatements generally affect the State's fund-level financial statements. These misstatements may also affect the government-wide financial statements.

Recommendation:
We recommend the identified agencies improve their internal controls, including those over the financial reporting process.

Management's Response:
Agency management agreed to implement improvements.

Finding WI-10-31: Staff Access to Critical Community Aids Reporting System (CARS) Tables at the Department of Health Services

Criteria:
Access to CARS data and transactions should be separated so that one individual cannot complete each step in the process required to make a payment under a contract. Because of the limited number of staff assigned to the CARS unit, some job duties must be shared to ensure that contracts and expenditures are entered in a timely manner and that CARS processes payments during scheduled times. However, it is important that internal controls within CARS ensure that individuals do not process unauthorized transactions. The inability of CARS unit staff to add a new payee was cited by the Department of Health Services as a critical separation of duties control to prevent CARS unit staff from processing unauthorized payments.

Condition:
We found that three CARS unit staff members have access to a certain database table within CARS to enter payee information in an emergency situation. Access to this table, along with their normal access to the CARS data screens, presents the opportunity for these three CARS unit staff members to make and conceal fraudulent payments.

Programs Affected:
Multiple

Questioned Costs:
None

Context:
CARS is a computer system administered by the Department of Health Services to manage contracts and reimburse counties, local agencies, and vendors for the State's share of community aids contract costs. CARS records all expenditures reported by these entities and calculates amounts to be paid under the contracts. During FY 2009-10, the Department processed $915.0 million in payments through CARS. Some of these payments were funded by federal grants.

Effect:
The current access granted to certain CARS unit staff members, combined with their knowledge of the CARS system, increases the risk that unauthorized transactions could be processed through CARS.

Cause:
CARS unit staff members were given this access in order to enter payee information in the event of an emergency when other authorized Department of Health Services staff members may not be available to do so.

Recommendation:
We recommend the Department of Health Services remove access granted to CARS unit staff members to eliminate their ability to update payee information, while still allowing employees to have access to data screens needed to perform their job duties.

Management's Response:
The Department of Health Services agrees with the recommendation and has eliminated entry access for CARS staff to the database table that could be used to update payee information. While the Department agrees with the preventative control and has eliminated staff access to the table, there are other detective controls in place. For example, monitoring accountants review transactions as part of their controllership function for assigned appropriations. The Department believes that any unallowable costs and questionable vendors would have been identified during the review and reporting of expenditures.

Finding WI-10-32: Access to the State's Central Accounting System and Central Payroll System*

Criteria:
To provide proper internal control, access to the State's central accounting and payroll systems should be established to provide individuals with only the access needed to complete their job duties. Further, 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 erroneous or unauthorized changes to computer programs and data.

Condition:
Some programmers and operations staff have access to the State's central accounting system in excess of that needed for their job duties. Further, programmers for the State's central accounting system and central payroll system had access to production data, and assigned programmers also had access to the related programs during FY 2009-10. While the Department of Administration has been working to restrict system access to that needed for individuals' job duties and to implement compensating controls for programmer access to production data and programs, these controls were not fully implemented throughout our audit period and, therefore, accounting and payroll-related data remained at risk of erroneous or unauthorized changes during FY 2009-10.

Department of Administration staff indicated that steps to limit programmers' ability to directly access accounting and payroll-related datasets were completed

by early FY 2010-11 and that changes to those datasets are now made through the use of a new log-on identification, for which access is logged and monitored. In addition, staff stated they are in the process of further restricting access to the State's central accounting system, as well as developing procedures to log and review program changes to both the central accounting and central payroll systems after the changes have been made. We will evaluate these new procedures as part of our FY 2010-11 audit.

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:
Staff with system access in excess of that needed for their job duties could potentially process unauthorized transactions through the State's central accounting system. In addition, programmers with access to the computer programs and data could potentially make erroneous or unauthorized changes to the production data and conceal those changes. This risk is increased because some of these programmers also have access to the production programs for these systems.

Cause:
The State's central accounting system's internal security is established in a manner that provides some individuals with more access than needed to complete their job duties. In addition, the Department of Administration had not fully implemented compensating controls over access to production data and programs throughout FY 2009-10.

Recommendation:
We recommend the Department of Administration restrict access to the State's central accounting system to provide only the access needed for individuals to complete their job duties. We also recommend the Department of Administration continue to implement compensating controls related to computer programmer access to central accounting and central payroll-related data and programs.

Management's Response:
The Department of Administration's State Controller's Office agrees that individuals should be granted access to the State's central accounting system only to the extent needed to fulfill their job duties and will work to make the necessary changes to accomplish this to the extent possible.

Finding WI-10-33: 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. Further, to maintain proper accountability, individuals should access the Control-M job scheduling program using their individual log-on IDs.

Condition:
Computer programmers at the Department of Transportation have access to production programs and data. Specifically, 29 computer programmers are allowed to move programs from the test environment to production, and 5 programmers have access to production data through access to the Control-M job scheduling program. Further, the Department uses shared log-on IDs to make changes related to Control-M schedules and jobs. Users are logging in to the Control-M job scheduling program with a shared Control-M log-on ID, rather than their individual log-on IDs.

Questioned Costs:
None

Context:
The Department of Transportation maintains accounting and other systems critical to agency operations. These systems enable the Department to collect and expend over $2.0 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, who have 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. Further, because of the use of shared log-on IDs, any changes made to Control-M schedules and jobs will not be attributable to the person who made the change, making it more difficult to hold individuals accountable for any actions taken using the shared Control-M log-on ID.

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

Recommendation:
We recommend the Department of Transportation develop and implement procedures for ensuring that changes to programs are authorized, appropriately tested, and comply with industry standards, including eliminating programmers' access to production programs and data or implementing effective compensating controls to reduce the risk of unauthorized changes. Further, we recommend the Department of Transportation discontinue its practice of sharing the Control-M log-on IDs and require users to log in with their individual log-on IDs.

Management's Response:
The Department of Transportation has been conducting semiannual reviews of the access granted to Changeman and Control-M, and this procedure will continue with a goal of reducing the number of programmers who can move programs into the production environment. The Department of Transportation will consider options for reducing or eliminating programmers' access to production data and programs and will investigate compensating controls for areas in which access cannot be eliminated. These options will be discussed with the auditors at a future date.

The Department of Transportation agrees with the concern regarding sharing of Control-M log-on IDs and will take the necessary steps to ensure users log in to the Control-M job scheduling program using individual log-on IDs, rather than the Control-M log-on ID.

Finding WI-10-34: Mainframe Computer 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:
The program change process for UW System's legacy payroll systems operating on the mainframe computer does not include an independent review of program changes to assess the reasonableness of the changes or compliance with users' requests. Further, 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 the UW System's legacy payroll systems.

Effect:
Programmers with extensive knowledge of the legacy payroll systems' 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. UW System is planning to replace its legacy payroll systems by the end of FY 2010-11, and therefore extensive changes to the program change process may not be a priority. However, staff state that additional controls are planned for the new system.

Recommendation:
We recommend UW System ensure a well-controlled program change process is established when its new payroll system is implemented.

Management Response:
Management of UW System and the UW-Madison Division of Information Technology (DoIT) acknowledge and accept the findings but believe the risk associated with this finding is low and of limited duration. The legacy payroll systems will be obsolete after the implementation of the Human Resource System (HRS), which is scheduled for the fourth quarter of FY 2010-11. The program change control process for the HRS implementation is different from the program change control process associated with the legacy payroll systems. HRS is using STAT, a change management application, to track changes and their migration from development to test and then to production. The HRS program change control process will be re-evaluated after implementation. DoIT security staff will work with HRS and other DoIT staff to ensure that the findings are addressed during that review period.

Finding WI-10-35: Statewide 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:
The Department of Administration is coordinating a project to develop a statewide business resumption plan. State agencies have generally progressed with development and testing of business resumptions plans, including pandemic planning, and some multi-agency communication drills have been performed. However, some agencies do not have complete and tested business resumption plans, and others do not perform regular updates and/or testing of the 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.

Effect:
Without effective business resumption plans in place, an emergency could disrupt the State's ability to provide critical services; to process the related accounting transactions, including delaying payments to vendors, citizens, and other governmental entities; and to prepare financial statements in an accurate and timely manner.

Cause:
Development of a comprehensive plan is a large project requiring significant resources. Because of budget restrictions and the limited availability of staff, the State has not been able to devote sufficient ongoing resources to complete development and testing in the short term. However, it does continue to work toward a comprehensive plan.

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

Management's Response:
Wisconsin's Continuity of Government program, led by the Department of Administration, has continued to make significant progress to strengthen and improve Continuity of Operations (COOP) plans and conduct test drills. Since October 2009, one additional agency and 17 additional two- and four-year campuses completed their COOP plans, and several command center and tabletop exercises and communication drills have been performed. At this time, all 22 state agencies that were identified in the 2004 and 2005 COOP plan development have plans in place and have conducted at least one exercise of their agency command center and services.

The Continuity of Government program will continue to work with agencies and campuses to improve their plans and to conduct exercises and drills. The Continuity of Government program will continue to be a work in progress as more complex exercises are conducted and state agencies and campuses continue to strengthen and improve their preparedness for potential emergencies. Additional exercises are currently scheduled through January 2011, and plans are underway for a COOP component to the National Level Exercise 2011/Vigilanty Guard 2011 Exercise that will take place in May 2011. The Wisconsin component of this exercise is expected to involve coordination and communication between the State Continuity Coordination Center, the State Emergency Operations Center, participating agencies, and Dane County Emergency Management in response to a scenario that will require a number of state agencies to activate their COOP plans.

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 10-5 are marked with an asterisk (*).

U.S. DEPARTMENT OF AGRICULTURE

Wisconsin Department of Health Services

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-2 p. 22	10.551	Supplemental Nutrition Assistance Program	FoodShare Benefits Provided to Inmates	$ 21,838
	TOTAL U.S. DEPARTMENT OF AGRICULTURE			$ 21,838

U.S. DEPARTMENT OF LABOR

Wisconsin Department of Workforce Development

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-6 p. 34	17.225	ARRA-Unemployment Insurance	Federal Additional Compensation Overpayments	$9,858,150
WI-10-7 p. 35	17.225 17.225	Unemployment Insurance ARRA-Unemployment Insurance	Benefit Fraud Detection	221,889 Plus an Undetermined Amount
WI-10-8 p. 38	17.225	ARRA-Unemployment Insurance	Extended Benefits and High Extended Benefits Eligibility	2,840
	TOTAL U.S. DEPARTMENT OF LABOR			$10,082,879 Plus an Undetermined Amount

U.S. DEPARTMENT OF TRANSPORTATION

Wisconsin Department of Transportation

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-20 p. 71	20.205 20.205	Highway Planning and Construction ARRA-Highway Planning and Construction	Materials Testing*	$ 0
	TOTAL U.S. DEPARTMENT OF TRANSPORTATION			$ 0

U.S. DEPARTMENT OF EDUCATION

Wisconsin Department of Public Instruction

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-18 p. 65	84.010	Title I Grants to Local Educational Agencies	Title I—Allowable Costs	$ 12,600
	TOTAL U.S. DEPARTMENT OF EDUCATION			$ 12,600

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Wisconsin Department of Health Services

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-3 p. 25	93.767	Children's Health Insurance Program	Eligibility Documentation	$ 0
WI-10-3 p. 25	93.778 93.778	Medical Assistance Program ARRA-Medical Assistance Program	Eligibility Documentation	0
WI-10-4 p. 27	93.778 93.778	Medical Assistance Program ARRA-Medical Assistance Program	Medicaid Eligibility Quality Control*	0
WI-10-5 p. 29	93.778 93.778	Medical Assistance Program ARRA-Medical Assistance Program	Computer Data Matches*	Undetermined

Wisconsin Department of Children and Families

Finding Number	CFDA Number	Federal Program	Finding	Amount Questioned
WI-10-23 p. 86	93.558	Temporary Assistance for Needy Families Cluster	Maintenance of Effort for the Temporary Assistance for Needy Families Cluster	$1,095,513
WI-10-24 p. 87	93.558	Temporary Assistance for Needy Families Cluster	Computer Data Matches*	Undetermined
WI-10-26 p. 92	93.558	Temporary Assistance for Needy Families Cluster	Child Care Case File Documentation	0
WI-10-27 p. 93	93.563 93.563	Child Support Enforcement ARRA-Child Support Enforcement	Cash Management	563,847
WI-10-26 p. 92	93.575/ 93.596 93.713	Child Care and Development Fund Cluster ARRA-Child Care and Development Fund Cluster	Child Care Case File Documentation	0
WI-10-21 p. 80	93.658 93.658	Foster Care—Title IV-E ARRA-Foster Care—Title IV-E	Unallowable Costs under Foster Care—Title IV-E and Adoption Assistance	14,302
WI-10-22 p. 83	93.658 93.658	Foster Care—Title IV-E ARRA-Foster Care—Title IV-E	Foster Care Rate Setting at Bureau of Milwaukee Child Welfare	474
WI-10-21 p. 80	93.659 93.659	Adoption Assistance ARRA-Adoption Assistance	Unallowable Costs under Foster Care—Title IV-E and Adoption Assistance	122,192
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			$1,796,328

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Wisconsin Department of Commerce

Finding Number		Federal Program	Finding	Amount Questioned
WI-10-29 p. 99	14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants to Hawaii	Reporting	$ 0
		TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		$ 0

NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE PROGRAMS

Wisconsin Department of Commerce

Finding Number	Federal Program	Finding	Amount Questioned
WI-10-28 p. 97	Multiple Programs	Subrecipient Monitoring	$ 0

Wisconsin Department of Health Services

Finding Number	Federal Program	Finding	Amount Questioned
WI-10-31 p. 108	Multiple Programs	Staff Access to Critical CARS Tables	$ 0

Statewide Issues

Finding Number	Federal Program	Finding	Amount Questioned
WI-10-1 p. 17	Multiple Programs	Lapses from Internal Service Funds*	$ 736,000

University of Wisconsin System Administration

Finding Number	Federal Program	Finding	Amount Questioned
WI-10-10 p. 44	Multiple Programs	Preparation of UW System Grant Schedules*	$ 0

University of Wisconsin-Madison

Finding Number	Federal Program	Finding	Amount Questioned
WI-10-11 p. 47	Research and Development Cluster	Equipment Management*	$ 0
	TOTAL NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE GRANTS		$ 736,000

TOTAL QUESTIONED COSTS FOR THE STATE OF WISCONSIN $12,649,645 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, 2009 (report 10-5). The status of prior financial statement audit findings is reported in Section II of the State of Wisconsin Schedule of Findings and Questioned Costs for the year ended June 30, 2010. If the prior federal audit 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. In addition, the Summary Schedule of Prior Audit Findings indicates that the finding is no longer considered to be a reportable finding if the concern no longer meets the criteria established under Section 510(a) of OMB Circular A-133 for reporting an audit finding. These criteria require findings be reported related to significant deficiencies in internal control, material noncompliance related to a major program, questioned costs greater than $10,000, and known fraud and abuse. For all other prior concerns, 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
10-5	FY 2008-09	WI-09-**
09-5	FY 2007-08	WI-08-**
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 LABOR

Wisconsin Department of Workforce Development

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-09-6	17.225	Unemployment Insurance	Trade Adjustment Assistance and Trade Readjustment Allowance Eligibility	Correction Action Taken
WI-09-6	17.245	Trade Adjustment Assistance	Trade Adjustment Assistance and Trade Readjustment Allowance Eligibility	Corrective Action Taken

U.S. DEPARTMENT OF TRANSPORTATION

Wisconsin Department of Transportation

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-09-23	20.106	Airport Improvement Program	Davis-Bacon Act	Materially Corrected
WI-09-22 WI-08-33 WI-07-26 WI-06-24	20.205	Highway Planning and Construction	Materials Testing	Partially Corrected, see page 71

U.S. DEPARTMENT OF EDUCATION

University of Wisconsin-Green Bay

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-09-10 WI-08-16 WI-07-15	84.032	Federal Family Education Loans	Enrollment Reporting	Corrective Action Taken

University of Wisconsin-Oshkosh

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-08-18	84.007	Federal Supplemental Educational Opportunity Grants	Cash Management	No Longer Considered a Reportable Finding
WI-08-18	84.063	Federal Pell Grant Program	Cash Management	No Longer Considered a Reportable Finding
WI-08-18	84.375	Academic Competitiveness Grant	Cash Management	No Longer Considered a Reportable Finding
WI-08-18	84.376	National Science and Mathematics Access to Retain Talent Grants	Cash Management	No Longer Considered a Reportable Finding

University of Wisconsin-Platteville

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-09-14	84.032	Federal Family Education Loans	Enrollment Reporting	No Longer Considered a Reportable Finding

University of Wisconsin-River Falls

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-07-19	84.033	Federal Work-Study Program	Reconciliation Procedures	Corrective Action Taken
WI-07-20	84.033	Federal Work-Study Program	Internal Controls over Student Payroll	No Longer Considered a Reportable Finding
WI-09-17 WI-08-24 WI-07-21	84.032	Federal Family Education Loans	Enrollment Reporting	Corrective Action Taken

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Wisconsin Department of Health Services

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-09-3	93.767	Children's Health Insurance Program	Income Maintenance–Random Moment Sample	Corrective Action Taken
WI-09-2	93.778	Medical Assistance Program	Medicaid Eligibility Quality Control	Not Corrected, see page 27
WI-09-4 WI-08-2 WI-07-6 WI-06-6 WI-05-6 WI-04-5	93.778	Medical Assistance Program	Computer Data Matches	Not Corrected, see page 29

University of Wisconsin-Milwaukee

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-09-9 WI-08-15	93.658	Foster Care—Title IV-E	Administration of Foster Care Funds	Corrective Action Taken

Wisconsin Department of Children and Families

Finding Number	CFDA Number	Federal Program	Finding	Status of Finding
WI-09-29 WI-08-10 WI-07-7 WI-06-10 WI-05-11 WI-04-12	93.558	Temporary Assistance for Needy Families Cluster	Computer Data Matches	Not Corrected, see page 87

Wisconsin Department of Children and Families *(continued)*

WI-09-30 WI-08-11 WI-07-8 WI-06-11 WI-05-10	93.558	Temporary Assistance for Needy Families Cluster	TANF Cluster 60-month Limit	No Longer Considered a Reportable Finding
WI-09-26	93.558 93.575/ 93.596	Temporary Assistance for Needy Families Cluster Child Care and Development Fund Cluster	Child Care Eligibility Determinations	Materially Corrected for Single Audit Purposes
WI-09-24	93.658	Foster Care—Title IV-E	Reimbursement for Child Care Facilities	Materially Corrected
WI-09-25	93.658	Foster Care—Title IV-E	Communication and Monitoring Related to Foster Care Program Funds Administered by the University of Wisconsin-Milwaukee	Corrective Action Taken
WI-09-28 WI-08-9 WI-07-4 WI-06-3	93.658	Foster Care—Title IV-E	Federal Reporting and Claiming of Expenditures	Materially Corrected
WI-09-28 WI-08-9 WI-07-4 WI-06-3	93.659	Adoption Assistance	Federal Reporting and Claiming of Expenditures	Materially Corrected

NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE PROGRAMS

Statewide Issues

Finding Number	Federal Program	Finding	Status of Finding
WI-09-1	Multiple Programs	Lapses from Internal Service Funds	Partially Corrected, see page 17

University of Wisconsin System Administration

Finding Number	Federal Program	Finding	Status of Finding
WI-09-7	Multiple Programs	Preparation of UW System Grant Schedules	Partially Corrected, see page 44

University of Wisconsin-Madison

Finding Number	Federal Program	Finding	Status of Finding
WI-09-8	Research and Development Cluster	Equipment Management	Not Corrected, see page 47

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State of Wisconsin Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2010 ■

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, 2010, the State of Wisconsin administered $15.5 billion in federal financial assistance, consisting of $14.3 billion in cash assistance, $1.0 billion in noncash assistance, and $187.2 million in outstanding loan balances, as presented in the schedule and as described in Note 2 to the schedule.

As summarized on page 124, 27 state agencies, including the University of Wisconsin System, administered federal awards during FY 2009-10. We selected 31 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 155;

2) the research and development (R&D) cluster, presented on pages 156 through 184; and

3) the student financial assistance (SFA) cluster, presented on pages 185 through 187.

As required by 74 Fed. Reg. 18463 (April 23, 2009), the Schedule of Expenditures of Federal Awards uses the prefix "ARRA-" proceeding the program name to identify financial assistance received under the American Recovery and Reinvestment Act of 2009.

SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY WISCONSIN STATE AGENCY OR CAMPUS
FOR THE YEAR ENDED JUNE 30, 2010

	STATE AGENCY OR CAMPUS	INDIVIDUAL PROGRAMS AND OTHER CLUSTERS	RESEARCH AND DEVELOPMENT CLUSTER	STUDENT FINANCIAL AID CLUSTER	TOTAL
1	Department of Health Services	$ 6,227,963,412	$ 0	$ 0	$ 6,227,963,412
2	Department of Workforce Development	3,675,245,139	0	0	3,675,245,139
3	Department of Public Instruction	1,151,400,665	0	0	1,151,400,665
4	Department of Transportation	1,119,877,679	0	0	1,119,877,679
5	Department of Children and Families	612,975,426	0	0	612,975,426
6	Department of Administration	281,130,759	0	0	281,130,759
7	Department of Natural Resources	223,307,674	0	0	223,307,674
8	Department of Commerce	95,039,826	0	0	95,039,826
9	Department of Revenue	76,139,100	0	0	76,139,100
10	Department of Military Affairs	69,054,902	0	0	69,054,902
11	Department of Veterans Affairs	31,641,021	0	0	31,641,021
12	Wisconsin Technical College System Board	31,273,086	0	0	31,273,086
13	Department of Agriculture, Trade and Consumer Protection	15,742,809	0	0	15,742,809
14	Department of Corrections	15,373,929	0	0	15,373,929
15	Department of Justice	15,254,719	0	0	15,254,719
16	Government Accountability Board	3,001,162	0	0	3,001,162
17	Higher Educational Aids Board	1,773,737	0	0	1,773,737
18	Board for People with Developmental Disabilties	1,319,715	0	0	1,319,715
19	Wisconsin Arts Board	1,187,738	0	0	1,187,738
20	Wisconsin Historical Society	971,865	0	0	971,865
21	Public Service Commission	949,833	0	0	949,833
22	Child Abuse and Neglect Prevention Board	847,955	0	0	847,955
23	Educational Communications Board	292,969	0	0	292,969
24	Board of Commissioners of Public Lands	39,330	0	0	39,330
25	Department of Regulation and Licencing	2,064	0	0	2,064
26	Board on Aging and Long-Term Care	0	0	0	0
	Total State Agencies	13,651,806,514	0	0	13,651,806,514
	UW-Madison	44,562,943	545,150,326	273,442,739	863,156,008
	UW-Milwaukee	10,593,648	24,630,998	205,301,746	240,526,392
	UW-Eau Claire	2,223,527	1,259,539	68,455,869	71,938,935
	UW-Green Bay	1,112,170	1,034,960	38,707,669	40,854,799
	UW-La Crosse	1,634,037	2,310,577	56,106,450	60,051,064
	UW-Oshkosh	6,805,154	976,759	77,477,611	85,259,524
	UW-Parkside	1,878,014	248,351	34,148,671	36,275,036
	UW-Platteville	1,107,524	0	49,031,500	50,139,024
	UW-River Falls	2,027,518	127,009	44,781,115	46,935,642
	UW-Stevens Point	3,627,367	4,104,067	68,999,344	76,730,778
	UW-Stout	3,493,214	153,948	67,679,155	71,326,317
	UW-Superior	1,031,123	5,179,199	21,126,421	27,336,743
	UW-Whitewater	2,472,355	429,238	74,127,908	77,029,501
	UW Colleges	3,271,495	119,241	45,629,833	49,020,569
	UW-Extension	13,322,974	0	0	13,322,974
	UW System Administration	633,116	130,625	0	763,741
	Wisconsin Humanities Council	529,420	0	0	529,420
	Total UW System	100,325,599	585,854,837	1,125,016,031	1,811,196,467
	TOTAL STATE OF WISCONSIN	**$ 13,752,132,113**	**$ 585,854,837**	**$ 1,125,016,031**	**$ 15,463,002,981**

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:					
		Other Federal Financial Assistance:			
N/A	07.xIPMLP	High Intensity Drug Trafficking Area	DOJ	$ 278,933	$ 0
		TOTAL U.S. OFFICE OF NATIONAL DRUG CONTROL POLICY		278,933	0
U.S. DEPARTMENT OF AGRICULTURE:					
10.025		Plant and Animal Disease, Pest Control, and Animal Care	DNR	948,869	0
10.025		Plant and Animal Disease, Pest Control, and Animal Care	DATCP	5,710,497	0
		Total Federal Program 10.025		6,659,366	0
10.086		ARRA-Aquaculture Grants Program (AGP)	DATCP	27,178	27,178
10.156		Federal-State Marketing Improvement Program	DATCP	754,628	634,068
10.162		Inspection Grading and Standardization	DATCP	25,475	0
10.163		Market Protection and Promotion	DATCP	841,175	0
10.169		Specialty Crop Block Grant Program	DATCP	118,311	108,128
10.170		Specialty Crop Block Grant Program - Farm Bill	DATCP	209,865	176,099
10.200		Grants for Agricultural Research, Special Research Grants	UW-Stevens Point	511,691	3,613
10.215		Sustainable Agriculture Research and Education	DATCP	9,466	0
10.217		Higher Education Challenge Grants	UW-Madison	44,558	0
10.217		Higher Education Challenge Grants (from UW-Madison)	UW-Green Bay	8,421	0
10.217		Higher Education Challenge Grants	UW-River Falls	149,604	78,559
10.217		Higher Education Challenge Grants (from UW-Madison)	UW-Stevens Point	1,053	0
10.217		Higher Education Challenge Grants (from UW-River Falls)	UW-Stevens Point	(380)	0
10.217		Higher Education Challenge Grants (from UW-Madison)	UW-Stout	11,782	0
		Total Federal Program 10.217		215,038	78,559
10.220		Higher Education Multicultural Scholars Program	UW-River Falls	5,632	0
10.303		Integrated Programs (from UW-Extension)	UW-Madison	8,201	0
10.303		Integrated Programs	UW-Extension	797,290	256,568
		Total Federal Program 10.303		805,491	256,568
10.304		Homeland Security-Agricultural	UW-Madison	271,885	0
10.305		International Science and Education Grants	UW-Madison	25,204	0
10.352		Value-Added Producer Grants	DATCP	360,960	258,036
10.435		State Mediation Grants	DATCP	201,256	0
10.455		Community Outreach and Assistance Partnership Program	DATCP	130,264	29,745
10.459		Commodity Partnerships for Small Agriculture Risk Management Education Sessions	UW-Madison	11,388	0
10.459		Commodity Partnerships for Small Agriculture Risk Management Education Sessions	UW-River Falls	29,983	0
		Total Federal Program 10.459		41,371	0
10.475		Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	DATCP	4,015,083	0
10.500		Cooperative Extension Service	UW-Madison	1,064,836	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-Madison	395,367	23,287
10.500		Cooperative Extension Service	UW-Platteville	185,439	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-Platteville	6,703	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-Stevens Point	74,564	0
10.500		Cooperative Extension Service	UW-Stout	86,400	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-Stout	131,263	0
10.500		Cooperative Extension Service	UW-Extension	9,873,646	755,619
		Total Federal Program 10.500		11,818,218	778,906
		SNAP Cluster:			
10.551		Supplemental Nutrition Assistance Program (Notes 2, 5, 20)	DHS	923,742,546	0
10.561		State Administrative Matching Grants for Supplemental Nutrition Assistance Program (Note 2)	DHS	45,856,713	30,843,114

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
10.561		ARRA-State Administrative Matching Grants for Supplemental Nutrition Assistance Program (Note 2)	DHS	2,313,000	2,313,000
10.561	10.34;09-44;09-45	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Note 2) (from UW-Extension)	UW-Madison	37,052	0
		Total SNAP Cluster		971,949,311	33,156,114
		Child Nutrition Cluster:			
10.553		School Breakfast Program (Note 2)	DPI	34,011,637	34,011,637
10.555		National School Lunch Program (Notes 2, 6)	DPI	163,113,471	163,113,471
10.556		Special Milk Program for Children (Note 2)	DPI	1,077,212	1,077,212
10.559		Summer Food Service Program for Children (Notes 2, 6)	DPI	5,236,266	5,107,845
		Total Child Nutrition Cluster		203,438,586	203,310,165
10.557		Special Supplemental Nutrition Program for Women, Infants, and Children (Note 7)	DHS	89,868,897	23,007,506
10.558		Child and Adult Care Food Program (Note 2)	DPI	40,346,598	39,928,702
10.560		State Administrative Expenses for Child Nutrition	DPI	2,633,865	0
10.565		Commodity Supplemental Food Program	DHS	464,103	426,399
		Emergency Food Assistance Cluster:			
10.568		Emergency Food Assistance Program (Administrative Costs) (Note 2)	DHS	1,292,586	1,233,389
10.568		ARRA-Emergency Food Assistance Program (Administrative Costs) (Note 2)	DHS	563,100	563,100
10.569		Emergency Food Assistance Program (Food Commodities) (Notes 2, 6, 21)	DHS	11,223,004	11,223,004
		Total Emergency Food Assistance Cluster		13,078,690	13,019,493
10.572		WIC Farmers' Market Nutrition Program	DHS	134,871	14,102
10.574		Team Nutrition Grants	DPI	167,964	9,839
10.576		Senior Farmers Market Nutrition Program	DHS	312,713	0
10.578		ARRA-WIC Grants to States (WGS)	DHS	252,186	0
10.579		Child Nutrition Discretionary Grants Limited Availability	DPI	188,226	0
10.579		ARRA-Child Nutrition Discretionary Grants Limited Availability	DPI	1,285,706	1,285,706
		Total Federal Program 10.579		1,473,932	1,285,706
10.580		Supplemental Nutrition Assistance Program, Outreach/Participation Program	DHS	41,226	0
10.582		Fresh Fruit and Vegetable Program (Note 6)	DPI	1,748,574	1,704,450
10.652		Forestry Research	DNR	159,940	0
10.652		Forestry Research	UW-Stevens Point	5,025	0
		Total Federal Program 10.652		164,965	0
10.664		Cooperative Forestry Assistance	DATCP	1,075,353	0
10.664		Cooperative Forestry Assistance	DNR	2,274,247	546,786
		Total Federal Program 10.664		3,349,600	546,786
		Schools and Roads Cluster:			
10.665		Schools and Roads-Grants to States	DNR	2,744,048	2,744,048
		Total Schools and Roads Cluster		2,744,048	2,744,048
10.675		Urban and Community Forest Program	DNR	244,515	244,204
10.676		Forest Legacy Program	DNR	45,955	0
10.678		Forest Stewardship Program	DNR	256,107	0
10.680		Forest Health Protection	DNR	249,465	0
10.769		Rural Business Enterprise Grants	UW-Stout	7,248	0
10.901		Resource Conservation and Development	DATCP	530,416	459,697
10.902		Soil and Water Conservation	DNR	(25,822)	0
10.902		Soil and Water Conservation	UW-Extension	333,875	0
		Total Federal Program 10.902		308,053	0
10.912		Environmental Quality Incentives Program	DATCP	24,538	0
10.913		Farm and Ranch Lands Protection Program	DNR	623,250	0
10.914		Wildlife Habitat Incentive Program	DNR	195,432	0
10.950		Agricultural Statistics Reports	DATCP	97,650	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
10.960		Technical Agricultural Assistance	UW-Madison	60	0
10.960		Technical Agricultural Assistance	UW-Extension	111,401	0
		Total Federal Program 10.960		111,461	0
		Other Federal Financial Assistance:			
N/A	10.AG56A2P090150	Spruce Grouse	DNR	8,879	0
N/A	10.20-29	Emerald Ash Borer Education (from UW-Extension)	UW-Madison	4,412	0
N/A	10.Loan #05	Green Affordable Housing	UW-Madison	46,705	0
N/A	10.08-CS-11091304-064	School Yard Habitats Across Wisconsin-Sowing The Seeds of Environmental Literacy and Stewardship	UW-Madison	5,702	0
N/A	10.09-07: 09-02	Urban Horticulture (from UW-Extension)	UW-Madison	35,056	0
N/A	10.Fund 199	Veterinary Diagnostic Lab	UW-Madison	97,065	0
N/A	10.09-CS-11091318-013	Challenge Northern Great Lakes Visitor Center (NGLVC) Sustainability Project	UW-Extension	2,754	0
		Subtotal Direct Programs		1,362,112,349	322,208,111
		Subgrants:			
10.200	10.Q4089042112	Grants for Agricultural Research, Special Research Grants (from University of Minnesota)	UW-Madison	(75)	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	(839)	0
10.206	10.Q6286224301	Grants for Agricultural Research-Competitive Research Grants (from University of Minnesota)	UW-Madison	1,362	0
10.206	10.G-1595-2	Grants for Agricultural Research-Competitive Research Grants (from Colorado State University)	UW-Extension	85,288	0
10.226		Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants (from Chippewa Valley Technical College)	UW-River Falls	4,945	0
10.226		Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants (from Fox Valley Technical College)	UW-River Falls	11,079	0
10.303	10.G-1483-6	Integrated Programs (from Colorado State University)	UW-Extension	5,529	0
10.303	10.591-0758-01	Integrated Programs (from Purdue University)	UW-Extension	57,377	0
10.303	10.022105/0541; 101408/1927	Integrated Programs (from University of Rhode Island)	UW-Extension	65,796	0
10.500		Cooperative Extension Service (from University of Nebraska)	UW-River Falls	11,008	0
10.500		Cooperative Extension Service (from Kansas State University)	UW-Extension	113,519	0
10.500	10.S10175; S10097; S09170	Cooperative Extension Service (from National 4-H Council)	UW-Extension	52,389	0
10.500		Cooperative Extension Service (from University of Wyoming)	UW-Extension	4,949	0
N/A	10.P514834	UV-B Monitoring (from Colorado State University)	DNR	5,000	0
		Subtotal Subgrants		417,327	0
		TOTAL U.S. DEPARTMENT OF AGRICULTURE		1,362,529,676	322,208,111
U.S. DEPARTMENT OF COMMERCE:					
11.303		Economic Development-Technical Assistance	UW-Stout	219,072	0
		Public Works and Economic Development Cluster:			
11.307		Economic Adjustment Assistance	Commerce	213,479	0
		Total Public Works and Economic Development Cluster		213,479	0
11.400		Geodetic Surveys and Services	DOT	1,828,736	0
11.407		Interjurisdictional Fisheries Act of 1986	DNR	30,018	0
11.417		Sea Grant Support	UW-Madison	54,309	0
11.419		Coastal Zone Management Administration Awards	DOA	2,292,193	1,811,446
11.419		Coastal Zone Management Administration Awards	UW-Parkside	793	0
		Total Federal Program 11.419		2,292,986	1,811,446
11.420		Coastal Zone Management Estuarine Research Reserves	DOA	48,041	48,041
11.431		Climate and Atmospheric Research	UW-Madison	79,137	7,090
11.473		Coastal Services Center	UW-Madison	13,502	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
11.550		Public Telecommunications Facilities Planning and Construction	ECB	292,969	0
11.550		Public Telecommunications Facilities Planning and Construction	UW-Extension	1,875	0
		Total Federal Program 11.550		294,844	0
11.555		Public Safety Interoperable Communications Grant Program	DOA	4,529,398	4,245,987
11.557		ARRA-Broadband Technology Opportunities Program (BTOP)	PSC	440,319	0
11.609		Measurement and Engineering Research and Standards	UW-Stout	4,500	0
11.611		Manufacturing Extension Partnership	UW-Stout	636,007	0
		Subtotal Direct Programs		10,684,348	6,112,564
		Subgrants:			
11.307		Economic Adjustment Assistance (from Gateway Technical College)	UW-Whitewater	5,767	0
11.307		Economic Adjustment Assistance (from Thrive, Inc.)	UW-Extension	17,689	0
11.469	11.CURRICULUM-WBBE-469-10-1	Congressionally Identified Awards and Projects (from State of Alabama)	UW-Milwaukee	2,171	0
11.611		Manufacturing Extension Partnership (from Wisconsin Center for Manufacturing and Productivity, Inc.)	UW-Stout	85,064	0
		Subtotal Subgrants		110,691	0
		TOTAL U.S. DEPARTMENT OF COMMERCE		10,795,039	6,112,564
U.S. DEPARTMENT OF DEFENSE:					
12.106		Flood Control Projects	Public Lands	39,330	39,330
12.113		State Memorandum of Agreement Program for the Reimbursement of Technical Services	DNR	126,732	0
12.400		Military Construction, National Guard	DMA	8,505,040	0
12.401		National Guard Military Operations and Maintenance (O&M) Projects (Note 2)	DMA	33,183,104	0
12.401		ARRA-National Guard Military Operations and Maintenance (O&M) Projects (Note 2)	DMA	6,172,483	0
12.401		National Guard Military Operations and Maintenance (O&M) Projects (Note 2)	DVA	144,271	0
		Total Federal Program 12.401		39,499,858	0
12.404		National Guard Civilian Youth Opportunities	DMA	2,481,916	0
12.420	12.W81XWH-06-1-07	Military Medical Research and Development	UW-Madison	3,975	0
		Subtotal Direct Programs		50,656,851	39,330
		Subgrants:			
12.902		Information Security Grant Program (from Institute of International Education)	UW-Madison	40,322	0
N/A	12.0006107-3000006107	African Languages Flagship (from Howard University)	UW-Madison	206,911	0
N/A	12.AGR dtd 12/18/09	Nanomembrane Integrated Lasers on Silicon (from Semerane)	UW-Madison	23,260	0
N/A	12.W911NF 04-1-0001	Junior Science Humanities Symposium (JSHS) (from Academy of Applied Science)	UW-La Crosse	8,575	0
N/A	12.OPM-02-07-00008/S2LG9SC421	TIP 2009 Trafficking in Persons Course Maintenance (from SERCO Services)	UW System Admin	184,290	0
N/A	12.W900KK-2-0002	Trafficking in Persons (TIP) Maintenance and Development (from Joint Advanced Distributed Learning Co-Laboratory)	UW System Admin	(1,899)	0
		Subtotal Subgrants		461,459	0
		TOTAL U.S. DEPARTMENT OF DEFENSE		51,118,310	39,330
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
14.171		Manufactured Home Construction and Safety Standards	Commerce	76,566	0
		CDBG-State-Administered Small Cities Program Cluster:			
14.228		Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (Notes 2, 8)	Commerce	65,777,877	64,027,157

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
14.228		Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (Note 2) (from UW-Extension)	UW-Madison	(291)	0
14.255		ARRA-Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (Note 2)	Commerce	1,416,524	1,379,365
		Total CDBG-State-Administered Small Cities Program Cluster		67,194,110	65,406,522
14.231		Emergency Shelter Grants Program	Commerce	2,274,248	2,187,450
14.235		Supportive Housing Program	Commerce	1,198,313	782,200
14.239		Home Investment Partnerships Program	Commerce	12,156,580	11,626,212
14.241		Housing Opportunities for Persons with AIDS	Commerce	443,606	431,804
14.257		ARRA-Homelessness Prevention and Rapid Re-Housing Program (Recovery Act) (Note 2)	Commerce	9,130,271	9,064,739
14.905		Lead Hazard Reduction Demonstration Grant Program	Commerce	211,172	164,204
14.905		Lead Hazard Reduction Demonstration Grant Program	DHS	84,061	71,541
		Total Federal Program 14.905		295,233	235,745
		Lead Hazard Control Cluster:			
14.908		ARRA-Healthy Homes Demonstration Grants (Recovery Act Funded)	DHS	189,597	179,011
		Total Lead Hazard Control Cluster		189,597	179,011
		Other Federal Financial Assistance:			
N/A	14.B-06-NI-WI-48	UW-Marathon County (MTH) Community Theater Project	UW Colleges	1,974,369	0
		Subtotal Direct Programs		94,932,893	89,913,683
		Subgrants:			
14.218	14.AGR dtd 1/2/02	Community Development Block Grants/Entitlement Grants (from Waukesha County)	UW-Extension	132,772	0
		Subtotal Subgrants		132,772	0
		TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		95,065,665	89,913,683
U.S. DEPARTMENT OF THE INTERIOR:					
15.226		Payments in Lieu of Taxes	DNR	1,355,170	1,355,170
		Fish and Wildlife Cluster:			
15.605		Sport Fish Restoration Program	DNR	12,944,413	238,310
15.611		Wildlife Restoration	DNR	10,001,152	0
15.611		Wildlife Restoration (from UW-La Crosse)	UW-Stout	2,422	0
		Total Fish and Wildlife Cluster		22,947,987	238,310
15.608		Fish and Wildlife Management Assistance	DNR	163,674	0
15.608		Fish and Wildlife Management Assistance	DOT	100,000	0
		Total Federal Program 15.608		263,674	0
15.614		Coastal Wetlands Planning, Protection and Restoration Act	DNR	1,151,900	0
15.615		Cooperative Endangered Species Conservation Fund	DNR	1,629,697	0
15.616		Clean Vessel Act	DNR	3,144	0
15.623		North American Wetlands Conservation Fund	DNR	1,177,562	0
15.633		Landowner Incentive Program	DNR	225,163	0
15.634		State Wildlife Grants	DNR	1,477,198	0
15.637		Migratory Bird Joint Ventures	DNR	13,862	0
15.642		Challenge Cost Share	DNR	36,547	0
15.647		Migratory Bird Conservation	DNR	2,364	0
15.649		Service Training and Technical Assistance (Generic Training)	UW-Stevens Point	10,076	0
15.655		Migratory Bird Monitoring, Assessment and Conservation	DNR	20,380	0
15.656		ARRA-Habitat Enhancement, Restoration and Improvement	DNR	16,800	0
15.808		U.S. Geological Survey-Research and Data Collection	DNR	46,192	0
15.808		U.S. Geological Survey-Research and Data Collection	DOA	12,746	0
15.808		U.S. Geological Survey-Research and Data Collection	UW-Madison	196,227	0
		Total Federal Program 15.808		255,165	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
15.810	15.08HQAG0019, G09AC00167	National Cooperative Geologic Mapping Program	UW-Extension	191,635	0
15.814	15.08HQGR0128	National Geological and Geophysical Data Preservation Program	UW-Extension	21,993	0
15.904		Historic Preservation Fund Grants-In-Aid	WHS	871,597	0
15.916		Outdoor Recreation-Acquisition, Development and Planning	DNR	681,802	182,500
15.929		Save America's Treasures	WHS	67,877	0
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	DNR	551,374	0
		Other Federal Financial Assistance:			
N/A	15.982109M725	Bald Eagle Survey	DNR	8,000	0
N/A	15.08AGF50050013 RR	Bureau Of Indian Affairs Ready Reserve	DNR	66,013	0
N/A	15.30181AG009	Chippewa Prairie Wetland Restoration	DNR	13,132	0
N/A	15.301818T026	Crystal Darter	DNR	2,500	0
N/A	15.30181-5-J164	Dune Thistle/Lake Iris	DNR	13,295	0
N/A	15.H2105060028	Evaluate Mercury Exposure in Bald Eagles-Apostle Islands	DNR	54,445	0
N/A	15.H6280070001	Ice Age National Scientific Reserve	DNR	1,358,706	0
N/A	15.30182-3-J24	Population Monitoring Upper Mississippi	DNR	2,225	0
N/A	15.301819T054	USF&WS GB Office Task 1-7	DNR	12,298	0
N/A	15.PAA 05 7046	"Holding onto the Green Zone" Toolkit Development: Publication and Distribution Activities	UW-Madison	5,837	0
N/A	15.617	Wildlife Conservation and Appreciation	UW-Stevens Point	1,835	0
		TOTAL U.S. DEPARTMENT OF THE INTERIOR		34,511,253	1,775,980
U.S. DEPARTMENT OF JUSTICE:					
16.000		State Forfeiture Sharing	DOJ	843,242	(6,958)
16.000		State Forfeiture Sharing	DOT	33,683	0
		Total Federal Program 16.000		876,925	(6,958)
16.017		Sexual Assault Services Formula Program	DOA	7,023	0
16.202		Prisoner Reentry Initiative Demonstration (Offender Reentry)	DOC	600,730	0
16.523		Juvenile Accountability Block Grants	DOA	1,213,789	1,092,283
16.525		Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	UW-Madison	100,094	5,817
16.525		Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	UW-La Crosse	12	0
16.525		Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	UW-Stout	44,987	0
		Total Federal Program 16.525		145,093	5,817
16.540		Juvenile Justice and Delinquency Prevention-Allocation to States	DOA	938,068	628,084
16.541		Part E - Developing, Testing and Demonstrating Promising New Programs	DOA	649	0
16.543		Missing Children's Assistance	DOJ	402,699	0
16.548		Title V-Delinquency Prevention Program	DOA	3,595	0
16.550		State Justice Statistics Program for Statistical Analysis Centers	DOA	65,631	0
16.554		National Criminal History Improvement Program (NCHIP)	DOA	132,074	111,146
16.560		National Institute of Justice Research, Evaluation, and Development Project Grants	DOJ	969,846	177,238
16.575		Crime Victim Assistance	DOJ	7,960,195	7,730,034
16.576		Crime Victim Compensation	DOJ	1,012,614	0
16.580		Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	DOA	119,013	0
16.580		Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	DOC	274,142	0
16.580		Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	DOJ	189,959	65,656
		Total Federal Program 16.580		583,114	65,656
16.588		Violence Against Women Formula Grants	DOA	2,102,331	1,755,301
16.588		ARRA-Violence Against Women Formula Grants	DOA	753,646	510,461
16.588		ARRA-Violence Against Women Formula Grants	DOJ	36,667	0
		Total Federal Program 16.588		2,892,644	2,265,762

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
16.589		Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	DOA	295,069	273,648
16.590		The Community-Defined Solutions to Violence Against Women Grant Program	DOA	391,352	201,893
16.593		Residential Substance Abuse Treatment for State Prisoners	DOA	214,456	208,218
16.606		State Criminal Alien Assistance Program	DOC	1,818,590	0
16.607		Bulletproof Vest Partnership Program	DOT	9,860	9,774
16.609		Project Safe Neighborhoods	DOA	231,269	211,937
16.710		Public Safety Partnership and Community Policing Grants	DOA	98,764	0
16.710		Public Safety Partnership and Community Policing Grants	DOJ	429,314	93,233
		Total Federal Program 16.710		528,078	93,233
16.727		Enforcing Underage Drinking Laws Program	DOT	444,869	425,714
16.727		Enforcing Underage Drinking Laws Program	UW-Madison	38,261	0
		Total Federal Program 16.727		483,130	425,714
16.735		Protecting Inmates and Safeguarding Communities Discretionary Grant Program	DOC	2,692	0
16.738		Edward Byrne Memorial Justice Assistance Grant Program	DOA	2,989,480	2,173,919
16.740		Statewide Automated Victim Information Notification (SAVIN) Program	DOC	244,936	0
16.744		Anti-Gang Initiative	DOA	720,214	667,054
16.744		Anti-Gang Initiative	DOJ	2,290	0
		Total Federal Program 16.744		722,504	667,054
16.750		Support for Adam Walsh Act Implementation Grant Program	DOA	51,657	0
16.750		Support for Adam Walsh Act Implementation Grant Program	DOC	56,959	0
		Total Federal Program 16.750		108,616	0
16.753		Congressionally Recommended Awards	DOA	448,841	448,841
16.753		Congressionally Recommended Awards	UW-Milwaukee	30,625	0
		Total Federal Program 16.753		479,466	448,841
16.803		ARRA-Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	DOA	1,801,969	1,246,010
16.803		ARRA-Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	DOJ	489,085	0
		Total Federal Program 16.803		2,291,054	1,246,010
16.808		ARRA-Recovery Act - Edward Byrne Memorial Competitive Grant Program	UW-Parkside	102,023	696
16.812		Second Chance Act Prisoner Reentry Initiative	DOC	78,261	0
		Other Federal Financial Assistance:			
N/A	16.2004-105; 2003-99	Domestic Cannabis Eradication/Suppression Program	DOJ	370,537	165,602
N/A	16.GL-WIE-0109	Drug Enforcement Administration-State and Local Task Force Agreement	DOJ	16,571	0
N/A	16.GL-WIE-051	Organized Crime Drug Enforcement Task Force	DOJ	20,478	0
		Subtotal Direct Programs		29,203,111	18,195,601
		Subgrants:			
16.560		National Institute of Justice Research, Evaluation, and Developmental Project Grants (from Ames Laboratory)	DOJ	2,590	0
16.590		The Community-Defined Solutions to Violence Against Women Grant Program (from Milwaukee County)	DOC	79,801	0
N/A	16.AGR DTD 9/13/99	Victim Witness Advocate Project (from Racine County)	UW-Parkside	1,477	0
		Subtotal Subgrants		83,868	0
		TOTAL U.S. DEPARTMENT OF JUSTICE		29,286,979	18,195,601

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 LABOR:					
17.002		Labor Force Statistics	DWD	1,703,681	0
17.005		Compensation and Working Conditions	UW-Madison	97,136	0
		Employment Services Cluster:			
17.207		Employment Service/Wagner-Peyser Funded Activities	DWD	12,489,915	0
17.207		ARRA-Employment Service/Wagner-Peyser Funded Activities	DWD	4,255,498	0
17.801		Disabled Veterans' Outreach Program (DVOP)	DWD	1,835,563	0
17.804		Local Veterans' Employment Representative Program	DWD	1,485,325	0
		Total Employment Services Cluster		20,066,301	0
17.225		Unemployment Insurance (Notes 2, 9)	DWD	1,779,452,531	0
17.225		ARRA-Unemployment Insurance (Notes 2, 9)	DWD	1,718,735,692	0
		Total Federal Program 17.225		3,498,188,223	0
17.235		Senior Community Service Employment Program	DHS	3,146,516	3,002,595
17.235		ARRA-Senior Community Service Employment Program	DHS	585,546	583,477
		Total Federal Program 17.235		3,732,062	3,586,072
17.245		Trade Adjustment Assistance	DWD	24,055,622	0
		WIA Cluster:			
17.258		WIA Adult Program (Note 2)	DWD	8,595,367	7,889,077
17.258		ARRA-WIA Adult Program (Note 2)	DWD	3,742,245	3,730,698
17.259		ARRA-WIA Youth Activities (Note 2)	DNR	10,534	0
17.259		WIA Youth Activities (Note 2)	DWD	9,204,225	8,362,110
17.259		ARRA-WIA Youth Activities (Note 2)	DWD	10,293,172	10,263,150
17.259		WIA Youth Activities (Note 2)	UW-Oshkosh	128,451	0
17.260		WIA Dislocated Workers (Note 2)	DWD	19,844,152	17,988,334
17.260		ARRA-WIA Dislocated Workers (Note 2)	DWD	13,798,538	13,657,347
		Total WIA Cluster		65,616,684	61,890,716
17.266		Work Incentives Grants	DWD	613,253	506,518
17.268		H-1B Job Training Grants	DATCP	48,645	0
17.268		H-1B Job Training Grants	DWD	6,653,377	6,616,886
		Total Federal Program 17.268		6,702,022	6,616,886
17.270		Reintegration of Ex-Offenders	DOC	46,207	0
17.271		Work Opportunity Tax Credit Program (WOTC)	DWD	310,473	0
17.273		Temporary Labor Certification for Foreign Workers	DWD	103,138	0
17.275		ARRA-Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	DWD	1,406	0
17.504		Consultation Agreements	UW-Madison	3,823,311	0
17.505		OSHA Data Initiative	UW-Madison	62,943	0
17.600		Mine Health and Safety Grants	Commerce	192,532	0
		Other Federal Financial Assistance:			
N/A	17.UNKNOWN	Technical Assistance and Training (Reachout M3)	DWD	8,000	0
		Subtotal Direct Programs		3,625,322,994	72,600,192
		Subgrants:			
17.258		WIA Adult Program (Note 2) (from Northwest WI Workforce Investment Board)	UW-Stout	19,971	0
17.258		WIA Adult Program (Note 2) (from Southwest Wisconsin Workforce Development Board)	UW-Whitewater	61,459	0
17.259		WIA Youth Activities (Note 2) (from Milwaukee Area Workforce Investment Board)	UW-River Falls	42,619	0
17.268	17.WIRED-EXP-09-RI-20;TI-09-PPCOMPSTUDY 101	H-1B Job Training Grants (from Waukesha Ozaukee Washington Workforce Development)	UW-Milwaukee	72,712	0
17.281		Workforce Investment Act (WIA) Dislocated Worker National Reserve Technical Assistance and Training (from Kenosha County Workforce Development Center-Area Management)	UW-Parkside	230	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
17.281		Workforce Investment Act (WIA) Dislocated Worker National Reserve Technical Assistance and Training (from Racine County Workforce Development Center)	UW-Parkside	159,856	0
.		Subtotal Subgrants		356,847	0
		TOTAL U.S. DEPARTMENT OF LABOR		3,625,679,841	72,600,192
U.S. DEPARTMENT OF STATE:					
		Other Federal Financial Assistance:			
N/A	19.S-ECAPE-09-GR-132 (MJ)	Young Entrepreneurs Program	UW-Green Bay	91,473	0
N/A	19.AGR SIGNED 9/28/10	Global Undergraduate Exchange Program in Eurasia and Central Asia	UW Colleges	40,136	0
		Subtotal Direct Programs		131,609	0
		Subgrants:			
19.009		Academic Exchange Programs - Undergraduate Programs (from International Research and Exchange Board (IREX))	UW-La Crosse	15,081	0
19.011		Academic Exchange Programs - Special Academic Exchange Programs (from International Research and Exchange Board (IREX))	UW-La Crosse	5,982	0
N/A	19.AGR 062209	ACLS Language Training Grant (from American Council of Learned Societies)	UW-Madison	7,834	0
N/A	19.S-ECAPY-08-GR-196(MA)	National Security Language Initiative (from American Councils for International Education)	UW-Green Bay	72,355	0
		Subtotal Subgrants		101,252	0
		TOTAL U.S. DEPARTMENT OF STATE		232,861	0
U.S. DEPARTMENT OF TRANSPORTATION:					
20.106		Airport Improvement Program (Note 2)	DOT	71,731,438	14,579,423
20.106		ARRA-Airport Improvement Program (Note 2)	DOT	16,111,675	6,464,566
		Total Federal Program 20.106		87,843,113	21,043,989
		Highway Planning and Construction Cluster:			
20.205		Highway Planning and Construction (Notes 2, 10, 11)	DOT	663,213,391	6,014,197
20.205		ARRA-Highway Planning and Construction (Notes 2, 10, 11)	DOT	313,292,370	28,727
20.219		Recreational Trails Program (Note 2)	DNR	1,390,261	654,758
20.219		Recreational Trails Program (Note 2)	DOT	132,463	2,191
		Total Highway Planning and Construction Cluster		978,028,485	6,699,873
20.218		National Motor Carrier Safety	DOT	4,571,385	0
20.231		Performance and Registration Information Systems Management	DOT	285,184	0
20.232		Commercial Driver License State Programs	DOT	1,071,817	384,970
20.312		High Speed Ground Transportation-Next Generation High Speed Rail Program	DOT	3,449,225	0
		Federal Transit Cluster:			
20.500		Federal Transit-Capital Investment Grants	DOT	7,917,426	7,776,452
20.507		Federal Transit-Formula Grants	DOT	1,340,231	871,291
		Total Federal Transit Cluster		9,257,657	8,647,743
20.509		Formula Grants for Other Than Urbanized Areas (Note 2)	DOT	10,647,607	9,922,991
20.509		ARRA-Formula Grants for Other Than Urbanized Areas (Note 2)	DOT	4,896,321	4,896,321
		Total Federal Program 20.509		15,543,928	14,819,312
		Transit Services Programs Cluster:			
20.513		Capital Assistance Program for Elderly Persons and Persons with Disabilities	DOT	2,585,455	0
20.516		Job Access-Reverse Commute	DOT	3,818,258	975,580
		Total Transit Services Programs Cluster		6,403,713	975,580
20.514		Public Transportation Research	DOT	1,937,621	1,937,621
20.515		State Planning and Research	DOT	118,063	98,601

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		Highway Safety Cluster:			
20.600		State and Community Highway Safety	DOT	3,651,379	1,352,039
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I	DOJ	134,334	0
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I	DOT	2,765,111	1,875,421
20.601	20.0938-41-29	Alcohol Impaired Driving Countermeasures Incentive Grants I (from UW-System Administration)	UW-Eau Claire	5,950	0
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I (from UW System Admin)	UW-Green Bay	3,226	0
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I (from UW System Admin)	UW-Oshkosh	5,438	0
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I	UW-River Falls	6,725	0
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I (from UW System Admin)	UW-Stout	3,623	0
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I	UW-Superior	9,922	0
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I (from UW System Admin)	UW-Whitewater	4,250	0
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I (from UW System Admin)	UW Colleges	2,713	0
20.602		Occupant Protection	DOT	1,943,778	593,270
20.610		State Traffic Safety Information System Improvement Grants	DOT	755,368	731,304
20.612		Incentive Grant Program to Increase Motorcyclist Safety	DOT	162,820	0
20.613		Child Safety and Child Booster Seats Incentive Grants	DOT	246,565	105,546
		Total Highway Safety Cluster		9,701,202	4,657,580
20.700		Pipeline Safety Program Base Grants	PSC	488,172	0
20.703		Interagency Hazardous Materials Public Sector Training and Planning Grants	DMA	329,425	230,955
		Other Federal Financial Assistance:			
N/A	20.DDEGRD-07-X-00454	Dwight David Eisenhower Transportation Program	UW-Madison	(1,074)	0
N/A	20.IPAA-2009-0002	USDOT Visiting Scholar - Housing Allowances	UW-Madison	35,300	0
N/A	20.AGR dtd 10/1/08	Consortium, Midwest Regional University Transportation Center (MRUTC) (from UW-Madison)	UW-Superior	77,847	0
		TOTAL U.S. DEPARTMENT OF TRANSPORTATION		1,119,141,063	59,496,224
U.S. DEPARTMENT OF THE TREASURY:					
21.008		Low-Income Taxpayer Clinics	UW-Milwaukee	79,292	0
21.008		Low-Income Taxpayer Clinics	UW-Whitewater	49,418	0
		TOTAL U.S. DEPARTMENT OF THE TREASURY		128,710	0
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION:					
30.002		Employment Discrimination-State and Local Fair Employment Practices Agency Contracts	DWD	295,387	0
		TOTAL U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION		295,387	0
U.S. GENERAL SERVICES ADMINISTRATION:					
39.003		Donation of Federal Surplus Personal Property (Note 12)	DOA	2,364,512	0
39.011		Election Reform Payments	GAB	451,369	300
		TOTAL U.S. GENERAL SERVICES ADMINISTRATION		2,815,881	300
U.S. LIBRARY OF CONGRESS:					
		Subgrants:			
N/A	42.11510-04-890009477 08A031	Creating High Quality Lessons: Improving Teacher Education Students (from Illinois State University)	UW-Madison	13,912	0
N/A	42.08A031.18; 08A031.20	Teaching with Primary Sources - Regional Center Pilot (from Illinois State University)	UW-Whitewater	10,000	0
		TOTAL U.S. LIBRARY OF CONGRESS		23,912	0

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		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
43.001		Science	UW-Madison	(594)	0
		Other Federal Financial Assistance:			
N/A	43.NNX07AP54H	A Laboratory Search for Carrier Molecules of the Diffuse Interstellar Bands	UW-Madison	31,701	0
N/A	43.NNX07AN77H	Effects of Land Use Change on Fire, Vegetation and Wildlife Dynamics in Arid Grasslands of Southern Russia	UW-Madison	32,345	0
N/A	43.NNX08AU93H	NASA ESSF Fellowship for Jane Foster	UW-Madison	30,600	0
N/A	43.NNX10AE21G	Venus Express EPO	UW-Madison	2,360	0
N/A	43.NNX10AB52A	Climate Literacy Ambassadors	UW-Madison	54,157	0
N/A	43.144NM73-09-Mooney	Technologies to Study and Teach Planetary Time Scales (from UW-Green Bay, Wisconsin Space Grant Consortium)	UW-Madison	1,887	0
N/A	43.NNG05-GL31H	UW-Fond du Lac (FDL) Gems Conference Special Initiatives (from UW-Green Bay)	UW Colleges	2,205	0
N/A	43.NNG05-GL31H	UW-Richland (RLN) University of Mars - Richland (from UW-Green Bay)	UW Colleges	172	0
N/A	43.NNG05-GL31H	UW-Sheboygan (SHB) Physics 291 Astronautics Course (from UW-Green Bay)	UW Colleges	115	0
		Subtotal Direct Programs		154,948	0
		Subgrants:			
N/A	43.699045X	Juno Mission Education and Public Outreach (from Southwest Research Institute)	UW-Madison	72,812	60,741
N/A	43.2616-08-062, Task 1-027	Develop Climate Change Applet for Web-Based Learning (from Science Systems and Applications, Inc.)	UW-Madison	15,213	0
N/A	43.AGR dtd 09/01/2008	Predoctoral Fellowship Program (from United Negro College Fund Special Program Corporation)	UW-Madison	8,229	0
N/A	43.30066 Spitzer G03	Aerospace Education Services Program (from Jet Propulsion Laboratory)	UW-Eau Claire	2,319	0
		Subtotal Subgrants		98,573	60,741
		TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		253,521	60,741
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:					
45.024		Promotion of the Arts-Grants to Organizations and Individuals	UW-Madison	15,065	0
45.024		ARRA-Promotion of the Arts-Grants to Organizations and Individuals	UW-Madison	20,642	0
45.024	45.08-3148-7286	Promotion of the Arts-Grants to Organizations and Individuals	UW-Milwaukee	(1)	0
45.024		ARRA-Promotion of the Arts-Grants to Organizations and Individuals	UW-Extension	25,000	0
		Total Federal Program 45.024		60,706	0
45.025		ARRA-Promotion of the Arts-Partnership Agreements	Arts Board	1,187,738	318,500
45.025		Promotion of the Arts-Partnership Agreements	UW-Whitewater	363,544	0
		Total Federal Program 45.025		1,551,282	318,500
45.129	45.FY06-034-05; FY07-045-05; FY08-033-08	Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Madison	18,174	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Green Bay	5,200	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Oshkosh	(103)	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW Colleges	15,496	0
45.129		Promotion of the Humanities-Federal/State Partnership	Wisconsin Humanities Council	529,420	43,648
		Total Federal Program 45.129		568,187	43,648
45.130		Promotion of the Humanities-Challenge Grants	UW-Extension	65,938	0
45.149	45.pw50572	Promotion of the Humanities-Division of Preservation and Access	UW-Milwaukee	26,600	0
45.161		Promotion of the Humanities-Research	UW-Oshkosh	4,839	0
45.168		Promotion of the Humanities-We the People	UW-Extension	107,693	0
45.310		Grants to States	DPI	3,188,742	1,199,331
45.312		National Leadership Grants	UW-Madison	48,898	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
45.313	45.RE-01-05-0059-05	Laura Bush 21st Century Librarian Program	UW-Milwaukee	7,103	0
45.313		Laura Bush 21st Century Librarian Program	UW-Whitewater	236,878	0
		Total Federal Program 45.313		243,981	0
		Other Federal Financial Assistance:			
N/A	45.ES-50135-06	Pre-History of River	UW-La Crosse	151	0
N/A	45.AGR dtd 3/1/10	Mohican People: Lives and Lands (from UW-Eau Claire)	UW-Whitewater	31,026	0
		Subtotal Direct Programs		5,898,043	1,561,479
		Subgrants:			
45.024		Promotion of the Arts-Grants to Organizations and Individuals (from New England Foundation for the Arts)	UW-Whitewater	1,000	0
45.024		Promotion of the Arts-Grants to Organizations and Individuals (from Arts Midwest)	UW-Whitewater	16,134	0
45.025		Promotion of the Arts-Partnership Agreements (from Arts Midwest)	UW-Madison	1,533	0
45.025		Promotion of the Arts-Partnership Agreements (from Arts Midwest)	UW-Eau Claire	2,700	0
45.025		Promotion of the Arts-Partnership Agreements (from Arts Midwest)	UW-Whitewater	4,800	0
45.313	45.2006-02888-01	Laura Bush 21st Century Librarian Program (from University of Illinois at Urbana-Champaign)	UW-Madison	(4,444)	0
		Subtotal Subgrants		21,723	0
		TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		5,919,766	1,561,479
NATIONAL SCIENCE FOUNDATION:					
47.041		Engineering Grants	UW-Milwaukee	5,000	0
47.041		Engineering Grants (from UW-Madison)	UW-Stout	62,090	0
		Total Federal Program 47.041		67,090	0
47.049		Mathematical and Physical Sciences	UW-Madison	289,287	0
47.049		Mathematical and Physical Sciences	UW-Milwaukee	34,483	0
		Total Federal Program 47.049		323,770	0
47.050		Geosciences	UW-Madison	(793)	0
47.050		Geosciences	UW-Milwaukee	85,905	0
		Total Federal Program 47.050		85,112	0
47.074		Biological Sciences	UW-Stevens Point	346	0
47.075		Social, Behavioral, and Economic Sciences	UW-Madison	84,207	0
47.076		Education and Human Resources	UW-Madison	809,548	244,285
47.076		Education and Human Resources	UW-Milwaukee	393,875	0
47.076		Education and Human Resources	UW-Eau Claire	127,324	0
47.076		Education and Human Resources	UW-Oshkosh	7,016	0
47.076		Education and Human Resources	UW-Platteville	57,739	0
47.076		Education and Human Resources	UW-River Falls	229,143	64,668
47.076		Education and Human Resources	UW-Stout	6,349	0
47.076		Education and Human Resources (from UW-Madison)	UW-Stout	3,000	0
47.076		Education and Human Resources (from UW Colleges)	UW-Stout	44,501	0
47.076		Education and Human Resources	UW Colleges	71,152	0
		Total Federal Program 47.076		1,749,647	308,953
47.082		ARRA-Trans-NSF Recovery Act Research Support	UW-Madison	339,142	0
47.082		ARRA-Trans-NSF Recovery Act Research Support	UW-Platteville	28,907	0
47.082		ARRA-Trans-NSF Recovery Act Research Support	UW-Extension	6,432	0
		Total Federal Program 47.082		374,481	0
		Other Federal Financial Assistance:			
N/A	47.AST-0749416; LPA-0904441; EHR-0725937	Intergovernmental Personnel Assignment Agreements	UW-Madison	476,121	0
N/A	47.DBI-0706756	NSF Host Institutional Allowance - NSF Minority Post Doctoral	UW-Madison	2,552	0
		Subtotal Direct Programs		3,163,326	308,953

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		Subgrants:			
47.041		Engineering Grants (from Wisconsin Alliance for Minority Participation (WISCAMP))	UW-Platteville	11,815	0
47.050		Geosciences (from University of Michigan)	UW-Madison	9,290	0
47.076		Education and Human Resources (from Fox Valley Tech College)	UW-Stout	68,820	0
47.076		Education and Human Resources (from Utah State University)	UW-Stout	12,633	0
47.076		Education and Human Resources (from Tennessee Technological University)	UW-Whitewater	2,500	0
N/A	47.CHK# 4164970	ICAM Fellowship: Ilya Eremin (from University of California-Davis)	UW-Madison	3,632	0
		Subtotal Subgrants		108,690	0
		TOTAL NATIONAL SCIENCE FOUNDATION		3,272,016	308,953
U.S. SMALL BUSINESS ADMINISTRATION:					
59.037		Small Business Development Center (from UW-Extension)	UW-Madison	193,884	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Milwaukee	178,100	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Eau Claire	114,883	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Green Bay	88,745	0
59.037		Small Business Development Centers (from UW-Extension)	UW-La Crosse	113,301	0
59.037		Small Business Development Centers	UW-Oshkosh	644	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Oshkosh	105,353	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Parkside	50,214	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Platteville	65,534	0
59.037		Small Business Development Centers (from UW-Extension)	UW-River Falls	58,931	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Stevens	181,911	0
59.037		Small Business Development Centers	UW-Stout	6,162	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Stout	38,246	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Superior	27,038	0
59.037		Small Business Development Centers (from UW-Extension)	UW-Whitewater	371,963	0
59.037		Small Business Development Centers	UW-Extension	524,323	0
		Total Federal Program 59.037		2,119,232	0
		Other Federal Financial Assistance:			
N/A	59.0563-6601	Internet-Based Technical Assistance	UW-Eau Claire	15,647	0
		Subgrants:			
59.037		Small Business Development Centers (from Gateway)	UW-Parkside	33,656	0
		Subtotal Subgrants		33,656	0
		TOTAL U.S. SMALL BUSINESS ADMINISTRATION		2,168,535	0
SMITHSONIAN INSTITUTION:					
		Other Federal Financial Assistance:			
N/A	60.09-SUBC-440-0000178901	Exhibition Costs: "Rendezvoused" To Go Somewhere	UW-Madison	692	0
		TOTAL SMITHSONIAN INSTITUTION		692	0
U.S. DEPARTMENT OF VETERANS AFFAIRS:					
64.005		Grants to States for Construction of State Home Facilities	DVA	774,699	0
64.005		ARRA-Grants to States for Construction of State Home Facilities	DVA	838,986	0
		Total Federal Program 64.005		1,613,685	0
64.014		Veterans State Domiciliary Care	DVA	1,122,581	0
64.015		Veterans State Nursing Home Care	DVA	23,908,477	0
64.024		VA Homeless Provider Grant and Per Diem Program	DVA	1,170,517	0
64.101		Burial Expenses Allowance for Veterans	DVA	210,690	0
64.124		All-Volunteer Force Educational Assistance	DWD	130,462	0
64.203		State Cemetery Grants	DVA	2,178,339	0
		Other Federal Financial Assistance:			
N/A	64.V101 223B	Reimbursement Contract-State Approving Agency	DVA	340,351	0
N/A	64.AGR's dtd 2/06/08, 1/16/08; various IPA's	Intergovernmental Personnel Assignment Agreements	UW-Madison	1,262,502	0
		TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS		31,937,604	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
U.S. ENVIRONMENTAL PROTECTION AGENCY:					
66.001		Air Pollution Control Program Support	DNR	3,412,749	0
66.032		State Indoor Radon Grants	DHS	262,460	199,124
66.034		Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Commerce	2,294	0
66.034		Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	DNR	691,920	4,021
66.034		Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	UW-Madison	1,660	0
		Total Federal Program 66.034		695,874	4,021
66.035		Community Action for a Renewed Environment (CARE) Program	UW-Milwaukee	33,888	0
66.039		ARRA-National Clean Diesel Emissions Reduction Program	Commerce	717,446	644,311
66.039		ARRA-National Clean Diesel Emissions Reduction Program	DNR	4,154	0
66.039		National Clean Diesel Emissions Reduction Program	DOT	283,749	0
		Total Federal Program 66.039		1,005,349	644,311
66.040		State Clean Diesel Grant Program	DNR	60,203	53,744
66.040		ARRA-State Clean Diesel Grant Program	DNR	1,103,871	0
		Total Federal Program 66.040		1,164,074	53,744
66.419		Water Pollution Control State, Interstate, and Tribal Program Support	DNR	360,145	0
66.432		State Public Water System Supervision	DNR	4,268,293	0
66.433		State Underground Water Source Protection	DNR	85,600	0
66.436		Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements-Section 104(b)(3) of the Clean Water Act	DNR	85,281	0
66.454		Water Quality Management Planning	DNR	345,431	15,000
66.454		ARRA-Water Quality Management Planning	DNR	164,701	0
		Total Federal Program 66.454		510,132	15,000
66.458		Capitalization Grants for Clean Water State Revolving Funds (Notes 2, 13)	DNR	22,701,684	21,356,924
66.458		ARRA-Capitalization Grants for Clean Water State Revolving Funds (Notes 2, 13)	DNR	75,913,815	74,733,100
		Total Federal Program 66.458		98,615,499	96,090,024
66.460		Nonpoint Source Implementation Grants	DNR	3,219,886	3,068,570
66.461		Regional Wetland Program Development Grants	DNR	130,309	0
66.468		Capitalization Grants for Drinking Water State Revolving Funds (Notes 2, 13)	DNR	15,530,731	12,962,148
66.468		ARRA-Capitalization Grants for Drinking Water State Revolving Funds (Notes 2, 13)	DNR	26,666,021	26,666,021
		Total Federal Program 66.468		42,196,752	39,628,169
66.469		Great Lakes Program	DHS	127,606	82,343
66.469		Great Lakes Program	DNR	482,820	0
66.469		Great Lakes Program	UW-Extension	19,079	0
		Total Federal Program 66.469		629,505	82,343
66.471		State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	DNR	374,259	0
66.472		Beach Monitoring and Notification Program Implementation Grants	DNR	243,114	0
66.474		Water Protection Grants to the States	DNR	124,224	0
66.509		Science to Achieve Results (STAR) Research Program (from UW-Madison)	UW-Extension	9,425	0
66.511		Office of Research and Development Consolidated Research/Training	DNR	57,967	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
66.605		Performance Partnership Grants	DATCP	511,640	0
66.605		Performance Partnership Grants	DNR	8,497,700	1,655,001
		Total Federal Program 66.605		9,009,340	1,655,001
66.608		Environmental Information Exchange Network Grant Program and Related Assistance	DNR	452,036	0
66.611		Environmental Policy and Innovation Grants	DNR	58,908	0
66.707		TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	DHS	377,207	0
66.708	66.08-16	Pollution Prevention Grants Program (from UW-Extension)	UW-Madison	11,147	0
66.708		Pollution Prevention Grants Program	UW-Extension	31,638	0
66.708		Pollution Prevention Grants Program (from UW-Madison)	UW-Extension	10,992	0
		Total Federal Program 66.708		53,777	0
66.709		Multi-Media Capacity Building Grants for States and Tribes	DNR	57,902	0
66.714		Pesticide Environmental Stewardship Regional Grants	UW-Madison	19,056	0
66.716	66.X8-00E00001	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	UW-Madison	22,957	4,263
66.801		Hazardous Waste Management State Program Support	DNR	1,975,900	0
66.802		Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	DNR	924,634	0
66.804		State and Tribal Underground Storage Tanks Program	Commerce	526,377	0
66.804		State and Tribal Underground Storage Tanks Program	DNR	23,390	0
		Total Federal Program 66.804		549,767	0
66.805		Leaking Underground Storage Tank Trust Fund Program	Commerce	702,541	0
66.805		Leaking Underground Storage Tank Trust Fund Program	DNR	986,071	887,057
66.805		ARRA-Leaking Underground Storage Tank Trust Fund Program	DNR	981,569	0
		Total Federal Program 66.805		2,670,181	887,057
66.817		State and Tribal Response Program Grants	DNR	2,502,312	0
66.818		Brownfields Assessment and Cleanup Cooperative Agreements	DNR	836,837	618,299
66.818		ARRA-Brownsfields Assessment and Cleanup Cooperative Agreements	DNR	324,220	0
		Total Federal Program 66.818		1,161,057	618,299
66.940		Environmental Policy and State Sustainability Grants	DNR	26,168	0
66.950		Environmental Education and Training Program	UW-Stevens Point	2,063,689	1,585,083
66.951		Environmental Education Grants	UW-Madison	54,823	0
		Other Federal Financial Assistance:			
N/A	66.X3-83350001	Environmental Protection-Consolidated Research	UW-Madison	(1,227)	0
N/A	66.FP91687801	EPA Star Fellowship	UW-Madison	6,545	0
N/A	66.PE-00E49901	Pesticide Risk Reduction in Wisconsin Fruit Production	UW-Madison	18,178	0
N/A	66.NE-83448001	Wisconsin Restore: North/Northwest	UW-Madison	17,649	0
		Subtotal Direct Programs		179,505,644	144,535,009
		Subgrants:			
N/A	66.GL-RAPIDS	Rapids (from Great Lakes Commission)	DNR	24,024	0
N/A	66.2003-07704-01 (66.500)	Environmental Protection-Consolidated Research (from University of Illinois at Urbana-Champaign)	UW-Extension	103	0
		Subtotal Subgrants		24,127	0
		TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY		179,529,771	144,535,009
NUCLEAR REGULATORY COMMISSION:					
		Other Federal Financial Assistance:			
N/A	77.NRC-38-08-969	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	UW-Madison	183,999	0
		TOTAL NUCLEAR REGULATORY COMMISSION		183,999	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 ENERGY:					
81.039		State Heating Oil and Propane Program (SHOPP)	DOA	12,458	0
81.041		State Energy Program	DOA	955,459	598,474
81.041		ARRA-State Energy Program	DOA	1,838,973	1,629,237
		Total Federal Program 81.041		2,794,432	2,227,711
81.042		Weatherization Assistance for Low-Income Persons (Note 2)	DOA	14,220,588	13,111,703
81.042		ARRA-Weatherization Assistance for Low-Income Persons (Note 2)	DOA	61,447,296	59,711,352
		Total Federal Program 81.042		75,667,884	72,823,055
81.086		Conservation Research and Development	DOA	166,947	154,583
81.086		ARRA-Conservation Research and Development	DOA	179,969	104,000
		Total Federal Program 81.086		346,916	258,583
81.117		Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	DOA	14,742	0
81.119		State Energy Program Special Projects	DOA	265,828	85,393
81.119		ARRA-State Energy Program Special Projects	DOA	13,921	9,792
		Total Federal Program 81.119		279,749	95,185
81.122		ARRA-Electricity Delivery and Energy Reliability, Research, Development and Analysis	DOA	78,176	0
81.122		ARRA-Electricity Delivery and Energy Reliability, Research, Development and Analysis	PSC	21,342	0
		Total Federal Program 81.122		99,518	0
81.127		ARRA-Energy Efficient Appliance Rebate Program (EEARP)	DOA	5,327,831	5,069,705
81.128		ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)	DOA	283,288	213,329
		Other Federal Financial Assistance:			
N/A	81.505-143	Petroleum Violation Escrow Funds	DOA	205,836	117,847
		Subtotal Direct Programs		85,032,654	80,805,415
		Subgrants:			
81.049		Office of Science Financial Assistance Program (from Oak Ridge National Laboratory)	UW-Stout	103,461	0
81.087	81.DE-FOA-0000109	ARRA-Renewable Energy Research and Development (from Arizona Geological Survey)	UW-Extension	1,680	0
N/A	81.AGR dtd 4/27/03	Naval Nuclear Propulsion and Nuclear Engineering/Health Physics Fellowships (from Medical University of South Carolina)	UW-Madison	33,660	0
N/A	81.AGR dtd 6/11/10	Todd Allen, Employee Leasing Agreement (from Battelle Energy Alliance)	UW-Madison	30,561	0
		Subtotal Subgrants		169,362	0
		TOTAL U.S. DEPARTMENT OF ENERGY		85,202,016	80,805,415
U.S. DEPARTMENT OF EDUCATION:					
84.002		Adult Education-Basic Grants to States	WTCSB	7,608,778	6,687,518
		Title I, Part A Cluster:			
84.010		Title I Grants to Local Educational Agencies (Note 2)	DPI	220,199,544	215,902,869
84.389		ARRA-Title I Grants to Local Education Agencies, Recovery Act (Note 2)	DPI	33,547,059	33,485,368
		Total Title I, Part A Cluster		253,746,603	249,388,237
84.011		Migrant Education-State Grant Program	DPI	572,253	372,611
84.011		Migrant Education-State Grant Program	UW Colleges	190,843	0
		Total Federal Program 84.011		763,096	372,611

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
84.013		Title I Program for Neglected and Delinquent Children	DPI	744,656	728,706
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	4,095,204	561
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 (from UW-Madison)	UW-Milwaukee	144,255	0
		Total Federal Program 84.015		4,239,459	561
84.016		Undergraduate International Studies and Foreign Language Programs	UW-Madison	58,695	0
84.016		Undergraduate International Studies and Foreign Language Programs	UW-Milwaukee	52,875	0
84.016		Undergraduate International Studies and Foreign Language Programs	UW-River Falls	53,151	0
		Total Federal Program 84.016		164,721	0
84.017		International Research and Studies	UW-Madison	13,388	0
84.021		Overseas Programs - Group Projects Abroad	UW-Green Bay	32,101	0
84.022		Overseas Programs - Doctoral Dissertation Research Abroad	UW-Madison	211,634	0
		Special Education Cluster (IDEA):			
84.027		Special Education-Grants to States (Note 2)	DPI	200,438,845	186,528,452
84.173		Special Education-Preschool Grants (Note 2)	DPI	9,139,632	8,390,097
84.391		ARRA-Special Education Grants to States, Recovery Act (Note 2)	DPI	79,123,763	79,075,382
84.392		ARRA-Special Education - Preschool Grants, Recovery Act (Note 2)	DPI	2,973,782	2,973,782
		Total Special Education Cluster (IDEA)		291,676,022	276,967,713
84.031		Higher Education-Institutional Aid	UW-Eau Claire	43,610	0
84.031		Higher Education-Institutional Aid	UW-Parkside	97,132	0
84.031		Higher Education-Institutional Aid	UW-River Falls	462,294	226,056
84.031		Higher Education-Institutional Aid	UW-Stout	118,228	0
		Total Federal Program 84.031		721,264	226,056
		TRIO Cluster:			
84.042		TRIO-Student Support Services	UW-Madison	416,980	0
84.042		TRIO-Student Support Services	UW-Milwaukee	315,693	0
84.042		TRIO-Student Support Services	UW-Eau Claire	411,405	0
84.042		TRIO-Student Support Services	UW-La Crosse	435,564	0
84.042		TRIO-Student Support Services	UW-Oshkosh	431,866	0
84.042		TRIO-Student Support Services	UW-Parkside	338,269	0
84.042		TRIO-Student Support Services	UW-Platteville	382,235	0
84.042		TRIO-Student Support Services	UW-River Falls	351,219	0
84.042		TRIO-Student Support Services	UW-Stevens Point	288,128	0
84.042		TRIO-Student Support Services	UW-Stout	617,355	0
84.042		TRIO-Student Support Services	UW-Superior	357,134	0
84.042		TRIO-Student Support Services	UW Colleges	573,107	0
84.044		TRIO-Talent Search	DPI	278,871	0
84.044		TRIO-Talent Search	UW-Milwaukee	314,837	0
84.044		TRIO-Talent Search	UW-Stout	261,345	0
84.044		TRIO-Talent Search	UW-Whitewater	270,163	0
84.044	84.PO44A060474-08	TRIO-Talent Search	UW Colleges	30,702	0
84.047		TRIO-Upward Bound	DPI	270,937	0
84.047		TRIO-Upward Bound	UW-Milwaukee	890,285	0
84.047		TRIO-Upward Bound	UW-Eau Claire	301,837	0
84.047		TRIO-Upward Bound	UW-Green Bay	427,731	0
84.047		TRIO-Upward Bound	UW-La Crosse	402,292	0
84.047		TRIO-Upward Bound	UW-Parkside	274,345	0
84.047		TRIO-Upward Bound	UW-River Falls	269,761	0
84.047		TRIO-Upward Bound	UW-Stevens Point	396,497	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	271,714	0
84.047		TRIO-Upward Bound	UW-Superior	256,833	0
84.047		TRIO-Upward Bound	UW-Whitewater	255,177	0
84.047		TRIO-Upward Bound	UW Colleges	265,928	0
84.066		TRIO-Educational Opportunity Centers	UW-Milwaukee	201,458	0
84.066		TRIO-Educational Opportunity Centers	UW-Eau Claire	226,065	0
84.066		TRIO-Educational Opportunity Centers (from UW-Eau Claire)	UW Colleges	66,339	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Madison	208,415	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Milwaukee	273,633	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Eau Claire	193,296	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-La Crosse	122,087	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Oshkosh	231,140	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-River Falls	175,209	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Stout	135,682	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Superior	235,516	0
84.217		TRIO-McNair Post-Baccalaureate Achievement	UW-Whitewater	223,456	0
		Total TRIO Cluster		12,650,506	0
84.048		Career & Technical Education-Basic Grants to States	WTCSB	21,436,437	19,876,868
84.069		Leveraging Educational Assistance Partnership	HEAB	1,490,400	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Madison	111,455	30,837
84.116		Fund for the Improvement of Postsecondary Education	UW-Green Bay	177,056	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Oshkosh	161,832	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Parkside	797	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Platteville	180,016	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Stevens Point	63,719	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Stout	100,830	0
84.116		Fund for the Improvement of Postsecondary Education	UW Colleges	18,721	0
		Total Federal Program 84.116		814,426	30,837
		Vocational Rehabilitation Cluster:			
84.126		Rehabilitation Services-Vocational Rehabilitation Grants to States (Note 2)	DWD	41,740,072	550,900
84.390		ARRA-Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act (Note 2)	DWD	8,750,398	0
		Total Vocational Rehabilitation Cluster		50,490,470	550,900
84.129		Rehabilitation Long-Term Training	UW-Madison	313,953	0
84.129		Rehabilitation Long-Term Training	UW-Stout	223,021	0
		Total Federal Program 84.129		536,974	0
84.144		Migrant Education-Coordination Program	DPI	102,395	47,107
84.153		Business and International Education Projects	UW-Milwaukee	91,316	0
84.153		Business and International Education Projects	UW-Eau Claire	21,239	0
84.153		Business and International Education Projects	UW-Green Bay	19,541	0
84.153		Business and International Education Projects	UW-Platteville	19,955	0
84.153		Business and International Education Projects	UW-Whitewater	73,248	0
		Total Federal Program 84.153		225,299	0
84.161		Rehabilitation Services-Client Assistance Program	DATCP	199,582	0
		Independent Living State Grants Cluster:			
84.169		Independent Living-State Grants	DWD	321,680	321,680
84.398		ARRA-Independent Living-State Grants	DWD	130,996	130,996
		Total Independent Living State Grants Cluster		452,676	452,676
84.170		Javits Fellowships	UW-Madison	69,514	0
		Independent Living Services for Older Individuals Who Are Blind Cluster:			
84.177		Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	DWD	572,370	572,370
84.399		ARRA-Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind, Recovery Act	DWD	262,482	262,482
		Total Independent Living Services for Older Individuals Who Are Blind Cluster		834,852	834,852

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		Early Intervention Services (IDEA) Cluster:			
84.181		Special Education-Grants for Infants and Families	DHS	7,246,561	6,696,299
84.393		ARRA-Special Education-Grants for Infants and Families, Recovery Act	DHS	1,094,996	707,279
		Total Early Intervention Services (IDEA) Cluster		8,341,557	7,403,578
84.184		Safe and Drug-Free Schools and Communities-National Programs	DPI	99,369	0
84.185		Byrd Honors Scholarships	DPI	685,579	685,579
84.186		Safe and Drug-Free Schools and Communities-State Grants	DCF	848,240	829,123
84.186		Safe and Drug-Free Schools and Communities-State Grants	DPI	3,989,412	3,768,049
		Total Federal Program 84.186		4,837,652	4,597,172
84.187		Supported Employment Services for Individuals with Severe Disabilities	DWD	455,569	0
		Education for Homeless Children and Youth Cluster:			
84.196		Education for Homeless Children and Youth	DPI	972,126	684,186
84.387		ARRA-Education for Homeless Children and Youth, Recovery Act	DPI	181,924	181,924
		Total Education for Homeless Children and Youth Cluster		1,154,050	866,110
84.200		Graduate Assistance in Areas of National Need	UW-Madison	218,290	0
84.200		Graduate Assistance in Areas of National Need	UW-Milwaukee	225,422	0
		Total Federal Program 84.200		443,712	0
84.213		Even Start-State Educational Agencies	DPI	886,041	864,018
84.215		Fund for the Improvement of Education	DVA	18,592	0
84.215		Fund for the Improvement of Education	UW-Oshkosh	25,873	0
		Total Federal Program 84.215		44,465	0
84.224		Assistive Technology	DHS	388,340	66,483
84.229		Language Resource Centers	UW-Madison	216,863	0
84.243		Tech-Prep Education	WTCSB	2,217,065	0
84.265		Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training	DWD	42,569	0
84.282		Charter Schools	DPI	8,018,692	7,393,498
84.287		Twenty-First Century Community Learning Centers	DPI	13,386,201	12,816,786
84.293		Foreign Language Assistance	DPI	123,229	0
84.298		State Grants for Innovative Programs	DPI	178,623	187,102
84.299		Indian Education-Special Programs for Indian Children	UW-Milwaukee	272,681	0
84.305		Education Research, Development and Dissemination	UW-Madison	411,052	0
		Education Technology State Grants Cluster:			
84.318		Education Technology State Grants	DPI	3,663,832	3,576,552
84.386		ARRA-Education Technology State Grants, Recovery Act	DPI	1,415,001	1,238,279
		Total Education Technology State Grants Cluster		5,078,833	4,814,831
84.323		Special Education-State Personnel Development	DPI	982,566	278,470
84.325		Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	UW-Milwaukee	313,460	0
84.325		Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	UW-La Crosse	166,456	0
84.325		Special Education-Personnel Development to Improve Services and Results for Children with Disabilities (from UW-Madison)	UW-Whitewater	11,906	0
		Total Federal Program 84.325		491,822	0
84.326		Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	DPI	166,733	0
84.327		Special Education-Technology and Media Services for Individuals with Disabilities	UW-Madison	(978)	0
84.330		Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	DPI	609,068	10,500

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
84.331		Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	DOC	370,611	0
84.333		Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrations in Educating Students with Disabilities	UW-Milwaukee	365,412	20,712
84.333		Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrations in Educating Students with Disabilities	UW-Parkside	(780)	0
84.333		Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrations in Educating Students with Disabilities (from UW-Milwaukee)	UW-Platteville	17,266	0
84.333		Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrations in Educating Students with Disabilities (from UW-Milwaukee)	UW Colleges	7,984	0
		Total Federal Program 84.333		389,882	20,712
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	DPI	3,457,009	1,816,600
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	UW-Milwaukee	1,321,185	0
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	UW-Eau Claire	431,704	0
		Total Federal Program 84.334		5,209,898	1,816,600
84.335		Child Care Access Means Parents in School	UW-Madison	36,486	0
84.335		Child Care Access Means Parents in School	UW-Milwaukee	136,311	0
84.335		Child Care Access Means Parents in School	UW-Eau Claire	50,054	0
84.335		Child Care Access Means Parents in School	UW-River Falls	31,423	0
		Total Federal Program 84.335		254,274	0
84.337		International Education-Technological Innovation and Cooperation for Foreign Information Access	UW-Madison	77,498	76,176
84.350		Transition to Teaching	DPI	77,053	0
84.357		Reading First State Grants	DPI	5,885,979	5,097,154
84.358		Rural Education	DPI	108,061	102,854
84.359		Early Reading First	UW-Milwaukee	693,171	99,114
84.365		English Language Acquisition Grants	DPI	7,350,272	6,991,248
84.366		Mathematics and Science Partnerships	DPI	2,279,286	2,095,952
84.366		Mathematics and Science Partnerships (from UW-Oshkosh)	UW-Whitewater	289	0
		Total Federal Program 84.366		2,279,575	2,095,952
84.367		Improving Teacher Quality State Grants	DPI	46,104,737	44,826,215
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-Madison	82,504	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-Eau Claire	41,954	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-Green Bay	95,587	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-La Crosse	22,413	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-Oshkosh	175,381	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-Platteville	151,915	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-River Falls	51,497	0
84.367		Improving Teacher Quality State Grants (from UW Madison)	UW-Stevens Point	14,025	0
84.367		Improving Teacher Quality State Grants (from UW-Madison)	UW-Stout	6,648	0
84.367		Improving Teacher Quality State Grants (from UW Eau Claire)	UW-Whitewater	7,023	0
84.367		Improving Teacher Quality State Grants (from UW System Admin)	UW-Whitewater	7,822	0
84.367		Improving Teacher Quality State Grants	UW System Admin	202,193	264,596
		Total Federal Program 84.367		46,963,699	45,090,811

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
84.369		Grants for State Assessments and Related Activities	DPI	6,286,819	0
84.371		Striving Readers	DPI	16,091	0
		Statewide Data Systems Cluster:			
84.372		Statewide Data Systems	DPI	1,267,165	0
		Total Statewide Data Systems Cluster		1,267,165	0
		School Improvement Grants Cluster:			
84.377		School Improvement Grants	DPI	4,321,396	3,883,313
84.388		ARRA-School Improvement Grants, Recovery Act	DPI	1,293	0
		Total School Improvement Grants Cluster		4,322,689	3,883,313
84.378		College Access Challenge Grant Program	DOA	1,062,175	0
84.379	84.P379T092446	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UW-Green Bay	8,000	0
		State Fiscal Stabilization Fund Cluster:			
84.394		ARRA-State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Note 2)	DPI	236,721,210	236,721,210
84.397		ARRA-State Fiscal Stabilization Fund (SFSF) Government Services, Recovery Act (Note 2)	DOC	11,801,000	11,801,000
84.397		ARRA-State Fiscal Stabilization Fund (SFSF) Government Services, Recovery Act (Note 2)	DOR	76,139,100	76,139,100
84.397		ARRA-State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act (Note 2)	DPI	786	786
		Total State Fiscal Stabilization Fund Cluster		324,662,096	324,662,096
84.815		Troops-to-Teachers Program	DVA	97,759	0
		Other Federal Financial Assistance:			
N/A	84.08-0131	Earth Partnership for Schools Regional Outreach Through Facilitating Centers and Teacher Professional Development (from UW System Admin)	UW-Madison	216	0
N/A	84.T195N070406-08	Bilingual Education-Professional Development	UW-Milwaukee	212,613	0
N/A	84.U215X070142	Exploring American Freedom: Teaching American History Grant Program	UW-Green Bay	8,349	0
N/A	84.T195N070084	Bilingual Education-Professional Development	UW-Oshkosh	358,930	0
N/A	84.92-WI-03 Amendment #18	National Writing Project	UW-Oshkosh	42,799	0
N/A	84.T195N070173-09 (84.195)	Bilingual Education-Professional Development	UW-Whitewater	345,498	0
N/A	84.AGR dtd 1/1/10 (84.342)	Preparing Tomorrow's Teachers to Use Technology (from UW-Oshkosh)	UW-Whitewater	3,280	0
N/A	84.LTR dtd 8/15/2006	UW-Fox Valley (FOX) Higher Education Center for Drug Prevention	UW Colleges	2,713	0
N/A	84.20070701	Improving Teacher Quality Grants	UW System Admin	248,532	16,340
		Subtotal Direct Programs		1,107,362,303	986,101,139
		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	3,200	0
84.015	84.AGR dtd 2/2/05	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 Cornell University)	UW-Madison	3,200	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	6,400	0
84.015	84.AGR dtd 11/3/05; AGR dtd 8/15/2009	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	34,197	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	3,200	0

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 (from University of California)	UW-Madison	3,200	0
84.015	84.AGR dtd 7/26/05; 1269 G JB.002	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	25,001	0
84.015	84.AGR dtd 12/15/04;32584A AGR dtd 1/26/05	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 Chicago)	UW-Madison	9,461	0
84.015	84.00020383	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 Colorado-Boulder)	UW-Madison	2,400	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	12,300	0
84.015	84.AGR dtd 7/3/06; 2297971	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	19,400	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	4,100	0
84.015	84.AGR dtd 8/3/05; 560790; 409440; 488673	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	(17,475)	0
84.016		Undergraduate International Studies and Foreign Language Programs (from University of Texas-Austin)	UW-Madison	15,100	0
84.047		TRIO Upward Bound (from Metro State University)	UW-River Falls	83,295	0
84.116	84. P116B07066	Fund for the Improvement of Postsecondary Education (from American Association of State Colleges and Universities - AASCU)	UW-Eau Claire	7,397	0
84.116		Fund for the Improvement of Postsecondary Education (from University of Missouri)	UW-Eau Claire	13,646	0
84.116		Fund for the Improvement of Postsecondary Education (from American Association of State Colleges and Universities)	UW-Stout	16,274	0
84.181	84.WC09	Special Education-Grants for Infants and Families (from Cooperative Educational Service Agency)	UW-Madison	31,060	0
84.184		Safe and Drug-Free Schools and Communities-National Programs (from Milwaukee Public Schools)	UW-Milwaukee	129,912	0
84.184		Safe and Drug-Free Schools and Communities-National Programs (from Arbor Place, Inc.)	UW-Stout	1,854	0
84.215	84.096541	Fund for the Improvement of Education (from Cooperative Educational Service Agency)	UW-Madison	12,075	0
84.215	84.U215X040052, U215X050279	Fund for the Improvement of Education (from Cooperative Educational Service Agency #10)	UW-Eau Claire	73,131	0
84.215		Fund for the Improvement of Education (from La Crosse School District)	UW-La Crosse	62,980	0
84.215		Fund for the Improvement of Education (from Madison Metropolitan School District) (MMSD))	UW-Whitewater	115,754	0
84.229	84.32659-C	Language Resource Centers (from University of Chicago)	UW-Madison	20,000	0
84.257		National Institute for Literacy (from Kent State University)	WTCSB	1,571	0
84.287		Twenty-First Century Community Learning Centers (from Milwaukee Public Schools)	UW-Milwaukee	56,426	0
84.287	84.R098788C01563	Twenty-First Century Community Learning Centers (from Milwaukee Public Schools)	UW-Extension	(18,071)	0
84.325	84.5-54458	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities (from University of North Carolina-Chapel Hill)	UW-Madison	272,772	0
84.327		Special Education - Technology and Media Services for Individuals with Disabilities (from Center for Applied Special Technology)	DPI	20,205	0
84.366		Mathematics and Science Partnerships (from Cooperative Educational Service Agency #11)	UW-Stout	11,807	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
84.366		Mathematics and Science Partnerships (from Sparta, WI Area School District)	UW-Stout	7,047	0
84.367		Improving Teacher Quality State Grants (from Milwaukee Public Schools)	UW-Milwaukee	(3,114)	0
84.370	84.Sub Agreement #P378A080007-01	DC School Choice Incentive Program (from Great Lakes Higher Education Corporation)	UW-Green Bay	55,482	0
84.373	84.T303921 3101	Special Education-Technical Assistance on State Data Collection (from University of Minnesota Regents)	DPI	45,362	0
84.373	84.T303921 4401	Special Education-Technical Assistance on State Data Collection (from University of Minnesota Regents)	DPI	36,653	0
N/A	84.S2006-045	Great Lakes West Regional Comprehensive Assistance Center (from Learning Point Associates)	UW-Madison	4,885	0
N/A	84.095252	Mathematics Excellence in the Middle Grades (from Cooperative Educational Service Agency #5)	UW-Madison	6,436	0
N/A	84.C013097	School Facilities Infrastructure Improvement (from Milwaukee Public Schools)	UW-Milwaukee	15,000	0
N/A	84.Dtd 7/23/08	Star Schools Programs (from American Association of State Colleges and Universities - AASCU)	UW-La Crosse	2,000	0
N/A	84.Cont dtd 11/07	UW-Marathon County (MTH) Exploring American Freedom (from Cooperative Educational Service Agency 6)	UW Colleges	8,800	0
		Subtotal Subgrants		1,214,323	0
		TOTAL U.S. DEPARTMENT OF EDUCATION		1,108,576,626	986,101,139
U.S. CONSUMER PRODUCT SAFETY COMMISSION:					
		Other Federal Financial Assistance:			
N/A	87.SO147441	State and Local Cooperative Contracts Program	DATCP	3,136	0
		TOTAL U.S. CONSUMER PRODUCT SAFETY COMMISSION		3,136	0
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:					
89.003		National Historical Publications and Records Grants	WHS	32,391	0
89.003		National Historical Publications and Records Grants	UW-Madison	48,785	0
		TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		81,176	0
U.S. ELECTION ASSISTANCE COMMISSION:					
90.400		Election Data Collection Grant Program	GAB	529,101	1,289
90.401		Help America Vote Act Requirements Payments (Note 19)	GAB	1,816,244	80,589
		TOTAL U.S. ELECTION ASSISTANCE COMMISSION		2,345,345	81,878
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
93.006		State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	DHS	143,427	0
93.009		Compassion Capital Fund	UW-Parkside	445,821	188,341
93.041		Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	DHS	91,703	0
93.042		Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	DHS	304,292	281,470
93.043		Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	DHS	401,938	401,938
		Aging Cluster:			
93.044		Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	DHS	6,638,741	6,377,703
93.045		Special Programs for the Aging-Title III, Part C-Nutrition Services	DHS	11,471,764	11,001,909
93.053		Nutrition Services Incentive Program	DHS	2,799,711	2,799,711
93.705		ARRA-Aging Home-Delivered Nutrition Services for States	DHS	495,621	495,621
93.707		ARRA-Aging Congregate Nutrition Services for States	DHS	951,207	951,207
		Total Aging Cluster		22,357,044	21,626,151
93.048		Special Programs for the Aging-Title IV and Title II-Discretionary Projects	DHS	701,728	529,127
93.051		Alzheimer's Disease Demonstration Grants to States	DHS	95,163	86,619
93.052		National Family Caregiver Support, Title III, Part E	DHS	2,863,413	2,750,838
93.064		Laboratory Training, Evaluation, and Quality Assurance Programs	UW-Madison	174,328	0

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		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
93.065		Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	DATCP	4,851	0
93.069		Public Health Emergency Preparedness	DHS	28,834,251	20,277,410
93.070		Environmental Public Health and Emergency Response	DHS	5,793	5,361
93.071		Medicare Enrollment Assistance Program	DHS	122,849	118,251
93.087		Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse	DCF	526,669	449,371
93.089		Emergency System for Advance Registration of Volunteer Health Professionals	DHS	16	0
93.103		Food and Drug Administration-Research	DATCP	13,389	0
93.107		Area Health Education Centers Point of Service Maintenance and Enhancement Awards	UW-Madison	651,686	0
93.108		Health Education Assistance Loans (Notes 2, 17)	HEAB	283,337	0
93.110		Maternal and Child Health Federal Consolidated Programs	DHS	1,045,553	897,259
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Madison	1,004,615	0
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Milwaukee	153,364	0
		Total Federal Program 93.110		2,203,532	897,259
93.113		Environmental Health	DHS	31	0
93.113		Environmental Health	UW-Madison	4,414	0
		Total Federal Program 93.113		4,445	0
93.116		Project Grants and Cooperative Agreements for Tuberculosis Control Programs	DHS	383,157	68,452
93.127		Emergency Medical Services for Children	DHS	87,675	0
93.130		Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	DHS	110,326	10,137
93.134		Grants to Increase Organ Donations	DHS	71,994	0
93.136		Injury Prevention and Control Research and State and Community Based Programs	DHS	1,262,209	966,688
93.161		Health Program for Toxic Substances and Disease Registry	DHS	6,500	0
93.165		Grants to States for Loan Repayment Program	UW-Madison	277,274	0
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	446,191	0
93.186		National Research Service Award in Primary Care Medicine	UW-Madison	392,887	0
93.197		Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	DHS	1,580,106	1,390,288
93.204		Surveillance of Hazardous Substance Emergency Events	DHS	89,456	0
93.213		Research and Training in Complementary and Alternative Medicine	UW-Madison	31,436	0
93.225		National Research Service Awards-Health Services Research Training	UW-Madison	277,055	0
93.234		Traumatic Brain Injury State Demonstration Grant Program	DHS	20,223	19,650
93.236		Grants for Dental Public Health Residency Training	DHS	107,416	91,052
93.240		State Capacity Building	DHS	609,081	130,056
93.241		State Rural Hospital Flexibility Program	UW-Madison	590,141	0
93.242		Mental Health Research Grants	UW-Madison	(4,512)	0
93.242		Mental Health Research Grants	UW-Milwaukee	18,043	0
		Total Federal Program 93.242		13,531	0
93.243		Substance Abuse and Mental Health Services-Projects of Regional and National Significance	DATCP	63,463	0
93.243		Substance Abuse and Mental Health Services-Projects of Regional and National Significance	DHS	7,195,830	6,864,298
93.243		Substance Abuse and Mental Health Services-Projects of Regional and National Significance	UW-Madison	177,292	28,425
93.243		Substance Abuse and Mental Health Services-Projects of Regional and National Significance	UW-La Crosse	63,200	0
93.243		Substance Abuse and Mental Health Services-Projects of Regional and National Significance	UW-Oshkosh	83,020	0
		Total Federal Program 93.243		7,582,805	6,892,723

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
93.251		Universal Newborn Hearing Screening	DHS	217,941	183,446
93.256		State Planning Grants Health Care Access for the Uninsured	DHS	9,590,957	0
93.262		Occupational Safety and Health Program	UW-Stout	90,542	0
93.264		Nursing Faculty Loan Program (NFLP) (Notes 2, 16)	UW-Madison	180,344	0
93.264		Nursing Faculty Loan Program (NFLP) (Notes 2, 16)	UW-Milwaukee	1,074,329	0
		Total Federal Program 93.264		1,254,673	0
		Immunization Cluster:			
93.268		Immunization Grants (Note 2)	DHS	46,178,448	1,845,091
93.712		ARRA-Immunization Grants (Note 2)	DHS	239,210	166,170
		Total Immunization Cluster		46,417,658	2,011,261
93.275		Substance Abuse and Mental Health Services-Access to Recovery	DHS	4,507,946	4,506,115
93.279		Drug Abuse and Addiction Research Programs	UW-Madison	58,298	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Madison	890,253	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	DHS	12,741,434	4,977,608
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-Madison	1,014,204	52,676
		Total Federal Program 93.283		13,755,638	5,030,284
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health	UW-Madison	35,904	0
93.301		Small Rural Hospital Improvement Grant Program	UW-Madison	536,936	0
93.358		Advanced Education Nursing Traineeships	UW-Madison	63,107	0
93.358		Advanced Education Nursing Traineeships	UW-Milwaukee	79,331	0
93.358		Advanced Education Nursing Traineeships	UW-Eau Claire	24,990	0
93.358		Advanced Education Nursing Traineeships	UW-Oshkosh	30,995	0
		Total Federal Program 93.358		198,423	0
93.359		Nurse Education, Practice and Retention Grants	UW-Madison	425,281	0
93.359		Nurse Education, Practice and Retention Grants	UW-Milwaukee	175,613	0
93.359		Nurse Education, Practice and Retention Grants (from UW-Madison)	UW-Milwaukee	64,083	0
93.359		Nurse Education, Practice and Retention Grants (from UW-Madison)	UW-Eau Claire	22,357	0
93.359		Nurse Education, Practice and Retention Grants (from UW-Madison)	UW-Green Bay	18,903	0
93.359		Nurse Education, Practice and Retention Grants (from UW-Madison)	UW-Oshkosh	29,338	0
		Total Federal Program 93.359		735,575	0
93.361		Nursing Research	UW-Madison	353,315	0
93.389		National Center for Research Resources	UW-Madison	1,428,344	0
93.389		National Center for Research Resources	UW-Milwaukee	35,085	0
		Total Federal Program 93.389		1,463,429	0
93.393		Cancer Cause and Prevention Research	UW-Madison	4,303	0
93.398		Cancer Research Manpower	UW-Madison	1,447,737	0
93.399		Cancer Control	UW-Madison	113,088	0
93.407		ARRA-Scholarships for Disadvantaged Students	UW-Madison	42,250	0
93.407		ARRA-Scholarships for Disadvantaged Students	UW-Eau Claire	4,695	0
		Total Federal Program 93.407		46,945	0
93.410	93.H1NRH17208	ARRA-Licensure Portability Grant Program	DR&L	2,064	0
93.414		ARRA-State Primary Care Offices	DHS	19,813	4,500
93.448		Food Safety and Security Monitoring Project	DATCP	292,455	0
93.449		Ruminant Feed Ban Support Project	DATCP	69,292	0
93.556		Promoting Safe and Stable Families	DCF	4,923,187	4,678,448

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
		TANF Cluster:			
93.558		Temporary Assistance for Needy Families (Note 2)	DCF	253,597,271	84,032,743
93.714		ARRA-Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs (Note 2)	DCF	23,463,100	23,463,100
		Total TANF Cluster		277,060,371	107,495,843
93.563		Child Support Enforcement (Notes 2, 5)	DCF	58,281,173	43,543,227
93.563		ARRA-Child Support Enforcement (Notes 2, 5)	DCF	17,811,119	17,399,430
		Total Federal Program 93.563		76,092,292	60,942,657
93.564		Child Support Enforcement Research	DCF	52,008	0
93.566		Refugee and Entrant Assistance-State Administered Programs	DCF	2,947,724	2,947,724
93.568		Low-Income Home Energy Assistance	DOA	138,642,067	18,586,062
		CSBG Cluster:			
93.569		Community Services Block Grant (Note 2)	DCF	8,441,382	8,292,959
93.710		ARRA-Community Services Block Grant (Note 2)	DCF	7,751,768	7,670,003
		Total CSBG Cluster		16,193,150	15,962,962
		CCDF Cluster:			
93.575		Child Care and Development Block Grant (Note 2)	DCF	57,780,116	10,525,817
93.596		Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Note 2)	DCF	37,720,106	17,878,836
93.713		ARRA-Child Care and Development Block Grant (Note 2)	DCF	20,975,190	0
		Total CCDF Cluster		116,475,412	28,404,653
93.576		Refugee and Entrant Assistance-Discretionary Grants	DCF	947,762	947,762
93.576		Refugee and Entrant Assistance-Discretionary Grants	DPI	160,038	110,671
		Total Federal Program 93.576		1,107,800	1,058,433
93.584		Refugee and Entrant Assistance-Targeted Assistance Grants	DCF	345,780	345,780
93.590		Community-Based Child Abuse Prevention Grants	CANPB	679,523	472,276
93.597		Grants to States for Access and Visitation Programs	CANPB	168,432	148,206
93.599		Chafee Education and Training Vouchers Program	DCF	957,665	945,182
		Head Start Cluster:			
93.600		Head Start	DCF	152,731	0
93.600		Head Start	UW-Oshkosh	4,100,807	0
93.708		ARRA-Head Start	UW-Oshkosh	325,494	0
		Total Head Start Cluster		4,579,032	0
93.605		Family Connection Grants	DCF	148,543	0
93.617		Voting Access for Individuals with Disabilities-Grants to States	GAB	204,448	12,113
93.630		Developmental Disabilities Basic Support and Advocacy Grants	BPDD	1,319,715	619,943
93.630		Developmental Disabilities Basic Support and Advocacy Grants	DHS	47,980	5,734
93.630		Developmental Disabilities Basic Support and Advocacy Grants	UW-Oshkosh	13,439	0
		Total Federal Program 93.630		1,381,134	625,677
93.631		Developmental Disabilities Projects of National Significance	DHS	52,290	51,850
93.631		Developmental Disabilities Projects of National Significance	UW-Madison	25,939	0
		Total Federal Program 93.631		78,229	51,850
93.632		University Centers for Excellence in Developmental Disabilities Education, Research, and Service	UW-Madison	485,151	0
93.643		Children's Justice Grants to States	DOJ	317,510	105,660
93.645		Child Welfare Services-State Grants	DCF	4,468,202	4,392,700
93.645		Child Welfare Services-State Grants	UW-Madison	4	0
		Total Federal Program 93.645		4,468,206	4,392,700

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
93.647		Social Services Research and Demonstration	DCF	158,245	0
93.658		Foster Care-Title IV-E (Note 2)	DCF	49,975,633	34,573,893
93.658		ARRA-Foster Care-Title IV-E (Note 2)	DCF	1,923,834	0
93.658		Foster Care-Title IV-E (Note 2) (from UW-Green Bay)	UW-Oshkosh	180,087	0
		Total Federal Program 93.658		52,079,554	34,573,893
93.659		Adoption Assistance (Note 2)	DCF	49,953,521	1,662,973
93.659		ARRA-Adoption Assistance (Note 2)	DCF	4,640,299	0
		Total Federal Program 93.659		54,593,820	1,662,973
93.667		Social Services Block Grant (Note 14)	DHS	44,371,698	44,005,682
93.669		Child Abuse and Neglect State Grants	DCF	600,168	0
93.671		Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	DCF	1,666,919	1,535,187
93.674		Chafee Foster Care Independence Program	DCF	1,914,067	1,651,514
93.701		ARRA-Trans-NIH Recovery Act Research Support	UW-Madison	167,209	0
93.711		ARRA-Strengthening Communities Fund	DCF	3,004	0
93.711		ARRA-Strengthening Communities Fund	UW-Parkside	101,831	0
		Total Federal Program 93.711		104,835	0
93.717		ARRA-Preventing Healthcare-Associated Infections	DHS	211,524	57,761
93.719		ARRA-State Grants to Promote Health Information Technology	DHS	334,730	0
93.720		ARRA-Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative	DHS	32,855	0
93.723		ARRA-Prevention and Wellness-State, Territories and Pacific Islands	DHS	185,657	14,280
93.724		ARRA-Prevention and Wellness-Communities Putting Prevention to Work Funding Opportunities Announcement (FOA)	DHS	8,186	0
93.767		Children's Health Insurance Program (Note 2)	DHS	102,734,841	3,285,068
93.768		Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	DHS	11,407,635	725,283
93.768		Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	UW-Milwaukee	12,357	0
93.768		Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	UW-Oshkosh	46,246	0
		Total Federal Program 93.768		11,466,238	725,283
93.773		Medicare-Hospital Insurance	DVA	648,885	0
93.774		Medicare-Supplementary Medical Insurance	DVA	186,874	0
		Medicaid Cluster:			
93.775		State Medicaid Fraud Control Units (Note 2)	DOJ	1,065,715	0
93.777		State Survey and Certification of Health Care Providers and Suppliers (Note 2)	DHS	10,617,082	0
93.778		Medical Assistance Program (Note 2)	DHS	4,041,235,997	289,267,454
93.778		ARRA-Medical Assistance Program (Note 2)	DHS	673,180,646	0
		Total Medicaid Cluster		4,726,099,440	289,267,454
93.779		Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	DHS	1,890,812	1,667,650
93.793		Medicaid Transformation Grants	DHS	1,062,125	171,626
93.837		Cardiovascular Diseases Research	UW-Madison	895,478	0
93.838		Lung Diseases Research	UW-Madison	380,567	0
93.839		Blood Diseases and Resources Research	UW-Madison	166,094	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Madison	94,079	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research	UW-Madison	242,536	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	744	0
93.855		Allergy, Immunology and Transplantation Research	UW-Madison	822,180	0
93.859		Biomedical Research and Research Training	UW-Madison	4,567,472	0
93.859		Biomedical Research and Research Training	UW-Milwaukee	43,758	14,802
		Total Federal Program 93.859		4,611,230	14,802

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
93.865		Child Health and Human Development Extramural Research	UW-Madison	1,328,000	0
93.866		Aging Research	UW-Madison	801,339	0
93.879		Medical Library Assistance	UW-Madison	995,955	0
93.884		Grants for Training in Primary Care Medicine and Dentistry	UW-Madison	195,846	0
93.887		Health Care and Other Facilities	UW-Oshkosh	66,006	0
93.887		Health Care and Other Facilities	UW-Superior	66,833	0
		Total Federal Program 93.887		132,839	0
93.889		National Bioterrorism Hospital Preparedness Program	DHS	10,553,373	9,777,065
93.912		Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	UW-Madison	214,577	214,577
93.913		Grants to States for Operation of Offices of Rural Health	UW-Madison	838,035	0
93.917		HIV Care Formula Grants	DHS	10,504,140	8,933,429
93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	645,494	0
93.928		Special Projects of National Significance	DHS	59,157	23,019
93.938		Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	DPI	776,169	182,087
93.939		HIV Prevention Activities-Non-Governmental Organization Based	UW-Milwaukee	125,623	0
93.941		HIV Demonstration, Research, Public and Professional Education Projects	DHS	223,293	0
93.946		Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	DHS	144,042	0
93.946		Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	UW-Milwaukee	24,359	0
		Total Federal Program 93.946		168,401	0
93.958		Block Grants for Community Mental Health Services	DHS	7,523,530	6,786,551
93.959		Block Grants for Prevention and Treatment of Substance Abuse	DHS	30,147,160	28,652,021
93.977		Preventive Health Services-Sexually Transmitted Diseases Control Grants	DHS	772,253	518,854
93.982		Mental Health Disaster Assistance and Emergency Mental Health	DHS	489,211	0
93.988		Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	DHS	95,375	73,250
93.991		Preventive Health and Health Services Block Grant	DHS	1,844,982	889,222
93.994		Maternal and Child Health Services Block Grant to the States	DHS	11,579,880	7,015,348
		Other Federal Financial Assistance:			
N/A	93.223-95-4073	Food Inspections	DATCP	167,535	0
N/A	93.223-95-4016	Medicated Feed Inspections	DATCP	91,042	0
N/A	93.211-2007-M-22838; 211-2008-M-26708	Adult Blood Lead Epidemiology and Surveillance (Note 15)	DHS	10,251	0
N/A	93.200-2007-M-19964	DHS Vital Statistics (Note 15)	DHS	333,618	0
N/A	93.D111851166; 93.283-07-4803	Drug and Alcohol Services Information System	DHS	60,520	0
N/A	93.500-2004-00046C	Healthy Start Grow Smart (Note 15)	DHS	29,912	0
N/A	93.223200940010; F223200840125C	Mammography Quality Standards Act (Note 15)	DHS	265,091	0
N/A	93.200-2009-M-29462; 200-2008-M-25016	National Death Index	DHS	69,693	0
N/A	93.UNKNOWN	Federal Data Sharing	DWD	330	0
N/A	93.F31 AA016898; T32 AA014845; F30 AA016897	Alcohol National Research Service Awards for Research Training	UW-Madison	136,070	0
N/A	93.HHSN261200511008C	Cancer Information Service	UW-Madison	440,947	196,999
N/A	93.U01EH000365	Child Care for Families At-Risk of Welfare Dependency	UW-Madison	529,932	0
N/A	93.T32 DK007665	Digestive Diseases and Nutrition Research	UW-Madison	298,307	0
N/A	93.AGR dtd 8/30/2009	Intergovernmental Personnel Assignment (IPA) for Charo	UW-Madison	241,078	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
N/A	93.HHSP233200700612P	Introducing the NIATx Quality Improvement Model for Men	UW-Madison	(6,826)	0
N/A	93.HHSP233200900503P	Substance Abuse and Mental Health Services Administration (SAMHSA)/Center for Substance Abuse Treatment (CSAT) Action II Campaign	UW-Madison	60,403	0
N/A	93.263-MK-703654-1	To Serve as a Chairperson of the Steering Committee of the Minimally Invasive Surgical Therapy (MIST) Trial	UW-Madison	16,390	0
N/A	93.HHSA290200600 5C	Update the PHS Sponsored Clinical Practice Guideline	UW-Madison	(1)	0
		Subtotal Direct Programs		5,894,070,501	757,988,609
		Subgrants:			
93.048	93.20102994	Special Programs for the Aging-Title IV-and Title II-Discretionary Projects (from Michigan Department of Community Health)	UW-Milwaukee	7,055	0
93.110		Maternal and Child Health Federal Consolidated Programs (from University of Massachusetts)	UW-Madison	45,249	0
93.243		Substance Abuse and Mental Health Services-Projects of Regional and National Significance (from National Association of State Mental Health Program Directors)	DHS	141,029	111,821
93.243	93.MOU	Substance Abuse and Mental Health Services-Projects of Regional and National Significance (from Mental Health America)	DPI	7,508	0
93.243	93.6H79TI6556-01-04	Substance Abuse and Mental Health Services-Projects of Regional and National Significance (from Health Care for the Homeless, Inc.)	UW-Milwaukee	40,648	0
93.273		Alcohol Research Programs (from Milwaukee County, WI)	UW-Milwaukee	30,037	0
93.276		Drug-Free Communities Support Program Grants (from Focus on Community)	UW-Parkside	4,003	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance (from Association of State and Territorial Health Officials)	DHS	42,282	51,520
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	(1)	0
93.768		Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities (from Employment Resources, Inc.)	UW-Stout	32,766	0
93.778	93.AGR dtd 08/11/08	Medical Assistance Program (Note 2) (from Sally Mather Associates)	UW-Madison	118	0
93.779	93.20092715	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations (from Michigan Department of Community Health)	UW-Milwaukee	27,072	0
93.865		Child Health and Human Development Extramural Research (from University of Michigan)	UW-Milwaukee	28,030	0
93.910		Family and Community Violence Prevention Program (from Marquette University)	UW-Milwaukee	23,000	0
93.933	93.1U26 9400014	Demonstration Projects for Indian Health (from Great Lakes Inter-Tribal Council)	UW-Milwaukee	32,344	0
93.945		Assistance Programs for Chronic Disease Prevention and Control (from Illinois Department of Public Health)	DHS	10,513	6,750
93.958		Block Grants for Community Mental Health Services (from Magna Systems, Inc.)	DHS	26,029	0
93.959	93.09-053; AGR 10-061	Block Grants for Prevention and Treatment of Substance Abuse (from Rock County Department of Human Services)	UW-Extension	61,132	0
93.969	93.5D31HP08801-0200	Geriatric Education Centers (from University of Minnesota-Twin Cities)	UW-Eau Claire	11,860	0
93.994		Maternal and Child Health Services Block Grant to the States (from Children's Hospital of Wisconsin)	UW-Madison	28,522	0
N/A	93.HHSS283200700003IHHSS283C	JBS International Subcontract Samhsa (from JBS International)	UW-Madison	754,546	0
N/A	93.AGR dtd 8/12/09	Katie Beckett Consultant Program (from Sally Mather Associates)	UW-Madison	100,243	0
N/A	93.E6801 494320E0009545	Midwest AIDS Training & Education Center - Year 22 (from University of Illinois-Chicago)	UW-Madison	183,378	3,011
N/A	93.U10CA021661	Radiation Therapy Oncology Group (RTOG) Brain Tumor Committee (from American College of Radiology)	UW-Madison	21,217	0
N/A	93.H-F5-ETH-09-PRT-AASM-00	Tefera-Twinning Center (from American International Health Alliance)	UW-Madison	34,507	20,000

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
N/A	93.09SR043; HHSP23320084400EC	I Can Do It Mentoring SRU (from Slippery Rock University)	UW-La Crosse	15,966	0
N/A	93.AGR dtd 2/1/10	Great Lakes Stewardship Through Education Network (GLISTEN) Planning (from National Center for Science and Civic Engagement)	UW-Extension	1,235	0
		Subtotal Subgrants		1,710,288	193,102
		TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		5,895,780,789	758,181,711
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:					
94.003		State Commissions	DOA	267,887	0
94.004		Learn and Serve America-School and Community Based Programs	DPI	346,365	132,404
94.006		AmeriCorps	DATCP	130,716	0
94.006		ARRA-AmeriCorps	DATCP	14,948	0
94.006		AmeriCorps	DOA	5,155,070	5,155,070
94.006		ARRA-AmeriCorps	DOA	1,674,489	1,674,489
94.006		AmeriCorps	UW-Oshkosh	202,431	0
94.006		AmeriCorps	UW-Extension	103,162	0
		Total Federal Program 94.006		7,280,816	6,829,559
94.007		Program Development and Innovation Grants	DOA	12,004	0
94.007		Program Development and Innovation Grants	UW-Parkside	2,908	0
		Total Federal Program 94.007		14,912	0
94.009		Training and Technical Assistance	DOA	175,412	0
		Foster Grandparent/Senior Companion Cluster:			
94.011		Foster Grandparent Program	DHS	1,325,912	1,220,166
		Total Foster Grandparent/Senior Companion Cluster		1,325,912	1,220,166
94.013		Volunteers in Service to America	DPI	301,852	0
94.013		ARRA-Volunteers in Service to America	DPI	80,962	0
94.013		Volunteers in Service to America	UW-Parkside	265,439	0
94.013		Volunteers in Service to America	UW-Extension	368,942	62,028
94.013		ARRA-Volunteers in Service to America	UW-Extension	97,117	0
		Total Federal Program 94.013		1,114,312	62,028
		Subtotal Direct Programs		10,525,616	8,244,157
		Subgrants:			
94.005	94.1377	Learn and Serve America-Higher Education (from Princeton University)	UW-Madison	10,405	0
94.006	94.7602	AmeriCorps (from Jumpstart GIS, Inc.)	UW-Madison	8,887	0
94.006	94.AD099327	AmeriCorps (from Wisconsin National and Community Service Board)	UW-Madison	49,340	0
94.006	94.OP011-94.006-08-PAMK	AmeriCorps (from Public Allies)	UW-Milwaukee	346,915	0
94.006		ARRA-AmeriCorps (from Public Allies)	UW-Milwaukee	246,636	0
94.006	94.270200	AmeriCorps (from Jumpstart for Young Children, Inc.)	UW-Eau Claire	73,146	0
94.006		ARRA-AmeriCorps (from Wisconsin National Community Service Board)	UW-Oshkosh	47,832	0
94.006		AmeriCorps (from North Carolina Campus Compact)	UW-Stout	500	0
94.007		Program Development and Innovation Grants (from The Campus Kitchen Projects)	UW-Eau Claire	2,318	0
		Subtotal Subgrants		785,979	0
		TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		11,311,595	8,244,157
EXECUTIVE OFFICE OF THE PRESIDENT:					
95.001		High Intensity Drug Trafficking Areas Program	DOT	48,094	0
95.001	95.17PMLP555Z	High Intensity Drug Trafficking Areas Program	UW-Milwaukee	1,033,383	0
		TOTAL EXECUTIVE OFFICE OF THE PRESIDENT		1,081,477	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		INDIVIDUAL PROGRAMS AND OTHER CLUSTERS			
U.S. SOCIAL SECURITY ADMINISTRATION:					
		Disability Insurance/SSI Cluster:			
96.001		Social Security-Disability Insurance (Note 2)	DHS	32,354,281	0
96.001		ARRA-Social Security-Disability Insurance (Note 2)	DHS	126,304	0
96.001		Social Security-Disability Insurance (Notes 2, 15)	DWD	5,358,672	3,612,085
		Total Disability Insurance/SSI Cluster		37,839,257	3,612,085
96.007		Social Security-Research and Demonstration	DHS	159,936	0
		Other Federal Financial Assistance:			
N/A	96.SS00-06-60139	Electronic Death Registration (Note 15)	DHS	8,602	0
N/A	96.SS00-06-60057;SS00-08-30268;SS00-09-30316	Social Security Administration Death Records (Note 15)	DHS	98,165	0
N/A	96.SS00-08-60068	Social Security Enumeration (Note 15)	DHS	36,062	0
		TOTAL U.S. SOCIAL SECURITY ADMINISTRATION		38,142,022	3,612,085
U.S. DEPARTMENT OF HOMELAND SECURITY:					
97.012		Boating Safety Financial Assistance	DNR	5,154,443	1,371,826
97.023		Community Assistance Program State Support Services Element	DNR	165,327	0
97.029		Flood Mitigation Assistance	DMA	9,122	9,080
97.034		Disaster Unemployment Assistance	DWD	2,979	0
97.036		Disaster Grants-Public Assistance (Presidentially Declared Disasters)	DMA	6,490,438	6,357,552
97.039		Hazard Mitigation Grant	DMA	10,466,694	10,282,127
97.041		National Dam Safety Program	DNR	46,629	0
97.042		Emergency Management Performance Grants	DOA	4,998,994	4,998,994
97.043		State Fire Training Systems Grants	WTCSB	9,235	9,235
97.044		Assistance to Firefighters Grant	DOJ	11,289	0
97.045		Cooperating Technical Partners	DNR	969,642	0
97.047		Pre-Disaster Mitigation	DMA	1,416,680	1,298,311
97.055		Interoperable Emergency Communications	DOA	99,195	1,818
		Homeland Security Cluster:			
97.067		Homeland Security Grant Program	DOA	21,905,439	20,430,942
97.067		Homeland Security Grant Program	DOJ	685,655	0
		Total Homeland Security Cluster		22,591,094	20,430,942
97.075		Rail and Transit Security Grant Program	DOA	133,467	133,077
97.078		Buffer Zone Protection Program (BZPP)	DOA	167,468	144,454
97.088		Disaster Assistance Projects	DNR	553,264	0
97.089		Driver's License Security Grant Program	DOT	483,737	0
97.091		Homeland Security Biowatch Program	DNR	403,082	0
		Other Federal Financial Assistance:			
N/A	97.UNKNOWN	Immigration and Customs Enforcement	DOJ	15,196	0
		TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		54,187,975	45,037,416
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:					
98.012		USAID Development Partnerships for University Cooperation and Development	UW-Stevens Point	(211)	0
		Subgrants:			
98.001		USAID Foreign Assistance for Programs Overseas (from Partners of the Americas)	UW-Extension	37,377	0
98.012		USAID Development Partnerships for University Cooperation and Development (from Association Liaison Office for University Cooperation in Development)	UW-Stevens Point	15,399	0
N/A	98.UWLC-RX2050-884-07-A	East Central European Scholars Program (ECESP) (from Georgetown University)	UW-La Crosse	197,977	0
		TOTAL U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT		250,542	0
		TOTAL INDIVIDUAL PROGRAMS AND OTHER CLUSTERS		**$ 13,752,132,113**	**$ 2,598,871,968**

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
		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
U.S. DEPARTMENT OF AGRICULTURE:					
10.001		Agricultural Research-Basic and Applied Research	UW-Madison	1,479,009	40,954
10.001		Agricultural Research-Basic and Applied Research	UW-Milwaukee	377,962	45,471
10.001		Agricultural Research-Basic and Applied Research	UW-Stevens Point	5,075	0
		Total Federal Program 10.001		1,862,046	86,425
10.025		Plant and Animal Disease, Pest Control, and Animal Care	UW-Madison	112,595	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Madison	1,320,112	607,718
10.200		Grants for Agricultural Research, Special Research Grants	UW-Milwaukee	23,354	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Stevens Point	432,216	0
		Total Federal Program 10.200		1,775,682	607,718
10.202		Cooperative Forestry Research (from UW-Madison)	UW-Stevens Point	19,211	0
10.203		Payments to Agricultural Experiment Stations Under the Hatch Act	UW-Madison	5,456,612	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Madison	4,157,636	491,041
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Milwaukee	48,646	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Eau Claire	34,578	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Stevens Point	23,326	0
10.206		Grants for Agricultural Research-Competitive Research Grants (from UW-Madison)	UW-Stevens Point	20	0
		Total Federal Program 10.206		4,264,206	491,041
10.210		Food and Agricultural Sciences National Needs Graduate Fellowship Grants	UW-Madison	36,450	0
10.215		Sustainable Agriculture Research and Education	UW-Madison	211,089	0
10.217		Higher Education Challenge Grants	UW-Madison	220,863	132,053
10.219		Biotechnology Risk Assessment Research	UW-Madison	93,411	58,702
10.250		Agricultural and Rural Economic Research	UW-Madison	215,107	123,211
10.255		Research Innovation and Development Grants in Economic (RIDGE)	UW-Madison	13,168	0
10.303		Integrated Programs	UW-Madison	468,794	83,367
10.303		Integrated Programs (from UW-Madison)	UW Colleges	18,984	0
		Total Federal Program 10.303		487,778	83,367
10.305		International Science and Education Grants	UW-Madison	1,802	0
10.307		Organic Agriculture Research and Extension Initiative	UW-Madison	126,845	0
10.309		Specialty Crop Research Initiative	UW-Madison	134,995	38,968
10.310		Agriculture and Food Research Initiative (AFRI)	UW-Madison	261,738	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-Madison	256,172	0
10.561		State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (from UW-Extension)	UW-Madison	88,883	0
10.652		Forestry Research	UW-Madison	199,397	9,000
10.652		Forestry Research	UW-La Crosse	514	0
10.652		Forestry Research	UW-Stevens Point	3,273	0
10.652		Forestry Research (from UW-Madison)	UW-Stevens Point	92,408	0
		Total Federal Program 10.652		295,592	9,000
10.664		Cooperative Forestry Assistance	UW-Madison	25,735	0
10.675		Urban and Community Forestry Program	UW-Stevens Point	24,850	0
10.680		Forest Health Protection	UW-Madison	46,543	0
10.961		Scientific Cooperation and Research	UW-Madison	14,261	0
10.961		Scientific Cooperation and Research	UW-Milwaukee	26,768	0
10.961		Scientific Cooperation and Research	UW-Stevens Point	18,067	0
		Total Federal Program 10.961		59,096	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
10.962		Cochran Fellowship Program-International Training-Foreign Participant	UW-Madison	20,864	0
N/A	10.CHK #631193	Aschkenase MS Thesis Support (from UW-Stevens Point)	UW-Madison	1	0
N/A	10.AID-CDS-3204	Basic Ordering Agreement in Connection with Foreign Assistance Programs	UW-Madison	(54)	0
N/A	10.09-49	Conservation Professional Training (from UW-Extension)	UW-Madison	8,072	0
N/A	10.07-39	Online Education for Fish Producers (from UW-Extension)	UW-Madison	41	0
N/A	10.RD	R&D from Animal & Plant Health Inspection	UW-Madison	9,706	0
N/A	10.RD	R&D from Agricultural Research Service	UW-Madison	113,092	37,834
N/A	10.RD	R&D from Cooperative State Research, Education, and Extension Service	UW-Madison	130,577	0
N/A	10.RD	R&D from Foreign Agriculture Service	UW-Madison	4,009	0
N/A	10.RD	R&D from Forest Service	UW-Madison	891,668	0
N/A	10.RD	R&D from Natural Resources Conservation Service	UW-Madison	410,168	25,454
N/A	10.RD	R&D from Risk Management Agency	UW-Madison	83,583	0
N/A	10.RD	R&D from Rural Development	UW-Madison	242,742	7,270
N/A	10.10-PA-11090903-020	R&D from Forest Service	UW-Eau Claire	2,792	0
N/A	10.Order #: AG-56A2 P-09-0139	Pollinator Inventory	UW-Green Bay	5,167	0
N/A	10.MVAC-7/4/16 & 7/3/08; 53-5F48-4-022; AG-5F48-C-09-0008	Mississippi Valley Archaeology Center (MVAC) Natural Resources Conservation Service (NRCS)	UW-La Crosse	143,488	0
		Subtotal Direct R&D Grants		18,156,385	1,701,043
		R&D Subgrants:			
10.001	10.21A292-01	Agricultural Research-Basic and Applied Research (from Texas Tech University)	UW-Madison	9,803	0
10.025	10.3911-UW-USDA-1136	Plant and Animal Disease, Pest Control, and Animal Care (from Pennsylvania State University)	UW-Madison	53,217	0
10.169		Specialty Crop Block Grant (from WI Potato and Vegetable Growers Association)	UW-Madison	39,188	0
10.200	10.2006-05990-09	Grants for Agricultural Research, Special Research Grants (from Illinois-Missouri Biotechnical Alliance)	UW-Madison	28,510	25,317
10.200	10.416-40-12L	Grants for Agricultural Research, Special Research Grants (from Iowa State University)	UW-Madison	508	0
10.200	10.61-4054H; 4087F; 4134E; 4138G; 4141IT; 4080F	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Madison	156,383	0
10.200	10.RF01078531	Grants for Agricultural Research, Special Research Grants (from Ohio State University)	UW-Madison	1,143	0
10.200	10.C0340A-L; CO365A-D	Grants for Agricultural Research, Special Research Grants (from Oregon State University)	UW-Madison	53,749	0
10.200	10.3993-UW-USDA-9968	Grants for Agricultural Research, Special Research Grants (from Pennsylvania State University)	UW-Madison	79,293	0
10.200	10.8000031510-AG	Grants for Agricultural Research, Special Research Grants (from Purdue University)	UW-Madison	9,100	0
10.200	10.200911201-WISC2	Grants for Agricultural Research, Special Research Grants (from University of California - Davis)	UW-Madison	1,573	0
10.200	10.H000964801; H001042502; Q4089042120	Grants for Agricultural Research, Special Research Grants (from University of Minnesota)	UW-Madison	96,299	0
10.200	10.C00020979-1	Grants for Agricultural Research, Special Research Grants (from University of Missouri - Columbia)	UW-Madison	40,237	0
10.200	10.25-6205-0042-016	Grants for Agricultural Research, Special Research Grants (from University of Nebraska)	UW-Madison	22,132	0
10.200	10.61-4080H, 4141F, 4138H	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Milwaukee	50,227	0
10.200		Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Stevens Point	57,633	0
10.200		Grants for Agricultural Research, Special Research Grants (from University of Michigan)	UW-Stevens Point	2,738	0
10.206	10.5020090-5500000147	Grants for Agricultural Research-Competitive Research Grants (from Broad Institute)	UW-Madison	84,063	0
10.206	10.45084-7517	Grants for Agricultural Research-Competitive Research Grants (from Cornell University)	UW-Madison	2,298	0
10.206	10.S09181	Grants for Agricultural Research-Competitive Research Grants (from Kansas State University)	UW-Madison	64,388	0
10.206	10.57100024	Grants for Agricultural Research-Competitive Research Grants (from Massachusetts Institute of Technology)	UW-Madison	(845)	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
10.206	10.3484-UW-USDA-8365; 3753-UWM-USDA-8710; 3952-UWM-USDA-8710; 4094-UWM-USDA-8710	Grants for Agricultural Research-Competitive Research Grants (from Pennsylvania State University)	UW-Madison	168,292	0
10.206	10.3TL017	Grants for Agricultural Research-Competitive Research Grants (from South Dakota State University)	UW-Madison	13,805	0
10.206	10.S606400 FRS #524603	Grants for Agricultural Research-Competitive Research Grants (from University of Connecticut)	UW-Madison	34,890	0
10.206	10.060505/0000614	Grants for Agricultural Research-Competitive Research Grants (from University of Rhode Island)	UW-Madison	8,239	0
10.206	10.21109 UNOFWI	Grants for Agricultural Research-Competitive Research Grants (from University of Vermont)	UW-Madison	2,189	0
10.206	10.6134001	Grants for Agricultural Research-Competitive Research Grants (from Utah State University)	UW-Madison	(5,479)	0
10.216	10.36-22650-3976190	1890 Institution Capacity Building Grants (from Tuskegee University)	UW-Madison	39,636	0
10.219	10.Z530001	Biotechnology Risk Assessment Research (from University of Maryland)	UW-Madison	564	0
10.223	10.2009-2010-007	Hispanic Serving Institutions Education Grants (from University of Puerto Rico - Mayaguez)	UW-Madison	25,331	0
10.250	10.SUB981834-21	Agricultural and Rural Economic Research (from University of California-Davis)	UW-Madison	16,426	0
10.250	10.35843-G	Agricultural and Rural Economic Research (from University of Chicago)	UW-Madison	15,854	0
10.303	10.416-43-26I7 48879 23/E/I9 65951 23	Integrated Programs (from Iowa State University)	UW-Madison	164,928	1,142
10.303	10.61-4253B; 4275A	Integrated Programs (from Michigan State University)	UW-Madison	3,263	0
10.303	10.2007-04967-21	Integrated Programs (from University of Illinois - Urbana-Champaign)	UW-Madison	5,724	0
10.304	10.61-4135A	Homeland Security-Agricultural (from Michigan State University)	UW-Madison	56,834	0
10.307	10.C0397A-D	Organic Agriculture Research and Extension Initiative (from Oregon State University)	UW-Madison	11,483	0
10.310	10.614222A; 4288A	Agriculture and Food Research Initiative (AFRI) (from Michigan State University)	UW-Madison	121,863	0
10.312	10.H001353203	Biomass Research and Development Initiative Competitive Grants Program (BRDI) (from University of Minnesota)	UW-Madison	53,871	0
10.500	10.626001; 2009-48702-06080	Cooperative Extension Service (from Texas AgriLife Extension Service)	UW-Milwaukee	16,393	0
10.912	10.2008-0116-040	Environmental Quality Incentives Program (from National Fish and Wildlife Foundation)	UW-Madison	67,829	0
N/A	10.07-PH6-A-A-0095	A Partnership for Dairy Improvement (from Land O'Lakes, Inc.)	UW-Madison	(743)	0
N/A	10.080300-330439-06	Carnivores 2009 Conference (from Mississippi State University)	UW-Madison	3,500	0
N/A	10.AGR dtd 06/10/08	Commercially Viable Out-of-Season Spawning Technologies (from Coolwater Aquaculture, LLC)	UW-Madison	15,957	0
N/A	10.AGR dtd 02/18/2010	Develop and Test Pollinator Habitat Job Sheets (from Xerces Society)	UW-Madison	200	0
N/A	10.H000491602	Development of Multipurpose Potato Cultivars (from University of Minnesota)	UW-Madison	2,172	0
N/A	10.IS-3647-04CR	Improvement of Quality and Nutritional Value of Muscle Foods (from US-Israel Binational Agricultural Research and Development Foundation)	UW-Madison	(1)	0
N/A	10.US-3829-06 R	Microarray Analysis of Brucella Melitensis Pathogenesis (from US-Israel Binational Agricultural Research and Development Foundation)	UW-Madison	6,976	0
N/A	10.AGR dtd 04/14/06; 7/14/09	Rates and Timing for Potassium for Cranberry Nutrition (from Wisconsin Cranberry Board, Inc.)	UW-Madison	21,181	0
N/A	10.SC0919	Specialty Crop Block Grant (from WI Grape Growers Association)	UW-Madison	1,495	0
N/A	10.AGR dtd 04/01/2010	Spotted Owl Population Dynamic (from University of Minnesota)	UW-Madison	31,855	0
		Subtotal R&D Subgrants		1,756,164	26,459
		TOTAL R&D FROM U.S. DEPARTMENT OF AGRICULTURE		19,912,549	1,727,502
U.S. DEPARTMENT OF COMMERCE:					
11.417		Sea Grant Support	UW-Madison	1,114,679	80,144
11.417		Sea Grant Support (from UW-Madison)	UW-Milwaukee	515,230	0
11.417		Sea Grant Support (from UW-Madison)	UW-Green Bay	16,385	0
11.417		Sea Grant Support (from UW-Madison)	UW-Oshkosh	95,415	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
11.417		Sea Grant Support (from UW-Madison)	UW-Stevens Point	127,017	0
11.417		Sea Grant Support (from UW-Madison)	UW-Superior	17,806	0
		Total Federal Program 11.417		1,886,532	80,144
11.431		Climate and Atmospheric Research	UW-Madison	592,568	0
11.431		Climate and Atmospheric Research	UW-Milwaukee	23,574	0
		Total Federal Program 11.431		616,142	0
11.440		Environmental Sciences, Applications, Data, and Education	UW-Madison	8,265,227	56,024
11.469		Congressionally Identified Awards and Projects	UW-Madison	10,970	0
11.478		Center for Sponsored Coastal Ocean Research-Coastal Ocean Program	UW-Milwaukee	(10,987)	0
11.609		Measurement and Engineering Research and Standards	UW-Madison	154,070	0
11.609		Measurement and Engineering Research and Standards	UW-Stout	4,121	0
		Total Federal Program 11.609		158,191	0
11.616		Technology Innovation Program (TIP)	UW-Madison	199,614	26,251
N/A	11.RA133R-07-SE-2465	High Spectral Resolution Lidar (HSRL) Support	UW-Madison	2,484	0
N/A	11.NA06OAR4170001	Sea Grant Program Coordination and Field Offices (from UW-Madison)	UW-Green Bay	28,676	0
N/A	11.NA06OAR4170011	UW-Manitowoc (MAN) Sea Grant Institute (from UW-Madison)	UW Colleges	30,846	0
		Subtotal Direct R&D Grants		11,187,695	162,419
		R&D Subgrants:			
11.113		ITA Special Projects (from Applied Ecological Services)	UW-Milwaukee	(25,200)	0
11.417		Sea Grant Support (from Northeast Midwest Institute)	UW-Superior	(138,846)	0
11.419		Coastal Zone Management Administration Awards (from University of New Hampshire)	UW-Superior	17,635	8,890
11.430		Undersea Research (from University of Connecticut - Avery Point)	UW-Milwaukee	12,203	0
11.432		National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes (from University of Michigan)	UW-Milwaukee	36,139	0
11.432	11.NA07OAR43200006	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes (from University of Michigan)	UW-Green Bay	1,783	0
11.432		National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes (from University of Michigan)	UW-Stout	5,590	0
11.467	11.S10-71093	Meteorologic and Hydrologic Modernization Development (from University Corporation for Atmospheric Research)	UW-Madison	32,073	0
11.611	11.WMEP-UWEBI	Manufacturing Extension Partnership (from WI Center for Manufacturing and Productivity, Inc.)	UW-Madison	305,327	0
N/A	11.PO 00005395	Cooperative Institute for Meteorological Satellites Studies (CIMSS) to Support National Climatic Data Center (NCDC) (from Information Manufacturing Corporation)	UW-Madison	94,701	0
N/A	11.AGR dtd 2/1/08	Harborview Pilot Project (from Great Lakes Commission)	UW-Madison	1,878	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	(157)	0
N/A	11.ST09-UOW01	National Weather Service (NWS) Market Study (from Global Science and Technology)	UW-Madison	108,668	0
N/A	11.PO37545-10P-7671	Support in the Development and Maintenance of Improved Marine Recreational Information Program (from ICF Macro)	UW-Milwaukee	40,818	0
N/A	11.AGR dtd 5/19/09	Survey Questionnaire Development (from Oak Management, Inc.)	UW-Milwaukee	59,280	0
		Subtotal R&D Subgrants		551,892	8,890
		TOTAL R&D FROM U.S. DEPARTMENT OF COMMERCE		11,739,587	171,309
U.S. DEPARTMENT OF DEFENSE:					
12.114		Collaborative Research and Development	UW-Milwaukee	28,251	0
12.300		Basic and Applied Scientific Research	UW-Madison	2,239,669	54,192
12.300		Basic and Applied Scientific Research	UW-Milwaukee	1,130,727	0
		Total Federal Program 12.300		3,370,396	54,192

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
12.420		Military Medical Research and Development	UW-Madison	3,043,227	14,967
12.420		Military Medical Research and Development	UW-Milwaukee	276,482	0
		Total Federal Program 12.420		3,319,709	14,967
12.431		Basic Scientific Research	UW-Madison	3,802,209	1,158,910
12.431		Basic Scientific Research	UW-La Crosse	31,445	0
12.431		Basic Scientific Research (from UW-Stevens Point)	UW-Oshkosh	17,535	0
12.431		Basic Scientific Research	UW-Stevens Point	2,036,553	926,556
		Total Federal Program 12.431		5,887,742	2,085,466
12.630		Basic, Applied, and Advanced Research in Science and Engineering	UW-Madison	56,637	0
12.800		Air Force Defense Research Sciences Program	UW-Madison	6,013,190	1,616,692
12.901		Mathematical Sciences Grants Program	UW-Madison	28,342	0
12.901		Mathematical Sciences Grants Program	UW-Milwaukee	53,404	0
		Total Federal Program 12.901		81,746	0
12.910		Research and Technology Development	UW-Madison	456,843	61,701
N/A	12.144-691674-4; 144-691675-4	Biomass for Jet Fuel (from UW-Superior)	UW-Madison	112,210	0
N/A	12.RD	R&D from Air Force	UW-Madison	310,011	302,728
N/A	12.RD	R&D from Army	UW-Madison	1,440,810	530,045
N/A	12.RD	R&D from Navy	UW-Madison	369,021	0
N/A	12.W911SA-06-P-0228	Fort McCoy Curation	UW-La Crosse	1,256	0
N/A	12.(USAE) DACW37-01-M-0171	COE-Fisher Mounds	UW-La Crosse	887	0
N/A	12.W911NF-08-2-0029	Development of One-Step JP-8 Biodiesel Fuel (from UW-Superior)	UW-Stevens Point	35,940	0
N/A	12.W911NF-08-2-0029	Development of One-Step JP-8 Biodiesel Fuel	UW-Superior	2,990,398	1,658,044
N/A	12.W91WAW-09-C-0086	A Comparison of Theoretical Approaches to Improving Self-Regulatory Processes in Technology-Delivered Instruction	UW System Admin	89,284	0
		Subtotal Direct R&D Grants		24,564,331	6,323,835
		R&D Subgrants:			
12.114		Collaborative Research and Development (from RF Nano Corporation)	UW-Milwaukee	38,596	0
12.300	12.E-21-6RU-G10	Basic and Applied Scientific Research (from Georgia Institute of Technology)	UW-Madison	5,012	0
12.300	12.4104-28895	Basic and Applied Scientific Research (from Purdue University)	UW-Madison	140,175	0
12.300	12.CR-19126-415940	Basic and Applied Scientific Research (from Virginia Polytechnic Institute and State)	UW-Madison	71,521	0
12.420	12.06-SC-DOD-1001	Military Medical Research and Development (from Duke University)	UW-Madison	115,269	0
12.420	12.PROJ00002	Military Medical Research and Development (from Northwestern University)	UW-Madison	79,534	0
12.420	12.AGMT07212009	Military Medical Research and Development (from Rehabilitation Institute of Chicago)	UW-Madison	25,009	0
12.420	12.W81XWH-07-2-0073	Military Medical Research and Development (from University of Hawaii)	UW-Madison	21,428	0
12.431	12.09-005334 B/0001261578	Basic Scientific Research (from University of Massachusetts-Amherst)	UW-Madison	207,219	0
12.431	12.26-0401-35.61	Basic Scientific Research (from University of Texas - Arlington)	UW-Madison	29,794	0
12.800	12.123572	Air Force Defense Research Sciences Program (from Harvard University)	UW-Madison	145,973	0
12.800	12.00001715	Air Force Defense Research Sciences Program (from Princeton University)	UW-Madison	13,519	0
12.800		Air Force Defense Research Sciences Program (from University of California - San Diego)	UW-Milwaukee	23,329	0
12.910	12.57100027	Research and Technology Development (from Massachusetts Institute of Technology)	UW-Madison	61,138	0
N/A	12.sub.SB09-008 proj. 0906-001	3D Tomographic Reconstruction of Flow Fields for Spatio (from Spectral Energies)	UW-Madison	15,474	0
N/A	12.AGR DTD 10/04/07; PO000578161	Advanced Modeling Tools (from Astronautics Corporation of America)	UW-Madison	946	0
N/A	12.4500439496	Analog to Information (from L-3 Communications Corporation)	UW-Madison	136,352	0
N/A	12.SPS 160423	Biosensor Research for PhD Program (from Duke University)	UW-Madison	26,656	0
N/A	12.AGR dtd 07-23-07	Botulinum Neurotoxin Detection (from Biosentinel, LLC)	UW-Madison	(5,307)	0
N/A	12.AGR dtd 6/29/09	Chemical Sensor Research (from ICX Technologies)	UW-Madison	150,000	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	12.3000680789	Complementary Metal-Oxide Semiconductor (CMOS) Compatible Quantum Dot Lasers Directly Grown (from University of Michigan)	UW-Madison	(15,514)	0
N/A	12.7000022101	Computational Fluid Dynamics (CFD) Modeling of Air Sampling (from Massachusetts Institute of Technology)	UW-Madison	53,769	0
N/A	12.UTA09-000062	Cryogenic Heat Transfer Testing (from University of Texas-Austin)	UW-Madison	25,431	0
N/A	12.HDTRA1-09-C-0007-2/HQ0339	Defense Threat Reduction Agency (DTRA) with ADT (from Advanced Diamond Technologies, Inc. (ADT))	UW-Madison	77,671	0
N/A	12.AGR dtd 09/07/2009	Design and Simulation of the Cathode Assembly for the Coaxial Cavity Filter for 500 MHz Quarter Wave Electron Gun (from Niowave)	UW-Madison	983	0
N/A	12.185776	Development of an Integrated Wild Bird Surveillance Data (from Jackson (Henry M.) Foundation)	UW-Madison	57,016	47,086
N/A	12.W912HZ-08-2-0018	Development of Nanoscale Devices (US Army Corp of Engineers)	UW-Madison	58,307	0
N/A	12.702083-BS	Development of SiGe Quantum Dots (from HRL Laboratories, LLC)	UW-Madison	57,120	0
N/A	12.2600993	ARRA-Distributed Power Systems for Sustainable Energy Sources (from United Technologies Research Center)	UW-Madison	32,837	0
N/A	12.UW10-09-201/11310	EMC2 Polywell Phase II Design Scoping Studies (from Energy/Matter Conversion Corporation (EMC2))	UW-Madison	94,781	0
N/A	12.50685	Finite Element Model Validation Using a Frequency Domain (from CSA Engineering)	UW-Madison	13,762	0
N/A	12.429278/431333; 434107	High Average Power Laser (HAPL) Materials Working Group (from Commonwealth Technology, Inc.)	UW-Madison	6,948	0
N/A	12.sub.SB09-005 proj. 0905-001	High-Bandwidth Non-invasive Sensor Systems For Measuring (from Spectral Energies)	UW-Madison	10,041	0
N/A	12.AGMT08042009	High Flux Thermal Neutron Source (from Phoenix Nuclear Labs, LLC)	UW-Madison	7,248	0
N/A	12.HR0011-09-0002; A0854200	IBM - Defense Advanced Research Projects Agency (DARPA) (from International Business Machines (IBM) Corporation)	UW-Madison	207,065	0
N/A	12.KK8120	Improving Qubit Coherence (from University of California-Santa Barbara)	UW-Madison	50,432	0
N/A	12.AGR dtd 3/31/09	JP-8 Engine Measurements (from Wisconsin Engine Research Consultants)	UW-Madison	60,066	0
N/A	12.AGR dtd 9/10/07; AGMNT10132009	Junior Science and Humanities Symposium (from Academy of Applied Science)	UW-Madison	7,961	0
N/A	12.2M8003-1-UW	Low-Swirl Combustion (LSC) Wake Characterization - Small Business Technology Transfer (STTR) Topic # N06-T022 (from Dynaflow)	UW-Madison	111,829	0
N/A	12.AGR dtd 9/30/06	Microfluidics and Cellular Assays (from University of California-Irvine)	UW-Madison	67,648	0
N/A	12.AF08-T020; AGT dtd 2/4/10	Moses, Small Business Technology Transfer (STTR) with Prism (from Prism Computational Sciences)	UW-Madison	18,496	0
N/A	12.90606001	Office of Naval Research (ONR) Small Business Technology Transfer (STTR) (from Friction Stir Link)	UW-Madison	51,942	0
N/A	12.9500008564	Poirot Integrated Learning (from BBN Technologies)	UW-Madison	62,652	0
N/A	12.AGR dtd 09/18/08	Ranging and Acuity Enhancement for Terahertz Imaging (from Tera-X, LLC)	UW-Madison	70,972	0
N/A	12.4400163906	Request for Proposal (RFP) from Saic.com-Terahertz Regime Surface Resistivity (from Science Applications International Corporation)	UW-Madison	45,190	0
N/A	12.OTC-GS-247-1	Simultaneous Velocity / Temperature Measurements (from Orbital Technologies Corp)	UW-Madison	39,249	0
N/A	12.19192-S2	Single Protein Actuation, Readout and Transduction of Affinity in Nanospace (from Vanderbilt University)	UW-Madison	(35,722)	0
N/A	12.AGR dtd 12/18/08	Small Business Technology Transfer (STTR), Instrumentation for Nanoscale Spectroscopy (from Polaronyx)	UW-Madison	22,883	0
N/A	12.AGR dtd 1/26/07	Small Business Technology Transfer (STTR) Phase 1: Meander Line Traveling Wave Tube (TWT) THz Amplifier (from Calabazas Creek Research, Inc.)	UW-Madison	33,100	0
N/A	12.AGR dtd 04/01/08	Small Business Technology Transfer (STTR) Phase II Program on Microelectromechanical Systems (MEMs) Based Optical Scanners (from Applied Quantum Technologies)	UW-Madison	333	0
N/A	12.27-001252B; 27-001339	SRI Defense Advanced Research Projects Agency (DARPA) Broad Agency Announcement (BAA) 09-03-Machine Learning (from SRI International)	UW-Madison	874,544	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	58,542	0
N/A	12.SUB-226-UWL1	Technologies and Processes for the Conversion of Cellulosic Materials to Affordable JP-8 Surrogate (from Logos Technologies)	UW-Madison	317,499	0
N/A	12.100618	Understanding the Role of Typhoons, Fire, and Climate (from Woods Hole Research Center)	UW-Madison	21,959	0
N/A	12.W912HZ-10-2-0015	Nano-Modified Cement for High Strength Concrete with Improved Mechanical Performance (from TPF Enterprises LLC)	UW-Milwaukee	6,429	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	12.W15QKN-09-C0080	Complete Munitions Fuze-on-a-Chip using Nanotechnology-based Direct Write Process (from Resonant Corporation)	UW-Eau Claire	330,000	0
N/A	12.MVAC-06/02/13	Historic Context Hardwood (from Goodwin & Associates)	UW-La Crosse	6,334	0
N/A	12.MVAC-06/09/05	Miss Gardens Combined Final (from Stratamorph, Inc.)	UW-La Crosse	22	0
		Subtotal R&D Subgrants		4,211,462	47,086
		TOTAL R&D FROM U.S. DEPARTMENT OF DEFENSE		28,775,793	6,370,921
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
14.506	14.H-21538SG	General Research and Technology Activity	UW-Madison	2,650	0
14.516	14.21537SG	Doctoral Dissertation Research Grants	UW-Madison	70,841	0
		TOTAL R&D FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		73,491	0
U.S. DEPARTMENT OF THE INTERIOR:					
15.231		Fish, Wildlife and Plant Conservation Resource Management	UW-Milwaukee	10,325	0
15.232		Wildland Fire Research and Studies Program	UW-Madison	33,302	0
15.608		Fish and Wildlife Management Assistance	UW-Milwaukee	40,079	0
15.628		Multistate Conservation Grant Program	UW-Stevens Point	2,627	0
15.630		Coastal Program	UW-Madison	745	0
15.631		Partners for Fish and Wildlife	UW-Stevens Point	710	0
15.640		Wildlife Without Borders - Latin America and the Caribbean	UW-Madison	29,679	14,875
15.805		Assistance to State Water Resources Research Institutes	UW-Madison	151,921	0
15.805		Assistance to State Water Resources Research Institutes (from UW-Madison)	UW-Oshkosh	14,694	0
15.805		Assistance to State Water Resources Research Institutes (from UW System Admin)	UW-Parkside	3,714	0
		Total Federal Program 15.805		170,329	0
15.807		Earthquake Hazards Reduction Program	UW-Madison	43,869	0
15.808		U.S. Geological Survey-Research and Data Collection	UW-Madison	138,227	0
15.808		U.S. Geological Survey-Research and Data Collection	UW-Oshkosh	23,802	0
15.808		U.S. Geological Survey-Research and Data Collection	UW-Superior	8,815	0
		Total Federal Program 15.808		170,844	0
15.810		National Cooperative Geologic Mapping Program	UW-Eau Claire	14,819	0
15.812		Cooperative Research Units Program	UW-Madison	373,583	0
15.812		Cooperative Research Units Program	UW-Stevens Point	3,845	0
		Total Federal Program 15.812		377,428	0
15.818		ARRA-Volcano Hazards Program Research and Monitoring	UW-Madison	59,913	0
15.904		Historic Preservation Fund Grants-In-Aid	UW-Oshkosh	24,000	0
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	UW-La Crosse	405,689	0
N/A	15.RD	R&D from National Park Service	UW-Madison	297,716	0
N/A	15.RD	R&D from U.S. Fish & Wildlife Survey	UW-Madison	215,409	0
N/A	15.RD	R&D from U.S. Geological Survey	UW-Madison	11,338	0
N/A	15.Order #301818M314	Expanding the Great Lakes Birder Certification and Training Program	UW-Green Bay	6,839	0
N/A	15.301386M023	Confiscated Collection	UW-La Crosse	(474)	0
N/A	15.Various Small Contracts	Department of the Interior - Regional Archaeology at Mississippi Valley Archaeology Center (RAMVAC)	UW-La Crosse	1,860	0
N/A	15.322107MOO7	Genoa Fish Hatchery	UW-La Crosse	780	0
N/A	15.J6150-06-0004	Grand Portage	UW-La Crosse	12,168	0
N/A	15.J2105100001	Great Lakes - National Park Service (NPS)	UW-La Crosse	112,395	0
N/A	15.30138AM003	Mississippi Valley Archaeology Center (MVAC) 47LC742 Excavation	UW-La Crosse	20,991	0
N/A	15.MVAC-07/4/4	Murphy Flowage	UW-La Crosse	123	0
N/A	15.R62817K112	National Park Service (NPS) North Country Scenic Trail	UW-La Crosse	1,636	0
N/A	15.2007CCS-63	Trempealeau National Wildlife Refuge (TNWR) Conservation Plan	UW-La Crosse	1,058	0
N/A	15.MVAC 07/6/3	Trempealeau Toilet Survey	UW-La Crosse	137	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	15.J2380085505	Assessment of Natural Resource Conditions for Isle Royale National Park	UW-Stevens Point	69,540	0
N/A	15.401818M749	Development of the Visitor Services Plan for Vieques National Wildlife Refuge	UW-Stevens Point	241	0
		Subtotal Direct R&D Grants		2,136,115	14,875
		R&D Subgrants:			
15.634		State Wildlife Grants (from Nebraska Game and Parks Commission)	UW-Stout	1,306	0
N/A	15.CA 06-08	Development of Remote Sensing Protocols for Long-Term Monitoring of Parks in National Capital Region (from University of Maryland)	UW-Madison	18,011	0
N/A	15.COOP-10-026	Marbled Murrelets (from Alaska Department of Fish & Game)	UW-Madison	22,726	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	693	0
N/A	15.AV08-WI01	StateView Program Development (from AmericaView, Inc.)	UW-Madison	30,510	0
N/A	15.OR8637-001.04	UTennessee Subaward (from University of Tennessee)	UW-Madison	11,568	0
N/A	15.30001082588	Virtual Center for Network and Security Data (from University of Michigan)	UW-Madison	13,052	0
		Subtotal R&D Subgrants		97,866	0
		TOTAL R&D FROM U.S. DEPARTMENT OF THE INTERIOR		2,233,981	14,875
U.S. DEPARTMENT OF JUSTICE:					
		R&D Subgrants:			
16.560	16.20071	National Institute of Justice Research, Evaluation, and Development Project Grants (from Louisiana State University)	UW-Madison	81,789	0
16.585		Drug Court Discretionary Grant Program (from Milwaukee County, WI)	UW-Milwaukee	3,103	0
N/A	16.46033484 PO7200006486	Center for Health Systems Research and Analysis (CHSRA) National Minimum Data Set (MDS) Analysis and Reporting (from Lockheed Martin Corporation)	UW-Madison	131,523	0
N/A	16.2007-1846	A Multi-Site Study (from University of California-Irvine)	UW-Madison	16,997	0
		Subtotal R&D Subgrants		233,412	0
		TOTAL R&D FROM U.S. DEPARTMENT OF JUSTICE		233,412	0
U.S. DEPARTMENT OF LABOR:					
17.504		Consultation Agreements	UW-Madison	(4,523)	0
		Subtotal Direct R&D Grants		(4,523)	0
		R&D Subgrants:			
17.268		H-1B Job Training Grants (from Waukesha-Ozaukee-Washington Workforce Development Board)	UW-Whitewater	29,375	0
17.502		Occupational Safety and Health-Susan Harwood Training Grants (from University of Louisville Research Foundation)	UW-Milwaukee	15,829	0
N/A	17.OD-16519-07-75-4-11	Documenting and Evaluating (from Institute of Education Leadership)	UW-Madison	420,390	0
N/A	17.09-582-3044	WDBSCW Wired-Farm & Industry Short Course (FISC) Based WI School for Beginning Dairy & Livestock Farmers (WSBDF) Training Program (from Workforce Development Board of South Central Wisconsin (WDBSCW))	UW-Madison	22,560	0
		Subtotal R&D Subgrants		488,154	0
		TOTAL R&D FROM U.S. DEPARTMENT OF LABOR		483,631	0
U.S. DEPARTMENT OF STATE:					
		R&D Subgrants:			
N/A	19.76593/CIA	Detection of Deception in High-Stakes Lying: Affective and Cognitive Neuroscience Approaches (from Mitre Corp)	UW-Madison	1	0
N/A	19.SC001-354/CIA	Draper Labs Deception Subcontract (from Draper-Charles Stark Laboratory)	UW-Madison	50,000	0
		Subtotal R&D Subgrants		50,001	0
		TOTAL R&D FROM U.S. DEPARTMENT OF STATE		50,001	0
U.S. DEPARTMENT OF TRANSPORTATION:					
20.108	20.07-G-013	Aviation Research Grants	UW-Madison	121,524	0
20.200		Highway Research and Development Program (from UW-Madison)	UW-Milwaukee	22,145	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
20.205		Highway Planning and Construction	UW-Milwaukee	36,544	0
20.205		Highway Planning and Construction (from UW-Madison)	UW-Milwaukee	45,239	0
20.205		Highway Planning and Construction	UW-La Crosse	3,675	0
20.205	20.DTOS59-08-G-00106	Highway Planning and Construction	UW-Superior	175,769	99,670
		Total Federal Program 20.205		261,227	99,670
20.600	20.0950-50-11	State and Community Highway Safety	UW-Madison	28,591	0
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I (from UW System Admin)	UW-La Crosse	3,279	0
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I (from UW System Admin)	UW-Stevens Point	745	0
		Total Federal Program 20.601		4,024	0
20.610	20.0938-05-16	State Traffic Safety Information System Improvement Grants	UW-Madison	86	0
20.613	20.0939-05-03; 0939-05-07	Child Safety and Child Booster Seats Incentive Grants	UW-Madison	62,140	0
20.701	20.DTRT06-G0020	University Transportation Centers Program	UW-Madison	1,868,701	282,318
20.701		University Transportation Centers Program (from UW-Madison)	UW-Milwaukee	160,858	0
		Total Federal Program 20.701		2,029,559	282,318
20.762	20.DTOS59-08-G-00101	Research Grants	UW-Superior	1,254,440	794,671
20.813		Maritime Security Fleet Program (from UW-Superior)	UW-Green Bay	38,891	0
N/A	20.ddegrd-08-X-00412; 09-X-00415	Dwight David Eisenhower Transportation Fellowship Program	UW-Madison	16,838	0
N/A	20.DTRS99-G-0005	Optimization of Transportation Investment and Operations	UW-Madison	(1,882)	(1,319)
N/A	20.999B025	Monitoring and Load Distribution Study for the Land Bridge (from UW-Madison)	UW-Milwaukee	9,100	0
N/A	20.DTRS99-G-0005	Midwest Regional University Transportation Center (MRUTC) Rail (from UW-Madison)	UW-Superior	(26)	0
		Subtotal Direct R&D Grants		3,846,657	1,175,340
		R&D Subgrants:			
20.200		Highway Research and Development Program (from Western Research Institute)	UW-Madison	854,995	0
20.239		Motor Carrier Research and Technology Programs (from University of Washington)	UW-Madison	21,915	0
N/A	20.111748 G002568	Cementitiously Stabilized Layers in Pavement (from Washington State University)	UW-Madison	757	0
N/A	20.T002688	Freight Corridor Performance (from American Transportation Research Institute)	UW-Madison	5,000	0
N/A	20.08-014	Recycled Materials Resource (from University of New Hampshire)	UW-Madison	288,132	74,000
N/A	20.IPRF-FAA-01-G-002-06-5	Role of Dirty Aggregates in the Performance of Concrete (from Innovative Pavement Research Foundation)	UW-Madison	65,799	0
N/A	20.HR 09-45	Test Methods and Specification (from The National Academies)	UW-Madison	87,383	0
N/A	20.HR 12-59(01)	Seismic Design and Construction of Geosynthetic-Reinforced Soil (GRS) Bridge Abutments with Modular Block Facing (from The National Academies)	UW-Milwaukee	173,483	0
N/A	20.12063	Work Zone Diversion (from Iowa Department of Transportation)	UW-Milwaukee	489	0
N/A	20.MN DOT Contract#87152	Pioneer Burial (from Minnesota Department of Transportation)	UW-La Crosse	5,922	0
		Subtotal R&D Subgrants		1,503,875	74,000
		TOTAL R&D FROM U.S. DEPARTMENT OF TRANSPORTATION		5,350,532	1,249,340
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
43.001		Science	UW-Madison	1,145,058	287,921
43.001		Science (from UW-Green Bay, WI Space Grant Consortium)	UW-La Crosse	5,000	0
43.001		Science (from UW-Milwaukee)	UW-La Crosse	33,217	0
		Total Federal Program 43.001		1,183,275	287,921
43.002		Aeronautics	UW-La Crosse	85,185	0
N/A	43.RD	R&D from Ames Research Center	UW-Madison	1,417,672	51,434
N/A	43.RD	R&D from Glenn Research Center	UW-Madison	98,188	0
N/A	43.RD	R&D from Goddard Space Flight Center	UW-Madison	8,834,910	675,305
N/A	43.RD	R&D from Jet Propulsion Laboratory	UW-Madison	156,405	0
N/A	43.RD	R&D from Kennedy Space Center	UW-Madison	43,814	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	43.RD	R&D from Langley Research Center	UW-Madison	721,498	67,898
N/A	43.RD	R&D from Marshall Space Flight Center	UW-Madison	97,428	0
N/A	43.RD	R&D from NASA Headquarters	UW-Madison	48,675	30,000
N/A	43.144NM73-10-Lattis	Science Outreach for Spanish Speakers (from UW-Green Bay, Wisconsin Space Grant Consortium)	UW-Madison	3,027	0
N/A	43.NNG05GL66G	A Terrestrial Library of Mars' Sedimentary Characteristics	UW-Green Bay	16,696	0
N/A	43.NNX10AC64A	Self-Financed, Self Developed, and Self Supporting and Profitable Lunar Colony	UW-Green Bay	12,142	0
N/A	43.NNG05GH31H; NNX10AI91H	Wisconsin Space Grant Program and Consortium	UW-Green Bay	752,871	12,820
N/A	43.AGMTN DTD 7/1/2009	Aerospace Education Services Program (from UW-Green Bay, WI Space Grant Consortium)	UW-Oshkosh	7,880	0
N/A	43.HST-GO-11011.11	Pritzl-STSci-M31 Spiral Galaxy	UW-Oshkosh	17,538	0
N/A	43.NNG05GH31H	Space Research and Exploration (from UW-Green Bay - WI Space Grant Consortium)	UW-Parkside	7,107	0
N/A	43.NGC891; 1368014; AGRs dtd 3/1/08 and 10/15/09	R&D from Jet Propulsion Laboratory	UW-Whitewater	30,336	0
N/A	43.144-NM73-09	Wisconsin Space Grant Consortium (from UW-Green Bay)	UW-Whitewater	4,569	0
N/A	43.NNG05-GH31H	UW-Fox Valley (FOX) 2008 Wisconsin Space Grant Consortium (WSGC) Conference (from UW-Green Bay)	UW Colleges	(135)	0
		Subtotal Direct R&D Grants		13,539,081	1,125,378
		R&D Subgrants:			
43.001	43.2616-08-062	Science (from Science Systems and Applications, Inc.)	UW-Madison	146,905	0
43.001	43.224310-02-1, 2	Science (from East Tennessee State University)	UW-Madison	5,745	0
43.001		Science (from Jet Propulsion Laboratory)	UW-Stevens Point	4,190	0
43.002	43.65745 154-4373	Aeronautics (from University of Colorado - Boulder)	UW-Madison	142,609	0
N/A	43.HST-GO-10766.04-A	A Deep X-Ray Survey of the Small Magellanic Cloud (from Space Telescope Science Institute)	UW-Madison	1,433	0
N/A	43.G07-8102X	A Snapshot X-Ray/Radio Survey (from Smithsonian Astrophysical Observatory)	UW-Madison	48,465	0
N/A	43.HST-GO-10805	Advanced Camera for Surveys (ACS) Imaging of Uranus Atmosphere Near Equinox (from Space Telescope Science Institute)	UW-Madison	21,721	0
N/A	43.GO0-11135A	After the Fall: Fading Active Galactic Nuclei (AGN) in Post-Starburst Galaxies (from Smithsonian Astrophysical Observatory)	UW-Madison	15,637	0
N/A	43.S0182924	ARRA-Airborne Sensor Lab - MAS Upgrade (from University of California)	UW-Madison	2,944	0
N/A	43.07-1366	Alternative Aircraft and Airfield Deicing (from University of South Carolina)	UW-Madison	6,880	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	19,370	0
N/A	43.SA5314-24190	Biomars: Biospheres of Mars (from University of California-Berkeley)	UW-Madison	9,275	0
N/A	43.G09-0009C, G09-0028X, TM9-0007X, TM9-0002X, G09-0032A, G09-0025A, G09-0056X, G07-8058E, GO8-9061X, GO8-9058A, GO8-9031X	Chandra General Observatory Program (from Smithsonian Astrophysical Observatory)	UW-Madison	267,470	0
N/A	43.HST-GO-11573.01-A	Changes on Uranus (from Space Telescope Science Institute)	UW-Madison	28,334	0
N/A	43.HST-AR-10984.01-A	Characterizing Lyman Spitzer (from Space Telescope Institute)	UW-Madison	2,486	0
N/A	43.7500030412	Continued Development and Testing of ST5000 Start Tracker (from Northrup Grumman Corporation)	UW-Madison	330,137	0
N/A	43.G09-0026X	CP Puppis, A Template for the Secular Evolution 10300356 (from Smithsonian Astrophysical Observatory)	UW-Madison	30,531	0
N/A	43.3001356542	Cracking the Asteroseismic Code of Rapidly Rotating A Stars with Interferomic Imaging (from University of Michigan)	UW-Madison	16,614	0
N/A	43.S06-57993	Decision Support For Thunderstorm Avoidance of Convectively-Induced Turbulence (from University Corporation for Atmospheric Research)	UW-Madison	11,614	0
N/A	43.76; 236/P257630	Demonstration of the Millimeter-Wave Bolometric (from Brown University)	UW-Madison	3,168	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	43.Z690301	"Dynamic Diagnosis of the NASA Seasonal-Interannual Prediction Project (NSIPP) Atmospheric Simulation" (from University of Maryland)	UW-Madison	65	0
N/A	43.CA 06-19	Exacerbation of Flooding Responses Due to Land Cover/Land Use Change: Comparative Study (from University of Maryland)	UW-Madison	68,382	0
N/A	43.2090 G HC0002	General Circulation Modeling of the Venus Atmosphere (from University of California-Los Angeles)	UW-Madison	9,797	0
N/A	43.S09-73322	Global Atmospheric Turbulence Decision Support System (from University Corporation for Atmospheric Research)	UW-Madison	77,190	0
N/A	43.HST-GO-11118.01-A	Investigating Near-Equinox (from Space Telescope Science Institute)	UW-Madison	66,789	0
N/A	43.AGR dtd 5/1/2008	Laser Absorption Sensors for Rocket Plume Flows (from Los Gatos Research, Inc.)	UW-Madison	79,923	0
N/A	43.HST-GO-10853.01-A	M82 As a Fossil Starburst (from Space Telescope Science Institute)	UW-Madison	11,060	0
N/A	43.G07-8098A	Microlensing of the Quadruply Lensed Quasar PG 1115+080 (from Smithsonian Astrophysical Observatory)	UW-Madison	1,462	0
N/A	43.A000090101	Microphysics and Macrophysics (from University of Minnesota)	UW-Madison	1,558	0
N/A	43.HST-GO-11630.04-A, 11156.03A	Monitoring Active Atmospheres (from Space Telescope Science Institute)	UW-Madison	12,330	0
N/A	43.08-0273-UW/SUB	Remote Sensing of Forest Genetic Diversity & Assessment (from Appalachian State University)	UW-Madison	30,973	0
N/A	43.19005	RH Townsend Subaward (from University of Delaware)	UW-Madison	42,058	0
N/A	43.9ST-GO-10520.02 A	Resolving the Complex Star Formation History (from Space Telescope Science Institute)	UW-Madison	536	0
N/A	43.555	Simulation of Space Weathering Effects on the Moon (from Planetary Science Institute)	UW-Madison	7,534	0
N/A	43.08-000207-01	Spectro Polarimentry Study (from University of California - Davis)	UW-Madison	60,297	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	2,823	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	(3)	0
N/A	43.HST-GO-11207.07-A	Star Formation in the Perseus Cluster Cooling Flow (from Space Telescope Science Institute)	UW-Madison	705	0
N/A	43.HST-GO-10789.01-A	The Role of Environment (from Space Telescope Science Institute)	UW-Madison	5,521	0
N/A	43.08-022	The Sumatra-Andaman Subduction (from University of Alabama)	UW-Madison	43,612	0
N/A	43.GO-9-0009B	Chandra General Observer Program (from Smithsonian Astrophysical Observatory)	UW-Eau Claire	3,936	0
		Subtotal R&D Subgrants		1,642,076	0
		TOTAL R&D FROM NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		15,181,157	1,125,378
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:					
45.024		Promotion of the Arts-Grants to Organizations and Individuals	UW-Madison	5,835	0
45.149		Promotion of the Humanities-Division of Preservation and Access	UW-Madison	563,531	0
45.161		Promotion of the Humanities-Research	UW-Madison	40,954	0
45.161		Promotion of the Humanities-Research	UW-Whitewater	106,147	0
		Total Federal Program 45.161		147,101	0
45.163		Promotion of the Humanities-Professional Development	UW-La Crosse	15,011	0
45.313		Laura Bush 21st Century Librarian Program	UW-Madison	3,212	0
		Subtotal Direct R&D Grants		734,690	0
		R&D Subgrants:			
45.313		Laura Bush 21st Century Librarian Program (from University of California - Los Angeles)	UW-Madison	29,446	0
		Subtotal R&D Subgrants		29,446	0
		TOTAL R&D FROM NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		764,136	0
NATIONAL SCIENCE FOUNDATION:					
47.041		Engineering Grants	UW-Madison	5,948,276	245,849
47.041		Engineering Grants	UW-Milwaukee	1,071,519	39,012
47.041		Engineering Grants	UW-Stevens Point	534,556	0
		Total Federal Program 47.041		7,554,351	284,861

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
47.049		Mathematical and Physical Sciences	UW-Madison	21,571,440	2,759,042
47.049		Mathematical and Physical Sciences (from UW-Milwaukee)	UW-Madison	5,323	0
47.049		Mathematical and Physical Sciences	UW-Milwaukee	3,295,445	711,137
47.049		Mathematical and Physical Sciences (from UW-Madison	UW-Milwaukee	17,205	0
47.049		Mathematical and Physical Sciences	UW-Eau Claire	288,889	0
47.049		Mathematical and Physical Sciences	UW-La Crosse	380,000	0
47.049		Mathematical and Physical Sciences	UW-Oshkosh	24,968	0
47.049		Mathematical and Physical Sciences	UW-Parkside	34,834	0
47.049		Mathematical and Physical Sciences	UW-Stout	14,278	0
		Total Federal Program 47.049		25,632,382	3,470,179
47.050		Geosciences	UW-Madison	2,948,138	1,127
47.050		Geosciences	UW-Milwaukee	545,419	0
47.050		Geosciences	UW-Eau Claire	(242)	0
47.050		Geosciences	UW-La Crosse	134,838	0
		Total Federal Program 47.050		3,628,153	1,127
47.070		Computer and Information Science and Engineering	UW-Madison	6,457,944	22,875
47.070		Computer and Information Science and Engineering	UW-Milwaukee	216,425	0
		Total Federal Program 47.070		6,674,369	22,875
47.074		Biological Sciences	UW-Madison	13,453,635	1,773,508
47.074		Biological Sciences	UW-Milwaukee	959,765	9,912
47.074		Biological Sciences	UW-Eau Claire	162,260	0
47.074		Biological Sciences	UW-La Crosse	248,540	0
47.074		Biological Sciences	UW-Oshkosh	101,560	0
47.074		Biological Sciences	UW-Whitewater	40,723	0
		Total Federal Program 47.074		14,966,483	1,783,420
47.075		Social, Behavioral, and Economic Sciences	UW-Madison	2,761,515	158,199
47.075		Social, Behavioral, and Economic Sciences	UW-Milwaukee	479,773	238,572
47.075		Social, Behavioral, and Economic Sciences	UW-Stevens Point	5,078	0
47.075		Social, Behavioral, and Economic Sciences	UW-Whitewater	131,181	0
		Total Federal Program 47.075		3,377,547	396,771
47.076		Education and Human Resources	UW-Madison	11,501,622	1,608,671
47.076		Education and Human Resources	UW-Milwaukee	2,073,849	791,329
47.076		Education and Human Resources	UW-Eau Claire	72,287	0
47.076		Education and Human Resources	UW-La Crosse	204,070	0
47.076		Education and Human Resources (from UW-Madison)	UW-La Crosse	19,685	0
47.076		Education and Human Resources	UW-Oshkosh	95,569	0
47.076		Education and Human Resources (from UW-Madison)	UW-Oshkosh	14,315	0
47.076		Education and Human Resources (from UW System Admin)	UW-Oshkosh	49	0
47.076		Education and Human Resources	UW-Parkside	181,933	0
47.076		Education and Human Resources (from UW-Madison)	UW-Whitewater	29,205	0
		Total Federal Program 47.076		14,192,584	2,400,000
47.078		Polar Programs	UW-Madison	18,533,845	2,971,721
47.078		Polar Programs	UW-Milwaukee	2,461	0
47.078		Polar Programs	UW-Oshkosh	95,894	0
47.078		Polar Programs (from UW-Madison)	UW-River Falls	105,130	0
		Total Federal Program 47.078		18,737,330	2,971,721
47.079		International Science and Engineering (OISE)	UW-Madison	98,274	0
47.079		International Science and Engineering (OISE)	UW-Milwaukee	43,106	0
		Total Federal Program 47.079		141,380	0
47.080		Office of Cyberinfrastructure	UW-Madison	1,114,983	2,507
47.082		ARRA-Trans-NSF Recovery Act Research Support	UW-Madison	10,352,038	83,748
47.082		ARRA-Trans-NSF Recovery Act Research Support (from UW-Milwaukee)	UW-Madison	1,002	0
47.082		ARRA-Trans-NSF Recovery Act Research Support	UW-Milwaukee	644,849	0
47.082		ARRA-Trans-NSF Recovery Act Research Support	UW-Eau Claire	20,212	0
47.082		ARRA-Trans-NSF Recovery Act Research Support	UW-La Crosse	202,993	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
47.082		ARRA-Trans-NSF Recovery Act Research Support	UW-Oshkosh	103,896	0
47.082		ARRA-Trans-NSF Recovery Act Research Support	UW-River Falls	21,879	0
47.082		ARRA-Trans-NSF Recovery Act Research Support	UW-Stevens Point	559,292	0
		Total Federal Program 47.082		11,906,161	83,748
N/A	47.0969061	Analysis of Ice Cube Data	UW-Madison	212,594	0
N/A	47.CBET-0547484	Career: Quantification of Prion Protein Sorption to Soil Components	UW-Madison	61,503	0
N/A	47.OCI-0636206	Collaborative Research: Cyber-Infrastructure for Engineering Informatics Education	UW-Madison	80,793	0
N/A	47.0816245	Division of Earth Sciences Postdoctoral Fellowship	UW-Madison	3,000	0
N/A	47.OPP-0003289	Ice Coring and Drilling Services	UW-Madison	(53,024)	0
N/A	47.DBI-0852371	Intergovernmental Personnel Assignment (IPA) Agreement	UW-Madison	19,121	0
N/A	47.CMMI-0824294	Intergovernmental Personnel Assignment (IPA) for Lawrence Bank	UW-Madison	204,344	0
N/A	47.DMS-0701461	Mathematical Sciences	UW-Madison	1,500	0
N/A	47.DMS-0802942	Mathematical Sciences Postdoctoral Research Fellowship	UW-Madison	234	0
N/A	47.PHY-8207267	Nuclear Physics Research	UW-Madison	19,857	0
N/A	47.SES-0550705	Recruiting Respondents to the Survey Interview	UW-Madison	59,895	0
N/A	47.1004881	Research Experiences for Undergraduates (REU) Site for Astronomy and Astrophysics	UW-Madison	28,248	0
N/A	47.AST-0749416	Sparke Intergovernmental Personnel Assignment (IPA) Year 2	UW-Madison	24,334	0
N/A	47.0849418	UW-Waukesha (WAK) Ontological Implications	UW Colleges	69,546	0
		Subtotal Direct R&D Grants		108,657,668	11,417,209
		R&D Subgrants:			
47.049	47.68D-1086210	Mathematical and Physical Sciences (from California Institute of Technology)	UW-Madison	229,298	0
47.049	47.RF01063209	Mathematical and Physical Sciences (from Ohio State University Research Foundation)	UW-Madison	2,507	0
47.049	47.3021-UM-NSF-7146	Mathematical and Physical Sciences (from Pennsylvania State University)	UW-Madison	(95)	0
47.049	47.09000769-UWM	Mathematical and Physical Sciences (from University of California-Davis)	UW-Madison	52,338	0
47.049	47.1000 G GB083; HE150	Mathematical and Physical Sciences (from University of California-Los Angeles)	UW-Madison	1,113,083	0
47.049	47.41752-4	Mathematical and Physical Sciences (from University of Chicago)	UW-Madison	110,044	0
47.049	47.2006-02307-01	Mathematical and Physical Sciences (from University of Illinois at Urbana-Champaign)	UW-Madison	72,545	0
47.049	47.3000584623	Mathematical and Physical Sciences (from University of Michigan)	UW-Madison	79,807	0
47.049	47.A528605603; A528605605	Mathematical and Physical Sciences (from University of Minnesota)	UW-Madison	132,060	0
47.049		Mathematical and Physical Sciences (from University of Notre Dame)	UW-Madison	8,750	0
47.049	47.2009-2010-005	Mathematical and Physical Sciences (from University of Puerto Rico-Mayaguez)	UW-Madison	1,342	0
47.049	47.431149	Mathematical and Physical Sciences (from University of Washington)	UW-Madison	58,446	0
47.049		Mathematical and Physical Sciences (from Central Washington University)	UW-La Crosse	19,850	0
47.050	47.SA 9-02; 9-07; 9-05	Geosciences (from Consortium for Ocean Leadership)	UW-Madison	70,140	0
47.050	47.80-11	Geosciences (from Inc. Research Institutions for Seismology)	UW-Madison	11,103	0
47.050	47.S09-73161; 73199	Geosciences (from University Corporation for Atmospheric Research)	UW-Madison	162,004	0
47.050	47.S0181101	Geosciences (from University of California-Santa Cruz)	UW-Madison	24,551	0
47.050	47.1000601781	Geosciences (from University of Iowa)	UW-Madison	(817)	0
47.050	47.126657	Geosciences (from University of Southern California)	UW-Madison	17,069	0
47.074	47.10-373	Biological Sciences (from Arizona State University)	UW-Madison	11,167	0
47.074	47.1455-26413	Biological Sciences (from Brown University)	UW-Madison	34,215	0
47.074	47.55800-8947	Biological Sciences (from Cornell University)	UW-Madison	424,062	0
47.074	47.284	Biological Sciences (from Dartmouth College)	UW-Madison	176,807	0
47.074	47.ISMS CRS	Biological Sciences (from Illinois State Museum)	UW-Madison	402	0
47.074	47.JCVI-08-005; JCVI-09-002	Biological Sciences (from J. Craig Venter Institute)	UW-Madison	141,583	0
47.074	47.61-2641UW	Biological Sciences (from Michigan State University)	UW-Madison	108,572	0
47.074	47.2009-1301-01	Biological Sciences (from North Carolina State University)	UW-Madison	1,349	0
47.074		Biological Sciences (from Pennsylvania State University)	UW-Madison	8,125	0
47.074	47.S060039	Biological Sciences (from Texas Agricultural and Mechanical University)	UW-Madison	365	0
47.074	47.Y502718; Y553519	Biological Sciences (from University of Arizona)	UW-Madison	107,948	0
47.074	47.00006867	Biological Sciences (from University of California-Berkeley)	UW-Madison	12,337	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
47.074	47.RR167-445/8920507	Biological Sciences (from University of Georgia)	UW-Madison	183,619	0
47.074	47.RR272-210/4689618	Biological Sciences (from University of Georgia Research Foundation)	UW-Madison	45,358	0
47.074	47.2006-01133.03	Biological Sciences (from University of Illinois at Urbana-Champaign)	UW-Madison	211	0
47.074	47.3000619035	Biological Sciences (from University of Michigan)	UW-Madison	27,516	0
47.074	47.2301050	Biological Sciences (from University of Utah)	UW-Madison	29,133	0
47.074	47.NSF44303WISC; NSF44327WISC	Biological Sciences (from University of Wyoming)	UW-Madison	12,267	0
47.074	47.477392	Biological Sciences (from Virginia Polytechnic Institute and State University)	UW-Madison	15,224	0
47.074		Biological Sciences (from Washington State University)	UW-Stevens Point	2,273	0
47.075	47.06-637	Social, Behavioral, and Economic Sciences (from Arizona State University)	UW-Madison	131,203	0
47.075	47.2008-0919-03	Social, Behavioral, and Economic Sciences (from North Carolina State University)	UW-Madison	63,469	0
47.075	47.4064-UWM-NSF-8816	Social, Behavioral, and Economic Sciences (from Pennsylvania State University)	UW-Madison	166,884	0
47.075	47.KK1026	Social, Behavioral, and Economic Sciences (from University of California-Santa Barbara)	UW-Madison	16,614	0
47.075		Social, Behavioral, and Economic Sciences (from University of Florida)	UW-Milwaukee	(99)	0
47.076		Education and Human Resources (from University of Minnesota)	UW-Stevens Point	1,445	0
47.076		Education and Human Resources (from University of Illinois at Urbana-Champaign)	UW-Stout	71	0
47.078	47.09-0012-FP900418	Polar Programs (from University of Alaska)	UW-Madison	10,875	0
47.078		Polar Programs (from University of Nebraska)	UW-Oshkosh	7,800	0
47.078		Polar Programs (from University of Northern Illinois)	UW-Oshkosh	28,528	0
47.079	47.740093-87A6	International Science and Engineering (OISE) (from University of New Mexico)	UW-Madison	8,529	0
47.080	47.G-3247-1	Office of Cyberinfrastructure (from Colorado State University)	UW-Madison	9,793	0
47.080	47.123877	Office of Cyberinfrastructure (from University of Southern California)	UW-Madison	53,021	0
47.082	47.1724; 1833F	ARRA-Trans-NSF Recovery Act Research Support (from BBN Technologies)	UW-Madison	142,310	0
47.082	47.G223-10-WR126	ARRA-Trans-NSF Recovery Act Research Support (from Montana State University)	UW-Madison	199,576	0
47.082	47.110660-GA62368	ARRA-Trans-NSF Recovery Act Research Support (from Northern Illinois University)	UW-Madison	198,775	0
47.082	47.Z10-80422	ARRA-Trans-NSF Recovery Act Research Support (from University Corporation for Atmospheric Research)	UW-Madison	283,149	0
47.082	47.10298924	ARRA-Trans-NSF Recovery Act Research Support (from University of California - San Diego)	UW-Madison	305,750	0
47.082	47.S0182768	ARRA-Trans-NSF Recovery Act Research Support (from University of California - Santa Cruz)	UW-Madison	216,134	0
47.082	47.66569A	ARRA-Trans-NSF Recovery Act Research Support (from University of Miami)	UW-Madison	10,028	0
47.082		ARRA-Trans-NSF Recovery Act Research Support (from Oshkosh Nanotechnology, LLC)	UW-Oshkosh	81,357	0
N/A	47.AGR dtd 01/01/08	Biology Scholars Program (from American Society for Microbiology)	UW-Madison	21,772	0
N/A	47.CR-19126-4277458	Collaborative Research on Enabling Design Strategies for Single Chip Heterogeneous Multiprocessors (from Virginia Polytechnic Institute and State University)	UW-Madison	(3,918)	0
N/A	47.Ltr dtd 9/25/00	College of Engineering Future (from American Society for Engineering Education)	UW-Madison	1,232	0
N/A	47.BIO325L-02	Community Genetics, Heritability and Evolution: Consequences of Extended Phenotypes (from Northern Arizona University)	UW-Madison	106,746	0
N/A	47.2005-06198-06	Cyber Infrastructure in Support of Research (from University of Illinois at Urbana-Champaign)	UW-Madison	148	0
N/A	47.Ltr dtd 6/27/08	Institute for Complex Adaptive Matter (ICAM) Fellowship (from University of California-Davis)	UW-Madison	1,463	0
N/A	47.9500009439	Instrumentation and Measurement for Global Environment for Network Innovations (GENI) (from BBN Technologies)	UW-Madison	77,571	34,363
N/A	47.2000770348	Large Hadron Collider (LHC) Theory Postdoctoral Fellowship (from Johns Hopkins University)	UW-Madison	54,644	0
N/A	47.T314A57	Participation in Chikyu Shakedown Activities (from Joint Oceanographic Institutions)	UW-Madison	39,872	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	47.AGR dtd 1/1/10	Small Business Innovation Research (SBIR) Phase IB: Development and Characterization of Bio-inert Ultrananocrystalline Diamond (UNCD) films for Implantable Devices to Eliminate Blood Clotting (from Advanced Diamond Technologies, Inc.)	UW-Madison	19,620	0
N/A	47.AGR dtd 05/18/99	Small Business Innovation Research (SBIR) / Small Business Technology Transfer (STTR) Phase II (from Silatronix)	UW-Madison	153,914	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	60,016	0
N/A	47.101070-001	Frontiers in Integrative Biological Research (FIBR): Function-Valued Traits in Natural Populations: Variations, Selection, and Evolution (from Washington State University)	UW-Milwaukee	4,126	0
N/A	47.NSF Grant #0402549	Developing a Culture of Opportunity for Minority Science Students at UW-Green Bay (from WI Alliance for Minority Participation)	UW-Green Bay	20,525	0
		Subtotal R&D Subgrants		5,999,501	34,363
		TOTAL R&D FROM NATIONAL SCIENCE FOUNDATION		114,657,169	11,451,572
U.S. DEPARTMENT OF VETERANS AFFAIRS:					
N/A	64.AGR's dtd 5/31/07, 11/1/07, 3/24/08, 7/1/08, 9/30/08, 1/15/09, 2/4/09, Various IPA's	Intergovernmental Personnel Assignment Agreements	UW-Madison	518,173	0
		TOTAL R&D FROM U.S. DEPARTMENT OF VETERANS AFFAIRS		518,173	0
U.S. ENVIRONMENTAL PROTECTION AGENCY:					
66.001		Air Pollution Control Program Support	UW-Madison	(6,814)	0
66.469		Great Lakes Program	UW-Green Bay	126,185	0
66.469		Great Lakes Program	UW-Superior	4,604	0
		Total Federal Program 66.469		130,789	0
66.509		Science to Achieve Results (STAR) Research Program	UW-Madison	655,910	35,028
66.509		Science to Achieve Results (STAR) Research Program	UW-Milwaukee	104,489	0
		Total Federal Program 66.509		760,399	35,028
66.514		Science to Achieve Results (STAR) Fellowship Program	UW-Madison	3,592	0
66.708		Pollution Prevention Grants Program	UW-Madison	47,694	0
N/A	66.EP05C000486	Assessment of the Distribution of Prions During Wastewater Management	UW-Madison	(1,810)	0
N/A	66.K087569	Greater Research Opportunities (GRO) Research Program (from UW-Milwaukee)	UW-Madison	28,193	0
N/A	66.10-09	Preventing Pollution in Wisconsin (from UW-Extension)	UW-Madison	14,863	0
N/A	66.SU-83393901	Rainwater Catchment To Offset Groundwater Depletion	UW-Madison	4,401	0
N/A	66.GR-83335501-0; GR-83335701	Greater Research Opportunities (GRO) Research Program	UW-Milwaukee	173,228	0
N/A	66.DTMA1G06005; DTMA1G10001	Great Lakes Maritime Research Institute (GLMRI) 2 and 3	UW-Superior	776,584	625,081
		Subtotal Direct R&D Grants		1,931,119	660,109
		R&D Subgrants:			
66.469		Great Lakes Program (from Northeast Midwest Institute)	UW-Superior	71,295	0
66.472		Beach Monitoring and Notification Program Implementation Grants (from Door County Health Department)	UW-Oshkosh	44,311	0
66.472		Beach Monitoring and Notification Program Implementation Grants (from Manitowoc County)	UW-Oshkosh	6,600	0
66.509	66.D-48-6J3-G1; R7214-S1	Science To Achieve Results (STAR) Research Program (from Georgia Institute of Technology)	UW-Madison	13,446	0
66.509	66.SUB0700287	Science To Achieve Results (STAR) Research Program (from University of California-Davis)	UW-Madison	87,315	0
66.509	66.109323; 124873	Science To Achieve Results (STAR) Research Program (from University of Southern California)	UW-Madison	193,193	0
66.509	66.679847	Science To Achieve Results (STAR) Research Program (from University of Washington)	UW-Madison	109,244	0
66.511	66.570471	Office of Research and Development Consolidated Research/Training/Fellowships (from Texas Agricultural and Mechanical University)	UW-Madison	39,969	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
66.814		Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements (from University of Illinois-Chicago)	UW-Milwaukee	43,278	0
N/A	66.R5 2007-03; R5 2006-04; 2004-02; 2008-04	Integrated Pest Management by Processing Vegetable Industry-Public-Industry Collaboration (from American Farmland Trust)	UW-Madison	32,108	0
N/A	66.LADCO2007-2009	Source Apportionment and Speciation of Particulate Matter for Exposure and Health Studies (from Lake Michigan Air Directors Consortium)	UW-Madison	(6,306)	0
N/A	66.0214.00.080	Predictive Modeling Studies (from Eastern Research Group)	UW-Milwaukee	20	0
N/A	66.EP-C-08-002	Integrated Watershed Approach Demonstration Project (Phase 3) - Green Bay AOC/Lower Fox River Watershed (from Cadmus Group, Inc.)	UW-Green Bay	1,050	0
		Subtotal R&D Subgrants		635,523	0
		TOTAL R&D FROM U.S. ENVIRONMENTAL PROTECTION AGENCY		2,566,642	660,109
U.S. NUCLEAR REGULATORY COMMISSION:					
77.006		U.S. Nuclear Regulatory Commission Nuclear Education Grant Program	UW-Madison	180,889	0
N/A	77.NRC-04-04-083	Advanced Reactor Fuel Coolant Interaction and Other Severe Accident Analysis	UW-Madison	30,096	0
N/A	77.NRC-38-09-896	Focused Curriculum on Materials for Nuclear Systems	UW-Madison	123,012	0
N/A	77.NRC-04-09-136	Fuel Coolant Interactions and Other Beyond Design Basis	UW-Madison	74,137	0
N/A	77.NRC-38-09-944	Graduate Fellowship Program in Nuclear Engineering	UW-Madison	54,683	0
N/A	77.NRC-04-07-120	Research on the Advanced Very-High Temperature Reactor (VHTR)	UW-Madison	349,264	0
		TOTAL R&D FROM U.S. NUCLEAR REGULATORY COMMISSION		812,081	0
U.S. DEPARTMENT OF ENERGY:					
81.049		Office of Science Financial Assistance Program	UW-Madison	51,439,868	10,444,459
81.049		ARRA-Office of Science Financial Assistance Program	UW-Madison	3,153,934	42,610
81.049		Office of Science Financial Assistance Program	UW-Milwaukee	826,661	0
		Total Federal Program 81.049		55,420,463	10,487,069
81.086		ARRA-Conservation Research and Development	UW-Madison	8,000	0
81.087		Renewable Energy Research and Development	UW-Madison	28,073	0
81.087		Renewable Energy Research and Development	UW-Milwaukee	101,869	0
81.087		ARRA-Renewable Energy Research and Development	UW-Milwaukee	89,098	0
		Total Federal Program 81.087		219,040	0
81.112		Stewardship Science Grant Program	UW-Madison	192,692	0
81.117		Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	UW-Madison	940,988	0
81.121		Nuclear Energy Research, Development and Demonstration	UW-Madison	579,587	0
N/A	81.FERC09-C-90212	Bulk Electric System	UW-Madison	105,204	0
N/A	81.DE-FG02-88ER13968	Molecular Dissection Arabidopsis 26S Proteasome	UW-Madison	33,131	0
N/A	81.00039463	Power Electric Loads	UW-Madison	68,000	0
N/A	81.RD	R&D from Argonne National Laboratory	UW-Madison	1,275,052	0
N/A	81.RD	R&D from Brookhaven National Laboratory	UW-Madison	493,966	65,054
N/A	81.RD	ARRA-R&D from Brookhaven National Laboratory	UW-Madison	729,283	0
N/A	81.RD	R&D from DOE, Chicago Operations Office	UW-Madison	1,642,294	169,723
N/A	81.RD	R&D from Idaho National Laboratory	UW-Madison	129,117	0
N/A	81.RD	R&D from Lawrence Berkeley National Laboratory	UW-Madison	2,483,146	0
N/A	81.RD	R&D from Lawrence Livermore National Laboratory	UW-Madison	458,713	0
N/A	81.RD	R&D from Los Alamos National Laboratory	UW-Madison	59,246	0
N/A	81.RD	R&D from National Renewable Energy Laboratory	UW-Madison	55,477	0
N/A	81.RD	R&D from Oak Ridge Institute for Science and Education	UW-Madison	61,391	0
N/A	81.RD	R&D from Oak Ridge National Laboratory	UW-Madison	23,766	0
N/A	81.RD	ARRA-R&D from Pacific Northwest National Laboratory	UW-Madison	107,501	0
N/A	81.RD	R&D from Princeton Plasma Physics Laboratory	UW-Madison	16,774	0
N/A	81.RD	R&D from Sandia National Laboratories	UW-Madison	1,147,008	0
N/A	81.DE-FC52-06NA27325	Regional-Scale Differential Time Methods: Development and Application to the Siberia Data Set	UW-Madison	79,332	73,081

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	81.47164	Multiscale Modeling of Aerosol Impacts on Clouds and Precipitation	UW-Milwaukee	130,055	0
N/A	81.RFP No. 9-MC30-P-00017-00	Tc (VII) Separations and Electrochemical Deposition in Iconic Liquids	UW-Milwaukee	25,089	0
N/A	81.4/10/08 DE-AC05-76RL-01830	Molecular Theory-Model Project	UW-Parkside	20,763	0
		Subtotal Direct R&D Grants		66,505,078	10,794,927
		R&D Subgrants:			
81.036	81.6400008	Inventions and Innovations (from UT-Battelle, LLC)	UW-Madison	223,827	0
81.049	81.R01022; R01072	Office of Science Financial Assistance Program (from Florida State University)	UW-Madison	55,193	0
81.049	81.10409-0233	Office of Science Financial Assistance Program (from Indiana University)	UW-Madison	70,644	0
81.049	81.5710001896; 5710001936	Office of Science Financial Assistance Program (from Massachusetts Institute of Technology)	UW-Madison	47,675	0
81.049	81.050516Z19	Office of Science Financial Assistance Program (from Michigan Technological University)	UW-Madison	85,314	0
81.049	81.MPC 35UU-01	Office of Science Financial Assistance Program (from Northern Arizona University)	UW-Madison	63,790	0
81.049	81.PROJ0000170	Office of Science Financial Assistance Program (from Northwestern University)	UW-Madison	64,769	0
81.049	81.G0094A-A	Office of Science Financial Assistance Program (from Oregon State University)	UW-Madison	(71)	0
81.049	81.11760; 21269	Office of Science Financial Assistance Program (from University of Delaware)	UW-Madison	109,918	0
81.049	81.RR272-182/4688378	Office of Science Financial Assistance Program (from University of Georgia)	UW-Madison	6,417	0
81.049	81.R-10-0031	Office of Science Financial Assistance Program (from University of Houston)	UW-Madison	60,239	0
81.049	81.30013464	Office of Science Financial Assistance Program (from University of Michigan)	UW-Madison	26,351	0
81.049	81.234151X	Office of Science Financial Assistance Program (from University of Oregon)	UW-Madison	6,904	0
81.049	81.5-23730	Office of Science Financial Assistance Program (from University of Rochester)	UW-Madison	110,459	0
81.049	81.4151	Office of Science Financial Assistance Program (from Water Research Foundation)	UW-Madison	(226)	0
81.049		Office of Science Financial Assistance Program (from Carnegie Mellon University)	UW-Milwaukee	41,225	0
81.087	81.79276	Renewable Energy Research and Development (from Battelle Memorial Institute)	UW-Madison	29,456	0
81.087	81.412-25-02	Renewable Energy Research and Development (from Iowa State University)	UW-Madison	933	0
81.087	81.3TH160	Renewable Energy Research and Development (from South Dakota State University)	UW-Madison	81,254	0
81.121	81.3000826276	Nuclear Energy Research, Development and Demonstration (from University of Michigan)	UW-Madison	262,791	0
81.123		National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program (from Michigan Technological University)	UW-Stout	37,631	0
N/A	81.00088978	Ab Initio Enhanced Calphad Modeling, Actinide Rich (from Battelle Energy Alliance)	UW-Madison	64,073	0
N/A	81.0008909	Adv Mesh-Enabled Monte Carlo Reactor Analysis (from Battelle Energy Alliance)	UW-Madison	108,783	0
N/A	81.00092244	Advanced Test Reactor (ATR) National Scientific User Facility (NSUF) Post Irradiation Examination (PIE) Experiment (from Battelle Energy Alliance)	UW-Madison	525	0
N/A	81.20111	Arm Projects for Dr. David Turner at University of Wisconsin - Madison (from Battelle Memorial Institute)	UW-Madison	6,065	0
N/A	81.79504	Biogeochemical Redox Transformation of Fe at Redox Interfaces (from Battelle Memorial Institute)	UW-Madison	107,559	0
N/A	81.00091644	Center for Materials Science of Nuclear Fuel (from Battelle Energy Alliance)	UW-Madison	98,241	0
N/A	81.00087195	Characterization/Testing Vanadium - Lined Cladding Tubes (from Battelle Energy Alliance)	UW-Madison	75,041	0
N/A	81.C10-00171	Computational Fluid Dynamics (CFD) Model Development and Validation for High Temperature (from Texas Agricultural and Mechanical University)	UW-Madison	6,044	0
N/A	81.19067-S10	Consortium for Risk Evaluation with Stakeholder Participation (CRESP) Winter 09-10 (from Vanderbilt University)	UW-Madison	193,687	8,547
N/A	81.AGR dtd 02/25/99	Consulting Agreement (from Siemens Solar Industries)	UW-Madison	(90)	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	81.88925	Embrittlement of Very-High Temperature Reactor (VHTR) Structural Alloys in Impure He Env (from Battelle Energy Alliance)	UW-Madison	87,807	0
N/A	81.37404	Evaluation of Corrosion Resistance of Candidate Alloys for Application in Supercritical Water-Cooled Reactors (from Bechtel, Babcock and Wilcox, Idaho, LLC)	UW-Madison	(24)	0
N/A	81.00087467	Examination of Materials - Pilot Project (from Battelle Energy Alliance)	UW-Madison	456,640	0
N/A	81.00075959	Examination of Materials UW Pilot Project for the ATR (from Battelle Energy Alliance)	UW-Madison	(24,423)	0
N/A	81.00089635	Experimental Studies of Next Generation Nuclear Power (NGNP) Reactor Cavity Cooling System (from Battelle Energy Alliance)	UW-Madison	57,739	11,242
N/A	81.700172092/40000 01070; 400026417	High Speed Motors (from General Electric Company)	UW-Madison	40,822	0
N/A	81.MTU 050516Z24	Impacts of Historical and Future Changes in Climate (from Michigan Technological University)	UW-Madison	62,250	0
N/A	81.00090920	Improved Light Water Reactor (LWR) Cladding Performance by Electro-Phoretic Deposition (EPD) Surface Model (from Battelle Energy Alliance)	UW-Madison	49,451	0
N/A	81.00074713	Ion Beam Analysis (from Battelle Energy Alliance)	UW-Madison	6,583	0
N/A	81.00088234	Liquid Salt Heat Exchanger Technology for VHTR-Based Applications (from Battelle Energy Alliance)	UW-Madison	113,860	0
N/A	81.AGR dtd 02/20/07	Management and Pavement Analysis (from Bloom Consultants, LLC)	UW-Madison	119,587	32,191
N/A	81.61263	Metabolic Modeling for Maximizing Photobiological H2 Production and Integrated Genome-Based Studies of Sheqanella Ecophysioic (from Battelle Memorial Institute)	UW-Madison	(30,718)	0
N/A	81.00088881	Mitigating Fuel Cladding Chemical Interactions (FCCI) (from Battelle Energy Alliance)	UW-Madison	88,019	0
N/A	81.0008935	Modeling Fission Product Sorption in Graphite Structures (from Battelle Energy Alliance)	UW-Madison	74,417	0
N/A	81.0000003104	Monticello Alternative Cover Assessment Program (ACAP) Cover Lysimeter: Data Reduction, Data Validation and Data Storage (from S.M. Stoller Corporation)	UW-Madison	(3,575)	0
N/A	81.A8741	Nanostructured Stainless Steels (from Texas Agricultural and Mechanical University)	UW-Madison	35,435	0
N/A	81.00085333	Neutronic/Thermal Analysis of Advanced Test Reactor (ATR) Experiments (from Battelle Energy Alliance)	UW-Madison	34,581	0
N/A	81.81847; 93477	Radiative Heating in Underexplored Bands Campaign-II (RHUBC-II) Field Campaign (from Battelle Memorial Institute)	UW-Madison	15,071	0
N/A	81.09-212	Sensitivity Analysis-Proxy Limits and Market Power Monitoring (from Arizona State University)	UW-Madison	7,992	0
N/A	81.AGR dtd 05/07/05	Stipend for Graduate Students (from Krell Institute)	UW-Madison	(8,368)	0
N/A	81.4000049451/4000 052266/86941/90363 /62269/88977	Structural Materials Research (from UT-Battelle, LLC)	UW-Madison	551,391	0
N/A	81.00088775	Supercritical C02 Systems (from Battelle Energy Alliance)	UW-Madison	44,096	0
N/A	81.00088757	Thermal Prop LiCl-KCl Molten Salt for Nuclear Waste (from Battelle Energy Alliance)	UW-Madison	75,178	0
N/A	81.AGR dtd 06/25/08	Todd Allen, Employee Leasing Agreement (from Battelle Energy Alliance)	UW-Madison	89,944	0
N/A	81.00083055	University-Laboratory Cooperative Program (from Battelle Energy Alliance)	UW-Madison	31,971	0
N/A	81.00081076	University of Wisconsin Nuclear Reactor (UWNR) Low Enriched Uranium (LEU) Reimbursement (from Battelle Energy Alliance)	UW-Madison	29,762	0
N/A	81.S-000219	Molecular Design of Heterogeneous Chiral Catalysts (from the University of California-Riverside)	UW-Milwaukee	11,752	0
N/A	81.1041349-236045; 238267; 238274	National Energy Technology Laboratory (NETL) - Southeastern Wisconsin Energy Technology Research Consortium (SWETRC) (from Carnegie Mellon University)	UW-Milwaukee	195,495	0
N/A	81.79737	Role of Microenvironments in Contaminant Transport (from Battelle Memorial Institute)	UW-Milwaukee	42,544	0
		Subtotal R&D Subgrants		4,299,700	51,980
		TOTAL R&D FROM U.S. DEPARTMENT OF ENERGY		70,804,778	10,846,907
U.S. DEPARTMENT OF EDUCATION:					
84.017		International Research and Studies	UW-Madison	344,996	0
84.019		Overseas Programs-Faculty Research Abroad	UW-Madison	(21,647)	0
84.021		Overseas Programs-Group Projects Abroad	UW-Madison	31,933	0
84.022		Overseas Programs-Doctoral Dissertation Research Abroad	UW-Madison	21,457	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
84.116		Fund for the Improvement of Postsecondary Education	UW-Madison	43,081	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Whitewater	10,984	0
		Total Federal Program 84.116		54,065	0
84.133		National Institute on Disability and Rehabilitation Research	UW-Madison	1,790,891	672,338
84.133		National Institute on Disability and Rehabilitation Research	UW-Milwaukee	145,732	0
		Total Federal Program 84.133		1,936,623	672,338
84.220		Centers for International Business Education	UW-Madison	388,132	0
84.305		Education Research, Development and Dissemination	UW-Madison	2,742,648	183,601
84.324		Research in Special Education	UW-Madison	273,601	0
84.324		Research in Special Education (from UW-Milwaukee)	UW-Madison	87,847	0
84.324		Research in Special Education	UW-Milwaukee	127,748	0
84.324		Research in Special Education (from UW-Madison)	UW-Milwaukee	20,957	0
		Total Federal Program 84.324		510,153	0
84.325		Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	UW-Madison	308,078	0
84.325		Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	UW-Milwaukee	200,475	0
		Total Federal Program 84.325		508,553	0
84.335		Child Care Access Means Parents in School	UW-Madison	54,046	0
84.335		Child Care Access Means Parents in School	UW-Milwaukee	49,151	0
		Total Federal Program 84.335		103,197	0
84.337		International Education-Technological Innovation and Cooperation for Foreign Information Access	UW-Madison	39,400	34,805
84.359		Early Reading First (from UW-Milwaukee)	UW-Madison	193,901	0
N/A	84.T195N070163	Bilingual Education-Professional Development	UW-Madison	301,126	13,354
N/A	84.09-0321	Building Communication of Math Educators (from UW System Admin)	UW-Whitewater	46,718	0
N/A	84.20060928	Augmented Reality Simulation Games	UW System Admin	41,341	0
		Subtotal Direct R&D Grants		7,242,596	904,098
		R&D Subgrants:			
84.015	84.641522	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	29,275	0
84.133	84.2008-04963-02-00	National Institute on Disability and Rehabilitation Research (from University of Illinois - Chicago)	UW-Madison	47,278	0
84.324	84.R324A070008	Research in Special Education (from University of Florida)	UW-Milwaukee	65,337	0
84.368		Grants for Enhancement Assessment Instruments (from Council of Chief State School Officers)	UW-Madison	98,543	0
84.368		Grants for Enhancement Assessment Instruments (from Illinois State Board of Education)	UW-Madison	1,139,334	882,441
84.368	84.PO290090	Grants for Enhancement Assessment Instruments (from Office of the State Superintendent of DC)	UW-Madison	497,082	0
84.368	84.S368A090029	Grants for Enhancement Assessment Instruments (from Virginia Department of Education)	UW-Madison	28,500	0
N/A	84.AGR dtd 10/1/2007	Accountability and Performance in Secondary Education (from Council of the Great City Schools)	UW-Madison	83,527	0
N/A	84.8367-S-004	Center for Education Compensation Reform (from WESTAT)	UW-Madison	414,566	0
N/A	84.ED-IES-R-0003	Effects of Interactive Animations on Student Learning in High School Biology (from Agile Mind)	UW-Madison	69,323	0
N/A	84.C012997 R 120709	ARRA-Evaluating Leadership Development (from Milwaukee Public Schools)	UW-Madison	51,490	0
N/A	84.C012995 R 120697	ARRA-Evaluation of Programs for High School (from Milwaukee Public Schools)	UW-Madison	80,693	0
N/A	84.6374-07-068	Evidence Reviews for Work (from Mathematical Policy Research, Inc.)	UW-Madison	206,973	0
N/A	84.AGR dtd 07/14/09; 04/01/2009	External Evaluation of the Mathematics Achievement Project (from Cooperative Educational Service Agency #4)	UW-Madison	40,494	0
N/A	84.9-202	North Central Comprehensive Assistance Center (from Mid-Continent Research for Education)	UW-Madison	81,207	0
N/A	84.6-32094/ P802904	The Effects of Remediation (from University of Texas-Dallas)	UW-Madison	(18,493)	0
N/A	84.18606	What Makes Schools Work Study (from Vanderbilt University)	UW-Madison	83,259	24,863

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	84.P116B070066	WI Grassroots Teacher Quality (from American Association of State Colleges)	UW-Madison	1,289	0
N/A	84.AWARD Letter 7/23/08	WI Grassroots Teacher Quality Assessment Model Project Grant: STAR II (from American Association of State Colleges and Universities - AASCU)	UW-Green Bay	7,750	0
		Subtotal R&D Subgrants		3,007,427	907,304
		TOTAL R&D FROM U.S. DEPARTMENT OF EDUCATION		10,250,023	1,811,402
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:					
89.003		National Historical Publications and Records Grants	UW-Madison	325,674	0
		R&D Subgrants:			
89.003		National Historical Publications and Records Grants (from Wisconsin Historical Foundation, Inc)	UW-Madison	5,000	0
		TOTAL R&D FROM NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		330,674	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
93.061		Innovations in Applied Public Health Research	UW-Madison	28,709	0
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Madison	309,216	0
93.113		Environmental Health	UW-Madison	2,798,802	0
93.113		Environmental Health	UW-Milwaukee	1,878,169	773,896
		Total Federal Program 93.113		4,676,971	773,896
93.121		Oral Diseases and Disorders Research	UW-Madison	266,457	0
93.134		Grants to Increase Organ Donations	UW-Madison	220,100	122,702
93.136		Injury Prevention and Control Research and State and Community Based Programs	UW-Madison	390,228	113,697
93.172		Human Genome Research	UW-Madison	2,023,133	44,093
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	8,234,802	295,094
93.173		Research Related to Deafness and Communication Disorders	UW-Milwaukee	300,380	0
		Total Federal Program 93.173		8,535,182	295,094
93.185		Immunization Research, Demonstration, Public Information and Education-Training and Clinical Skills Improvement Projects	UW-Madison	(18,697)	0
93.197		Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	UW-Madison	388,874	0
93.213		Research and Training in Complementary and Alternative Medicine	UW-Madison	1,536,676	21,597
93.226		Research on Healthcare Costs, Quality and Outcomes	UW-Madison	758,156	0
93.233		National Center on Sleep Disorders Research	UW-Madison	1,292,209	0
93.239		Policy Research and Evaluation Grants	UW-Madison	573,106	0
93.242		Mental Health Research Grants	UW-Madison	9,592,044	688,587
93.242		Mental Health Research Grants	UW-Milwaukee	1,131,745	167,273
		Total Federal Program 93.242		10,723,789	855,860
93.262		Occupational Safety and Health Program	UW-Madison	4,748	0
93.262		Occupational Safety and Health Program	UW-Milwaukee	384,766	119,476
93.262	93.1K01OH008965-01A1	Occupational Safety and Health Program	UW-Eau Claire	102,573	9,168
		Total Federal Program 93.262		492,087	128,644
93.273		Alcohol Research Programs	UW-Madison	3,098,224	182,580
93.273		Alcohol Research Programs	UW-Milwaukee	55,018	0
		Total Federal Program 93.273		3,153,242	182,580
93.279		Drug Abuse and Addiction Research Programs	UW-Madison	3,304,307	657,572
93.279		Drug Abuse and Addiction Research Programs	UW-Milwaukee	639,619	16,311
		Total Federal Program 93.279		3,943,926	673,883
93.281		Mental Health Research Career/Scientist Development Awards	UW-Madison	361,636	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Madison	189,706	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-Madison	740,057	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health	UW-Madison	3,317,358	0
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health	UW-Milwaukee	98,662	0
		Total Federal Program 93.286		3,416,020	0
93.307		Minority Health and Health Disparities Research	UW-Madison	644,062	0
93.307		Minority Health and Health Disparities Research (from UW-Madison)	UW-Milwaukee	103,886	0
		Total Federal Program 93.307		747,948	0
93.310		Trans-NIH Research Support	UW-Madison	426,863	0
93.361		Nursing Research	UW-Madison	1,752,949	111,033
93.361		Nursing Research	UW-Milwaukee	832,024	15,503
		Total Federal Program 93.361		2,584,973	126,536
93.389		National Center for Research Resources	UW-Madison	22,756,187	1,903,092
93.389		National Center for Research Resources	UW-Milwaukee	394,821	18,006
93.389		National Center for Research Resources	UW-Oshkosh	100,239	0
		Total Federal Program 93.389		23,251,247	1,921,098
93.393		Cancer Cause and Prevention Research	UW-Madison	8,441,006	115,232
93.394		Cancer Detection and Diagnosis Research	UW-Madison	3,133,615	289,924
93.394		Cancer Detection and Diagnosis Research	UW-Milwaukee	55,610	0
		Total Federal Program 93.394		3,189,225	289,924
93.395		Cancer Treatment Research	UW-Madison	7,186,679	77,204
93.396		Cancer Biology Research	UW-Madison	2,371,181	81,577
93.397		Cancer Centers Support Grants	UW-Madison	5,263,213	144,828
93.398		Cancer Research Manpower	UW-Madison	1,653,423	28,925
93.399		Cancer Control	UW-Madison	2,005,261	415,828
93.448	93.U18 FD003494	Food Safety and Security Monitoring Project	UW-Madison	343,335	0
93.563		Child Support Enforcement	UW-Madison	270,508	0
93.564		Child Support Enforcement Research (from UW-Madison)	UW-Milwaukee	23,727	0
93.701		ARRA-Trans-NIH Recovery Act Research Support	UW-Madison	21,869,178	908,088
93.701		ARRA-Trans-NIH Recovery Act Research Support	UW-Milwaukee	627,680	34,749
93.701		ARRA-Trans-NIH Recovery Act Research Support (from UW-Madison)	UW-Milwaukee	7,758	0
93.701		ARRA-Trans-NIH Recovery Act Research Support	UW-Eau Claire	38,639	0
93.701		ARRA-Trans-NIH Recovery Act Research Support	UW-Oshkosh	16,664	0
93.701		ARRA-Trans-NIH Recovery Act Research Support	UW-Stout	90,951	0
		Total Federal Program 93.701		22,650,870	942,837
93.768		Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities (from UW-Stout)	UW-Madison	216,817	0
93.779		Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	UW-Madison	31,006	0
93.837		Cardiovascular Diseases Research	UW-Madison	12,277,514	677,698
93.837		Cardiovascular Diseases Research	UW-Milwaukee	384,555	33,259
		Total Federal Program 93.837		12,662,069	710,957
93.838		Lung Diseases Research	UW-Madison	10,693,598	2,039,648
93.838		Lung Diseases Research	UW-Milwaukee	57,660	0
		Total Federal Program 93.838		10,751,258	2,039,648
93.839		Blood Diseases and Resources Research	UW-Madison	1,601,952	97,565
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Madison	2,369,631	188,783
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Milwaukee	42,805	0
		Total Federal Program 93.846		2,412,436	188,783
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research	UW-Madison	9,265,221	188,443
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	12,219,882	1,147,876

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
93.855		Allergy, Immunology and Transplantation Research	UW-Madison	20,616,072	1,052,057
93.855		Allergy, Immunology and Transplantation Research	UW-Milwaukee	244,012	231,738
93.855		Allergy, Immunology and Transplantation Research	UW-La Crosse	76,715	0
93.855		Allergy, Immunology and Transplantation Research	UW-Oshkosh	11,039	0
		Total Federal Program 93.855		20,947,838	1,283,795
93.859		Biomedical Research and Research Training	UW-Madison	28,907,177	1,272,112
93.859		Biomedical Research and Research Training	UW-Milwaukee	257,674	0
93.859		Biomedical Research and Research Training	UW-Eau Claire	56,906	(49)
93.859		Biomedical Research and Research Training	UW-La Crosse	51,655	0
		Total Federal Program 93.859		29,273,412	1,272,063
93.865		Child Health and Human Development Extramural Research	UW-Madison	7,950,924	356,857
93.865		Child Health and Human Development Extramural Research	UW-Milwaukee	595,922	120,052
93.865		Child Health and Human Development Extramural Research	UW-Stevens Point	41,198	0
		Total Federal Program 93.865		8,588,044	476,909
93.866		Aging Research	UW-Madison	18,603,250	2,121,104
93.866		Aging Research	UW-Milwaukee	138,529	0
		Total Federal Program 93.866		18,741,779	2,121,104
93.867		Vision Research	UW-Madison	7,691,703	558,800
93.879		Medical Library Assistance	UW-Madison	1,589,374	153,035
93.879	93.1 R01-LM009836-01A1	Medical Library Assistance	UW-Milwaukee	177,298	11,838
		Total Federal Program 93.879		1,766,672	164,873
93.884		Grants for Training in Primary Care Medicine and Dentistry	UW-Madison	93,124	0
93.887		Health Care and Other Facilities	UW-Eau Claire	69,926	0
93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	(233)	0
93.989		International Research and Research Training	UW-Madison	104,910	0
N/A	93.864.RD. R21 HD053925	A Primate In Vitro Implantation Model	UW-Madison	26,208	0
N/A	93.271.K24 AA015390; K01 AA018410	Alcohol Research Career Development Awards for Scientists and Clinicians	UW-Madison	251,910	0
N/A	93.864.RD.K12 HD055894	Building Interdisciplinary Research Career In Women	UW-Madison	390,486	0
N/A	93.P01 CA022443; R13 CA094927; R01 CA125387; R01 CA90877; R01 CA098428; CA133027	Cancer Construction	UW-Madison	3,328,776	0
N/A	93.RD.HHSN266200 400088C	Development of the Immune Monitoring Reagents	UW-Madison	897,245	0
N/A	93.5 R01 DK030031-20; 5 R01 DK058839-05; etc.	Digestive Diseases and Nutrition Research	UW-Madison	120,290	0
N/A	93.RD.HHSN261200 800403P	Evaluation of Gene Expression in the Succeed Study	UW-Madison	(6,956)	0
N/A	93.RD.HHS-N-260-2006-00003-C	Fundus Photograph Reading Center	UW-Madison	612,097	0
N/A	93.864.RD.R01 HD046886	HIV Risk and Access to Health Care Among Mexican Migrant	UW-Madison	557,204	501,199
N/A	93.RD.N01-AI-25496, HHSN272200900052 C	Inner-City Asthma Consortium Immunologic Approach	UW-Madison	8,981,322	6,612,258
N/A	93.934.RD.5 R03 TW006033.03	Interactions Between Sickle Red Cells and Adherentplatel	UW-Madison	76	0
N/A	93.390. RD.5 R01 GM075830-03	Intracellular Screens for Discovery of Natural Production	UW-Madison	(398)	0
N/A	93.1 P50 DK065303-01; R01 DK072749; etc.	Kidney Diseases, Urology and Hematology Research	UW-Madison	1,039,045	103,665
N/A	93.HHSN263200800 025C	Management of the Primate Aging Database	UW-Madison	125,717	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
N/A	93.864.RD.K01 HD054421	Maternal Re-Partnering, Parenting Behaviors, and Child Development	UW-Madison	112,859	0
N/A	93.RD.HHSN275200 503396C	National Children's Study	UW-Madison	3,377,753	2,508,951
N/A	93.864.RD.R01 HD057894	Non Marital Fathering	UW-Madison	116,315	0
N/A	93.RD.N01-CN-35153-6	Phase I and Phase 2 Clinical Trials of Cancer Chemo	UW-Madison	834,918	280,984
N/A	93.RD.HHSN268201 000010C	Production Assistance for Cellular Therapies (PACT) Application	UW-Madison	362,313	0
N/A	93.RD	R&D from Agency for Health Care Research	UW-Madison	276,742	0
N/A	93.RD	R&D from Centers for Disease Control & Prevention	UW-Madison	13,321	0
N/A	93.RD	R&D from Food and Drug Administration	UW-Madison	824	0
N/A	93.RD	R&D from National Institutes of Health	UW-Madison	150,310	0
N/A	93.RD	R&D from Office of Public Health and Services	UW-Madison	180	0
N/A	93.RD	R&D from Office of the Secretary	UW-Madison	(1)	0
N/A	93.864.RD.R01 HD051762	Social Capital and Children's Development	UW-Madison	1,024,536	521,985
N/A	93.272.F31 AA018608	Stress Neuroadaptations in Alcoholism	UW-Madison	32,117	0
N/A	93.HHSN268200900 421P	The Physicians' Understanding of Human Genetic Variation (PUHGV) Project	UW-Madison	3,482	0
N/A	93.RD.HHSN263200 800026C	Tissue Bank Request for Proposal (RFP) 2008	UW-Madison	107,225	0
N/A	93.381.R01 HL080412	Viral Induced Asthma Exacerbations	UW-Madison	112,148	0
N/A	93.Dtd 7/15/08	Academic Research Enhancement Award	UW-La Crosse	72,864	0
		Subtotal Direct R&D Grants		283,768,986	28,135,893
		R&D Subgrants:			
93.110		Maternal and Child Health Federal Consolidated Programs (from Children's Hospital of Wisconsin)	UW-Milwaukee	65,343	0
93.113		Environmental Health (from Marian College of Fond du Lac)	UW-Milwaukee	3,908	0
93.121	93.F5628-04	Oral Diseases and Disorders Research (from New York University)	UW-Madison	18,015	0
93.145	93.494322	AIDS Education and Training Centers (from University of Illinois-Chicago)	UW-Madison	12,863	0
93.172	93.11276-6500-27615; 27622	Human Genome Research (from Marshfield Clinic Research Foundation)	UW-Madison	26,749	0
93.172		Human Genome Research (from Medical College of Wisconsin)	UW-Madison	866,643	0
93.173	93.09-0281	Research Related to Deafness and Communication Disorders (from Brigham Young University)	UW-Madison	14,923	0
93.173	93.0255-2231-4609	Research Related to Deafness and Communication Disorders (from Mount Sinai School of Medicine)	UW-Madison	65,053	0
93.173	93.RF01035642	Research Related to Deafness and Communication Disorders (from Ohio State University Research Foundation)	UW-Madison	44,857	0
93.173	93.GCSLU0027A	Research Related to Deafness and Communication Disorders (from Oregon Graduate Institute)	UW-Madison	16,101	0
93.173	93.511-2031-01	Research Related to Deafness and Communication Disorders (from Purdue University)	UW-Madison	(14,027)	0
93.173		Research Related to Deafness and Communication Disorders (from Spectrocon International, Inc.)	UW-Madison	7,064	0
93.173	93.1000542167	Research Related to Deafness and Communication Disorders (from University of Iowa)	UW-Madison	140,808	0
93.213		Research and Training in Complementary and Alternative Medicine (from Medical College of Wisconsin)	UW-Milwaukee	6,371	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Minneapolis Medical Research Foundation)	UW-Madison	11,232	0
93.242	93.MC 222895-BAJ; MC22894 BAJ; MC11894 BAJ; MC222896 B-AJ	Mental Health Research Grants (from Boston University)	UW-Madison	65,312	0
93.242	93.1090048-132796; 132800	Mental Health Research Grants (from Carnegie Mellon University)	UW-Madison	(5)	0
93.242	93.2008117718; 2009101050	Mental Health Research Grants (from Group Health Cooperative)	UW-Madison	115,544	0
93.242	93.SA378-0824-6157	Mental Health Research Grants (from Illinois Institute of Technology)	UW-Madison	685	0
93.242	93.Acct 51-2017-5032-2	Mental Health Research Grants (from Neuropsychiatric Research Institute)	UW-Madison	6,107	0
93.242	93.S-000195	Mental Health Research Grants (from University of California - Riverside)	UW-Madison	(35,334)	0
93.242	93.3999	Mental Health Research Grants (from University of Chicago)	UW-Madison	18,841	0
93.242	93.A000285205	Mental Health Research Grants (from University of Minnesota)	UW-Madison	345	0
93.242	93.10002325-02	Mental Health Research Grants (from University of Utah)	UW-Madison	99,943	0

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		RESEARCH AND DEVELOPMENT (R&D) CLUSTER (Note 2)			
93.242		Mental Health Research Grants (from Medical College of Wisconsin)	UW-Milwaukee	27,131	0
93.242		Mental Health Research Grants (from Promentis Pharmaceuticals)	UW-Milwaukee	111,836	0
93.242	93.5-R01-MH070802-02	Mental Health Research Grants (from Tourette Syndrome Association)	UW-Milwaukee	4,734	0
93.262		Occupational Safety and Health Program (from University of Utah)	UW-Milwaukee	46,986	0
93.273		Alcohol Research Programs (from Johns Hopkins University)	UW-Milwaukee	20,147	0
93.279		Drug Abuse and Addiction Research Programs (from University of Hawaii at Manao)	UW-Milwaukee	300,328	0
93.279		Drug Abuse and Addiction Research Programs (from University of Michigan)	UW-Milwaukee	36,730	0
93.307		Minority Health and Health Disparities Research (from University of the Virgin Islands)	UW-Milwaukee	85,676	0
93.361	93.148952	Nursing Research (from Duke University)	UW-Madison	13,175	0
93.361	93.107015	Nursing Research (from Loyola University Chicago)	UW-Madison	14,744	0
93.361	93.5-30417	Nursing Research (from University of North Carolina - Chapel Hill)	UW-Madison	17,318	0
93.361	93.115045-1	Nursing Research (from University of Pittsburgh)	UW-Madison	15,131	0
93.361	93.1 R01 NR009040-1A	Nursing Research (from University of Missouri)	UW-Eau Claire	61,964	0
93.389	93.30.6694.912611	National Center for Research Resources (from Beckman Research Institute)	UW-Madison	25,008	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	539	0
93.389	93.P20-RR023473-01; 1-R01-CA11595401A2	National Center for Research Resources (from Medical College of Wisconsin)	UW-Milwaukee	73,741	0
93.389		National Center for Research Resources (from University of California-Los Angeles)	UW-Milwaukee	29,581	0
93.389		National Center for Research Resources (from University of California-San Diego)	UW-Milwaukee	18,787	0
93.395	93.743831/RF00948615	Cancer Treatment Research (from Ohio State University)	UW-Madison	(923)	0
93.701	93.09-0020	ARRA-Trans-NIH Recovery Act Research Support (from Children's Mercy Hospitals and Clinics)	UW-Madison	4,511	0
93.701	93.IUPUI48229	ARRA-Trans-NIH Recovery Act Research Support (from Indiana University Purdue University)	UW-Madison	11,467	0
93.701	93.23789-12	ARRA-Trans-NIH Recovery Act Research Support (from Medical College of Georgia)	UW-Madison	43,787	0
93.701	93.0256-6451-4609	ARRA-Trans-NIH Recovery Act Research Support (from Mount Sinai School of Medicine)	UW-Madison	90,898	0
93.701	93.19378	ARRA-Trans-NIH Recovery Act Research Support (from National Childhood Cancer Foundation)	UW-Madison	3,382	0
93.701	93.5-21445	ARRA-Trans-NIH Recovery Act Research Support (from Scripps Research Institute)	UW-Madison	46,222	0
93.701	93.2R01EY013610-04A1	ARRA-Trans-NIH Recovery Act Research Support (from Texas Tech University)	UW-Madison	23,409	0
93.701	93.Y553625	ARRA-Trans-NIH Recovery Act Research Support (from University of Arizona)	UW-Madison	33,451	0
93.701	93.09-002537-01	ARRA-Trans-NIH Recovery Act Research Support (from University of California-Davis)	UW-Madison	310,143	0
93.701	93.2009-06752.01	ARRA-Trans-NIH Recovery Act Research Support (from University of Illinois at Urbana-Champaign)	UW-Madison	68,944	0
93.701	93.0002547	ARRA-Trans-NIH Recovery Act Research Support (from University of Pittsburgh)	UW-Madison	99,545	0
93.701	93.10-003 ARRA	ARRA-Trans-NIH Recovery Act Research Support (from University of Texas Medical Branch)	UW-Madison	44,282	0
93.701	93.PD300523-SC101136	ARRA-Trans-NIH Recovery Act Research Support (from Virginia Commonwealth University)	UW-Madison	31,912	0
93.701	93.WFUH	ARRA-Trans-NIH Recovery Act Research Support (from Wake Forest University)	UW-Madison	32,445	0
93.701		ARRA-Trans-NIH Recovery Act Research Support (from Cleveland Clinic)	UW-Milwaukee	21,335	0
93.701		ARRA-Trans-NIH Recovery Act Research Support (from Harvard Medical School)	UW-Milwaukee	50,551	0
93.701		ARRA-Trans-NIH Recovery Act Research Support (from Marquette University)	UW-Milwaukee	88,522	0
93.701		ARRA-Trans-NIH Recovery Act Research Support (from University of California-Los Angeles)	UW-Milwaukee	12,892	0
93.701		ARRA-Trans-NIH Recovery Act Research Support (from University of Maryland)	UW-Milwaukee	34,827	0
93.728	93.CFDA # 93.7258 ARRA Sub Award	ARRA-Strategic Health IT Advanced Research Projects (SHARP) (from Children's Hospital of Boston)	UW-Madison	754	0
93.822	93.10108195	Health Careers Opportunity Program (from Baylor College of Medicine)	UW-Madison	25,757	0

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93.822	93.G010790-130829	Health Careers Opportunity Program (from University of Virginia)	UW-Madison	2,898	0
93.838	93.101062	Lung Diseases Research (from Brigham and Women's Hospital)	UW-Madison	33,915	0
93.838	93.WU-08-233	Lung Diseases Research (from Washington University)	UW-Madison	132,319	0
93.847	93.07-509	Diabetes, Digestive, and Kidney Diseases Extramural Research (from George Washington University)	UW-Madison	16,616	0
93.847	93.B6367362503	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Minnesota)	UW-Madison	1,396	0
93.853	93.41589-A	Extramural Research Programs in the Neurosciences and Neurological Disorders (from City University of New York)	UW-Madison	37,296	0
93.853	93.RX 4265-051/057/063-UOW	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Georgetown University)	UW-Madison	102,636	0
93.853	93.208282	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Massachusetts General Hospital)	UW-Madison	15,774	0
93.853	93.AGR dtd 8.7/2008	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Medical College of Wisconsin)	UW-Madison	32,110	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Medical University of South Carolina)	UW-Madison	(4,805)	0
93.853	93.18406370-3222-B	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Stanford University)	UW-Madison	76,163	0
93.853	93.265889	Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Alabama - Birmingham)	UW-Madison	14,401	0
93.853	93.4168	Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of North Carolina - Chapel Hill)	UW-Madison	136,601	0
93.853	93.10015259-01-0000142086	Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Utah)	UW-Madison	15,615	0
93.853	93.WU-02-118	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Washington University)	UW-Madison	71,340	0
93.853	93.A07593 (M-10-10575); A07223 (M06A00402)	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Yale University)	UW-Madison	7,620	0
93.855	93.1090210-226374	Allergy, Immunology and Transplantation Research (from Carnegie Mellon University)	UW-Madison	78,806	0
93.855	93.3031468	Allergy, Immunology and Transplantation Research (from Center for HIV/AIDS Vaccine Immunology)	UW-Madison	181,448	0
93.855	93.1 R01 AI06773-01/1; 5-36551	Allergy, Immunology and Transplantation Research (from Columbia University)	UW-Madison	22,525	0
93.855	93.PO 2000483328, R0lAI067371	Allergy, Immunology and Transplantation Research (from Johns Hopkins University)	UW-Madison	7,400	0
93.855	93.11441 6500 44110	Allergy, Immunology and Transplantation Research (from Marshfield Clinic)	UW-Madison	32	0
93.855	93.0255-1212/13-4609	Allergy, Immunology and Transplantation Research (from Mount Sinai School of Medicine)	UW-Madison	107,468	0
93.855	93.06-0400	Allergy, Immunology and Transplantation Research (from New York University)	UW-Madison	60,932	0
93.855	93.60014083	Allergy, Immunology and Transplantation Research (from Northwestern University)	UW-Madison	10,372	0
93.855	93.AVGTI0096	Allergy, Immunology and Transplantation Research (from Oregon Health and Science University)	UW-Madison	389,268	0
93.855	93.U19 AI070202	Allergy, Immunology and Transplantation Research (from Rhode Island Hospital)	UW-Madison	148,322	0
93.855	93.sub under R44 AI088991	Allergy, Immunology and Transplantation Research (from Scarab Genomics, Inc.)	UW-Madison	12,812	0
93.855	93.5-22942/76; U01AI074564	Allergy, Immunology and Transplantation Research (from Scripps Research Institute)	UW-Madison	476,159	0
93.855		Allergy, Immunology and Transplantation Research (from TFX Biosciences)	UW-Madison	97,605	0
93.855	93.000259202-002	Allergy, Immunology and Transplantation Research (from University of Alabama - Birmingham)	UW-Madison	14,113	0
93.855	93.2009-2161	Allergy, Immunology and Transplantation Research (from University of California - Irvine)	UW-Madison	126,689	0
93.855	93.26020/5-30866	Allergy, Immunology and Transplantation Research (from University of Chicago)	UW-Madison	374,462	0
93.855		Allergy, Immunology and Transplantation Research (from University of Minnesota)	UW-Madison	(24,459)	0
93.855	93.548694; 550995	Allergy, Immunology and Transplantation Research (from University of Pennsylvania)	UW-Madison	73,284	0
93.855		Allergy, Immunology and Transplantation Research (from University of Pittsburgh)	UW-Madison	19,350	0
93.855		Allergy, Immunology and Transplantation Research (from Marshfield Clinic)	UW-La Crosse	(7,169)	0

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93.856	93.953407; 1037297	Microbiology and Infectious Diseases Research (from Medical College of Wisconsin, Inc.)	UW-Madison	(30,773)	0
93.856	93.HHSN266200700 010C	Microbiology and Infectious Diseases Research (from Mount Sinai School of Medicine)	UW-Madison	748,928	0
93.856	93.26020/5-30426M/D/30403A/B/C/E;5/30866/30969/30866	Microbiology and Infectious Diseases Research (from University of Chicago)	UW-Madison	454,033	0
93.856		Microbiology and Infectious Diseases Research (from University of Georgia)	UW-Oshkosh	43,106	0
93.859	93.RA042-G1	Biomedical Research and Research Training (from Georgia Institute of Technology)	UW-Madison	19,494	0
93.859	93.236753, T0707130039; 229104, T0704190024	Biomedical Research and Research Training (from University of Alabama - Birmingham)	UW-Madison	39,956	0
93.859	93.1440GKB872	Biomedical Research and Research Training (from University of California Los Angeles)	UW-Madison	54,652	0
93.859	93.3826SC; 4983SC	Biomedical Research and Research Training (from University of California San Francisco)	UW-Madison	39,605	0
93.859	93.2005-06342-010A4546	Biomedical Research and Research Training (from University of Illinois at Urbana-Champaign)	UW-Madison	52,543	0
93.859	93.FY2009-061	Biomedical Research and Research Training (from Kansas State University)	UW-Madison	391,582	0
93.859	93.615004; 00000048	Biomedical Research and Research Training (from Jackson Laboratory)	UW-Madison	54,000	0
93.859	93.WSU09051	Biomedical Research and Research Training (from Wayne State University)	UW-Madison	30,439	0
93.865		Child Health and Human Development Extramural Research (from Medical College of Wisconsin)	UW-Milwaukee	75,916	0
93.866	93.5022746	Aging Research (from Harvard University)	UW-Madison	55,693	0
93.866		Aging Research (from University of Alberta)	UW-Madison	218,711	0
93.866	93.127-DHA ADC-027	Aging Research (from University of California - San Diego)	UW-Madison	3,742	0
93.866	93.2007-1834	Aging Research (from University of California - Irvine)	UW-Madison	43,170	0
93.866	93.65595	Aging Research (from University of Washington)	UW-Madison	32,367	0
93.866		Aging Research (from Johns Hopkins University)	UW-Milwaukee	21,154	0
93.867	93.CATT	Vision Research (from University of Pennsylvania)	UW-Madison	53,283	0
93.867	93.H35645; H44261	Vision Research (from University of Southern California)	UW-Madison	22,544	0
93.867	93.0004952A	Vision Research (from University of Texas-Houston)	UW-Madison	29,621	0
93.969	93.AGR dtd 11-8-07	Geriatric Education Centers (from Marquette University)	UW-Madison	72,047	0
93.994	93.AGR dtd 1/1/08	Maternal and Child Health Services Block Grant to the States (from Children's Hospital of Wisconsin)	UW-Madison	36,918	0
N/A	93.AGR dtd 1/30/08	A Microfluidic System for High-Throughput Virus Culture (from Bellbrook Labs, LLC)	UW-Madison	138,275	0
N/A	93.576677	A Systems Biology Approach to Infectious Disease (from University of Washington)	UW-Madison	637,173	0
N/A	93.N01-HC-95178	Action to Control Cardiovascular Risk in Diabetes (ACCORD) Study (from Wake Forest University)	UW-Madison	133,047	0
N/A	93.127-01-ADNI-024	Alzheimer's Disease Neuroimaging Initiative (from University of California-San Diego)	UW-Madison	58,659	0
N/A	93.Z017601	Ambassadors for Change Program (from University of Maryland)	UW-Madison	91,299	0
N/A	93.AGR dtd 1/29/08	Arrayed Microfluidic Device for Reconstituted Tissue (from Bellbrook Labs, LLC)	UW-Madison	(1,411)	0
N/A	93.CA81403:NANT CONSORTIUM	Biology and Therapy of High Risk Neuroblastoma (from Children's Hospital Los Angeles)	UW-Madison	12,102	0
N/A	93.AGR dtd 06/20/06; 402	Blood and Marrow Transplant Clinical Trials Network (BMTCTN) 0402: A Phase III Randomized, Multicenter Trial (from National Marrow Donor)	UW-Madison	7,820	0
N/A	93.26020/5-30380 (Project H, Project K)	Brucella Vaccine Using Recombinant Invasive E Coli (from University of Chicago)	UW-Madison	(3,320)	0
N/A	93.94091NBS23	Cancer Biomedical Informatics Grid (caBIG) Clinical Trials Management Systems (CTMS) Workspace Reporting/Sharing Task Force (from Booz Allen Hamilton, Inc.)	UW-Madison	7,767	0
N/A	93.864.RES503609	Center for Social Science Research on AIDS (from Case Western Reserve University)	UW-Madison	25,781	0
N/A	93.19876	Children's Oncology Group (COG) Immunotherapy (from National Childhood Cancer Foundation)	UW-Madison	2,004	0
N/A	93.17822	Children's Oncology Group (COG) Immunotherapy Reference & Resource (from National Childhood Cancer Foundation)	UW-Madison	9,093	0
N/A	93.04-0039	Chronic Kidney Disease in Children (from Children's Mercy Hospital)	UW-Madison	3,037	0

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N/A	93.AGR dtd 07/01/06	Clean-Genome Vaccines Against Biodefense Agents (from Scarab Genomics, LLC)	UW-Madison	(28)	0
N/A	93.CASG 209	Clinical Trials for Antiviral Therapies (from University of Alabama-Birmingham)	UW-Madison	1,272	0
N/A	93.AGR dtd 11/02/06	Collaborative Islet Transplant Registry (CITR) (from Emmes Corporation)	UW-Madison	1,027	0
N/A	93.AGR dtd 9/15/2005	Culture Media Optimization to Support Production (WiCell Research Institute, Inc.)	UW-Madison	142	0
N/A	93.001126-1006190	Defending Against Systemic Mycoses (MRU) (from University of Cincinnati)	UW-Madison	(60,598)	0
N/A	93.5-34691	Demonstration Grants to States for Community Scholarships (from University of North Carolina-Chapel Hill)	UW-Madison	235,308	0
N/A	93.PO1057364	Development of Novel Mass Spectrometry Tools for Individual Cell Proteome Analysis (from Medical College of Wisconsin)	UW-Madison	119,201	0
N/A	93.SITE 43	Diabetic Retinopathy Clinic Research Network Steering Committee (from JAEB Center for Health Research, Inc.)	UW-Madison	115,430	0
N/A	93.RMPHEC-GME 08-003	Enhancing Public Health (from Association of American Medical Colleges)	UW-Madison	12,023	0
N/A	93.96-S03	Epidemiology of Diabetes Intervention and Complications (from George Washington University)	UW-Madison	97,875	0
N/A	93.5-35036	Episense Audiometry Reading Center (from University of North Carolina-Chapel Hill)	UW-Madison	216,919	0
N/A	93.639202	Genome Dynamics: Evolution, Organization and Function (from Jackson Laboratory)	UW-Madison	11,986	0
N/A	93.AGR dtd 8/20/08	Honoring Our Families (HOF) 09/30/07 - 09/29/08 (from Great Lakes Inter-Tribal Council, Inc.)	UW-Madison	3,713	0
N/A	93.3376SC; 3171SC	Immune Tolerance Network (from University of California-San Francisco)	UW-Madison	122,063	0
N/A	93.3674SC MOD 5	Immunosuppression Withdrawal in Liver Transplant Recipients (from University of California-San Francisco)	UW-Madison	(5,727)	0
N/A	93.AGR dtd 02/08/06	Influenza Pandemic Preparedness in Asia (from Saint Jude Children's Hospital)	UW-Madison	(423)	0
N/A	93.1R01DK076829-01A1; R01DK076829	Kidney Diseases, Urology and Hematology Research (from Mayo Foundation)	UW-Madison	78	0
N/A	93.AGR dtd 09/28/04	Kidney Diseases, Urology and Hematology Research (from Research Foundation of State University of New York)	UW-Madison	109	0
N/A	93.AGR dtd 10/23/07; 01/28/03	Kidney Diseases, Urology and Hematology Research (from Rhode Island Hospital)	UW-Madison	167,224	0
N/A	93.NHLBI-RR08-18	Lab Animal Models of Human Disease Initiative (from Turner Consulting Group)	UW-Madison	100,050	0
N/A	93.GORPN0016A	Medical Office Survey on Patient Safety (SOPS) (from Oregon Health and Science University)	UW-Madison	22,328	0
N/A	93.AGR dtd 9/30/09	Mobile Fetal Magnetocardiography (from VA, William S Middleton VAMC)	UW-Madison	50,508	0
N/A	93.AGR dtd 6/01/2007	Modified Vaccinia Ankara (MVA) Based Vaccines (from Inviragen, LLC)	UW-Madison	(1,738)	0
N/A	93.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	198,449	0
N/A	93.565291	Multi-Ethnic Study of Atherosclerosis (MESA II) (from University of Washington)	UW-Madison	177,211	0
N/A	93.06-W226	National Stem Cell Bank (from WiCell Research Institute, Inc.)	UW-Madison	267,250	0
N/A	93.5-22628; 521244; 21467; 22994	Novel Chemical Immunological A (from Scripps Research Institute)	UW-Madison	145,486	0
N/A	93.634584	Nutrition and Physical Activity (from Fred Hutchinson Cancer Research Center)	UW-Madison	(3,202)	0
N/A	93.574354	Nutritional Biomarkers Study (from Fred Hutchinson Cancer Research Center)	UW-Madison	7,099	0
N/A	93.0255-1352-4609	Observational Study of Alloimmunity in Cardiac Transplant (from Mount Sinai School of Medicine)	UW-Madison	56	0
N/A	93.AGR dtd 04/16/2010	Older Adult Fall Prevention Program (from Greater WI Agency on Aging Resources)	UW-Madison	16,254	0
N/A	93.MCR-0021-P2C; N01-CM17104	Phase II Consortium: Early Therapeutics Development (from Mayo Clinic)	UW-Madison	95,412	0
N/A	93.AGR dtd 08/31/07	Preclinical Development (from Inviragen, LLC)	UW-Madison	227,849	0
N/A	93.WSU08047	Primary Vesicoureteral Reflux in Children (from Wayne State University)	UW-Madison	4,365	0
N/A	93.2008-13	Public Libraries (PL) and Personal Health Records (PHR) (from Center for Public Service Communications)	UW-Madison	48,032	0
N/A	93.AGR dtd 3/14/02	Radiation Therapy Oncology Group (from American College of Radiology)	UW-Madison	(30,607)	0
N/A	93.3449	Reduction of Infarct Expansion and Ventricular Remodeling with Erythropoietin After Large Myocardial Infarction (REVEAL) Trial (from Duke Clinical Research Institute)	UW-Madison	7,361	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	93.400388	Regional Actions of General Anesthetics in Inhibitory Hippocampal Networks (from McLean Hospital Corporation)	UW-Madison	91,364	0
N/A	93.Site 0011 RING STUDY	RING Protocol Rider to Transfusion Medicine/Hemostasis (TMH) Network Master Agreement (from New England Research Institute)	UW-Madison	23	0
N/A	93.AGR dtd 02/03/09, 1/1/2009	RTOG Member Agreement (from Radiation Therapy Oncology Group)	UW-Madison	79,356	0
N/A	93.102970	Scleroderma: Cyclophosphamide or Transplantation (SCOT) Trial (from Duke University)	UW-Madison	1,209	0
N/A	93.AGR dtd 6/30/09	Small Business Innovation Research (SBIR) - Circumferential Electrode Array for Radiofrequency (from Medical Engineering Innovations)	UW-Madison	5,006	0
N/A	93.010; 018; 020	Small Business Innovation Research (SBIR) Phase II (from Stratatech Corporation)	UW-Madison	184,408	0
N/A	93.AGR dtd 7/16/07	Small Business Innovation Research (SBIR) Phase II (from Visual Health Information)	UW-Madison	115,834	0
N/A	93.AGR dtd 10/30/2009	Small Business Technology Transfer (STTR) PRO-Surveyor Device (from Spectrocon International, LLC)	UW-Madison	24,379	0
N/A	93.5-66791	Specialized Centers of Clinically Oriented Research (SCCOR) Left Ventricular Assist Devices (LVAD) Project: Biology of Long Term Mechanical Circulatory Support (from Columbia University)	UW-Madison	46	0
N/A	93.AGR dtd 11/25/09	Standards and Guidelines Engine (SAGE)-Kids: Measuring Quality of Pediatric Care Phase I (from Profsoft)	UW-Madison	81,348	0
N/A	93.5 P01 NS057778	Stem Cell Therapy and Growth Factory Therapy for ALS (from Cedars-Sinai Medical Center)	UW-Madison	99,511	0
N/A	93.S2717AG80845	Subcontract Proposal in Support of Solicitation NIH-NIAID-DMID-04-34 (from Systems Research and Applications Corporation)	UW-Madison	11,460	0
N/A	93.S8212	Subsidized Guardianship Assessment and Evaluation (from Westat, Inc.)	UW-Madison	57,912	0
N/A	93.222675	Support for Quality Indicators II (from Battelle Memorial Institute)	UW-Madison	26,764	0
N/A	93.AGR dtd 7/18/05	Swept Field Confocal Microscope (from Prairie Technologies, LLC)	UW-Madison	1,883	0
N/A	93.HHSS283200700 07	Technical Assistance Support Service Quality Improvement (from Synergy Enterprises)	UW-Madison	25,004	0
N/A	93.636F4655394	The Coronary Screening for Kidney Transplantation (COST) Study Feasibility Survey (from University of Minnesota)	UW-Madison	2,519	0
N/A	93.CH# 110980/110979	Transfusion Medicine/Hemostasis (TMH) Network Master Site Agreement (from New England Research Institute)	UW-Madison	1,069	0
N/A	93.1696	Treatment of Preserved Cardiac Function Heart Failure (from New England Research Institute)	UW-Madison	10,691	0
N/A	93.AGR dtd 3/28/07	WAHSA / Wisconsin Health Care Association (WHCA) Quality Improvement Project (from Wisconsin Association of Homes and Services for the Aging (WAHSA))	UW-Madison	69,054	0
N/A	93.0000680477	Women's Health Initiative (WHI) Genome Education Program (from Fred Hutchinson Cancer Research Center)	UW-Madison	647	0
N/A	93.N01-WH-4-4221; WHIMS-Y	Women's Health Initiative Memory Study (from Wake Forest University)	UW-Madison	13,269	0
N/A	93.SY-06-0004-01	Using Evidence-Based Nursing Practices and HER Decision Support to Reduce Fall-Related Patient Injuries in Acute Care (from Aurora Health Care)	UW-Milwaukee	45,317	0
N/A	93.208141-039	A Double-Blind, Randomized, Controlled Phase III Study (from St. Louis University)	UW-La Crosse	14,938	0
		Subtotal R&D Subgrants		13,417,149	0
		TOTAL R&D FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		297,186,135	28,135,893
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:					
94.005		Learn and Serve America-Higher Education (from UW-Madison)	UW-Superior	725	0
N/A	94.01-106390	Measuring and Explaining Civic Inequality Using Current Population Survey (CPS) Data	UW-Madison	22,662	0
		TOTAL R&D FROM CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		23,387	0
SOCIAL SECURITY ADMINISTRATION					
96.007	96.19-F-10003-5-01	Social Security-Research and Demonstration	UW-Madison	551,367	42,365
		TOTAL R&D FROM SOCIAL SECURITY ADMINISTRATION		551,367	42,365

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 HOMELAND SECURITY:					
		R&D Subgrants:			
97.061	97.Z916403; Z930123	Centers for Homeland Security (from University of Maryland)	UW-Madison	18,906	0
97.061	97.X9106025101; 910602531	Centers for Homeland Security (from University of Minnesota)	UW-Madison	62,267	0
97.061	97.122581	Centers for Homeland Security (from University of Southern California)	UW-Madison	196,187	24,976
N/A	97.001482	Electro-Muscular Disruption (EMD) Projectile Dart-to-Heart Distance (from Mide Technology Corporation)	UW-Madison	5,164	0
		TOTAL R&D FROM U.S. DEPARTMENT OF HOMELAND SECURITY		282,524	24,976
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:					
98.001		USAID Foreign Assistance for Programs Overseas	UW-Madison	2,217,995	1,912,214
98.012		USAID Development Partnerships for University Cooperation and Development	UW-Madison	51,558	0
N/A	98.GEG-G-00-02-00003-05	Development of Tomatoes with Combined Resistance to Tomato Yellow Leaf Curl Virus Using Both Virus-Derived and Molecular Marker-Assisted Breeding	UW-Madison	1,729	1,700
N/A	98.386-A-00-08-00097-00, AEG-A-00-05-00007-00	Partnership for Innovation and Knowledge in Agriculture	UW-Madison	481,423	49,503
		Subtotal Direct R&D Grants		2,752,705	1,963,417
		R&D Subgrants:			
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	23	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	181,910	164,441
N/A	98.EPP-A-00-06-0004-00	Promoting Transformation: Linking Natural Resources, Economic Growth and Governance (from Wildlife Conservation Society)	UW-Madison	110,677	0
N/A	98.09-002945-08	Sustainable Production in Central America (from University of California - Davis)	UW-Madison	28,299	0
		Subtotal R&D Subgrants		320,909	164,441
		TOTAL R&D FROM U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT		3,073,614	2,127,858
		TOTAL RESEARCH AND DEVELOPMENT CLUSTER		**$ 585,854,837**	**$ 65,760,407**

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		STUDENT FINANCIAL ASSISTANCE (SFA) CLUSTER (NOTE 2)			
U.S. DEPARTMENT OF EDUCATION:					
84.007		Federal Supplemental Educational Opportunity Grants	UW-Madison	$ 2,600,085	$ 0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Milwaukee	1,848,304	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Eau Claire	754,258	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Green Bay	503,598	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-La Crosse	435,339	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Oshkosh	506,479	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Parkside	464,409	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Platteville	358,646	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-River Falls	325,926	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stevens Point	683,541	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stout	505,985	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Superior	189,081	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Whitewater	572,834	0
84.007		Federal Supplemental Educational Opportunity Grants	UW Colleges	472,000	0
		Total Federal Program 84.007		10,220,485	0
84.032		Federal Family Education Loans (Note 17)	UW-Madison	168,305,941	0
84.032		Federal Family Education Loans (Note 17)	UW-Milwaukee	153,003,993	0
84.032		Federal Family Education Loans (Note 17)	UW-Green Bay	25,430,405	0
84.032		Federal Family Education Loans (Note 17)	UW-La Crosse	41,502,344	0
84.032		Federal Family Education Loans (Note 17)	UW-Oshkosh	54,143,085	0
84.032		Federal Family Education Loans (Note 17)	UW-Parkside	22,618,911	0
84.032		Federal Family Education Loans (Note 17)	UW-Platteville	32,550,679	0
84.032		Federal Family Education Loans (Note 17)	UW-River Falls	30,266,261	0
84.032		Federal Family Education Loans (Note 17)	UW-Stevens Point	40,113,937	0
84.032		Federal Family Education Loans (Note 17)	UW-Stout	43,686,088	0
84.032		Federal Family Education Loans (Note 17)	UW Colleges	29,151,230	0
		Total Federal Program 84.032		640,772,874	0
84.033		Federal Work-Study Program	UW-Madison	2,400,136	0
84.033		Federal Work-Study Program	UW-Milwaukee	1,202,270	0
84.033		Federal Work-Study Program	UW-Eau Claire	1,121,548	0
84.033		Federal Work-Study Program	UW-Green Bay	269,557	0
84.033		Federal Work-Study Program	UW-La Crosse	423,139	0
84.033		Federal Work-Study Program	UW-Oshkosh	472,824	0
84.033		Federal Work-Study Program	UW-Parkside	114,181	0
84.033		Federal Work-Study Program	UW-Platteville	448,308	0
84.033		Federal Work-Study Program	UW-River Falls	359,614	0
84.033		Federal Work-Study Program	UW-Stevens Point	1,068,900	0
84.033		Federal Work-Study Program	UW-Stout	612,027	0
84.033		Federal Work-Study Program	UW-Superior	210,096	0
84.033		Federal Work-Study Program	UW-Whitewater	537,521	0
84.033		Federal Work-Study Program	UW Colleges	418,527	0
		Total Federal Program 84.033		9,658,648	0
84.038		Federal Perkins Loan Program (Note 16)	UW-Madison	67,437,477	0
84.038		Federal Perkins Loan Program (Note 16)	UW-Milwaukee	17,221,602	0
84.038		Federal Perkins Loan Program (Note 16)	UW-Eau Claire	16,809,866	0
84.038		Federal Perkins Loan Program (Note 16)	UW-Green Bay	4,593,812	0
84.038		Federal Perkins Loan Program (Note 16)	UW-La Crosse	6,415,710	0
84.038		Federal Perkins Loan Program (Note 16)	UW-Oshkosh	6,615,821	0
84.038		Federal Perkins Loan Program (Note 16)	UW-Parkside	2,713,738	0
84.038		Federal Perkins Loan Program (Note 16)	UW-Platteville	6,970,962	0
84.038		Federal Perkins Loan Program (Note 16)	UW-River Falls	6,141,810	0
84.038		Federal Perkins Loan Program (Note 16)	UW-Stevens Point	15,733,388	0
84.038		Federal Perkins Loan Program (Note 16)	UW-Stout	12,843,321	0
84.038		Federal Perkins Loan Program (Note 16)	UW-Superior	1,737,902	0
84.038		Federal Perkins Loan Program (Note 16)	UW-Whitewater	9,310,126	0
84.038		Federal Perkins Loan Program (Note 16)	UW Colleges	63,807	0
		Total Federal Program 84.038		174,609,342	0
84.063		Federal Pell Grant Program	UW-Madison	16,880,058	0
84.063		Federal Pell Grant Program	UW-Milwaukee	28,816,215	0
84.063		Federal Pell Grant Program	UW-Eau Claire	9,193,133	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		STUDENT FINANCIAL ASSISTANCE (SFA) CLUSTER (NOTE 2)			
84.063		Federal Pell Grant Program	UW-Green Bay	6,564,403	0
84.063		Federal Pell Grant Program	UW-La Crosse	6,474,308	0
84.063		Federal Pell Grant Program	UW-Oshkosh	10,915,531	0
84.063		Federal Pell Grant Program	UW-Parkside	7,950,184	0
84.063		Federal Pell Grant Program	UW-Platteville	7,484,135	0
84.063		Federal Pell Grant Program	UW-River Falls	6,350,199	0
84.063		Federal Pell Grant Program	UW-Stevens Point	10,255,055	0
84.063		Federal Pell Grant Program	UW-Stout	7,985,873	0
84.063		Federal Pell Grant Program	UW-Superior	4,518,242	0
84.063		Federal Pell Grant Program	UW-Whitewater	9,812,891	0
84.063		Federal Pell Grant Program	UW Colleges	14,182,823	0
		Total Federal Program 84.063		147,383,050	0
84.268		Federal Direct Student Loans	UW-Madison	6,953,086	0
84.268		Federal Direct Student Loans (Note 17)	UW-Eau Claire	39,513,641	0
84.268		Federal Direct Student Loans	UW-Green Bay	839,867	0
84.268		Federal Direct Student Loans	UW-Oshkosh	1,356,516	0
84.268		Federal Direct Student Loans	UW-Platteville	534,885	0
84.268		Federal Direct Student Loans	UW-River Falls	512,144	0
84.268		Federal Direct Student Loans	UW-Stout	1,287,449	0
84.268		Federal Direct Student Loans (Note 17)	UW-Superior	14,277,743	0
84.268		Federal Direct Student Loans (Note 17)	UW-Whitewater	53,345,976	0
84.268		Federal Direct Student Loans	UW Colleges	550,961	0
		Total Federal Program 84.268		119,172,268	0
84.375		Academic Competitiveness Grants	UW-Madison	773,631	0
84.375		Academic Competitiveness Grants	UW-Milwaukee	970,974	0
84.375		Academic Competitiveness Grants	UW-Eau Claire	569,026	0
84.375		Academic Competitiveness Grants	UW-Green Bay	252,841	0
84.375		Academic Competitiveness Grants	UW-La Crosse	418,468	0
84.375		Academic Competitiveness Grants	UW-Oshkosh	466,847	0
84.375		Academic Competitiveness Grants	UW-Parkside	116,142	0
84.375		Academic Competitiveness Grants	UW-Platteville	353,099	0
84.375		Academic Competitiveness Grants	UW-River Falls	330,573	0
84.375		Academic Competitiveness Grants	UW-Stevens Point	434,556	0
84.375		Academic Competitiveness Grants	UW-Stout	343,605	0
84.375		Academic Competitiveness Grants	UW-Superior	124,199	0
84.375		Academic Competitiveness Grants	UW-Whitewater	341,050	0
84.375		Academic Competitiveness Grants	UW Colleges	706,639	0
		Total Federal Program 84.375		6,201,650	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Madison	867,068	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Milwaukee	346,708	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Eau Claire	281,265	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Green Bay	179,087	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-La Crosse	287,886	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Oshkosh	247,500	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Parkside	114,843	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Platteville	193,801	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-River Falls	409,492	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Stevens Point	447,549	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Stout	244,833	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Superior	46,739	0
84.376		National Science and Mathematics Access to Retain Talent (SMART) Grants	UW-Whitewater	115,245	0
		Total Federal Program 84.376		3,782,016	0

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
		STUDENT FINANCIAL ASSISTANCE (SFA) CLUSTER (NOTE 2)			
84.379		Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UW-Stout	6,000	0
		Other Federal Financial Assistance:			
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Madison	753,035	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Milwaukee	375,284	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Eau Claire	202,425	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Green Bay	74,099	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-La Crosse	149,256	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Oshkosh	154,942	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Parkside	56,263	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Platteville	136,985	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-River Falls	85,096	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Stevens Point	262,418	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Stout	163,974	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Superior	22,419	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW-Whitewater	92,265	0
N/A	84.SFA	Administrative Cost Allowance (Note 18)	UW Colleges	83,846	0
		Total Administrative Cost Allowance		2,612,307	0
		TOTAL SFA FROM U.S. DEPARTMENT OF EDUCATION		1,114,418,640	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	4,713,846	0
93.364		Nursing Student Loans (Note 16)	UW-Madison	1,664,249	0
93.364		Nursing Student Loans (Note 16)	UW-Milwaukee	1,516,396	0
93.364		Nursing Student Loans (Note 16)	UW-Oshkosh	2,598,066	0
		Total Federal Program 93.364		5,778,711	0
93.925		Scholarships for Health Professions Students from Disadvantaged Backgrounds	UW-Madison	94,127	0
93.925	93.1 T08HP09524 01 00	Scholarships for Health Professions Students from Disadvantaged Backgrounds	UW-Eau Claire	10,707	0
		Total Federal Program 93.925		104,834	0
		TOTAL SFA FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		10,597,391	0
		TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER		**$ 1,125,016,031**	**$ 0**
TOTAL EXPENDITURES OF FEDERAL AWARDS				**$ 15,463,002,981**	**$ 2,664,632,375**

The accompanying notes are an integral part of this schedule.

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, 2010. 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 assistance (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 University of Wisconsin 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 Included

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

1. Department of Health Services (DHS)
2. Department of Workforce Development (DWD)
3. University of Wisconsin (UW) System
4. Department of Public Instruction (DPI)
5. Department of Transportation (DOT)
6. Department of Children and Families (DCF)
7. Department of Administration (DOA)
8. Department of Natural Resources (DNR)
9. Department of Commerce (Commerce)
10. Department of Revenue (DOR)
11. Department of Military Affairs (DMA)
12. Department of Veterans Affairs (DVA)
13. Wisconsin Technical College System Board (WTCSB)
14. Department of Agriculture, Trade and Consumer Protection (DATCP)
15. Department of Corrections (DOC)
16. Department of Justice (DOJ)
17. Government Accountability Board (GAB)
18. Higher Educational Aids Board (HEAB)
19. Board for People with Developmental Disabilities (BPDD)
20. Wisconsin Arts Board (Arts Board)
21. Wisconsin Historical Society (WHS)
22. Public Service Commission (PSC)
23. Child Abuse and Neglect Prevention Board (CANPB)

24. Educational Communications Board (ECB)
25. Board of Commissioners of Public Lands (Public Lands)
26. Department of Regulations and Licensing (DR&L)
27. Board on Aging and Long-Term Care (BOALTC)

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, the Wisconsin Court System, and the University of Wisconsin Hospitals and Clinics Authority were not included in the scope of this single audit because single audits of these entities, when required, are performed separately by other auditors.

2. MAJOR FEDERAL GRANT PROGRAMS

As shown in the table that follows, the federal financial assistance administered by the State of Wisconsin during FY 2009-10 was $15,463,002,981 consisting of $14,273,829,011 in cash assistance, $1,002,013,693 in noncash assistance, and $187,160,277 in outstanding loan balances. As defined by OMB Circular A-133, all federal programs with expenditures exceeding the threshold of $30,000,000 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 between $4,638,901 and $30,000,000 are labeled as 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 2009-10

CFDA Number	Name of Federal Program	Amount
Cash Assistance		$14,273,829,011
Noncash Assistance:		
10.551	Supplemental Nutrition Assistance Program (Notes 5, 20)	923,742,546
10.555/ 10.559/ 10.569/ 10.582	Food Commodities (Note 6)	34,255,275
39.003	Donation of Federal Surplus Personal Property (Note 12)	2,364,512
93.268	Immunization Grants	41,651,360
Total Noncash Assistance		1,002,013,693
Loan Balances as of June 30, 2010:		
20.205	Highway Planning and Construction (Note 11)	1,776,776
84.038	Federal Perkins Loan Program—Federal Capital Contributions (Note 16)	173,380,869
93.108	Health Education Assistance Loans (Note 17)	283,337
93.264	Nurse Faculty Loan Program (Note 16)	1,254,673
93.342	Health Professions Student Loans (Note 16)	4,698,331
93.364	Nursing Student Loans (Note 16)	5,766,291
Total Loan Balances		187,160,277
Total Federal Financial Assistance		**$15,463,002,981**

The State of Wisconsin administered 31 major federal programs that were tested for compliance with federal requirements for FY 2009-10. The total federal assistance, including noncash assistance and loan balances under these major federal programs, constituted 92.8 percent of the total federal financial assistance during the audit period. The major federal programs for FY 2009-10, as determined by the risk-based approach, are listed in the following table.

Major Federal Programs in FY 2009-10

CFDA Number	Federal Program	Federal Expenditures	State Recipient
10.551/10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster	$971,949,311	DHS/UW System
10.553/10.555/ 10.556/10.559	Child Nutrition Cluster	203,438,586	DPI
10.558	Child and Adult Care Food Program	40,346,598	DPI
10.568/10.569	Emergency Food Assistance Cluster	13,078,690	DHS
12.401	National Guard Military Operations and Maintenance (O&M) Projects	39,499,858	DMA/DVA
14.228/14.255	Community Development Block Grants (CDBG) State Administered Small Cities Program Cluster	67,194,110	Commerce/UW System
14.257	Homelessness Prevention and Rapid Re-Housing Program (Recovery Act)	9,130,271	Commerce
17.225	Unemployment Insurance	3,498,188,223	DWD
17.258/17.259/ 17.260	WIA Cluster	65,740,733	DWD/UW System
20.106	Airport Improvement Program	87,843,113	DOT
20.205/20.219/ 23.003	Highway Planning and Construction Cluster	978,028,485	DOT/DNR
20.509	Formula Grants for Other Than Urbanized Areas	15,543,928	DOT
66.458	Capitalization Grants for Clean Water State Revolving Funds	98,615,499	DNR
66.468	Capitalization Grants for Drinking Water State Revolving Funds	42,196,752	DNR
81.042	Weatherization Assistance for Low-Income Persons	75,667,884	DOA
84.010/84.389	Title I, Part A Cluster	253,746,603	DPI
84.027/84.173/ 84.391/84.392	Special Education Cluster (IDEA)	291,676,022	DPI
84.126/84.390	Vocational Rehabilitation Cluster	50,490,470	DWD
84.394/84.397	State Fiscal Stabilization Fund Cluster	324,662,096	DPI/DOR/DOC
93.268/93.712	Immunization Cluster	46,417,658	DHS
93.558/93.714	Temporary Assistance for Needy Families (TANF) Cluster	277,060,371	DCF
93.563	Child Support Enforcement	76,092,292	DCF
93.569/93.710	Community Services Block Grant (CSBG) Cluster	16,193,150	DCF
93.575/93.596/ 93.713	Child Care and Development Fund (CCDF) Cluster	116,475,411	DCF/UW System
93.658	Foster Care—Title IV-E	52,079,554	DCF/UW System
93.659	Adoption Assistance	54,593,820	DCF
93.767	Children's Health Insurance Program	102,734,841	DHS
93.775/93.776/ 93.777/93.778	Medicaid Cluster	4,726,099,558	DHS/DOJ/UW System
96.001/96.006	Disability Insurance/SSI Cluster	37,839,257	DHS/DWD
Various	Research and Development Cluster	585,854,837	UW System
Various	Student Financial Assistance Cluster	1,125,016,031	UW System
		$14,343,494,012	

3. FEDERAL CATALOG NUMBERS

Federal catalog numbers are presented in the Schedule of Expenditures of Federal Awards 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. FEDERAL SANCTIONS AND DISALLOWANCES

As of June 30, 2010, there are actual or potential federal sanctions and disallowances for the Child Support Enforcement (CFDA #93.563) program and the Supplemental Nutrition Assistance Program (SNAP) (CFDA #10.551), resulting from federal reviews. There is also potential for a future sanction for SNAP.

A. Child Support Enforcement

A federal review of certain county administrative costs under the Child Support Enforcement 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 refund the federal share, or $4,584,113 of the potential unallowable costs. The Department of Children and Families made the necessary accounting entries to effectively return $23,040 to the federal government. However, in its December 2008 response, the Department contended that it followed the instructions provided by the Region V federal office and, therefore, was in compliance for $4,561,073 of the potential unallowable costs. In addition, the Department of Children and Families re-evaluated the

methodology used in determining allowable costs and has created a pilot random moment sampling methodology as an alternative.

On December 17, 2010, the Department of Children and Families was notified that the U.S. Department of Health and Human Services terminated its work on this audit.

B. Supplemental Nutrition Assistance Program—Contract Extension

During FY 2008-09, the U.S. Department of Agriculture (USDA) determined that the costs of services provided by Deloitte Consulting under a contract extension were ineligible for SNAP federal financial participation under 7 CFR 277.14 and 277.18. The contract extension was considered a sole-source procurement for which specific USDA approval was required. As of June 30, 2010, the Department of Health Services owes the USDA $2,750,362. This amount will be repaid over a six-year period. The Department of Health Services has now taken the necessary steps to secure USDA approval for use of a contract extension during the time necessary to competitively procure these services. The procurement process has been completed and an approved contract will be executed no later than October 31, 2010.

C. Supplemental Nutrition Assistance Program—Potential Sanction

The USDA assesses a sanction against a state if its annual error rate for eligibility and benefit determinations exceeds the national average for SNAP for two consecutive years.

For FFY 2007-08, Wisconsin's payment error rate of 7.38 percent exceeded the FFY 2007-08 national performance measure of 5.01 percent and was the first year of two possible consecutive years of excessive payment error rates, which placed the State in a position for a potential future liability. For FFY 2008-09, Wisconsin's payment error rate of 1.11 percent was less than the average national performance measure of 4.36 percent. Thus, FFY 2008-09 will not count as a first year or a second year under the two consecutive year liability system currently in place, and the State is not currently in a position for a potential future liability.

6. FOOD COMMODITIES

Food commodities distributed during the fiscal year are reported as expenditures in the Schedule of Expenditures of Federal Awards under the various federal programs that distributed the commodities. The value of food commodities distributed during the fiscal year and the amount of food commodities on hand at June 30, 2010, are shown in the following table for each program distributing food commodities.

Food Commodity Assistance

CFDA Number	Federal Program	Distributed	Inventory Balance June 30, 2010
10.555	National School Lunch Program	$22,303,346	$ 3,636
10.559	Summer Food Service Program for Children	105,684	0
10.569	Emergency Food Assistance Program	11,223,004	909,858
10.582	Fresh Fruit and Vegetable Program	623,241	0
Total		**$34,255,275**	**$913,494**

The amount reported for food commodities under the Emergency Food Assistance Program (CFDA #10.569) includes both regularly appropriated food commodities and additional food commodities made available under ARRA. Under ARRA, the State was allocated $1,617,130 in additional food commodities. These additional food commodities were distributed during FY 2008-09 and FY 2009-10 and cannot be distinguished from regularly appropriated food distributions made under this program.

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

During FY 2009-10, the Department of Health Services received $25,067,154 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 37,966 more people than could have been served during FY 2009-10 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 on the Schedule of Expenditures of Federal Awards as expenditures of the program is a total of $1,166,532 that was supported by funds returned to the State.

9. UNEMPLOYMENT INSURANCE

FY 2009-10 expenditures on the Schedule of Expenditures of Federal Awards for Unemployment Insurance (CFDA #17.225) include $1,678,775,419 in benefits funded by the Wisconsin Unemployment Reserve Fund, or by cash advances from the U.S. Department of the Treasury, $1,733,512,393 in federally funded benefits, $121,232 in refunds of overpayments related to federally funded temporary extended benefits, and $86,021,642 in federally funded administrative costs.

10. HIGHWAY PLANNING AND CONSTRUCTION

Expenditures on the Schedule of Expenditures of Federal Awards for Highway Planning and Construction (CFDA #20.205) include $105.4 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. This fund consists of federal contributions, agency match, and loan repayments collected from borrowers. Loans outstanding from all funding sources as of June 30, 2010, total $1,776,776 and are included in the federal expenditures reported in the Schedule of Expenditures and Federal Awards.

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 the Wisconsin Technical College System Foundation, Inc., to receive and distribute the federal surplus property. Reported federal expenditures of $2,364,512 in the Schedule of Expenditures of Federal Awards for this program represents the fair market value of property distributed by the Foundation during FY 2009-10. During FY 2009-10, property with a fair market value of $1,942,789 was received by the Foundation and, as of June 30, 2010, property with a fair market value of $3,922,418 was on hand. The fair value of the property is calculated at 23.3 percent of the property's original acquisition cost based on guidance provided by the U.S. General Services Administration.

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 the Safe Drinking Water Loan Program, funded primarily by the federal government under the Capitalization Grants for Drinking Water State Revolving Funds (CFDA #66.468).

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 provided this information to the U.S. Environmental Protection Agency in the following documents:

- the Environmental Improvement Fund program's FY 2009-10 and FY 2008-09 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 2009-10, prepared by the Department of Natural Resources; and
- the State Revolving Fund annual report for FY 2009-10, 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, Wisconsin 53707

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 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 of Expenditures of Federal Awards for the Social Services Block Grant include $13,054,935 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. STUDENT LOANS COLLECTED BY THE UNIVERSITY OF WISCONSIN SYSTEM

***The Federal Perkins Loan Program* (CFDA #84.038)—**The amount in the Schedule of Expenditures of Federal Awards includes the value of new loans made during the fiscal year, the outstanding balance of loans receivable at June 30, 2010, and administrative cost allowances.

***The Nurse Faculty Loan Program* (CFDA #93.264)—**The amount in the Schedule of Expenditures of Federal Awards includes the value of new loans made during the fiscal year, as well as the outstanding balance of loans receivable at June 30, 2010.

***The Health Professions Student Loans* (CFDA #93.342)—**The amount in the Schedule of Expenditures of Federal Awards includes the value of new loans made during the fiscal year, the outstanding balance of loans receivable at June 30, 2010, and administrative cost allowances.

***The Nursing Student Loans* (CFDA #93.364)—**The amount in the Schedule of Expenditures of Federal Awards includes the value of new loans made during the fiscal year, the outstanding balance of loans receivable at June 30, 2010, and administrative cost allowances.

17. OTHER STUDENT 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 Assistance 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 2009-10 are shown in the Schedule of Expenditures of Federal Awards. 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-Eau Claire, UW-Superior, and UW-Whitewater participate in the Federal Direct Student Loans (CFDA #84.268) program 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 2009-10 are included in the Schedule of Expenditures of Federal Awards. 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 2009-10. No new loans were made during the fiscal year, and no new loans will be made in the future. As of June 30, 2010, the balance of HEAL loans outstanding at the Higher Educational Aids Board was $283,337, which is included in the Schedule of Expenditures of Federal Awards.

18. STUDENT FINANCIAL ASSISTANCE CLUSTER ADMINISTRATIVE COST ALLOWANCE

Included in the Student Financial Assistance 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—Federal Capital Contributions (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 assistance 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 System 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. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM FUNDING UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

The reported expenditures for benefits under SNAP (CFDA #10.551) are supported by both regularly appropriated funds and incremental funding made available under Section 101 of ARRA. The portion of total expenditures for SNAP benefits that is supported by ARRA funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents USDA from obtaining the regular and ARRA components of SNAP benefits expenditures through normal program reporting processes. As an alternative, USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to ARRA funds. This methodology generates valid results at the national aggregate level but not at the individual state level. Therefore, the Department of Health Services cannot validly disaggregate the regular and ARRA components of the reported expenditures for SNAP benefits. At the national aggregate level, however, ARRA funds account for approximately 15 percent of USDA's total expenditures for SNAP benefits for FFY 2008-09.

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Appendix 1

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 2009-10 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 2.

Administration, Department of
Mr. Michael Huebsch, Secretary
Audit Contact: Ms. Martha Kerner, Administrator
Division of Administrative Services
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*

Aging and Long Term Care, Board on
Ms. Heather Bruemmer, Executive Director
1402 Pankratz Street, Suite 111
Madison, Wisconsin 53704-4001
(608) 246-7014
fax: (608) 246-7001
e-mail: *heather.bruemmer@wisconsin.gov*

Agriculture, Trade and Consumer Protection, Department of
Mr. Ben Brancel, Secretary
Audit Contact: Ms. Karen VanSchoonhoven, Director
Bureau of Finance
2811 Agriculture Drive
P.O. Box 8911
Madison, Wisconsin 53708-8911
(608) 224-4800
fax: (608) 224-4737
e-mail: *karen.vanschoonhoven@wi.gov*

Child Abuse and Neglect Prevention Board
Ms. Mary Anne Snyder, Executive Director
Audit Contact: Ms. Staci Browne, Accountant
Bureau of Finance
201 East Washington Avenue, Room A200
P.O. Box 8916
Madison, Wisconsin 53708-8916
(608) 266-1776
fax: (608) 267-3240
e-mail: *staci.browne@wisconsin.gov*

Children and Families, Department of
Ms. Eloise Anderson, 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*

Commerce, Department of
Mr. Paul Jadin, Secretary
Audit Contact: Ms. Cheryl Jatczak, 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: *cheryll.jatczak@wisconsin.gov*

Commissioners of Public Lands, Board of
Ms. Tia Nelson, Executive Secretary
Audit Contact: Ms. Denise Nechvatal, Accountant
125 South Webster Street, Room 200
P.O. Box 8943
Madison, Wisconsin 53703-8943
(608) 266-3788
fax: (608) 267-2787
e-mail: *denise.nechvatal@wisconsin.gov*

Corrections, Department of
Mr. Gary H. Hamblin, Secretary
Audit Contact: Mr. Jerry F. Salvo, Director
Bureau of Finance and Administrative Services
3099 East Washington Avenue
P.O. Box 7925
Madison, Wisconsin 53707-7925
(608) 240-5412
fax: (608) 240-3342
e-mail: *jerry.salvo@wisconsin.gov*

Educational Communications Board
Mr. Gene Purcell, Executive Director
Audit Contact: Ms. Aimee Wierzba, Director of Fiscal Services
Finance and Administrative Services Division
3319 West Beltline Highway
P.O. Box 4296
Madison, Wisconsin 53713-4296
(608) 264-9668
fax: (608) 264-9622
e-mail: *aimee.wierzba@ecb.org*

Employee Trust Funds, Department of
Mr. David Stella, Secretary
Audit Contact: Mr. Jon Kranz, Director
Office of Budget and Trust Finance
801 West Badger Road
P.O. Box 7931
Madison, Wisconsin 53707-7931
(608) 267-0908
fax: (608) 267-0633
e-mail: *jon.kranz@etf.state.wi.us*

Government Accountability Board
Mr. Kevin J. Kennedy, Director and General Counsel
Audit Contact: Ms. Sharrie Hauge, Chief Administrative Officer
212 East Washington Avenue, 3rd Floor
P.O. Box 7984
Madison, Wisconsin 53707-7984
(608) 266-0404
fax: (608) 267-0500
e-mail: *sharrie.hauge@wi.gov*

Health Services, Department of
Mr. Dennis Smith, Secretary
Audit Contact: Ms. Cindy Schultz, Audit Liaison
Bureau of Fiscal Services
1 West Wilson Street
P.O. Box 7850
Madison, Wisconsin 53707-7850
(608) 267-7309
fax: (608) 264-9874
e-mail: *cindy.schultz@dhs.wisconsin.gov*

Higher Educational Aids Board
Audit Contact: Ms. Sherrie Nelson, Acting Executive Director/Administrative Policy Advisor
Office of Administrative Services/Fiscal Affairs
131 West Wilson Street, Suite 902
P.O. Box 7885
Madison, Wisconsin 53707-7885
(608) 267-2944
fax: (608) 267-2808
e-mail: *sherrie.nelson@wisconsin.gov*

Justice, Department of
Mr. J.B. Van Hollen, Attorney General
Audit Contact: Mr. John Martin, Financial Officer
Bureau of Budget and Finance
17 West Main Street
P.O. Box 7857
Madison, Wisconsin 53707-7857
(608) 266-2609
fax: (608) 266-1656
e-mail: *martinjm@doj.state.wi.us*

Military Affairs, Department of
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*

Natural Resources, Department of
Ms. Cathy Stepp, 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*

People with Developmental Disabilities, Board for
Ms. Beth Swedeen, Executive Director
201 West Washington Avenue, Suite 110
Madison, Wisconsin 53703
(608) 266-1166
fax: (608) 267-3906
e-mail: *beth.swedeen@wisconsin.gov*

Public Instruction, Department of
Mr. Tony Evers, PhD, 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*

Public Service Commission
Mr. Eric Callisto, Chairperson
Audit Contact: Ms. Christy Zehner, Accountant
Division of Administrative Services
610 North Whitney Way, 2nd Floor
P.O. Box 7854
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fax: (608) 266-3957
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Madison, Wisconsin 53708-8935
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fax: (608) 261-0346
e-mail: *bev.haberman@wisconsin.gov*

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fax: (608) 266-2204
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Madison, Wisconsin 53707-7910
(608) 266-1200
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Mr. Kenneth B. Black, Secretary
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Wisconsin Arts Board
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Wisconsin Historical Society
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(608) 264-6426
fax: (608) 264-6433
e-mail: *greg.parkinson@wisconsinhistory.org*
paul.hamilton@wisconsinhistory.org

Wisconsin Technical College System Board
Mr. Dan Clancy, President
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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*

Workforce Development, Department of
Mr. Manual Perez, Secretary
Audit Contact: Mr. Verlynn Schmalle, Chief Financial Officer
Bureau of Financial Management
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Appendix 2

University of Wisconsin Campus Contact Information

Listed below are the University of Wisconsin campuses included in the scope of the FY 2009-10 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 assistance:

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. Michael R. Lovell, Interim 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
e-mail: *wingvc@uwec.edu*

UW-Green Bay:

Dr. Thomas K. Harden, Chancellor
Audit Contact: Ms. Kelly Selner, Internal Auditor
University of Wisconsin-Green Bay
CL 830B
2420 Nicolet Drive
Green Bay, Wisconsin 54311-7001
(920) 465-2172
fax: (920) 465-5110
e-mail: *selnerk@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:

Dr. Richard H. Wells, Chancellor
Audit Contact: Ms. Raazia Riffat, Internal Auditor
University of Wisconsin-Oshkosh
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Oshkosh, Wisconsin 54901-8609
(920) 424-0410
fax: (920) 424-2240
e-mail: *riffatr@uwosh.edu*

UW-Parkside:

Dr. Deborah Ford, Chancellor
Audit Contact: Ms. Kristin Fekete, Internal Auditor
University of Wisconsin-Parkside
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Kenosha, Wisconsin 53141-2000
(262) 595-3223
fax: (262) 595-2630
e-mail: *leibfrie@uwp.edu*

UW-Platteville:

Dennis J. Shields, Chancellor
Audit Contact: Mr. Patrick Fitzsimons, Internal Auditor
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. Dean Van Galen, Chancellor
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410 South Third Street
River Falls, Wisconsin 54022-5001
(715) 425-3094
fax: (715) 425-3939
e-mail: *richard.stinson@uwrf.edu*

UW-Stevens Point:

Dr. Bernie Patterson, Chancellor
Audit Contact: Ms. Christine Cherney, Internal Auditor-Senior
University of Wisconsin-Stevens Point
2100 Main Street
Stevens Point, Wisconsin 54481
(715) 346-4693
fax: (715) 346-4011
e-mail: *ccherney@uwsp.edu*

UW-Stout:

Dr. Charles W. Sorensen, Chancellor
Audit Contact: Mr. Dave Cutsforth, Internal Auditor
University of Wisconsin-Stout
15D Administration
712 South Broadway Avenue
Menomonie, Wisconsin 54751
(715) 232-2641
fax: (715) 232-1527
e-mail: *cutsforthd@uwstout.edu*

UW-Superior:

Ms. Janet Hanson, Officer in Charge, Vice Chancellor, Administration and Finance
Audit Contact: Mr. Mark Thorsvik, Internal Auditor
University of Wisconsin-Superior
P.O. Box 2000
Superior, Wisconsin 54880
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fax: (715) 394-8107
e-mail: *mthorsvi@uwsuper.edu*

UW-Whitewater:

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Audit Contact: Ms. Ann Iverson, Internal Auditor
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Whitewater, Wisconsin 53190-1790
(262) 472-5671
fax: (262) 472-5668
e-mail: *iversona@uww.edu*

UW Colleges:

Dr. Raymond W. Cross, Chancellor
Audit Contact: Mr. Greg Johnson, Internal Auditor
University of Wisconsin Colleges
432 North Lake Street, Room 437
Madison, Wisconsin 53706-1498
(608) 265-5765
fax: (608) 890-1195
e-mail: *gregory.johnson@uwc.edu*

UW-Extension:

Dr. Raymond W. Cross, Chancellor
Audit Contact: Ms. Connie Wali, Internal Auditor
University of Wisconsin-Extension
432 North Lake Street, Room 407
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(608) 263-7810
fax: (608) 890-1195
e-mail: *connie.wali@uwex.edu*

UW System Administration:

Dr. 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
222 South Bedford Street, Suite F
Madison, Wisconsin 53703
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e-mail: *mkean@wisc.edu*

Mr. Mark Dorn, Controller
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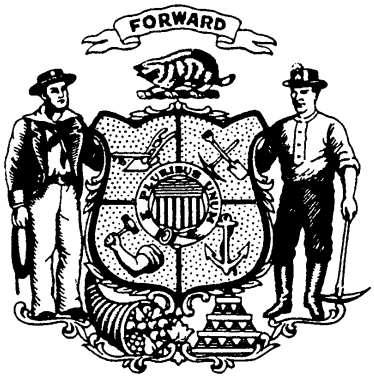
e-mail: *mark.dorn@uwex.edu*

WISCONSIN

General Purpose External Financial Statements



For the fiscal year ended June 30, 2010

STATE OF
WISCONSIN

General Purpose External Financial Statements

For the fiscal year ended June 30, 2010

Jim Doyle, Governor

Department of Administration
Daniel J. Schooff, Secretary
Stephen J. Censky, State Controller

Prepared by the State Controller's Office DOA-6082AP (R12/10)

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WISCONSIN DEPARTMENT OF
ADMINISTRATION

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GOVERNOR
DANIEL J. SCHOOFF
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Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842

December 10, 2010

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, 2010. They are part of the audited Comprehensive Annual Financial Report and present financial information in conformity with generally accepted accounting principles.

The General Purpose External Financial Statements include management's discussion and analysis (MD&A), the basic financial statements, and required supplementary information (RSI).

- MD&A presents a discussion and analysis of the State's financial performance during the fiscal year.
- The basic financial statements include an overview of the government as a whole (excluding the State's fiduciary activities) as well as detailed information on all governmental, proprietary, and fiduciary fund activity. Notes, which are considered part of the basic financial statements, provide additional information and should be used in conjunction with the financial statements.
- RSI includes information on post-employment health insurance benefits, infrastructure and the budgetary comparison schedule with accompanying notes.

The General Purpose External Financial Statements, as well as the Comprehensive Annual Financial Report, are on file at the office of the State Controller and will benefit users requiring summary information about our State's finances. The Comprehensive Annual Financial Report is available on the Department of Administration's website at: http://www.doa.state.wi.us/debf under the "financial reporting" category.

Sincerely,

Daniel J. Schooff
Secretary

Stephen J. Censky, CPA
State Controller

STATE OF WISCONSIN
Legislative Audit Bureau

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Madison, Wisconsin 53703
(608) 266-2818
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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, 2010, 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 financial statements for the following: the Wisconsin Department of Transportation Revenue Bond Program and Commercial Paper Program, which represent 11 percent of the liabilities of the governmental activities and 3 percent of the liabilities of the aggregate remaining fund information; the Environmental Improvement Fund, which is a major fund and represents 21 percent of the assets and 15 percent of the liabilities of the business-type activities; or the College Savings Program Trust, which represents 3 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. Those financial statements were audited by other auditors. Our opinion on the aggregate discretely presented component units is based upon the audit reports of the Wisconsin Housing and Economic Development Authority, the University of Wisconsin Hospitals and Clinics Authority, and the University of Wisconsin Foundation.

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 following financial statements, which were audited by other auditors, were also audited in accordance with these standards: the Wisconsin Department of Transportation Revenue Bond Program and Commercial Paper Program, the Environmental Improvement Fund, the College Savings Program Trust, and the Wisconsin Housing and Economic Development Authority. The financial statements of the other entities 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. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

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 position 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 June 30, 2010, 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 1D to the financial statements, for fiscal year 2009-10, the State implemented Governmental Accounting Standards Board Statement Number 53, *Accounting and Financial Reporting for Derivative Instruments*, which modifies financial reporting and note disclosure requirements for derivative instruments. The State also implemented Statement Number 51, *Accounting and Financial Reporting for Intangible Assets*, to include reportable intangible assets in the applicable financial statements and note disclosures.

As discussed in Note 20A(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 reported estimated liabilities. These differences cannot be quantified.

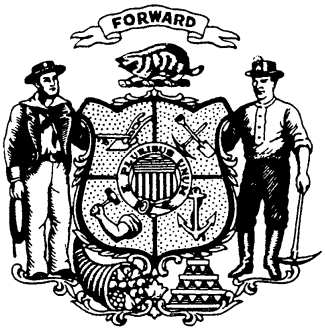
Management's discussion and analysis, the schedule of funding progress for the state retiree health insurance other postemployment benefit plan, the infrastructure narrative, and the budgetary comparison schedule with related notes, as listed in the table of contents, are not required parts of the basic financial statements of the State of Wisconsin but are supplementary information required by accounting principles generally accepted in the United States of America. 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 also issued our report dated December 10, 2010, on our consideration of the State's internal control over financial reporting; our 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. That report 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 10, 2010 by

Janice Mueller
State Auditor


FORWARD

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, 2010. It should be read in conjunction with the transmittal letter located at the front of this CAFR, and the State's financial statements, including the note disclosures which are an integral part of the statements, that follow this part of the CAFR.

FINANCIAL HIGHLIGHTS -- PRIMARY GOVERNMENT

The State of Wisconsin, like the rest of the nation, experienced an economic decline that persisted from Fiscal Year 2009 in to Fiscal Year 2010. To assist in stimulating the economy, the federal 2009 American Recovery and Reinvestment Act (ARRA) provided tax relief and additional funding for approximately 132 federal programs administered by at least 16 different state agencies. Both events impacted the financial results reported for the State.

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 2010 by $11.7 billion (reported as "net assets"). Of this amount, $(9.9) 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 decreased by $29.3 million in Fiscal Year 2010. Net assets of governmental activities increased by $31.7 million or 0.6 percent, while net assets of the business-type activities showed a decrease of $61.0 million or 1.0 percent.
- *Excess of Revenues over (under) Expenses -- Governmental Activities.* During Fiscal Year 2010, the State's total revenues for governmental activities of $26.2 billion were $1.3 billion more than total expenses (excluding transfers) for governmental activities of $24.9 billion. Of these expenses, $12.6 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled $13.6 billion.

Fund

- *Governmental Funds -- Fund Balances.* As of the close of Fiscal Year 2010, the State's governmental funds reported combined ending fund balances of $(1,863.2) million, an increase of $85.0 million in comparison with the prior year. Of this total amount, $(4,208.1) million represents the "unreserved fund balances".
- *General Fund -- Fund Balance*. At the end of the current fiscal year, total fund balance was $(2,943.3) million, a change of $(166.1) million from $(2,777.2) million reported in the prior year. The unreserved fund deficit for the General Fund was $(3,453.4) million, or (16.2) 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 $805.2 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 $1,016.5 million of general obligation bonds and $172.6 million of revenue bond obligations, and the refunding of general obligation and revenue bonds. Additional detail regarding these activities begins on Page 18.

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 three 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 (a major fund)	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 (3) 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 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, 2010 were $34.1 billion, while total liabilities were $22.4 billion, resulting in combined net assets (government and business-type activities) of $11.7 billion. The largest component of the State's total net assets, $17.8 billion or approximately 152.6 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 $3.8 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 $(9.9) 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 $(2.9) 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 2010, the State issued $1,016.5 million of general obligation bonds, primarily for the acquisition or improvement of land, water, property, highways, buildings, and equipment. General obligation bonds outstanding at June 30, 2010 totaled $6.0 billion. Outstanding annual appropriation bonds were $3.4 billion at June 30, 2010. Outstanding revenue bonds, which are not considered general obligation debt of the State, totaled $2.7 billion at June 30, 2010.

Table 2
Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2010	2009	2010	2009	2010	2009	2010-2009
Current and Other Assets	$ 4,731.5	$ 4,627.5	$ 6,915.9	$ 6,170.3	$ 11,647.4	$ 10,797.8	7.9 %
Capital Assets	17,496.8	16,826.2	4,991.1	4,628.7	22,487.9	21,454.9	4.8
Total Assets	22,228.3	21,453.7	11,906.9	10,799.0	34,135.2	32,252.7	5.8
Long-term Liabilities	10,382.8	9,707.9	3,475.9	3,267.7	13,858.7	12,975.7	6.8
Other Liabilities	6,262.3	6,194.3	2,320.8	1,360.1	8,583.2	7,554.4	13.6
Total Liabilities	16,645.2	15,902.2	5,796.7	4,627.8	22,441.9	20,530.0	9.3
Net Assets:							
Invested in Capital Assets Net of Related Debt	13,914.4	13,492.0	3,932.8	3,649.8	17,847.2	17,141.8	4.1
Restricted	1,125.0	1,105.2	2,668.6	2,494.5	3,793.6	3,599.7	5.4
Unrestricted (deficit)	(9,456.2)	(9,045.8)	(491.2)	26.9	(9,947.4)	(9,018.9)	10.3
Total Net Assets	$ 5,583.2	$ 5,551.5	$ 6,110.2	$ 6,171.2	$ 11,693.4	$ 11,722.7	(0.2)

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 $21.2 billion and general revenues of $13.6 billion for total revenues of $34.8 billion during Fiscal Year 2010. Expenses for the State during Fiscal Year 2010 were $34.9 billion. As a result of the excess of expenses over revenues, the total net assets of the State decreased $29.3 million, net of contributions and transfers.

Table 3
Changes in Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2010	2009	2010	2009	2010	2009	2010-2009
Program Revenues:							
Charges for Goods and Services	$ 2,199.1	$ 1,965.9	$ 6,244.2	$ 5,598.2	$ 8,443.3	$ 7,564.2	11.6 %
Operating Grants and Contributions	9,289.0	7,901.6	2,264.0	743.1	11,552.9	8,644.6	33.6
Capital Grants and Contributions	1,109.4	862.0	109.8	126.3	1,219.3	988.3	23.4
General Revenues:							
Income Taxes	6,798.7	6,809.7	-	-	6,798.7	6,809.7	(0.2)
Sales and Excise Taxes	4,700.3	4,755.2	-	-	4,700.3	4,755.2	(1.2)
Public Utility Taxes	310.0	307.6	-	-	310.0	307.6	0.8
Motor Fuel Taxes	1,008.0	1,001.9	-	-	1,008.0	1,001.9	0.6
Other Taxes	403.4	425.7	-	-	403.4	425.7	(5.2)
Other General Revenues	393.3	443.9	15.7	8.5	409.0	452.4	(9.6)
Total Revenues	26,211.2	24,473.4	8,633.7	6,476.1	34,844.8	30,949.6	12.6
Program Expenses:							
Commerce	330.0	298.9	-	-	330.0	298.9	10.4
Education	6,662.8	6,707.7	-	-	6,662.8	6,707.7	(0.7)
Transportation	2,281.6	2,094.3	-	-	2,281.6	2,094.3	8.9
Environmental Resources	487.4	534.8	-	-	487.4	534.8	(8.9)
Human Relations and Resources	11,539.5	10,398.5	-	-	11,539.5	10,398.5	11.0
General Executive	650.2	551.4	-	-	650.2	551.4	17.9
Judicial	129.8	130.9	-	-	129.8	130.9	(0.9)
Legislative	65.2	65.6	-	-	65.2	65.6	(0.6)
Tax Relief and Other General Expenditures	1,288.2	1,274.9	-	-	1,288.2	1,274.9	1.0
Intergovernmental - Shared Revenue	1,032.2	1,035.1	-	-	1,032.2	1,035.1	(0.3)
Interest on Long-term Debt	467.9	665.4	-	-	467.9	665.4	(29.7)
Injured Patients and Families Compensation	-	-	58.5	(58.2)	58.5	(58.2)	200.5
Environmental Improvement	-	-	148.6	48.5	148.6	48.5	206.5
University of Wisconsin System	-	-	4,195.4	4,016.5	4,195.4	4,016.5	4.5
Unemployment Reserve	-	-	3,416.9	2,215.3	3,416.9	2,215.3	54.2
Lottery	-	-	452.4	465.6	452.4	465.6	(2.8)
Health insurance	-	-	1,176.7	1,086.5	1,176.7	1,086.5	8.3
Care and Treatment Facilities	-	-	351.5	361.6	351.5	361.6	(2.8)
Other Business-type	-	0.1	158.6	143.4	158.6	143.5	10.5
Total Expenses	24,934.6	23,757.8	9,958.6	8,279.1	34,893.3	32,036.9	8.9
Excess (deficiency) before Contributions and Transfers	1,276.5	715.7	(1,325.0)	(1,803.0)	(48.5)	(1,087.3)	
Contributions to Term and Permanent Endowments	-	-	1.2	0.7	1.2	0.7	
Contributions to Permanent Fund Principal	18.5	22.6	-	-	18.5	22.6	
Transfers	(1,263.3)	(1,051.6)	1,262.7	1,052.2	(0.6)	0.6	
Special Items - Sale of Future Tobacco Settlement Revenues	-	1,518.0	-	-	-	1,518.0	
Special Items - Purchase of Future Tobacco Settlement Revenues	-	(1,518.0)	-	-	-	(1,518.0)	
Increase (decrease) in Net Assets	31.7	(313.3)	(61.0)	(750.1)	(29.3)	(1,063.4)	
Net Assets - Beginning (Restated)	5,551.5	5,864.7	6,171.2	6,921.3	11,722.7	12,786.0	
Net Assets - Ending	$ 5,583.2	$ 5,551.5	$ 6,110.2	$ 6,171.2	$ 11,693.4	$ 11,722.7	(0.2)

Governmental Activities

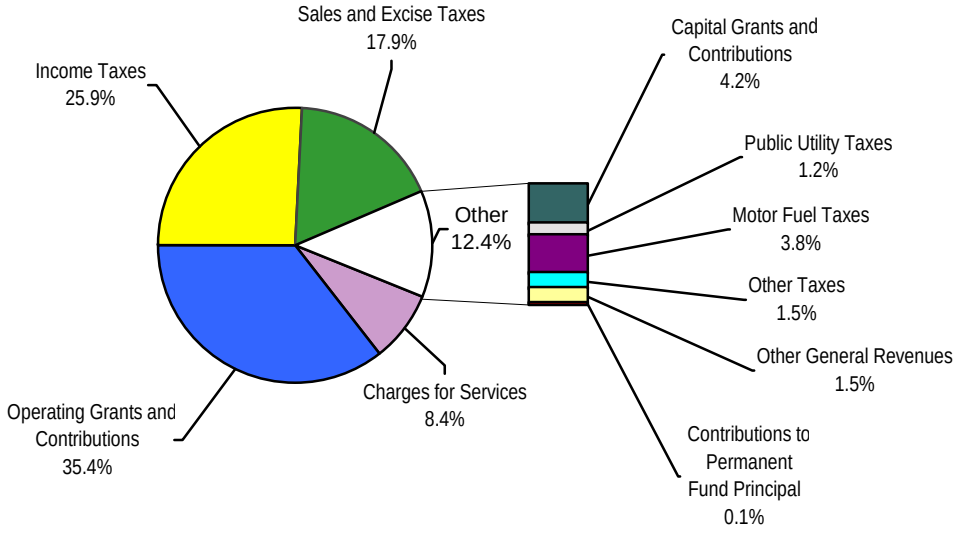
The net assets of governmental activities remained steady in Fiscal Year 2010. Revenues for the governmental activities (including contributions to permanent fund principal) totaled $26.2 billion, while expenses and net transfers also totaled $26.2 billion in 2010.

General and program revenues of governmental activities increased $1.7 billion during this fiscal year. Operating grants and contributions increased by $1.4 billion as a result of the enactment of the federal American Recovery and Reinvestment Act (ARRA) of 2009. During the same period, total tax revenues declined by $79.7 million primarily due to a reduction of $11.0 million in income tax and $54.9 million in sales and use taxes, respectively.

The State's governmental activities program expenses increased $1.2 billion during Fiscal Year 2010. Human relations and resources expenditures increased $1.1 billion. Expenditure increases for the Medical Assistance program were a primary contributor to this rise. In addition, transportation expenditures increased $187.3 million. However, education expenditures declined by $44.9 million after increasing by $230.5 million as a result of increased state aid payments to schools in Fiscal Year 2009. Environmental expenditures also declined by $47.4 million.

As shown in Table 4, below, approximately 50.4 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 35.4 percent of total revenues. Capital grants provided 4.2 percent, charges for services contributed 8.4 percent, and various other revenues provided 1.6 percent of the remaining governmental activity revenue sources.

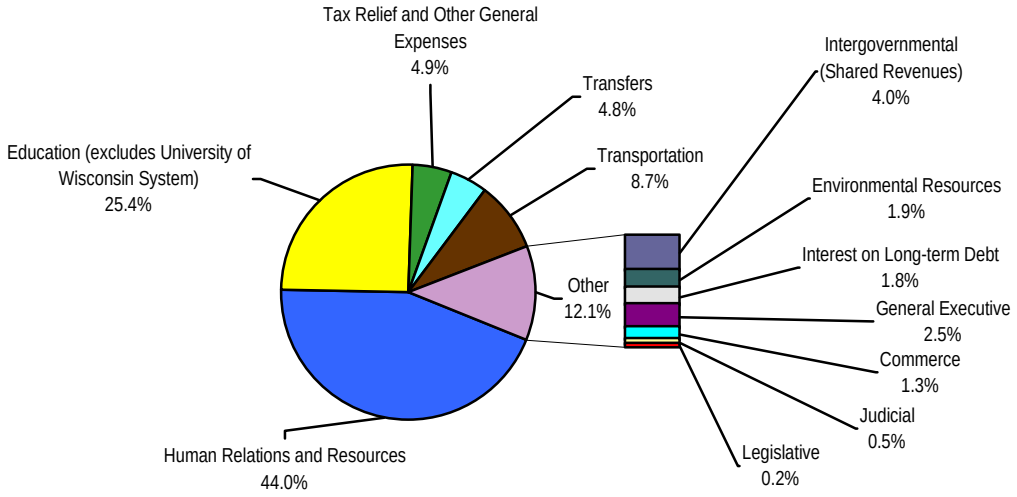
Table 4
Governmental Activities - 2010 Revenues



As shown in Table 5, below, expenses for human relations and resources programs make up the largest portion – 44.0 percent – of total governmental expenses and transfers. Included in this cost function are programs such as Medical Assistance and Temporary Assistance for Needy Families 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 25.4 percent of total expenses. Tax relief and other general expenses and the municipal and county shared revenue program represent 8.9 percent of the total, while transportation expenses represent 8.7 percent. Net transfers to business-type activities, which include a general purpose revenue subsidy to the University of Wisconsin System, make up 4.8 percent of the total expenses and transfers. The interest on long-term debt and remaining functional expenses total 8.2 percent.

Table 5
Governmental Activities - 2010 Expenses



Business-Type Activities

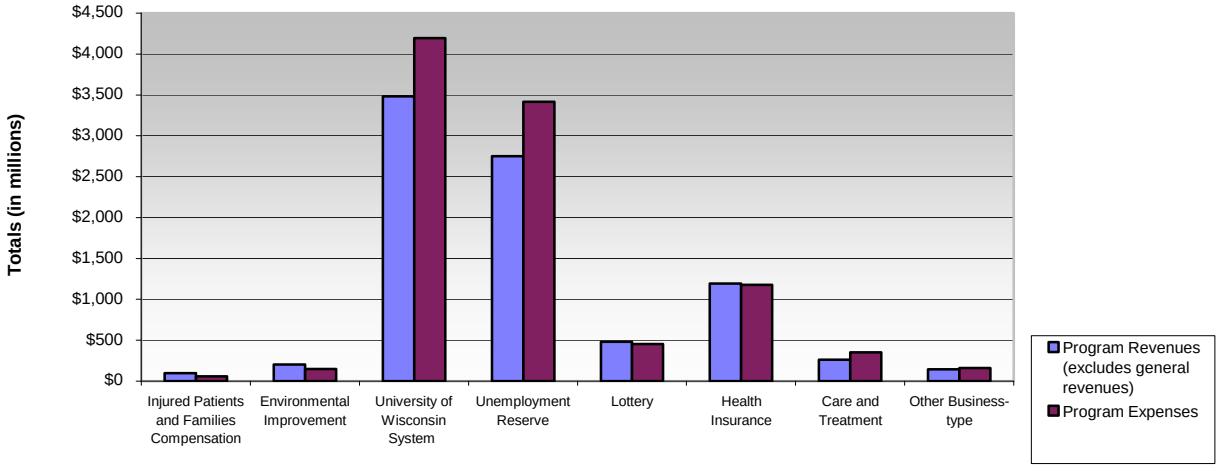
Net assets of the State's business-type activities decreased $61.0 million in Fiscal Year 2010. Total business-type program revenues increased $2,150.4 million. Unemployment Reserve Fund operating revenues increased $1,364.3 million primarily due to an increase of $1,134.5 million in federal aid and an increase in employer contributions of $193.5 million or 30.5%. University of Wisconsin System operating revenues increased $235.0 million due primarily to increases in net student tuition and fees revenue (7.8 percent), federal grants and contracts (12.5 percent), local and private grants and contracts (22.7 percent), and sales and services of auxiliary enterprises (3.0 percent). Finally, participant contributions for non-major funds increased by $108.8 million during Fiscal Year 2010 primarily as the result of increased contributions reported in the Health Insurance Fund.

Program expenses of business-type activities increased $1,679.5 million from Fiscal Year 2009 to 2010. The largest increase in program expenses, $1,201.7 million, related to increased benefit expenses for the Unemployment Reserve Fund. Benefit expenses of the Injured Patients and Families Compensation Fund increased by $118.8 million while the University of Wisconsin System program expenses increased by $74.1 million. Finally, non-major business-type activities reported an increase of $92.2 million.

Revenues of business-type activities totaled $8.6 billion for Fiscal Year 2010. Program revenues consisted of $6.2 billion of charges for services, $2.3 billion of operating grants and contributions, and $109.8 million of capital grants and contributions. General revenues, contributions to endowments and permanent fund principal and net transfers totaled $15.7 million, $1.2 million, and $1,262.7 million, respectively. The total expenses for business-type activities were $10.0 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.

Table 6
Fiscal Year 2010
Business-Type Activities
Comparison of Program Revenues to Program Expenses



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds

At the end of Fiscal Year 2010, the State's governmental funds reported a negative combined fund balance of $(1,863.2) 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 2010, the continuing downturn in the economy, and the receipt of additional funds under ARRA had significant impacts on the activity reported in the General Fund. At June 30, 2010, the State's General Fund reported a total fund deficit of $(2,943.3) million. The net change in fund balance during Fiscal Year 2010 was $(166.1) million, in contrast to $(274.7) million in Fiscal Year 2009. Major revenue, expenditure and other sources/uses contributing to the change in fund balance are as follows:

Revenues

Revenues of the General Fund totaled $22,478.5 million in Fiscal Year 2010, an increase of $1,366.3 million from Fiscal Year 2009. Factors contributing to this change included the following:

- Intergovernmental revenues (i.e., federal assistance) increased $1,341.6 million in Fiscal Year 2010, primarily due to an increase in costs that were eligible for federal reimbursement. The most significant change occurred in human relations and resources programs (e.g., Medical Assistance), which increased $1,333.5 million partially because of the higher federal Medical Assistance (MA) reimbursement rate allowed under ARRA.
- License and permits revenue increased $123.5 million. The commerce function reported increased revenue of $56.4 million principally due to regulatory fee increases for the securities and insurance industries. The human relations and resources function also reported a $73.3 million increase due primarily to the levying of higher hospital assessment fees (a $42.6 million increase from Fiscal Year 2009) and increased licensed bed assessments.
- Miscellaneous revenue decreased $76.7 million in Fiscal Year 2010, primarily due to a decrease in tobacco settlement revenues, from $223.3 million in Fiscal Year 2009 to $136.8 million in Fiscal Year 2010.
- Revenues from taxes decreased $18.1 million from Fiscal Year 2009 to Fiscal Year 2010. The most significant decrease relates to income tax, which decreased $17.7 million or 0.3 percent from Fiscal Year 2009 collections. Estate tax collections decreased 95.7 percent in Fiscal Year 2010 due to statutory provisions that effectively eliminated the estate tax for deaths that occurred on or after January 1, 2008.
- Other revenues, such as fines and forfeitures, gifts and donations, and investment income decreased $4.1 million.

Expenditures

Expenditures of the General Fund totaled $21,368.8 million in Fiscal Year 2010, an increase of $1,116.6 million from Fiscal Year 2009. The factors contributing to the change included the following:

- Human relations and resources expenditures increased substantially ($1,113.7 million) in Fiscal Year 2010 with MA program costs a primary contributor. MA enrollment increased significantly due to economic conditions and program expansion. As noted earlier, a higher federal MA reimbursement percentage covered a larger share of those costs during Fiscal Year 2010. In addition to MA cost increases, food stamp costs also increased as a result of increased participants and an increase in the benefit level.
- The increase in general executive expenditures of $83.3 million was largely attributable to the increase in federal assistance provided through ARRA.
- Intergovernmental expenditures of the General Fund (i.e., shared revenue) decreased $69.1 million in Fiscal Year 2010. This decrease in General Fund expenditures was partially offset by shared revenue expenditures reported in two special revenue funds [Police and Fire Protection ($46.2 million) and Wireless 911 ($20.0 million)].
- Other expenditures, including the commerce, education, environmental resources, and judicial functions, increased by $6.3 million in Fiscal Year 2010, while capital outlay expenditures decreased by $20.5 million between Fiscal Years 2009 and 2010.

Other Financing Sources and Uses

Other financing sources/uses and increases/decreases totaled a net $(1,275.8) million in Fiscal Year 2010, a change of $(1,659.2) million from the prior year. The components of this change included the following:

- In Fiscal Year 2009, appropriation bonds were issued to finance the purchase of the rights to receive future tobacco settlement revenues. The amount of debt issued totaled $1,527.7 million. No appropriation bonds were issued in Fiscal Year 2010.
- Transfers in to the General Fund decreased by $145.6 million (from $474.3 million in Fiscal Year 2009 to $328.6 million in Fiscal Year 2010). In Fiscal Year 2009, the Badger Tobacco Asset Securitization Fund transferred $155.1 million of residual assets to the General Fund. No similar transfers occurred in Fiscal Year 2010.
- Transfers out of the General Fund totaled $1,612.4 million, a decrease of $25.7 million from the prior year. The majority of this change relates to reduced general purpose revenue supplements to other funds of $38.6 million.
- Other financing sources/uses and increases/decreases resulted in a net decrease to fund balance of $11.6 million from the prior Fiscal Year.

Special Items

- No special items are reported In Fiscal Year 2010. This contrasts to Fiscal Year 2009, which included a special item of $1,518.0 million relating to the State's purchase of the rights to receive future revenue streams of the tobacco settlement agreement. The revenue streams were purchased with the proceeds of the appropriation bonds issued.

As of June 30, 2010, the General Fund reported an unreserved fund balance deficit of $(3,453.4) million. This compares to a General Fund unreserved fund balance deficit of $(3,187.0) million as of June 30, 2009. 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 and included a $2.7 billion increase in appropriations. The receipt of funds under ARRA was a significant factor that contributed to appropriation changes during the fiscal year. Also contributing to the variance is 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 occurred in the following appropriations (in millions):

Program	Variance
Commerce, Federal Aids; Individuals & Organizations	$ 160.6
Public Instruction, Federal Aids; Local Aids	125.3
UW-System, Academic Student Fees (part of the statutory General Fund)	130.6
Medical Assistance Program Benefits	220.9
Federal Aid, Medical Assistance	600.1
Food Stamps, Electronic Benefit Transfer	928.1 *

Actual charges to appropriations (expenditures) were $2.6 billion below the final budgeted estimates. Large positive expenditure variances were reported in the Commerce, Federal Aids; Individuals & Organizations ($151.0 million) and the Administration, Federal Aids ($123.8 million) appropriations.

During the past fiscal year, the budgetary-based fund balance increased by $389.3 million for the statutory General Fund, in part, because of the receipt of ARRA monies, but also due to the increased lapse/transfer of monies from other statutory funds (net transfers totaled $220.2 million in Fiscal Year 2010 compared to net transfers of $37.3 in Fiscal Year 2009).

Transportation Fund

In Fiscal Year 2010, the Transportation Fund reported a net increase in fund balance of $143.4 million. This compares to a $84.6 million increase in fund balance in Fiscal Year 2009. This increase resulted primarily from the following factors:

- Revenues of this fund increased $238.3 million, to a total of $2,729.5 million, primarily relating to the ARRA increase in federal funding from the U.S. Department of Transportation and Federal Aviation Administration. For Fiscal Year 2009 and 2010, ARRA provided a total of $529.5 million in federal funding for highway projects. ARRA-funded adjusted expenditures for highway projects totaled $312.4 million in Fiscal Year 2010 and $179.2 million in Fiscal Year 2009. Expenditures of the fund totaled $2,472.2 million in Fiscal Year 2010 compared to $2,369.3 million in Fiscal Year 2009 (an increase of $102.9 million).

- Transfers out of the Transportation Fund increased $70.6 million from Fiscal Year 2009 to 2010. Under 2009 Wisconsin Act 28, $84.8 million was transferred to the General Fund in Fiscal Year 2010. This compares to 2007 Wisconsin Act 20 and 2009 Wisconsin Act 2 transfers to the General Fund totaling $6.8 million reported in Fiscal Year 2009 (an increase of $78.0 million). At the same time, transfers in to the fund more than doubled in Fiscal Year 2010 to $19.0 million, primarily because of a legislatively mandated transfer of $10.0 million from the Petroleum Inspection Fund.

Capital outlay expenditures funded with general obligation bonds and reported in the Capital Improvement Fund (a capital projects fund) rather than the Transportation Fund, totaled $210.1 million in Fiscal Year 2010, an increase of $126.2 million from Fiscal Year 2009. In addition, capital outlay expenditures of $367.5 million were reported in the Transportation Fund in Fiscal Year 2010, an increase of $2.8 million from Fiscal Year 2009.

Common School Fund

The Common School Fund, a permanent fund, provides low cost loans to municipalities and school districts for public purposes. Earnings of the fund are primarily distributed to local school districts as library aids. This fund reported a net increase of $34.3 million in fund balance for the year. This compares to a $33.0 million increase in fund balance in Fiscal Year 2009. Significant changes to the accounts of this fund include:

- Outstanding loans to local governments showed a substantial increase of $98.4 million in Fiscal Year 2010 (from $555.4 million in Fiscal Year 2009 to $653.8 million in the current year). This represents a 17.7 percent increase in loans over the prior year.

- Investments of the fund decreased $13.9 million or approximately 22.4 percent in Fiscal Year 2010, from $62.0 million in Fiscal Year 2009 to $48.1 million in Fiscal Year 2010. This reduction was due to a call of outstanding bonds.

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 2009 to Fiscal Year 2010 include the following:

Injured Patients and Families Compensation

Fund equity of the Injured Patients and Families Compensation Fund increased by $241.8 million from $(109.0) million to $132.8 million at June 30, 2010 principally because of the establishment of a $202.6 million receivable from the General Fund after the Wisconsin Supreme Court ruled in July 2010 that the $200 million in transfers made from the Injured Patients and Families Compensation Fund pursuant to 2007 Wisconsin Act 20 were unconstitutional. In addition, investment and interest income increased by $71.5 million to $68.0 million in Fiscal Year 2010 primarily due to unrealized market gains on investments. In contrast, investment losses of $(3.5) million were reported in the prior year. Operating revenues increased by $3.4 million from $26.3 million to $29.7 million in Fiscal Year 2010. However, the Fund's benefits expense also increased by $118.8 million from $(61.1) million to $57.7 million and the future benefits and loss liability reserves increased by $45.7 million. Both increases were the result of actuarial analysis of prior years' experience and the addition of another benefit year.

Unemployment Reserve

Fund equity of the Unemployment Reserve Fund decreased by $672.4 million during Fiscal Year 2010 from $(247.9) million at June 30, 2009 to $(920.3) million at June 30, 2010. Benefit expenses increased from $2,215.3 million in Fiscal Year 2009 to $3,416.9 million in Fiscal Year 2010, an increase of $1,201.6 million (54.2 percent). The increase in benefits is the result of the average unemployment rate increasing from 6.8 percent during Fiscal Year 2009 to 8.5 percent during Fiscal Year 2010. In addition, benefit periods were extended from a possible 80 weeks to a possible 99 weeks.

Total operating revenues increased by $1,346.3 million from $1,295.5 million in Fiscal Year 2009 to $2,659.8 million in Fiscal Year 2010. Federal aids for the unemployment program increased by $1,134.5 million to $1,711.5 million in Fiscal Year 2010. Employer contributions also increased 30.5 percent from $635.2 million in Fiscal Year 2009 to $828.6 million in Fiscal Year 2010, an increase of $193.5 million. The increase in employer contributions is primarily due to the higher tax rates imposed under the rate schedule that took effect in calendar year 2010. Because the Fund's balance as of June 30, 2009, was below the statutory index of $300 million, the highest rate schedule took effect as of January 1, 2010.

In order to pay benefits, the fund continued to borrow from the federal government through April 2010. As a result, the advance from the federal government increased from $435.5 million at June 30, 2009 to $1,424.8 million at June 30, 2010, an increase of $989.3 million. Starting in 2011 the Fund will incur approximately 4.0 percent annual interest on the amount borrowed and the federal government can begin recovering the loan from employers by incrementally reducing the employers' federal unemployment tax credit beginning with the tax due for 2011. The Fund can avoid these credit reductions for employers by voluntarily repaying certain portions of the loan and meeting other federal requirements.

University of Wisconsin System

In Fiscal Year 2010, operating revenues of the University of Wisconsin System increased $235.0 million or approximately 8.2 percent. Revenue was enhanced by an increase in federal grants and contracts of $101.5 million (12.5 percent) and local and private grants and contracts, which increased by $42.5 million (22.7 percent). Sales and services of educational activities and auxiliary enterprises increased by $5.7 million (2.1 percent) and $10.4 million (3.0 percent), respectively. Finally, increased student tuition and fees revenue of $73.1 million (7.8 percent) were reported. The net increase in student tuition and fees is primarily due to an increase in tuition rates approved by the Board of Regents. Fiscal Year 2010 operating expenses increased $74.1 million or 1.8 percent from Fiscal Year 2009. The increase is due primarily to an increase of personal services, scholarships and fellowships, and depreciation expenses of $52.8 million, $41.0 million, and $10.9 million, respectively. Offsetting those increases was a decrease of $31.1 million in supplies and services expense.

Environmental Improvement

The Environmental Improvement Fund issued revenue bonds of $131.2 million in Fiscal Year 2010, of which $14.1 million was used to refund previous bond issues. The new revenue bonds contributed to a net increase of the fund's liabilities of $54.1 million or approximately 6.5 percent over Fiscal Year 2009. 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 $25.6 million or 1.4 percent. The Fund was awarded $103.7 million in Clean Water ARRA funds of which $74.7 million had been disbursed to municipalities as of June 30, 2010. Additionally, $37.8 million of Safe Drinking Water ARRA funds were awarded in Fiscal Year 2010 of which $26.7 million have been disbursed as of June 30, 2010.

Lottery

The Lottery Fund reported an increase in operating revenues of $7.4 million, or 1.6 percent, in Fiscal Year 2010. The increase is attributable to sales of Mega Millions, a national lotto game added January 31, 2010. Operating expenses decreased by $6.7 million or 2.0 percent primarily due to a 2.4 percent 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 $114.3 million in Fiscal Year 2010 in contrast to $120.8 million in Fiscal Year 2009, reflecting a decrease of $6.5 million or 5.4 percent. The amount of the credit is determined and distributed before the end of the fiscal year and 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 reported for the current fiscal year.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the close of Fiscal Year 2010, the State had $22.5 billion invested in capital assets, net of accumulated depreciation of $4.2 billion. This represents an increase of $1,016.4 million, or 4.7 percent, from Fiscal Year 2009. Depreciation charges totaled $110.2 million and $213.1 million for governmental and business-type activities, respectively, in Fiscal Year 2010. 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	
	2010	2009	2010	2009	2010	2009
Land and Land Improvements	$ 2,183	$ 2,060	$ 137	$ 135	$ 2,321	$ 2,195
Buildings and Improvements	1,369	1,332	2,974	2,899	4,342	4,232
Library Holdings	83	82	1,107	1,088	1,189	1,170
Machinery and Equipment	318	299	277	268	595	567
Infrastructure	12,375	12,219	-	-	12,375	12,219
Construction in Progress	1,170	851	497	239	1,667	1,090
Totals	$ 17,497	$ 16,843	$ 4,991	$ 4,629	$ 22,488	$ 21,471

The major capital asset additions completed or acquired during Fiscal Year 2010 included the:

- 21 North Park Street purchase ($39.0 million),
- Jarvis Science Wing Renovation – UW-Stout ($37.5 million),
- Campus Utility Upgrade – UW-Madison ($28.7 million),
- Rothwell Student Center – UW-Superior ($23.6 million),
- Madison Crime Lab Remodeling ($15.0 million), and
- State Fair Park – Exposition Center purchase ($13.9 million).

In addition to these completed projects, construction in progress as of June 30, 2010 for governmental and business-type activities totaled $1,169.7 million and $497.1 million, respectively. A list of construction in progress projects is provided in Note 7. The State's continuing or proposed major capital projects for Fiscal Year 2010 through 2018 include:

- Wisconsin Institute for Discovery (2005-2015) – UW-Madison (estimated budget of $150 million),
- Academic Buildings (2008-2010) – UW-La Crosse, Oshkosh, Parkside and Superior (estimated budget of $160.0 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),
- Sand Ridge Secure Treatment Center (2007-2011) Mauston – (estimated budget of $25.0 million),
- Wisconsin Energy Institute – Madison (estimated cost $100 million),
- Wisconsin Institutes for Medical Research – Center Tower – Madison (estimated cost $135 million),
- UW Milwaukee Facilities Master Plan ($240 million for various projects),
- Renovation and Remodeling of the Charter Street Heating Plant (estimated cost $251 million),
- I-94 North South Freeway Project (completion in 2016) $1,912 million,
- US 41 Winnebago and Brown Counties (completion in 2018) $1,515 million,
- Highway 26 Janesville to Watertown (completion in 2014) $469 million,
- US 51/STH 29 Corridor Wausau (completion in 2011) $228 million,
- Highway 12 Lake Delton to Sauk City (completion in 2018) $225 million, and
- Highway 41 Oconto to Peshtigo (completion in 2011) $175 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, 2010 was $6.0 billion, as shown in Table 8. During Fiscal Year 2010, $1,016.5 million of general obligation bonds were issued to provide for the acquisition or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes or to refund outstanding bonds. Of the bonds issued in the current year, $303.8 million was to be used for University of Wisconsin System academic and self-amortizing facilities; $244.7 million for transportation projects, $65.9 million for the Stewardship Program, $41.7 for environmental programs, and $104.8 million for various other projects. In addition, bond proceeds of $255.5 million were used to refund outstanding general obligation bonds which resulted in an increase in total debt service payments of $48.6 million.

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. In Fiscal Year 2009, the State issued $1.5 billion of annual appropriation bonds to purchase the future right, title, and interest in the Tobacco Settlement Revenues (TSRs) from Badger Tobacco Asset Securitization Corporation (BTASC) as well as pay any issuance expenses. As of June 30, 2010, $3.4 billion of these bonds were outstanding.

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 $2.7 billion outstanding at June 30, 2010, as shown in Table 8. These bonds included $1,671.3 million of Transportation Revenue Bonds, $129.9 million of Petroleum Inspection Revenue Bonds, and $882.2 million of Environmental Improvement Revenue Bonds.

Table 8
Outstanding Debt as of June 30, 2010 and 2009
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
General obligation bonds	$4,779.7	$4,244.7	$1,235.4	$1,117.2	$ 6,015.1	$ 5,361.9
Annual appropriation bonds	3,357.7	3,378.3	--	--	3,357.7	3,378.3
Revenue bonds	1,801.1	1,681.4	882.2	829.3	2,683.3	2,510.7
Totals	$9,938.5	$9,304.4	$2,117.6	$1,946.5	$12,056.1	$11,250.9

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, 2010, State of Wisconsin general obligation fixed rate bonds had a rating of Aa2 from Moody's Investors Services, AA from Standard and Poor's Rating Services, and AA from Fitch Ratings. General obligation variable notes had a rating of P-1 from Moody's, A-1+ from Standard and Poor's Corporation, and F1+ 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 5,000 bridges with a combined value of $12.4 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, 2010, 90.7 percent of the roads and 95.9 percent of bridges were in good or fair condition, consistent with State policies.

For the fiscal year ended June 30, 2010, actual maintenance and preservation costs for the State's road network were $669.1 million or $8.4 million less than the estimated amount. On that same date, actual maintenance and preservation costs for the State's bridge network were $93.0 million or $1.3 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 2009, the Wisconsin economy was significantly affected by the global recession.

Wisconsin employment declined significantly in 2009. Wisconsin employment increased by 0.6 percent in 2007 and decreased by 0.2 percent in 2008 and 4.5 percent in 2009. Wisconsin's employment growth has been comparable to the nation's growth. Nationally, employment increased by 1.1 percent in 2007, and decreased by 0.6 percent in 2008 and by 4.3 percent in 2009.

The changes in employment performance affected income growth. Wisconsin personal income increased 3.9 percent in 2007 and 3.4 percent in 2008 but fell 0.9 percent in 2009. Nationally, personal income increased 5.7 percent in 2007 and 4.0 percent in 2008 but fell 1.7 percent in 2009. On a per capita basis, Wisconsin's performance is also similar to the nation's. Per capita income in Wisconsin increased 3.4 percent in 2007 and 2.9 percent in 2008, but fell 1.4 percent in 2009. This compares to 4.7 percent, 3.1 percent, and (2.6) percent nationally. Relative to the national average, Wisconsin per capita income increased to 94.4 percent of the national average in 2009, up from 93.2 percent in 2008.

Wisconsin and the nation are recovering from the recession. Between December 2009 and October 2010, Wisconsin employment has increased 0.8 percent. Nationally, employment is up 0.7 percent over the same period. Wisconsin's seasonally adjusted unemployment rate in October was 7.8 percent compared to 9.6 percent nationally.

Wisconsin's property values reflect the slowing economy. In 2009, real property values declined 0.5 percent, primarily due to a reduction of 1.3 percent in residential real estate values. Commercial real estate values increased by 2.4 percent in 2009. In 2010, real property values declined 3.2 percent with residential real estate values falling 3.5 percent. Commercial real estate values decreased by 2.4 percent in 2010.

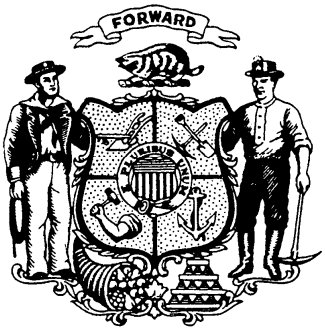
CONTACTING THE STATE'S FINANCIAL MANAGEMENT

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 through their administrative offices identified in Note 1-B.

* * * *


FORWARD

State of Wisconsin

Statement of Net Assets
June 30, 2010

(In Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals	Component Units
Assets and Deferred Outflows				
Cash and Cash Equivalents	$ 908,472	$ 1,778,453	$ 2,686,926	$ 908,643
Investments	69,252	1,323,135	1,392,387	296,880
Cash and Investments with Other Component Units	-	-	-	248,233
Receivables (net of allowance)	3,576,119	2,993,991	6,570,110	2,828,770
Internal Balances	(500,006)	500,006	-	-
Inventories	32,905	50,287	83,192	8,645
Prepaid Items	192,572	80,018	272,590	7,597
Capital Leases Receivable - Component Units	-	5,868	5,868	-
Restricted and Limited Use Assets:				
Cash and Cash Equivalents	108,239	164,474	272,713	210,842
Investments	110,824	-	110,824	2,075,889
Deferred Charges	78,306	13,245	91,550	9,678
Other Assets	24,078	6,385	30,463	104,240
Capital Assets:				
Depreciable	1,595,813	3,251,634	4,847,447	391,548
Nondepreciable:				
Infrastructure	12,374,551	-	12,374,551	-
Other	3,526,461	1,739,416	5,265,877	23,523
Deferred Outflows of Resources	130,745	-	130,745	117,179
Total Assets and Deferred Outflows	22,228,330	11,906,912	34,135,242	7,231,667
Liabilities				
Accounts Payable and Other Accrued Liabilities	1,172,071	475,033	1,647,104	172,205
Due to Other Governments	2,214,479	27,291	2,241,770	10,991
Tax Refunds Payable	1,375,743	-	1,375,743	-
Tax and Other Deposits	64,323	26,795	91,118	74,863
Amounts Held in Trust by Component Unit for Other Component Units	-	-	-	215,773
Amounts Held in Trust by Component Unit for Others	-	-	-	22,922
Unearned Revenue	406,523	303,047	709,570	1,421
Interest Payable	108,113	13,460	121,573	32,660
Short-term Notes Payable	790,320	50,444	840,764	-
Other Liabilities	130,745	-	130,745	129,428
Advance from Federal Government	-	1,424,769	1,424,769	-
Long-term Liabilities:				
Current Portion	539,664	327,425	867,089	107,161
Noncurrent Portion	9,843,171	3,148,465	12,991,636	3,198,983
Total Liabilities	16,645,151	5,796,729	22,441,880	3,966,407
Net Assets				
Invested in Capital Assets, Net of Related Debt	13,914,376	3,932,783	17,847,159	160,898
Restricted for:				
Transportation Programs	6,431	-	6,431	-
Conservation Related	64,694	-	64,694	-
Capital Projects	21,382	-	21,382	-
Debt Service	89,344	-	89,344	-
Environmental Improvement	-	1,534,833	1,534,833	-
Permanent Trusts:				
Expendable	10,510	239,986	250,496	7,135
Nonexpendable	844,332	133,671	978,003	1,280
Future Benefits	-	358,762	358,762	27,357
Other Purposes	88,323	401,356	489,680	2,470,883
Unrestricted	(9,456,213)	(491,209)	(9,947,422)	597,708
Total Net Assets	$ 5,583,179	$ 6,110,183	$ 11,693,362	$ 3,265,261

The notes to the financial statements are an integral part of this statement.

Statement of Activities
For the Fiscal Year Ended June 30, 2010

(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	$ 329,954	$ 253,713	$ 116,541	$ -
Education	6,662,846	21,586	1,233,756	-
Transportation	2,281,649	684,360	116,795	1,080,417
Environmental Resources	487,361	214,332	81,395	7,950
Human Relations and Resources	11,539,481	634,789	7,357,236	21,070
General Executive	650,196	275,349	280,533	-
Judicial	129,753	66,881	514	-
Legislative	65,232	1,983	4	-
Tax Relief and Other General Expenses	1,288,156	-	26,043	-
Intergovernmental - Shared Revenue	1,032,162	46,090	76,139	-
Interest on Debt	467,850	-	-	-
Total Governmental Activities	24,934,639	2,199,083	9,288,956	1,109,437
Business-type Activities:				
Injured Patients and Families Compensation	58,515	29,730	67,995	-
Environmental Improvement	148,594	48,351	155,133	-
University of Wisconsin System	4,195,430	3,098,677	273,660	108,637
Unemployment Reserve	3,416,939	1,037,608	1,711,458	-
Lottery	452,350	481,188	1,604	-
Health Insurance	1,176,704	1,183,544	10,683	-
Care and Treatment Facilities	351,549	262,009	518	1,192
Other Business-type	158,568	103,096	42,910	-
Total Business-type Activities	9,958,649	6,244,202	2,263,961	109,829
Total Primary Government	$ 34,893,287	$ 8,443,286	$ 11,552,917	$ 1,219,267
Component Units:				
Housing and Economic Development Authority	$ 335,459	$ 172,980	$ 176,772	$ -
Health Care Liability Insurance Plan	21,411	5,934	3,727	-
University Hospitals and Clinics Authority	959,881	1,018,618	519	1,091
University of Wisconsin Foundation	280,469	267,464	156,119	-
State Fair Park Exposition Center, Inc.	5,108	9,330	-	-
Total Component Units	$ 1,602,327	$ 1,474,325	$ 337,137	$ 1,091

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
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
$ 40,300		$ 40,300	
(5,407,504)		(5,407,504)	
(400,076)		(400,076)	
(183,683)		(183,683)	
(3,526,387)		(3,526,387)	
(94,314)		(94,314)	
(62,358)		(62,358)	
(63,245)		(63,245)	
(1,262,113)		(1,262,113)	
(909,933)		(909,933)	
(467,850)		(467,850)	
(12,337,163)		(12,337,163)	
	$ 39,210	39,210	
	54,890	54,890	
	(714,456)	(714,456)	
	(667,874)	(667,874)	
	30,442	30,442	
	17,523	17,523	
	(87,829)	(87,829)	
	(12,563)	(12,563)	
-	(1,340,656)	(1,340,656)	
(12,337,163)	(1,340,656)	(13,677,818)	
			$ 14,293
			(11,750)
			60,347
			143,114
			4,222
			210,226
6,798,690	-	6,798,690	-
4,700,287	-	4,700,287	-
309,983	-	309,983	-
217,488	-	217,488	-
1,008,047	-	1,008,047	-
185,881	-	185,881	-
4,847	15,664	20,512	17,957
388,473	4	388,477	-
-	1,232	1,232	111
18,498	-	18,498	-
(1,263,325)	1,262,747	(577)	-
12,368,869	1,279,648	13,648,517	18,068
31,706	(61,008)	(29,301)	228,294
5,551,473	6,171,190	11,722,663	3,036,967
$ 5,583,179	$ 6,110,183	$ 11,693,362	$ 3,265,261

Balance Sheet - Governmental Funds
June 30, 2010

(In Thousands)

	General	Transportation	Common School	Nonmajor Governmental	Total Governmental
Assets					
Cash and Cash Equivalents	$ 9,415	$ 576,218	$ 109,840	$ 206,518	$ 901,991
Investments	731	-	48,055	20,465	69,252
Receivables (net of allowance):					
Taxes	1,063,407	96,299	-	29,273	1,188,978
Loans to Local Governments	2,195	-	653,771	21,410	677,377
Other Loans Receivable	25,819	24,093	-	6	49,917
Other Receivables	378,618	8,813	396	50,264	438,091
Due from Other Funds	218,956	50,534	869	91,423	361,782
Due from Component Units	231	-	-	-	231
Due from Other Governments	813,678	318,845	9,254	5,647	1,147,424
Inventories	10,373	13,330	-	3,067	26,771
Prepaid Items	170,579	4,046	-	17,323	191,948
Advances to Other Funds	167	-	-	-	167
Restricted and Limited Use Assets:					
Cash and Cash Equivalents	-	-	-	108,239	108,239
Investments	-	-	-	110,824	110,824
Other Assets	24,078	-	-	-	24,078
Total Assets	$ 2,718,249	$ 1,092,178	$ 822,185	$ 664,459	$ 5,297,071
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Other Accrued Liabilities	$ 863,468	$ 224,761	$ -	$ 36,535	$ 1,124,764
Due to Other Funds	180,071	79,194	1,706	63,011	323,982
Interfund Payables	231,962	-	-	15,390	247,352
Due to Other Governments	2,106,874	102,345	-	5,260	2,214,479
Tax Refunds Payable	1,369,558	5,978	-	206	1,375,743
Tax and Other Deposits	53,364	508	-	10,452	64,323
Unearned Revenue	371,544	28,721	-	5,305	405,570
Deferred Revenue	281,466	523	-	8,099	290,087
Interest Payable	-	-	-	45,689	45,689
Advances from Other Funds	203,245	-	-	5,266	208,512
Short-term Notes Payable	-	-	-	782,608	782,608
Revenue Bonds and Notes Payable	-	-	-	77,195	77,195
Total Liabilities	5,661,551	442,030	1,706	1,055,016	7,160,304
Fund Balances:					
Reserved for Encumbrances	374,270	862,439	-	298,134	1,534,843
Reserved for Inventories	10,373	13,330	-	3,067	26,771
Reserved for Prepaid Items	105,876	4,046	-	17,323	127,245
Reserved for Budget Stabilization Fund	1,684	-	-	-	1,684
Reserved for Restricted Funds	17,712	-	144	26,372	44,229
Reserved for Long-term Receivables	-	-	589,706	20,225	609,931
Reserved for Advances to Other Funds	167	-	-	-	167
Unreserved, Reported In:					
General Fund	(3,453,386)	-	-	-	(3,453,386)
Special Revenue Funds	-	(229,667)	-	51,868	(177,799)
Debt Service Funds	-	-	-	80,780	80,780
Capital Projects Funds	-	-	-	(904,840)	(904,840)
Permanent Funds	-	-	230,628	16,513	247,142
Total Fund Balances	(2,943,303)	650,148	820,479	(390,557)	(1,863,233)
Total Liabilities and Fund Balances	$ 2,718,249	$ 1,092,178	$ 822,185	$ 664,459	$ 5,297,071

(Continued)

Balance Sheet - Governmental Funds
June 30, 2010

(Continued)

			Total Governmental
Reconciliation to the Statement of Net Assets:			
Total Fund Balances - Governmental Funds (from previous page)		$	(1,863,233)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Infrastructure	12,374,551		
Other Capital Assets	5,855,345		
Accumulated Depreciation	(1,019,087)		
			17,210,809
Other long-term assets that are not available to pay for current period expenditures and, therefore, are deferred in the funds.			81,385
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.			289,135
Internal service funds are used by management to charge the costs of certain activities, such as telecommunications and insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.			(21,368)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund statements. These liabilities, however, are included in the Statement of Net Assets.			
Revenue Bonds Payable	(1,723,938)		
Appropriation Bonds Payable	(3,357,795)		
General Obligation Bonds Payable	(4,628,075)		
Accrued Interest on Bonds	(62,424)		
Capital Leases	(30,551)		
Installment Contracts	(729)		
Compensated Absences	(156,087)		
Pollution Remediation	(13,991)		
Claims and Judgments	(3,220)		
Other Postemployment Benefits Liability	(136,738)		
			(10,113,549)
Net Assets of Governmental Activities as reported on the Statement of Net Assets (See page 23)		$	5,583,179

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, 2010

(In Thousands)

	General	Transportation	Common School	Nonmajor Governmental	Total Governmental
Revenues:					
Taxes	$ 12,031,186	$ 1,008,400	$ -	$ 186,023	$ 13,225,609
Intergovernmental	8,992,280	1,194,594	-	71,977	10,258,850
Licenses and Permits	751,862	490,535	-	577,597	1,819,994
Charges for Goods and Services	289,559	20,102	19	20,833	330,513
Investment and Interest Income	1,451	1,091	34,352	3,518	40,413
Fines and Forfeitures	41,694	455	18,495	5,496	66,140
Gifts and Donations	5,296	20	-	13,980	19,295
Miscellaneous:					
Tobacco Settlement	136,841	-	-	-	136,841
Other	228,287	14,320	78	7,454	250,139
Total Revenues	22,478,455	2,729,516	52,946	886,878	26,147,794
Expenditures:					
Current Operating:					
Commerce	279,971	-	-	53,316	333,287
Education	6,583,807	-	32,000	8,690	6,624,497
Transportation	7,014	2,104,767	-	132,297	2,244,078
Environmental Resources	102,369	-	-	374,244	476,613
Human Relations and Resources	11,378,068	-	-	39,568	11,417,637
General Executive	539,000	-	-	98,175	637,175
Judicial	125,522	-	-	280	125,803
Legislative	64,071	-	-	-	64,071
Tax Relief and Other General Expenditures	1,285,206	-	-	4,059	1,289,265
Intergovernmental - Shared Revenue	965,924	-	-	66,238	1,032,162
Capital Outlay	37,814	367,468	-	375,043	780,325
Debt Service:					
Principal	-	-	-	117,568	117,568
Interest	-	-	-	481,173	481,173
Other Expenditures	-	-	-	6,680	6,680
Total Expenditures	21,368,766	2,472,235	32,000	1,757,332	25,630,333
Excess of Revenues Over (Under) Expenditures	1,109,689	257,281	20,946	(870,454)	517,462
Other Financing Sources (Uses):					
Long-term Debt Issued	-	-	-	725,132	725,132
Long-term Debt Issued - Refunding Bonds	-	-	-	372,980	372,980
Payments for Refunded Bonds	-	-	-	(349,907)	(349,907)
Discount on Bonds	-	-	-	(932)	(932)
Premium on Bonds	-	-	-	63,317	63,317
Transfers In	328,649	19,023	15,000	488,100	850,773
Transfers Out	(1,612,427)	(125,581)	(1,666)	(356,252)	(2,095,926)
Capital Lease Acquisitions	10,044	-	-	-	10,044
Installment Purchase Acquisitions	119	-	-	1,309	1,428
Total Other Financing Sources (Uses)	(1,273,615)	(106,557)	13,334	943,747	(423,092)
Net Change in Fund Balances	(163,926)	150,724	34,279	73,293	94,370
Fund Balances, Beginning of Year	(2,777,230)	506,745	786,199	(463,971)	(1,948,257)
Increase (Decrease) in Reserve for Inventories	(2,147)	(7,320)	-	121	(9,346)
Fund Balances, End of Year	$ (2,943,303)	$ 650,148	$ 820,479	$ (390,557)	$ (1,863,233)

(Continued)

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2010

(Continued)

			Total Governmental
Reconciliation to the Statement of Activities:			
Net Change in Fund Balances (from previous page)		$	94,370
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.			(9,346)
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	778,721		
Depreciation Expense	(93,145)		
Grants and Contributions (Donated Assets)	8,745		
			694,321
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 Activites.			(66)
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.			(24,630)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			(6,460)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.			
Bonds Issued	(1,098,112)		
Payments for Refunded Bonds	349,907		
Repayment of Bond Principal	117,568		
Bond Premium	(63,317)		
Bonds Discount	932		
Bond Issuance Costs (Amortization)	4,484		
			(688,537)
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	25,722		
Decrease (increase) in Capital Leases	1,261		
Decrease (increase) in Installment Contracts	(254)		
Decrease (increase) in Compensated Absences	(12,258)		
Decrease (increase) in Pollution Remediation Liabilities	1,619		
Decrease (increase) in Claims and Judgments	(2,033)		
Decrease (increase) in Postemployment Benefit Liabilities	(35,826)		
			(21,769)
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.			(6,177)
Changes in Net Assets of Governmental Activities as reported on the Statement of Activities (See page 25)		$	31,706

The notes to the financial statements are an integral part of this statement.

State of Wisconsin

Balance Sheet
Proprietary Funds
June 30, 2010

(In Thousands)

	Business-type Activities - Enterprise Funds			
	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 18,365	$ 291,786	$ 613,115	$ 183,072
Investments	35,682	47,734	-	-
Loans to Local Governments (net of allowance)	-	160,649	-	-
Other Loans Receivable (net of allowance)	-	-	32,067	-
Other Receivables (net of allowance)	7,181	615	143,283	238,119
Due from Other Funds	-	204	44,688	518
Due from Component Units	-	-	4,018	-
Interfund Receivables	-	-	391,956	-
Due from Other Governments	-	9,008	91,421	99,606
Inventories	3	-	40,932	-
Prepaid Items	8	23	47,143	-
Advances to Other Funds	-	-	-	-
Capital Leases Receivable - Component Units	-	-	1,713	-
Deferred Charges	-	-	7,415	-
Other Assets	-	-	-	-
Total Current Assets	61,239	510,018	1,417,751	521,315
Noncurrent Assets:				
Investments	555,906	163,850	339,084	-
Loans to Local Governments (net of allowance)	-	1,658,817	-	-
Other Loans Receivable (net of allowance)	-	-	162,003	-
Other Receivables	-	-	4,713	64,579
Prepaid Items	-	218	-	-
Advances to Other Funds	202,588	2,477	-	-
Capital Leases Receivable - Component Units	-	-	4,155	-
Restricted and Limited Use Assets:				
Cash and Cash Equivalents	35,059	106,528	-	22,887
Deferred Charges	-	3,522	-	-
Other Assets	-	-	-	-
Depreciable Capital Assets (net of accumulated depreciation)	257	9	3,063,686	-
Nondepreciable Capital Assets	70	-	1,718,975	-
Total Noncurrent Assets	793,881	1,935,422	5,292,616	87,466
Total Assets	$ 855,120	$ 2,445,440	$ 6,710,367	$ 608,781
Liabilities and Fund Equity				
Current Liabilities:				
Accounts Payable and Other Accrued Liabilities	$ 430	$ 177	$ 270,075	$ 75,502
Due to Other Funds	21	2,071	63,294	7,944
Due to Component Units	-	-	1,420	-
Interfund Payables	-	-	-	-
Due to Other Governments	-	168	4,241	20,918
Tax and Other Deposits	-	-	1,824	-
Unearned Revenue	719	-	185,566	-
Interest Payable	-	3,551	7,391	-
Short-term Notes Payable	-	-	48,879	-
Current Portion of Long-term Liabilities:				
Future Benefits and Loss Liabilities	86,335	-	-	-
Capital Leases	-	-	5,888	-
Compensated Absences	1	1	68,516	-
General Obligation Bonds Payable	-	-	32,389	-
Revenue Bonds and Notes Payable	-	70,690	-	-
Total Current Liabilities	87,505	76,658	689,483	104,364
Noncurrent Liabilities:				
Accounts Payable and Other Accrued Liabilities	-	-	-	-
Due to Other Governments	-	1,200	-	-
Advance from Federal Government	-	-	-	1,424,769
Noncurrent Portion of Long-term Liabilities:				
Future Benefits and Loss Liabilities	634,736	-	-	-
Capital Leases	-	-	27,616	-
Compensated Absences	49	84	64,192	-
Other Postemployment Benefits	32	22	131,302	-
General Obligation Bonds Payable	-	-	903,758	-
Revenue Bonds and Notes Payable	-	811,477	-	-
Total Noncurrent Liabilities	634,817	812,784	1,126,869	1,424,769
Total Liabilities	722,322	889,442	1,816,352	1,529,133
Fund Equity:				
Invested in Capital Assets, Net of Related Debt	328	-	3,764,130	-
Restricted for Environmental Improvement	-	1,534,833	-	-
Restricted for Expendable Trusts	-	-	239,986	-
Restricted for Nonexpendable Trusts	-	-	133,671	-
Restricted for Future Benefits	132,471	-	-	-
Restricted for Other Purposes	-	-	336,822	-
Unrestricted	-	21,165	419,407	(920,352)
Total Fund Equity	132,798	1,555,998	4,894,016	(920,352)
Total Liabilities and Fund Equity	$ 855,120	$ 2,445,440	$ 6,710,367	$ 608,781

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Nonmajor Enterprise	Totals	
$ 672,116	$ 1,778,453	$ 6,481
17,771	101,187	-
326	160,975	-
9,482	41,548	-
62,004	451,202	1,377
15,788	61,198	46,594
-	4,018	97
-	391,956	-
7,138	207,172	386
9,352	50,287	5,181
32,627	79,800	624
-	0	25
-	1,713	-
183	7,598	99
1,291	1,291	-
828,076	3,338,400	60,863
163,108	1,221,948	-
1,648	1,660,465	-
237,242	399,245	-
70	69,362	-
-	218	-
657	205,723	2,764
-	4,155	-
-	164,474	-
2,125	5,646	464
5,094	5,094	-
187,682	3,251,634	259,304
20,370	1,739,416	26,712
617,996	8,727,381	289,244
$ 1,446,072	$ 12,065,780	$ 350,107
$ 61,355	$ 407,539	$ 11,995
53,420	126,749	4,435
-	1,420	-
57,463	57,463	87,141
765	26,092	103
24,971	26,795	-
116,763	303,047	-
2,518	13,460	1,224
1,565	50,444	7,712
52,492	138,827	32,428
306	6,194	237
164	68,681	101
10,644	43,033	10,162
-	70,690	-
382,424	1,340,435	155,538
45,080	45,080	-
-	1,200	-
-	1,424,769	
253,891	888,627	62,418
1,029	28,645	784
11,429	75,754	4,190
20,228	151,584	2,704
288,619	1,192,377	141,490
-	811,477	-
620,276	4,619,513	211,586
1,002,700	5,959,948	367,124
168,326	3,932,783	126,191
-	1,534,833	-
-	239,986	-
-	133,671	-
226,281	358,752	-
64,534	401,356	-
(15,769)	(495,549)	(143,208)
443,372	6,105,832	(17,017)
$ 1,446,072	$ 12,065,780	$ 350,107
Total Fund Equity Reported Above	$ 6,105,832	
Adjustment to Reflect the Consolidation of Internal Service Activities Related to Enterprise Funds	4,351	
Net Assets of Business-type Activities	$ 6,110,183	

Statement of Revenues, Expenses, and Changes in Fund Equity - Proprietary Funds For the Fiscal Year Ended June 30, 2010

(In Thousands)

	Business-type Activities - Enterprise Funds			
	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Operating Revenues:				
Charges for Goods and Services	$ 29,727	$ -	$ -	$ -
Participant and Employer Contributions	-	-	-	828,643
Tuition and Fees	-	-	1,007,912	-
Federal Grants and Contracts	-	-	912,176	-
Local and Private Grants and Contracts	-	-	229,892	-
Sales and Services of Educational Activities	-	-	285,243	-
Sales and Services of Auxiliary Enterprises	-	-	350,677	-
Sales and Services to UW Hospital Authority	-	-	55,469	-
Investment and Interest Income	-	28,417	-	-
Interest Income Used as Security for Revenue Bonds	-	19,885	-	-
Miscellaneous:				
Federal Aid for Unemployment Insurance Program	-	-	-	1,711,458
Reimbursing Financing Revenue	-	-	-	109,652
Other	-	48	239,249	10,024
Total Operating Revenues	29,727	48,351	3,080,618	2,659,776
Operating Expenses:				
Personal Services	508	4,491	2,793,586	-
Supplies and Services	247	1,966	1,006,863	-
Lottery Prize Awards	-	-	-	-
Scholarships and Fellowships	-	-	140,529	-
Depreciation	4	2	200,220	-
Benefit Expense	57,692	-	-	3,416,939
Interest Expense	-	39,387	-	-
Other Expenses	-	-	5,046	-
Total Operating Expenses	58,451	45,847	4,146,244	3,416,939
Operating Income (Loss)	(28,724)	2,504	(1,065,626)	(757,163)
Nonoperating Revenues (Expenses):				
Operating Grants	-	140,550	-	-
Investment and Interest Income	67,995	719	40,673	-
Investment Income Used as Security for Revenue Bonds	-	14,097	-	-
Gain (Loss) on Disposal of Capital Assets	-	-	(13,160)	-
Interest Expense	(68)	-	(39,795)	-
Gifts and Donations	-	-	233,698	-
Miscellaneous Revenues	4	-	18,058	89,289
Other Expenses:				
Property Tax Credits	-	-	-	-
Grants Disbursed	-	(102,747)	-	-
Federal Settlement	-	-	-	-
Other	-	-	-	-
Total Nonoperating Revenues (Expenses)	67,931	52,620	239,474	89,289
Income (Loss) Before Contributions and Transfers	39,206	55,124	(826,152)	(667,874)
Capital Contributions	-	-	108,637	-
Additions to Endowments	-	-	1,232	-
Transfers In	202,588	23,687	1,171,726	-
Transfers Out	(14)	(15,098)	(161,153)	(4,558)
Net Change in Fund Equity	241,780	63,714	294,290	(672,432)
Total Fund Equity, Beginning of Year	(108,982)	1,492,284	4,599,726	(247,920)
Total Fund Equity, End of Year	$ 132,798	$ 1,555,998	$ 4,894,016	$ (920,352)

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Nonmajor Enterprise	Totals	
$ 792,441	$ 822,167	$ 258,323
1,198,935	2,027,578	-
-	1,007,912	-
-	912,176	-
-	229,892	-
-	285,243	-
-	350,677	-
-	55,469	-
16,412	44,829	-
-	19,885	-
-	1,711,458	-
-	109,652	-
1,121	250,442	231
2,008,909	7,827,381	258,554
303,668	3,102,254	53,385
159,764	1,168,839	139,651
273,008	273,008	-
-	140,529	-
12,854	213,080	17,115
1,232,660	4,707,291	20,048
15,728	55,115	-
23,491	28,537	-
2,021,172	9,688,653	230,198
(12,263)	(1,861,272)	28,356
1,562	142,112	-
68,007	177,394	24
-	14,097	-
(536)	(13,695)	(338)
(1,823)	(41,687)	(7,114)
563	234,261	-
21,232	128,583	5,000
(114,330)	(114,330)	-
(3,636)	(106,384)	-
-	0	(8,226)
(41)	(41)	-
(29,004)	420,310	(10,654)
(41,267)	(1,440,962)	17,701
1,289	109,926	-
-	1,232	-
79,829	1,477,830	7,157
(34,330)	(215,153)	(24,916)
5,521	(67,127)	(57)
437,851	6,172,959	(16,960)
$ 443,372	$ 6,105,832	$ (17,017)

Total Net Change in Fund Equity Reported Above	$ (67,127)
Consolidation Adjustment of Internal Services Activities Related to Enterprise Funds	6,119
Change in Net Assets of Business-Type Activities	$ (61,008)

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2010

(In Thousands)

	Business-type Activities - Enterprise Funds			
	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Cash Flows from Operating Activities:				
Cash Receipts from Customers	$ 29,115	$ -	$ -	$ 757,688
Cash Payments to Suppliers for Goods and Services	(232)	(2,791)	(993,735)	-
Cash Payments to Employees for Services	(496)	(3,561)	(2,735,054)	-
Tuition and Fees	-	-	1,016,565	-
Grants and Contracts	-	-	1,147,261	-
Cash Payments for Lottery Prizes	-	-	-	-
Cash Payments for Loans Originated	-	-	(21,145)	-
Collection of Loans	-	-	22,470	-
Interest Income	-	-	-	-
Cash Payments for Benefits	(12,027)	-	-	(3,421,468)
Sales and Services of Educational Activities	-	-	284,192	-
Sales and Services of Auxiliary Enterprises	-	-	342,722	-
Sales and Services to UW Hospital Authority	-	-	52,970	-
Scholarships and Fellowships	-	-	(140,529)	-
Other Operating Revenues	-	48	238,008	1,806,024
Other Operating Expenses	-	-	-	-
Other Sources of Cash	4	-	-	-
Other Uses of Cash	-	-	-	-
Net Cash Provided (Used) by Operating Activities	16,364	(6,304)	(786,274)	(857,755)
Cash Flows from Noncapital Financing Activities:				
Operating Grants Receipts	-	140,090	-	-
Grants Disbursed	-	(102,747)	-	-
Proceeds from Issuance of Debt	-	139,159	-	-
Repayment of Bonds and Notes	-	(81,855)	-	-
Interest Payments	(68)	(43,012)	-	-
Property Tax Credit Payments	-	-	-	-
Noncapital Gifts and Grants	-	-	234,930	-
Interfund Loans Received	-	-	-	-
Interfund Loans Repaid	(76,832)	-	-	-
Repayment of Interfund Borrowings	-	-	172,579	-
Interfund Advances Collected	-	-	-	-
Transfers In	-	23,687	1,062,916	-
Transfers Out	(14)	(15,098)	(161,153)	(3,109)
Student Direct Lending Receipts	-	-	117,344	-
Student Direct Lending Disbursements	-	-	(119,172)	-
Other Cash Inflows from Noncapital Financing Activities	-	-	12,661	1,040,212
Other Cash Outflows from Noncapital Financing Activities	-	(2,477)	(229)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(76,914)	57,747	1,319,875	1,037,103
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Issuance of Debt	-	-	196,348	-
Capital Contributions	-	-	157,553	-
Repayment of Bonds and Notes	-	-	(44,537)	-
Interest Payments	-	-	(96,715)	-
Transfers In	-	-	-	-
Capital Lease Obligations	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Payments for Purchase of Capital Assets	(332)	(11)	(547,733)	-
Other Cash Inflows from Capital Financing Activities	-	-	79,022	-
Other Cash Outflows from Capital Financing Activities	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(332)	(11)	(256,063)	-
Cash Flows from Investing Activities:				
Proceeds from Sale and Maturities of Investment Securities	90,414	110,426	123,386	-
Purchase of Investment Securities	(5,404)	(112,897)	(123,748)	-
Cash Payments for Loans Originated	-	(180,324)	-	-
Collection of Loans	-	154,731	-	-
Investment and Interest Receipts	29,297	60,134	8,911	-
Net Cash Provided (Used) by Investing Activities	114,307	32,071	8,550	-
Net Increase (Decrease) in Cash and Cash Equivalents	53,424	83,503	286,088	179,348
Cash and Cash Equivalents, Beginning of Year	-	314,811	327,027	26,610
Cash and Cash Equivalents, End of Year	$ 53,424	$ 398,314	$ 613,115	$ 205,958

Business-type Activities - Enterprise Funds		Governmental Activities -
Nonmajor Enterprise	Totals	Internal Service Funds
$ 2,036,093	$ 2,822,896	$ 257,755
(128,248)	(1,125,006)	(151,792)
(312,384)	(3,051,496)	(52,188)
-	1,016,565	-
-	1,147,261	-
(287,667)	(287,667)	-
(14,227)	(35,372)	-
50,740	73,211	-
17,470	17,470	-
(1,216,234)	(4,649,729)	(28,320)
-	284,192	-
-	342,722	-
-	52,970	-
-	(140,529)	-
3,946	2,048,026	-
(46,454)	(46,454)	-
10,192	10,195	5,160
(4,619)	(4,619)	(8,226)
108,607	(1,525,362)	22,389
1,347	141,437	-
(3,585)	(106,332)	-
-	139,159	-
(44,790)	(126,645)	-
(15,366)	(58,446)	(1)
(112,786)	(112,786)	-
-	234,930	-
7,222	7,222	27,010
(22,740)	(99,572)	(497)
-	172,579	-
-	-	25
79,536	1,166,140	7,075
(23,736)	(203,111)	(25,008)
-	117,344	-
-	(119,172)	-
2,069	1,054,943	-
-	(2,707)	-
(132,829)	2,204,983	8,604
60	196,408	7,673
1,192	158,746	-
(2,780)	(47,317)	(12,877)
(1,924)	(98,639)	(7,423)
97	97	-
(287)	(287)	(197)
2	2	590
(27,818)	(575,894)	(20,986)
18,093	97,115	145
(15)	(15)	-
(13,379)	(269,785)	(33,075)
18,839	343,066	-
(9,179)	(251,228)	-
(266)	(180,590)	-
249	154,980	-
57,176	155,519	-
66,818	221,746	-
29,218	631,582	(2,081)
642,898	1,311,346	8,563
$ 672,116	$ 1,942,927	$ 6,481

(Continued)

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2010

(Continued)

	Business-type Activities - Enterprise Funds			
	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operations:				
Operating Income (Loss)	$ (28,724)	$ 2,504	$ (1,065,626)	$ (757,163)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	4	2	200,220	-
Amortization		(2,798)	-	-
Provision for Uncollectible Accounts	-	-	-	16,019
Operating Income (Investment Income) Classified as Investing Activity	-	(48,302)	-	-
Operating Expense (Interest Expense) Classified as Noncapital Financing Activity	-	42,023	-	-
Miscellaneous Nonoperating Income (Expense)	4	-	-	-
Changes in Assets and Liabilities:				
Decrease (Increase) in Receivables	55	384	(22,012)	(102,209)
Decrease (Increase) in Due from Other Funds	-	545	(62)	95
Decrease (Increase) in Due from Component Units	-	-	(2,499)	-
Decrease (Increase) in Due from Other Governments	-	-	14,462	36,275
Decrease (Increase) in Inventories	(1)	-	(824)	-
Decrease (Increase) in Prepaid Items	(1)	16	(7,923)	-
Decrease (Increase) in Other Assets	-	-	-	-
Decrease (Increase) in Deferred Charges	-	(934)	315	-
Increase (Decrease) in Accounts Payable and Other Accrued Liabilities	36	56	34,672	32,167
Increase (Decrease) in Due to Other Funds	(20)	11	(1,153)	2,558
Increase (Decrease) in Due to Component Units	-	-	(1,146)	-
Increase (Decrease) in Due to Other Governments	-	23	1,206	(85,498)
Increase (Decrease) in Tax and Other Deposits	-	-	-	-
Increase (Decrease) in Unearned Revenue	(667)	-	15,753	-
Increase (Decrease) in Interest Payable	-	162	-	-
Increase (Decrease) in Compensated Absences	5	-	13,588	-
Increase (Decrease) in Postemployment Benefits	8	4	34,752	-
Increase (Decrease) in Future Benefits and Loss Liabilities	45,665	-	-	-
Total Adjustments	45,088	(8,808)	279,352	(100,592)
Net Cash Provided (Used) by Operating Activities	$ 16,364	$ (6,304)	$ (786,274)	$ (857,755)
Noncash Investing, Capital and Financing Activities:				
Assets Acquired through Capital Leases	$ -	$ -	$ 2,719	$ -
Contributions/Transfer In (Out) of Noncash Assets and Liabilities from/to Other Funds	-	-	-	-
Lottery Prize Annuity Investment Liability	-	-	-	-
Net Change in Unrealized Gains and Losses	40,879	-	38,397	-
Other	(949)	-	41,587	-

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Nonmajor Enterprise	Totals	
$ (12,263)	$ (1,861,272)	$ 28,356
12,854	213,080	17,115
-	(2,798)	-
1,205	17,224	-
(262)	(48,565)	-
15,728	57,751	-
(7,064)	(7,060)	(3,226)
69,058	(54,724)	(1,109)
135	713	573
-	(2,499)	182
4,220	54,958	348
(53)	(878)	(1,211)
3,946	(3,961)	(26)
12	12	-
424	(194)	-
(16,903)	50,028	(8,543)
961	2,357	(2,668)
-	(1,146)	-
(95)	(84,364)	23
7,260	7,260	-
11,087	26,173	-
-	162	-
442	14,036	136
6,250	41,013	712
11,666	57,331	(8,272)
120,871	335,910	(5,966)
$ 108,607	$ (1,525,362)	$ 22,389
$ 160	$ 2,878	$ 768
85	85	-
3,839	3,839	-
11,079	90,355	-
13,226	53,864	(6)

Statement of Fiduciary Net Assets
June 30, 2010

(In Thousands)

	Pension and Other Employee Benefit Trust	Investment Trust	Private-Purpose Trust	Agency
Assets				
Cash and Cash Equivalents	$ 1,978,783	$ 2,606,744	$ 228,413	$ 22,910
Securities Lending Collateral	5,352,727	-	-	-
Prepaid Items	21,180	-	771	-
Receivables (net of allowance):				
Loans Receivable	-	-	126	-
Prior Service Contributions Receivable	180,764	-	-	-
Benefits Overpayment Receivable	3,612	-	-	-
Due from Other Funds	54,265	-	-	1,106
Due from Component Units	3,816	-	-	-
Interfund Receivables	154,370	-	-	-
Due from Other Governments	139,223	-	6,185	-
Due from Employers	-	-	-	1,910
Interest and Dividends Receivable	209,852	-	-	-
Investment Sales Receivable	391,109	-	-	-
Other Receivables	4,087	-	4,405	4,442
Total Receivables	1,141,097	-	10,716	7,458
Investments:				
Fixed Income	20,769,425	-	-	-
Stocks	37,863,165	-	-	-
Options	(3,904)	-	-	-
Limited Partnerships	6,446,075	-	-	-
Preferred Securities	95,194	-	-	-
Convertible Securities	68,291	-	-	-
Mortgages	44,841	-	-	-
Real Estate	337,274	-	-	-
Investments of Private Purpose Trust Funds	-	-	2,045,517	-
Investments of Agency Funds	-	-	-	740
Multi-asset Investments	1,073,264	-	-	-
External Investment Pool	579,374	-	-	-
Total Investments	67,273,000	-	2,045,517	740
Inventories	127	-	-	-
Capital Assets	2,558	-	3	-
Other Assets	-	-	-	303,730
Total Assets	75,769,472	2,606,744	2,285,419	$ 334,837
Liabilities				
Accounts Payable and Other Accrued Liabilities	161,034	-	48	$ 12,668
Securities Lending Collateral Liability	5,352,727	-	-	-
Annuities Payable	263,917	-	-	-
Advance Contributions	167	-	-	-
Due to Other Funds	69,273	347	161	-
Interfund Payables	154,370	-	-	-
Due to Other Governments	32,877	-	-	-
Tax and Other Deposits	-	-	-	322,170
Future Benefits and Loss Liabilities	-	-	5,010	-
Financial Futures Contracts	137,394	-	-	-
Investment Payable	463,571	-	-	-
Unearned Revenue	431	-	14,351	-
Advances from Other Funds	-	-	167	-
Compensated Absences Payable	2,195,709	-	-	-
Other Postemployment Benefits	846	-	-	-
Total Liabilities	8,832,315	347	19,738	$ 334,837
Net Assets				
Held in Trust for Pension Benefits, Pool Participants and Other Purposes	$ 66,937,157	$ 2,606,398	$ 2,265,681	

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, 2010

(In Thousands)

	Pension and Other Employee Benefit Trust	Investment Trust	Private-Purpose Trust
Additions			
Contributions:			
Employer Contributions	$ 737,476	$ -	$ -
Employee Contributions	790,131	-	-
Other	-	-	85
Total Contributions	1,527,607	-	85
Deposits	-	10,124,021	282,683
Premiums			178,357
Federal Subsidy			12,896
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	7,152,017	-	-
Interest	570,553	-	-
Dividends	676,767	-	-
Securities Lending Income	21,765	-	-
Other	79,454	-	-
Investment Income of Investment, Private Purpose, and Other Employee Benefit Trust Funds	285,827	23,581	261,295
Less:			
Investment Expense	(240,765)	(679)	(5,926)
Securities Lending Rebates and Fees	(1,071)	-	-
Investment Income Distributed to Other Funds	(322,816)	-	-
Net Investment Income	8,221,731	22,902	255,368
Interest on Prior Service Receivable	13,986	-	-
Miscellaneous Income	380	-	2
Total Additions	9,763,704	10,146,924	729,390
Deductions			
Retirement Benefits and Refunds:			
Retirement, Disability, and Beneficiary	3,814,863	-	-
Separations	26,752	-	-
Total Retirement Benefits and Refunds	3,841,616	-	-
Distributions	24,403	10,877,829	193,556
Other Benefit Expense	179,001	-	187,754
Administrative Expense	19,242	344	10,810
Miscellaneous Expense	98	-	-
Transfers Out	337	-	6
Total Deductions	4,064,697	10,878,173	392,125
Net Increase (Decrease)	5,699,007	(731,249)	337,265
Net Assets - Beginning of Year	61,238,150	3,337,647	1,928,416
Net Assets - End of Year	$ 66,937,157	$ 2,606,398	$ 2,265,681

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 (BTASC) 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 administer 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.

In April, 2009, BTASC legally defeased its outstanding bonds as a result of a sale of its TSRs to the State. BTASC will remain active to pay remaining costs associated with the defeased bonds held until 2012 when the bonds are scheduled to be paid in full by the trust.

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.

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.

Wisconsin Quality Home Care Authority – created under Wis. Stat. Section 52.05(1) as a public body corporate and politic to establish and maintain one or more registries of home care providers, and provide referral and matching services for consumers in need of home care.

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 University of Wisconsin Foundation, 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 except for tobacco settlement revenues for which just one-half of revenues expected to be received within one year are recognized. 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.

- *Common School Fund* – a permanent fund, accounts for revenues received from the sale of federally granted land, fines and forfeitures from penal law branches, and the disposal of escheated property. These moneys are used for public purpose loans to municipalities and school districts. Earnings of this fund are distributed to local school districts and to cover administrative costs incurred by the Public Lands Commission.

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 is 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.

Deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period, while a deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period. Deferred outflows and inflows are reported on the government-wide statement of net assets and the balance sheet of proprietary funds, as applicable, but are not considered either assets or liabilities.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires that all derivative instruments be measured at fair value and reported on the State's financial statements. The change in the fair value of derivative instruments classified as effective hedges are presented as a deferred outflow or inflow of resources with an off-setting asset or liability, as applicable, on the government-wide statement of net assets or balance sheet of proprietary funds. If an effective hedge is subsequently classified as ineffective, it is considered an investment derivative instrument. At that time, the change in fair value is no longer deferred but rather is reported as investment revenue in the government-wide statement of activities or as non-operating investment revenue in proprietary statements.

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 stocks 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 and University of Wisconsin System
University	University of Wisconsin System
Benevolent	General

Component Units

Investments (reported as cash equivalents) of the Badger Tobacco Asset Securitization Corporation, a blended component unit, are reported at fair value.

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 unearned revenues, to indicate that these accounts do not represent expendable available financial resources.

7. Capital Assets

Capital assets, which include property, plant, equipment, intangibles, 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. In addition, internally generated intangible assets are capitalized only if costs equal to or are greater than $1.0 million. 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 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 certain other capital assets including the State Capitol and Executive Residence and associated furnishings, 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, 2010, 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 $474.1 million representing one-half of the total appropriated amount is reported at June 30, 2010 as Due to Other Governments.

State Property Tax Credit Program

At June 30, 2010, the State was liable to various taxing jurisdictions for the school levy, the first dollar, and the lottery property tax credits paid through the State Property Tax Credit Program.

The school levy tax credit provides property tax relief in the form of State credits on individual property tax bills.

The first dollar tax credit was first established for property taxes levied in 2008, and payable in 2009. This credit is allowed on every taxable real estate parcel containing an improvement in the state.

Under the lottery property tax credit, 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.

State statutes require that payment to local taxing jurisdictions for the school levy and first dollar tax credits be made during July. Although the state 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, and school districts).

The portion of the liability payable to school districts for the school levy and first dollar tax credits 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, 2010.

The portion of the liability payable to general government for the school levy and first dollar tax credits 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, 2010.

The aggregated State Property Tax Credit Program liability of $677.1 million is reported in the General Fund as Due to Other Governments. Of that amount, $569.0 million relates to the school levy tax credit and $108.1 million relates to the first dollar tax credit. Beginning with the State's fiscal year 2010, a portion of the school tax credit of $11.3 million is funded by the Lottery Fund.

The lottery tax credit is accounted for in the Lottery Fund, an enterprise fund that records revenues and expenses on the accrual basis. The State pays municipal treasurers for lottery credits who distribute the moneys to the various taxing jurisdictions. For credits reducing the calendar year 2010 property tax bills, the State made this payment in March 2010. 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 2010, while the remaining portion represents a prepaid item. The resulting prepaid item reported within the Lottery Fund totals $26.9 million at June 30, 2010.

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, 2010, the State was liable to various local governments and other taxing jurisdictions for unpaid exempt computer aid payments of $54.1 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.

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. In general, 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, 2010, 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, and prepaid items.

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, 2010, 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	$ 901,991	$ -	$ 6,481	$ -	$ 908,472
Investments	69,252	-	-	-	69,252
Receivables (net of allowance):					
Taxes	1,188,978	-	-	(1,188,978)	-
Loans to Local Governments	677,377	-	-	(677,377)	-
Other Loans Receivable	49,917	-	-	(49,917)	-
Other Receivables	438,091	2,689	1,860	3,133,479	3,576,119
Due from Other Funds	361,782	-	49,383	(411,165)	-
Due from Component Units	231	-	-	(231)	-
Due from Other Governments	1,147,424	-	-	(1,147,424)	-
Internal Balances	-	-	(4,351)	(495,655)	(500,006)
Inventories	26,771	953	5,181	-	32,905
Prepaid Items	191,948	-	624	-	192,572
Advances to Other Funds	167	-	-	(167)	-
Restricted Assets:					
Cash and Cash Equivalents	108,239	-	-	-	108,239
Investments	110,824	-	-	-	110,824
Deferred Charges	-	77,743	563	-	78,306
Other Assets	24,078	-	-	-	24,078
Depreciable Capital Assets	-	1,336,509	259,304	-	1,595,813
Infrastructure	-	12,374,551	-	-	12,374,551
Other Non-depreciable Capital Assets	-	3,499,749	26,712	-	3,526,461
Other Deferred Outflows	-	130,745	-	-	130,745
Total Assets	$ 5,297,071	$ 17,422,939	$ 345,757	$ (837,436)	$ 22,228,330
Liabilities:					
Accounts Payable and Other Accrued Liabilities	$ 1,124,764	$ -	$ 13,322	$ 33,985	$ 1,172,071
Due to Other Funds	323,982	-	91,576	(415,558)	-
Interfund Payables	247,352	-	-	(247,352)	-
Due to Other Governments	2,214,479	-	-	-	2,214,479
Tax Refunds Payable	1,375,743	-	-	-	1,375,743
Tax and Other Deposits	64,323	-	-	-	64,323
Unearned Revenue/Deferred Revenue	695,657	(289,135)	-	-	406,523
Interest Payable	45,689	62,424	-	-	108,113
Advances from Other Funds	208,512	-	-	(208,512)	-
Short-term Notes Payable	782,608	-	7,712	-	790,320
Other Liabilities	-	130,745	-	-	130,745
Long-term Liabilities:					
Current Portion	77,195	419,540	42,929	-	539,664
Noncurrent Portion	-	9,631,585	211,586	-	9,843,171
Total Liabilities	7,160,304	9,955,159	367,124	(837,436)	16,645,151
Fund Balances/Net Assets	(1,863,233)	7,467,780	(21,368)	-	5,583,179
Total Liabilities and Fund Balances/Net Assets	$ 5,297,071	$ 17,422,939	$ 345,757	$ (837,436)	$ 22,228,330

(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, 2010, 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	$ 13,225,609	$ -	$ -
Income Taxes	-	21,132	-
Sales & Excise Taxes	-	(25,689)	-
Public Utility Taxes	-	-	-
Other Taxes	-	(182)	-
Motor Fuel (Transportation) Taxes	-	(352)	-
Other Dedicated Taxes	-	(143)	-
Intergovernmental	10,258,850	-	-
Operating Grants	-	-	750
Capital Grants	-	-	7,995
Licenses and Permits	1,819,994	-	-
Charges for Goods and Services	330,513	(4,990)	-
Investment and Interest Income	40,413	-	-
Fines and Forfeitures/Contributions to Permanent Fund	66,140	-	-
Gifts and Donations	19,295	-	-
Miscellaneous:		3,764	(2,613)
Tobacco Settlement	136,841	-	-
Other	250,139	-	-
Total Revenues	26,147,794	(6,460)	6,132
Expenditures/Expenses:			
Current Operating:			
Commerce	333,287	2,290	809
Education	6,624,497	1,421	3,370
Transportation	2,244,078	4,270	28,400
Environmental Resources	476,613	3,934	10,607
Human Relations and Resources	11,417,637	22,658	63,224
General Executive	637,175	(3,110)	7,377
Judicial	125,803	1,559	2,608
Legislative	64,071	688	371
Tax Relief and Other General Expenditures	1,289,265	-	-
Intergovernmental - Shared Revenue	1,032,162	-	-
Capital Outlay	780,325	-	(780,325)
Debt Service:			
Principal	117,568	-	-
Interest and Other Charges	487,852	1,619	-
Total Expenditures/Expenses	25,630,333	35,329	(663,559)
Excess of Revenues Over (Under) Expenditures/Expenses	517,462	(41,789)	669,691
Other Financing Sources (Uses):			
Net Transfers	(1,245,153)	-	(66)
Long-term Debt Issued	1,098,112	-	-
Premium/Discount on Bonds	62,385	-	-
Payments for Refunded Bonds	(349,907)	-	-
Capital Lease Acquisitions	10,044	(10,044)	-
Installment Purchase Acquisitions	1,428	(1,428)	-
Total Other Financing Sources (Uses)	(423,092)	(11,472)	(66)
Net Change in Fund Balance	94,370	$ (53,261)	$ 669,625
Change in Reserve for Inventories	(9,346)		
Net Change for the Year	$ 85,024		

(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
$ -	$ -	$ -	$ (13,225,609)	$ -
-	-	-	6,777,558	6,798,690
-	-	-	4,725,976	4,700,287
-	-	-	309,983	309,983
-	-	-	217,669	217,488
-	-	-	1,008,400	1,008,047
-	-	-	186,023	185,881
-	-	-	(10,258,850)	-
-	-	75,915	9,212,290	9,288,956
-	-	-	1,101,442	1,109,437
-	-	-	(1,819,994)	-
21,277	-	(15,356)	1,867,639	2,199,083
24	-	-	(35,589)	4,847
-	-	-	(47,643)	18,498
-	-	-	(19,295)	-
-	-	-	387,322	388,473
-	-	-	(136,841)	-
-	-	-	(250,139)	-
21,301	-	60,560	342	26,229,670
(1,310)	-	(5,669)	547	329,954
(750)	-	34,264	44	6,662,846
(2,536)	209	-	7,228	2,281,649
(1,770)	(1,943)	(38)	(42)	487,361
(9,025)	2,033	41,651	1,304	11,539,481
18,393	-	(9,649)	10	650,196
(217)	-	-	-	129,753
(175)	277	-	-	65,232
(5)	2,310	-	(3,415)	1,288,156
-	-	-	-	1,032,162
-	-	-	-	-
-	(117,568)	-	-	-
7,114	(32,401)	-	3,666	467,850
9,719	(147,084)	60,560	9,342	24,934,639
11,582	147,084	-	(9,000)	1,295,031
(17,759)	-	-	(346)	(1,263,325)
-	(1,098,112)	-	-	-
-	(62,385)	-	-	-
-	349,907	-	-	-
-	-	-	-	-
-	-	-	-	-
(17,759)	(810,590)	-	(346)	(1,263,325)
$ (6,177)	$ (663,506)	$ 0	(9,346)	31,706
			9,346	-
			$ 0	$ 31,706

(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, 2010 are (in thousands):

Special Revenue:		
Petroleum Inspection	$	68,597
Dry Cleaner Environmental Response		2,158
Police and Fire Protection		252
VendorNet		2,789
Capital Projects:		
Capital Improvement		527,822
Transportation Revenue Bonds		160,955
Enterprise:		
Unemployment Reserve		920,352
Winnebago Mental Health Institute		334
Northern Developmental Disabilities Center		17,341
Southern Developmental Disabilities Center		12,627
Life Insurance		306
Internal Service:		
Technology Services		21,708
Risk Management		86,176
Pension and Other Employee Benefit Trust:		
Accumulated Sick Leave		393,157

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, 2010 (in thousands):

Governmental Activities:		
Net Assets Restricted by External Parties or for Constitutional Purposes	$	1,026,781
Net Assets Restricted by Enabling Legislation		98,235
Business-type Activities:		
Net Assets Restricted by External Parties or for Constitutional Purposes		2,432,900
Net Assets Restricted by Enabling Legislation		235,708

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, 2010, $192.0 million of the primary government's bank balance of $217.4 million (excluding two bank overdrafts totaling $2.3 thousand in bank accounts that are covered by compensating balances in other accounts) was exposed to custodial credit risk as follows (in millions):

Uninsured and uncollateralized	$	192.0

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, 2010 are immaterial. The primary government does not have a formal policy specifically related to foreign currency risk.

The State's Unemployment Reserve Fund had $232.4 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, 2010, the Wisconsin Health Care Liability Insurance Plan at December 31, 2009, the University of Wisconsin Hospitals and Clinics Authority at June 30, 2010, the University of Wisconsin Foundation at December 31, 2009, and the State Fair Park Exposition Center, Inc. at December 31, 2009 was $263.6 million.

As of their fiscal year end, $260.8 million of the component units' bank balance of $263.6 million was exposed to custodial credit risk as follows (in millions):

Uninsured and uncollateralized	$	260.8

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 15.0 percent marketable equities, 65.0 percent fixed income, 10.0 percent alternatives and 10.0 percent cash. These target allocations were last affirmed/approved in December 2009.

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. 25.182 authorizes the Board to manage the core retirement trust fund in accordance with "prudent investor" standard of responsibility as described in Wis. Stat. Sec. 25.15(2) which requires that the Board manage the funds with the diligence, skill and care that a prudent person acting in a similar capacity and with the same resources would use in managing a large public pension fund.

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, 2010, the reported amount of investments of the primary government, including the various funds, was $4,403.7 million, of which $286.9 million is reported as cash equivalents and $327.0 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, 2010, the primary government had no custodial credit risk exposure for these investments.

University of Wisconsin System (UWS)

At June 30, 2010, the UWS investments were $365.8 million, of which $26.7 million is reported as cash equivalents. The UWS's investments are registered in the name of the UWS and the UWS does not participate in any securities lending programs through its custodian bank. Investment securities underlying the UWS's investment in shares of external investment pools or funds are in custody at those funds. The shares owned in these external investment pools are registered in the name of the UWS.

Wisconsin Retirement System (WRS)

At June 30, 2010, the WRS investments were $66.6 billion. The WRS does not have a formal policy for custodial credit risk. As of June 30, 2010, the WRS held eighteen tri-party repurchase agreements totaling $787.0 million. 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, 2010, 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	$ 132.1	$ 26.0	$ 21.2	$ 7.8	$ 187.1
State and municipal bonds and notes	25.7	49.4	55.4	85.7	216.2
Negotiable certificates of deposit	.7	--	--	--	.7
Repurchase agreements	7.6	--	--	--	7.6
Forward delivery agreements	47.7	--	--	--	47.7
Guaranteed investment agreements	21.8	--	--	--	21.8
Money market funds	204.1	--	--	--	204.1
Mutual funds – open ended	35.1	615.4	1.6	.3	652.4
Total	$ 474.9	$ 690.8	$ 78.2	$ 93.8	$ 1,337.6

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 the weighted average life is 4.5 and 5.73 years respectively.

As of May 31, 2010, the Badger Tobacco Asset Securitization Corporation's investments were as follows (in millions):

Investment	**Fair Value**	**Weighted Average Maturity (Years)**
Dreyfus Cash Mgmt 288 Inst'l	$ 6.8	0.08
Federated Tax-free Obligations Fund 15	1.6	0.02
Total Fair Value	$ 8.4	
Portfolio weighted average maturity		0.10

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, 2010, 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	$ 10.2	.95	$ 38.3	15.66	$ 195.7	4.72	$ --	--	$ 6.1	4.42
Corporate	10.7	1.58	57.6	17.48	294.2	5.43	--	--	0.7	4.90
Bond Funds	--	--	--	--	--	--	2.3	5.50	--	--
Total/Average	$ 20.9	1.28	$ 95.9	16.75	$ 489.9	5.15	$ 2.3	5.50	$ 6.8	4.47

University of Wisconsin System (UWS)

The UWS uses the option adjusted duration method to analyze interest rate risk.

As of June 30, 2010, the UWS had interest rate risk statistics as detailed below (in millions):

UWS

Fixed Income Sector	Fair Value	Modified Duration
Corporate and other credit	$ 11.8	4.56
Government	9.2	5.02
Collateralized mortgage obligations: U. S. Agencies	11.3	1.91
U.S. private placements	4.5	3.38
Asset backed securities	3.1	.40
Collateralized mortgage obligations: Corporate	3.1	2.24
U.S. Agencies	3.8	2.65
Commercial mortgage backed securities	.9	1.18
Treasury inflation protected securities	26.9	5.16
Total	$ 74.7	
Fixed Income Commingled		
Seix Advisors High Yield Fund	$ 19.1	4.74

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, 2010, 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	$ 51.0	3.30
Asset Backed Securities	11.6	N/A
Certificates of Deposit	4.5	0.08
Commercial Paper	76.9	0.18
Corporate Bonds/Private Placements	4,920.6	4.90
Corporate Bonds/Private Placements	30.6	N/A
Futures Contracts	(544.7)	6.73
Futures Contracts	2.5	N/A
Government Agency	485.6	2.88
Commercial Mortgages	44.8	2.24
Municipal Bonds	47.3	13.02
Repurchase Agreements	49.7	0.00
Sovereign Debt	3,053.7	7.09
United States Treasury Securities	4,060.5	7.33
	$12,294.6	

Intermediate and Long Term Collective Trust Funds	Fair Value	Modified Duration (Years)
Emerging Market Fixed Income	$ 257.5	8.03
Global Fixed Income	526.7	5.79
Domestic Fixed Income	7,528.6	5.34
	$8,312.8	

	Fair Value	Weighted Average Maturity (days)
Short Term Collective Trust Funds	$ 55.2	38

Securities Lending Collateral Pool	Fair Value	Weighted Average Maturity (days)
Asset Backed Securities	$ 164.7	36
Certificates of Deposit	1,070.6	40
Commercial Paper	1,352.4	34
Corporate Bonds	1,653.6	35
Repurchase Agreements	737.3	1
	$4,978.6	

*Notional amount presented for futures contracts

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, 2010, 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	$ 217.1
AA	565.0
A	187.5
B	.1
Not Rated	639.9
Total	$ 1,609.6

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, 2010, 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	$ 20.9	$ 39.4	$ 204.7	$ --	$ 6.1
AA	--	4.6	16.4	--	.1
A	--	31.6	154.7	--	.4
BBB	--	18.7	91.4	--	--
BB	--	1.0	19.4	--	.2
B	--	.6	3.3	--	--
CCC	--	--	--	--	--
Not rated	--	--	--	2.3	--
Totals	$ 20.9	$ 95.9	$ 489.9	$ 2.3	$ 6.8

University of Wisconsin System (UWS)

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For the Long Term Fund, fund-level asset allocation constraints limit exposure to below investment grade debt securities to no more than 10.0 percent; for the Intermediate Term Fund, exposure is limited to 6.0 percent. The UWS currently holds below investment grade securities within commingled vehicles representing 5.5 percent of total assets of the Long Term Fund and 4.3 percent of total assets of the Intermediate Term Fund. In addition, actively-managed, investment grade fixed income separate accounts must maintain an average portfolio quality of AA by Standard & Poor's and/or Aa by Moody's, and hold only securities rated BBB- by Standard & Poor's and/or Baa3 by Moody's or higher. Credit risk guidelines for all mutual or commingled funds used are carefully reviewed and monitored. As of June 30, 2010, the actively-managed, investment grade fixed income separate accounts held a Windsor Financing, LLC security in the amount of $84 thousand rated Ba3 by Moody's and B+ by Standard & Poor's and a Keystone Owner Trust security in the amount of $10 thousand rated Caa1 by Moody's and unrated by Standard & Poor's.

The following schedule displays the credit rating as provided by Moody's Investor Service on debt securities held as of June 30, 2010 (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	$ 69.0
Aa1	.2
Aa2	1.6
Aa3	1.8
A1	2.0
A2	1.3
A3	3.5
Baa1	1.6
Baa2	4.0
Baa3	.6
Ba2	6.5
Ba3	.1
B2	10.5
Caa2	.9
Unrated and Unrated Pooled Cash	30.0
Total	$ 133.6

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, 2010 (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	$ 2,469.5
Aaa or AAA	6,436.7
Aa3 to Aa1 or AA- to AA+	2,364.6
A3 to A1 or A- to A+	2,467.8
Baa3 to Baa1 or BBB- to BBB+	1,507.5
Ba3 to Ba1 or BB- to BB+	449.2
B3 to B1 or B- to B+	529.6
Caa1 to Caa3 or CCC- to CCC+	193.7
Ca1 to Ca3 or CC- to CC+	21.6
C	7.8
Commingled or pooled	10,232.9
Not rated	1,367.4
Total	$ 28,048.3

Reverse Repurchase Agreements

SWIB had $107.5 million reverse repurchase agreements outstanding at June 30, 2010. Investment guidelines permit certain portfolios to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase the exact securities in the future at the same price plus a stated rate of interest. The market value of the securities underlying reverse repurchase agreements exceeds the cash received, providing the dealers a margin against a decline in market value of the securities. If the dealers default on their obligations to resell these securities or providing cash equal value, SWIB would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. This credit exposure at year-end was $3.1 million.

Since the proceeds from reverse repurchase agreements are used for short-term financings, the maturities of the purchases made with the proceeds of reverse repurchase agreements are not matched to the maturities of the agreements. The repurchase agreement transactions as of June 30, 2010, had underlying collateral with fair values of approximately 103 percent of the cost of the repurchase agreements. The agreed-upon yields were between .24 percent and .28 percent with maturity dates through August 5, 2010.

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 4.5 percent and State of Wisconsin general obligation bonds with approximately 1.4 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, 2010, none of the various funds had more than five percent of their total investments in a single issuer.

University of Wisconsin System (UWS)

Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. Actively-managed, fixed income separate accounts are limited to holding no more than 7.0 percent in any one issuer (U.S. Government/Agencies are exempted). Credit concentration guidelines for all mutual or commingled funds used are carefully reviewed and monitored. During fiscal year 2010, the largest concentration by a non-U.S. Government/Agency was New Valley Generation with 0.5 percent of total Trust Funds 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, 2010, 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, 2010, the various funds did not own any issues denominated in a foreign currency.

University of Wisconsin System (UWS)

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of June 30, 2010, the Long Term and Intermediate Term Funds held equity securities denominated in foreign currencies within pooled investment vehicles only, with market values totaling $87.3 million and $4.6 million, respectively, compared to prior fiscal year amounts of $76.0 million and $4.2 million, respectively. Some of the trades for such foreign positions will not settle in foreign currencies until after the fiscal year end. For the Long Term and Intermediate Term Funds, it is generally expected and desired that foreign currency exposure is not hedged, as this enhances the diversification benefits from non-U.S. investments. Foreign currency management practices and policies for mutual or commingled funds used are carefully reviewed and monitored.

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, 2010, the following assets were denominated in the following currencies (in millions):

Currency Exposure by Investment Type

Currency	Cash and Cash Equivalents	Commercial Mortgages	Convert-ible Securities	Options	Stocks	Fixed Income	Financial Futures	Multi-Asset	Preferred Securities	Limited Partner-ships	Real Estate	Total
Australian Dollar	.9	--	--	--	434.3	36.1	(8.8)	--	--	--	--	462.5
Brazil Real	2.4	--	--	--	34.2	29.2	--	--	65.4	--	--	131.2
British Pound Sterling	2.7	--	--	--	1,860.5	200.5	(20.7)	--	--	86.7	--	2,129.7
Canadian Dollar	3.6	--	--	--	600.8	89.3	(5.3)	--	--	32.9	--	721.3
Columbian Peso	--	--	--	--	--	8.8	--	--	--	--	--	8.8
Czech Koruna	--	--	--	--	12.1	--	--	--	--	--	--	12.1
Danish Krone	.4	--	--	--	72.6	25.6	--	--	--	--	--	98.6
Euro Currency Unit	63.8	--	--	--	2,526.8	1,075.6	(19.3)	--	9.3	604.2	--	4,260.4
Hong Kong Dollar	1.2	--	--	--	371.3	--	--	--	--	--	--	372.5
Hungarian Forint	.4	--	--	--	1.3	4.8	--	--	--	--	--	6.5
Indian Rupee	.7	--	--	--	163.9	--	--	--	--	--	--	164.6
Indonesian Rupian	--	--	--	--	14.3	21.4	--	--	--	--	--	35.7
Israeli Shekel	.4	--	--	--	5.4	--	--	--	--	--	--	5.8
Japanese Yen	19.2	--	--	--	1,764.6	1,012.7	(8.2)	--	--	--	--	2,788.3
Malaysian Ringgit	.7	--	--	--	55.0	45.7	--	--	--	--	--	101.4
Mexican New Peso	.7	--	--	--	43.1	31.0	--	--	--	--	--	74.8
Moroccan Dirham	--	--	--	--	1.8	--	--	--	--	--	--	1.8
New Taiwan Dollar	1.9	--	--	--	178.7	--	--	--	--	--	--	180.6
New Turkish Lira	.3	--	--	--	47.1	--	--	--	--	--	--	47.4
New Zealand Dollar	--	--	--	--	.7	9.7	--	--	--	--	--	10.4
Norwegian Krone	.2	--	--	--	34.4	15.9	--	--	--	--	--	50.5
Peruvian Nuevo Sol	--	--	--	--	--	5.2	--	--	--	--	--	5.2
Philippines Peso	.3	--	--	--	3.7	--	--	--	--	--	--	4.0
Polish Zloty	.5	--	--	--	24.7	30.8	--	--	--	--	--	56.0
Russian Rubel	--	--	--	--	--	1.0	--	--	--	--	--	1.0
South African Rand	1.2	--	--	--	36.5	11.0	--	--	--	--	--	48.7
Singapore Dollar	.4	--	--	--	111.1	--	--	--	--	--	--	111.5
South Korean Won	.3	--	--	--	208.9	8.8	--	--	5.2	--	--	223.2
Swedish Krona	.4	--	--	--	87.7	30.6	--	--	--	4.0	--	122.7
Swiss Franc	.5	--	--	--	497.0	--	--	--	--	--	--	497.5
Thailand Baht	.1	--	--	--	67.5	--	--	--	--	--	--	67.6
United States Dollar	634.2	44.8	68.3	(3.9)	28,603.3	18,069.3	(75.2)	1,073.3	15.3	5,718.2	337.3	54,484.9
Uruguayan Peso	--	--	--	--	--	8.3	--	--	--	--	--	8.3
Total Investments by Currency Exposure	737.4	44.8	68.3	(3.9)	37,863.0	20,771.4	(137.5)	1,073.3	95.2	6,446.0	337.3	67,295.5

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. Collateral is marked to market daily and adjusted as needed to maintain the required minimum level.

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. During Fiscal Year 2010, the securities lending reinvestment pools' NAVs were below the typical money market fund market floor of 99.5 percent. The NAVs improved by the end of the fiscal year. As of June 30, 2010, the U.S. dollar cash collateral reinvestment pools' NAV was 99.60 percent while the foreign reinvestment pool had a NAV of 99.82 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 three days, which is shorter than the weighted average maturity of 28 days for investments made with the U.S. dollar cash collateral and the weighted average maturity of 20 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, 2010 the Tuition Trust Fund held interest only strips valued at $6.6 million representing approximately 72.9 percent of portfolio investments.

Wisconsin Retirement System (WRS)

Derivatives may be used to implement investment strategies for the Core and Variable Funds. All derivative instruments are subjected to risk analysis and monitoring processes at the portfolio, asset class and fund levels.

Investment guidelines define allowable derivative activity for each portfolio and are based on the investment objectives which have been approved by the Board. Where derivatives are permitted, guidelines stipulate allowable instruments and the manner in which they are to be used.

Investment guidelines have been established which provide minimum credit ratings for counterparties. Additionally, policies have been established which, where possible, seek to provide master netting arrangements with counterparties to over-the-counter derivative transactions.

Gains and losses for all derivative instruments are reported in the Statement of Changes in Fiduciary Net Assets.

Foreign Currency Spot and Forward Contracts — Currency exposure management is permitted through the use of exchange traded currency instruments, and through the use of over-the-

counter spot and forward contracts in foreign currencies. Direct hedging of currency exposure back to the U. S. dollar is permitted 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 some portfolios, 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.

No cash is exchanged when a foreign exchange spot or forward contract is initiated. Collateral postings are not required for foreign currency spot or forward contract counterparties. Net amounts due are paid or received on the contracted settle date. The net receivable or payable for spot and forward contracts is included in Other Receivables on the Statement of Fiduciary Net Assets. 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. Spot and forward contracts are valued daily with the changes in fair value included in the Net Appreciation (Depreciation) in Fair Value of Investments on the Statement of Changes in Fiduciary Net Assets.

Discretionary currency overlay strategies at the total fund level may be employed when currency market conditions suggest such strategies are warranted. Only the currencies of developed market countries in the MSCI ex US Index may be used to implement the currency overlay. Exchange-traded currency instruments and over-the-counter spot and forward contracts in foreign currencies are used to execute these strategies.

During the fiscal year currency exposure management involved the use of foreign currency spot and forward contracts. The following table presents the fair value of foreign currency spot and forward contract assets and liabilities held as of June 30, 2010 (in millions).

Foreign Currency Spot and Forward Contracts

Currency	Notional (local currency)	Fair Value of Foreign Currency Contracts Receivable ($US)
Foreign Exchange Contracts Sold		
AUSTRALIAN DOLLAR	347.1	$ (6.1)
BRAZIL REAL	2.2	--
BRITISH POUND STER.	308.2	1.7
CANADIAN DOLLAR	313.2	(8.8)
DANISH KRONE	85.4	(.1)
EURO CURRENCY UNIT	408.7	(7.8)
HONG KONG DOLLAR	159.2	(5.5)
HUNGARIAN FORINT	155.5	--
INDONESIAN RUPIAN	6,779.7	-
ISRAELI SHEKEL	9.7	
JAPANESE YEN	49,409.1	15.8
MALAYSIAN RINGGIT	26.2	.1
MEXICAN NEW PESO	26.9	(.1)
NEW ZEALAND DOLLAR	77.5	.2
NORWEGIAN KRONE	448.9	.4
PHILIPPINES PESO	156.3	--
POLISH ZLOTY	7.5	--
SINGAPORE DOLLAR	14.2	(.1)
SWEDISH KRONA	808.6	(1.1)
SWISS FRANC	105.4	2.8
THAILAND BAHT	24.8	--
		$ (8.5)

Currency	Notional (local currency)	Fair Value of Foreign Currency Contracts Payable* ($US)
Foreign Exchange Contracts Purchased		
AUSTRALIAN DOLLAR	(67.2)	$ 2.5
BRAZIL REAL	(21.0)	(.3)
BRITISH POUND STER.	(81.2)	(.3)
CANADIAN DOLLAR	(53.2)	1.5
COLOMBIAN PESO	(4,876.5)	--
DANISH KRONE	(.1)	--
EURO CURRENCY UNIT	(562.1)	10.0
HONG KONG DOLLAR	(163.0)	(.3)
HUNGARIAN FORINT	(736.5)	.2
INDIAN RUPEE	(20.8)	--
INDONESIAN RUPIAN	(12,675.1)	--
ISRAELI SHEKEL	(9.1)	--
JAPANESE YEN	(42,010.9)	(5.5)
MALAYSIAN RINGGIT	(2.4)	--
MEXICAN NEW PESO	(32.5)	--
NEW TAIWAN DOLLAR	(60.5)	--
NEW TURKISH LIRA	(2.1)	--
PERUVIAN NUEVO SOL	(23.4)	(.1)
S AFRICAN COMM RAND	(79.5)	.2
SINGAPORE DOLLAR	(6.9)	--
SOUTH KOREAN WON	(75.6)	--
SWEDISH KRONA	(71.8)	.1
SWISS FRANC	(17.7)	(.3)
THAILAND BAHT	(7.7)	--
		$ 7.8
Net Foreign Exchange Currency Spot and Forward Contracts		$ (.7)

* Net effect of cross currency contracts is reflected in the "Foreign Exchange Contracts Purchased" section.

Foreign exchange spot and forward positions are over-the-counter contracts, entered into with various counterparties. Guidelines have been established which provide minimum credit ratings for counterparties. Additionally, policies have been established which, where possible, seek to implement master netting arrangements with counterparties to over-the-counter derivative transactions.

The table below details the exposures by counterparties with whom SWIB has entered into foreign exchange spot and forward contracts as of June 30, 2010 (in millions).

	Exposure			
Counterparty	Payable	Receivable	Net	Counterparty Credit Rating
Bank of America Corp	$ (497.1)	$ 484.9	$(12.2)	A
Bank of New York Mellon Corp/The	(546.3)	548.7	2.5	AA-
Barclays Bank PLC	(.7)	.7	-	AA-
BlackRock Inc	(22.1)	22.6	.4	A+
BNP Paribas	(9.5)	9.5	.1	AA
Brown Brothers Harriman & Co	(.4)	.4	--	A+
Citigroup Inc	(81.1)	80.7	(.4)	A
Credit Suisse Group AG	(.3)	.3	-	A
Deutsche Bank AG	(28.5)	28.2	(.4)	A+
Goldman Sachs Group Inc/The	(15.2)	15.1	--	AA-
HSBC Holdings PLC	(60.5)	62.2	1.7	A+
JPMorgan Chase & Co	(459.2)	464.6	5.4	A
Morgan Stanley	(12.7)	12.8	.2	AA-
Royal Bank of Canada	(729.3)	720.2	(9.1)	A
Standard Chartered PLC	(1.9)	1.9	-	A+
State Street Corp	(134.8)	134.7	(.1)	A+
Toronto Dominion Bank	(5.5)	5.4	(.1)	AA-
UBS AG	(1,189.4)	1,202.5	13.1	A+
United Kingdom of Great Britain and Northern Ireland	(22.0)	22.3	.4	AAA
Westpac Banking Corp	(179.4)	177.2	(2.1)	AA
Total	$(3,995.8)	$3,995.1	$ (.7)	

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 SWIB's name, in accordance with initial margin requirements. Futures contracts are marked to market daily, based upon the closing market price of the contract at the board of trade or exchange on which they are traded. The resulting gain/loss is typically received/paid the following day until the contract expires.

The fair value of futures contracts represents the unrealized gain/loss on the contract and is reflected as Financial Futures Contracts on the Statement of Fiduciary Net Assets. Gains and losses as a result of investments in futures contracts are included in the Net Appreciation (Depreciation) in the Fair Value of Investments on the Statement of Changes in Fiduciary Net Assets.

Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the Statement of Fiduciary Net Assets. Losses may arise from future changes in the value of the underlying instrument.

Financial futures contracts may be entered into for the following objectives: facilitate asset class rebalancing, protect portfolios against the risk of changing asset values or interest rates, enhance liquidity, aid in cash flow management, manage interest rate exposure, adjust duration, equitize cash and receivable positions or as a substitute for cash market transactions. Futures contracts are secured by collateral deposited with brokers which can be in the form of cash, U.S. Treasuries and equity securities.

The following table presents the investments in futures contracts as of June 30, 2010 (in millions).

Description	Futures Contracts Expiration Date	Notional Amount	Unrealized Appreciation (Depreciation)*
Interest Rate Future:			
3MO EUROYEN TIFF FUTURE (TFX)	12/13/2010 - 9/16/2011	$ 1.9	$ --
90DAY STERLING LIBOR FUT (LIF)	12/15/2010 - 9/21/2011	3.3	--
Fixed Income Futures:			
AUSTRALIAN 10YR BOND FUT (SFE)	9/15/2010	34.6	.8
AUSTRALIAN 3YR BOND FUR (SFE)	9/15/2010	1.1	-
CANADA 10YR BOND FUTURE (MSE)	9/21/2010	26.7	.6
EURO BUXL 30 YR BOND FUT (EUX)	9/8/2010	.3	--
EURO-BOBL FUTURE (EUX)	9/8/2010	6.5	--
EURO-BUND FUTURE (EUX)	9/8/2010	7.1	--
EURO-SCHATZ FUTURE (EUX)	9/8/2010	12.2	--
JAPAN 10YR MINI BD FUTURE(SGX)	9/8/2010	17.3	.2
UK LONG GILT FUTURE (LIF)	9/28/2010	(43.3)	(.6)
US TREAS BD FUTURE (CBT)	9/21/2010	3.3	.1
US ULTRA BOND (CBT)	9/21/2010	4.3	.1
US 10YR NOTE FUTURE (CBT)	9/21/2010	(553.4)	(9.8)
US 2YR TREAS NTS FUT (CBT)	9/30/2010	128.2	.4
US 5YR TREAS NTS FUT(CBT)	9/30/2010	(192.6)	(2.6)
Equity Futures:			
DJ EURO STOXX 50 FUTURE (EUX)	9/17/2010	383.2	(19.3)
DOW JONES MINI FUTURE (CBT)	9/17/2010	.8	--
FTSE 100 INDEX FUTURE (LIF)	9/17/2010	310.5	(20.1)
MSCI EAFE EMINI INDEX FUT (CME)	9/17/2010	2.4	(.2)
RUSSELL 2000 MINI IND FUT(NYF)	9/17/2010	318.4	(23.9)
S&P 500 EMINI INDEX FUT (CME)	9/17/2010	538.5	(36.9)
S & P MID 400 EMINI (CME)	9/17/2010	46.6	(2.3)
S&P/TSE 60 INDEX FUTURES (MSE)	9/16/2010	164.3	(5.9)
SPI 200 INDEX FUTURE (SFE)	9/16/2010	158.5	(9.6)
TOPIX INDEX FUTURE (TSE)	9/9/2010	304.1	(8.3)
Total		$1,684.9	$(137.4)

* Unrealized appreciation (depreciation) includes foreign currency gains and losses.

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.

Rebalancing policies and portfolio investment guidelines permit the use of exchange traded options. Options may be used to improve the efficiency or to enhance the expected return of strategic rebalancing procedures. Exchange traded options may be purchased or sold in conjunction with managing asset class exposure if the exercise of the options will move the asset allocation closer to the target established by the Board. The aggregate notional value of the options is limited to 2 percent of the market value of the trust fund at the date of purchase. The term of options used for this purpose may not exceed one year.

The fair value of option contracts is based upon the closing market price of the contract and reflected as Options on the Statement of Fiduciary Net Assets. Gains and losses as a result of investments in option contracts are included in the Net Appreciation (Depreciation) in the Fair Value of Investments on the Statement of Changes in Fiduciary Net Assets. The table below presents the fair value of option contracts held as of June 30, 2010.

Option Contracts

Security Description	Contract Type	Maturity	Number of Contracts	Cost	Market Value	Unrealized Gain (Loss)
AMERICAN INTL GROUP INC COM	CALL	JUL 10	1,000	$ 187,000	$ 25,000	$ (162,000)
FIDELITY NATL INFORMATION SVCS	CALL	AUG 10	2,770	10,969	2,770	(8,199)
FIDELITY NATL INFORMATION SVCS	CALL	JUL 10	1,550	7,750	7,750	-
AIRGAS INC	PUT	AUG 10	(212)	(11,720)	(11,660)	60
AIRGAS INC	PUT	JUL 10	(744)	(60,776)	(11,160)	49,616
AMERICAN INTL GROUP INC COM	PUT	JUL 10	(1,000)	(706,000)	(555,000)	151,000
FIDELITY NATL INFORMATION SVCS	PUT	AUG 10	(2,770)	(2,310,762)	(2,354,500)	(43,738)
FIDELITY NATL INFORMATION SVCS	PUT	JUL 10	(736)	(557,152)	(592,480)	(35,328)
MILLIPORE CORP COM	PUT	JUL 10	(600)	(30,000)	(3,000)	27,000
RUSSELL 1000 INDEX	PUT	JUL 10	(120)	(24,600)	(24,000)	600
S&P 500 EOM OPTION SEP 10	PUT	JUL 10	(186)	(283,650)	(372,000)	(88,350)
SYBASE INC	PUT	JUL 10	(275)	(9,625)	(3,438)	6,187
SYBASE INC	PUT	SEP 10	(340)	(25,670)	(11,850)	13,820
Total				$ (3,814,236)	$ (3,903,568)	$ (89,332)

Unfunded Capital Commitments

University of Wisconsin System (UWS)

The UWS has unfunded limited partnership commitments of $30.9 million for the fiscal year ending June 30, 2010.

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, 2010 totaled $5.2 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, 2010 were $1,023.7 million of which $843.8 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, 2010 were $375.6 million of which $248.2 million (invested with the University of Wisconsin Foundation, see 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.

State Fair Park Exposition Center, Inc. – The aggregate investments at December 31, 2009 were $ .2 million consisting of money market funds 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 $ 1,151.3 million, of which $844.0 million are reported as cash and cash equivalents.

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	$ 97.3	$ 4.5	$ 4.7	$ --	$ 106.5
Corporate notes and bonds	.7	--	--	--	.7
Money market funds	971.3	--	--	--	971.3
Noncollateralized investment contracts	--	11.5	--	--	11.5
Mortgage-backed securities	1.2	--	9.0	16.6	26.8
Collateralized investment contracts	20.7	--	.6	1.9	23.2
Negotiable certificates of deposit	11.3	--	--	--	11.3
Total	$ 1,102.5	$ 16.0	$ 14.3	$ 18.5	$ 1,151.3

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 are limited to AAA rated money market mutual funds and non-rated funds with portfolios restricted to only those investments specifically authorized by the policy. Money market funds are regulated by the Securities & Exchange Commission and have a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads. The Authority invests in money market mutual funds whose investment objectives include seeking to maintain a stable net asset value of $1 per share. The Authority may not invest funds under its control in an amount that exceeds 10 percent of total assets of any individual money market mutual fund. The following table presents the component units' ratings at fiscal year end (in millions):

		Credit Quality Ratings				
Investment Type	Fair Value	AAA	AA	A	BBB	Unrated
Corporate notes and bonds	$ .7	$ --	$ .7	$ --	$ --	$ --
Money market funds	971.4	843.8	.2	--	--	127.4
Noncollateralized investment contracts	11.5	--	11.5	--	--	--
Negotiable certificates of deposit	11.3	--	--	--	--	11.3
Mortgage-backed securities	10.2	10.2	--	--	--	--
Collateralized investment contracts	23.1	--	--	23.1	--	--

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, and no more than 25 percent of the total portfolio's value will be invested in bank certificates of deposit. 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, 2010 the Authority had $7.0 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 $7.2 million as of June 30, 2010, and the fair value of the collateral received was $4.6 million. The Authority may request the bank to terminate any loan of securities for any reason at any time.

As of June 30, 2010, 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, 2010 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, 2010, the Authority received $22 thousand of income related to security lending transactions.

Other Component Units

Wisconsin Health Care Liability Insurance Plan (WHCLIP) – Aggregate investments of the WHCLIP were $72.0 million, of which $13.2 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, 2010 were $58.9 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	$ 9.2	$ 10.1
Debt securities issued by foreign governments and corporations	3.0	3.2
Industrial and miscellaneous	23.7	25.5
Loan-backed securities	23.0	24.2
Total	$ 58.9	$ 63.0

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, 2009, by contractual maturity are presented in the table below (in millions):

	Amortized Cost	Estimated Fair Value
1 Year or Less	$ 6.7	$ 6.8
1 to 5 Years	10.3	11.1
6 to 10 Years	14.4	15.8
More Than 10 Years	4.5	5.0
	35.9	38.7
Loan-backed securities	23.0	24.2
Total	$ 58.9	$ 62.9

Mortgage-backed securities (includes residential and commercial MBS) consist of the following (in millions):

Pass-through securities:	
Issued by FNMA and FHLMC	23.0

The WHCLIP does not hold investments in any one issuer that exceeds 5 percent of total assets.

As of December 31, 2009, the WHCLIP did not own any issues denominated in a foreign currency.

University of Wisconsin Foundation (the Foundation) - Aggregate investments of the Foundation are $2,006.6 million.

The following table summarizes the types of investments of the Foundation at December 31, 2009 (in millions):

Investment Type	Fair Value
Bond and debentures	$ 455.5
Stocks	512.2
Bond funds	106.0
Stock funds	25.5
Hedge funds	478.4
Limited partnerships	278.6
Real asset funds	146.2
Other funds	4.2
Total	$ 2,006.6

Custodial Credit Risk

At December 31, 2009, the reported amount of investments was $2,006.6 million. The Foundation had no custodial credit risk exposure for these investments.

Securities Lending

The Foundation participates in securities lending through a program run by its custodial bank. Under the terms of its securities lending agreement, the program requires brokers who borrow securities from the Foundation to provide collateral of a value at least equal to 102 percent of the then fair value of the loaned securities and accrued interest, if any. This collateral is then reinvested on behalf of the Foundation by the custodial bank.

The prime considerations of the collateral pool in which the collateral has been reinvested are liquidity and principal preservation. However, given the recent stressed fixed income market environment, and the fact that all of the securities are held in the pool are subject to credit risk, the value of the collateral pool has declined. In addition, certain securities in the pool have

defaulted and the collateral backing said securities has been placed in a liquidating trust. While the Foundation is still receiving cash flows from this trust, the value of the collateral comprising the trust has incurred significant mark-to-market price declines. This, in conjunction with the general price declines of other securities held in the collateral pool, leaves the Foundation with an outstanding collateral deficiency liability of approximately $2.4 million as of December 31, 2009. The ultimate realized loss will depend on the terminal value of the securities held in the liquidation trust.

Valuations of the collateral pool are provided to the Foundation by the custodial bank. For purposes of determining the value of collateral investments reflected on a balance sheet, the custodial bank uses financial models, third-party pricing services, or other inputs where quoted prices in an active market are not available. Such calculations reflect hypothetical transactions, are subject to uncertainties, and accordingly do not reflect the amount that would be realized in a current sale. In addition, in light of the judgment involved in the fair value decisions by the custodial bank, and given the current market conditions, the illiquidity of certain of the securities in the collateral pool, and the credit risk associated with securities in the collateral pool, there can be no assurance that a fair value assigned to a particular security by the custodial bank is accurate.

At December 31, 2009, the Foundation had equity and fixed income securities with fair values of $17.7 million on loan. The Foundation reflects the collateral received for securities on loan as an asset and its obligation to return the collateral as a liability. As of December 31, 2009 and an asset of $17.7 million and the related liability representing the obligation to return collateral received of $18.5 million are reported.

Income from securities lending for the year ended December 31, 2009 was approximately $79 thousand.

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.

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 $21.2 thousand 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, 2010, the reported amount of investments was $6,603.9 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, 2010, the following table shows the investments by investment type, amount and the weighted average maturities (in millions):

Investment	Fair Value	Weighted Average Maturity (Days)
Bank NOW account deposits	$ 755.6	0
Repurchase agreements	1,249.0	1
Government and agency	4,599.0	112
Certificates of deposit	.3	15
Mortgage backed securities	--	331
Total	$ 6,603.9	
Portfolio weighted average maturity		78

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, 2010 (in millions):

	Ratings	Fair Value	Percent
Bank NOW Account Deposits	NR	$ 755.6	11.4
Repurchase agreements (collateral):			
U.S. government debt	AAA	937.0	14.2
Government sponsored entity U.S agency	AAA to A	312.0	4.7
U.S. Treasury	AAA	650.1	9.8
Federal Home Loan Board	A-1+/AAA	1,352.7	20.5
Federal Home Loan Mortgage Corporation	A-1+/AAA	1,278.3	19.4
Federal National Mortgage Association	A-1+	1,317.9	20.0
Certificates of deposit:			
Nonnegotiable (Var Wis Banks)	N/R	.3	--
Totals		$ 6,603.9	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. treasury or agency securities. As of June 30, 2010 the SIF has more than five percent of its investments in a Fifth Third Bank NOW account deposit (6.1 percent), FHLB (20.5 percent), FHLMC (19.4 percent), FNMA (20.0 percent), and repurchase agreement collateral consisting of various securities issued by these same three U.S. agencies (4.7 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, 2010 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 at **www.swib.state.wi.us** or 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 $64.0 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
2011	$ 9,747
2012	7,284
2013	7,351
2014	6,305
2015	6,274
Thereafter	38,924
Total future value	75,885
Less: Present value adjustment	(21,300)
Present value of payments	$ 54,585

NOTE 6. RECEIVABLES AND NET REVENUES

A. Receivables

Receivables at June 30, 2010 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	$ 1,063,407	$ 2,195	$ -	$ -	$ -	$ 25,819	$ 378,618	$ 813,678	$ 231	$ 2,283,949
Transportation	96,299	-	-	-	-	24,093	8,813	318,845	-	448,050
Common School	-	653,771	-	-	-	-	396	9,254	-	663,421
Nonmajor Governmental	29,273	21,410	-	-	-	6	50,264	5,647	-	106,599
Total Governmental:	1,188,978	677,377	-	-	-	49,917	438,091	1,147,424	231	3,502,018
Government-wide Adjustments:										
Internal Service Funds	-	-	-	-	-	-	1,377	386	97	1,860
Accrual Adjustments	-	-	-	-	-	-	2,689	-	-	2,689
Fiduciary Receivables	-	-	-	-	-	-	69,552	-	-	69,552
Total – Governmental Activities	$ 1,188,978	$ 677,377	$ 0	$ 0	$ 0	$ 49,917	$ 511,709	$ 1,147,810	$ 328	$ 3,576,119
Related revenue deferral because the receivable does not meet the availability criteria	$ 223,506	$ 0	$ 0	$ 0	$ 0	$ 0	$ 48,694	$ 0	$ 0	$ 272,200
Business-type Activities:										
Current:										
Injured Patients and Families Compensation	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,181	$ -	$ -	$ 7,181
Environmental Improvement	-	160,649	-	-	-	-	615	9,008	-	170,272
University of Wisconsin System	-	-	32,067	-	-	-	143,283	91,421	4,018	270,788
Unemployment Reserve	-	-	-	-	-	-	238,119	99,606	-	337,726
Nonmajor Enterprise	-	326	-	3,899	5,583	-	62,004	7,138	-	78,949
Total Current:	-	160,975	32,067	3,899	5,583	-	451,202	207,172	4,018	864,916
Noncurrent:										
Environmental Improvement	-	1,658,817	-	-	-	-	-	-	-	1,658,817
University of Wisconsin System	-	-	162,003	-	-	-	4,713	-	-	166,716
Unemployment Reserve	-	-	-	-	-	-	64,579	-	-	64,579
Nonmajor Enterprise	-	1,648	-	11,824	221,533	3,885	70	-	-	238,960
Total Noncurrent	-	1,660,465	162,003	11,824	221,533	3,885	69,362	-	-	2,129,072
Government-wide Adjustments:										
Fiduciary Receivables	-	-	-	-	-	-	3	-	-	3
Total – Business-type Activities	$ 0	$ 1,821,439	$ 194,070	$ 15,723	$ 227,116	$ 3,885	$ 520,568	$ 207,172	$ 4,018	$ 2,993,991

B. Net Revenues

Certain revenues of the University of Wisconsin System are reported net of scholarship allowances. For Fiscal Year 2010, these scholarship allowances totaled as follows (in thousands):

Student Tuition and Fees	$ 126,534,787
Sales and Services of Auxiliary Enterprises	22,795,679
Total	$ 149,330,466

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended June 30, 2010 was as follows (in thousands):

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and Land Improvements	$ 1,994,491	$ 115,520	$ (62)	$ 2,109,948
Buildings and Improvements	160,952	2,616	-	163,568
Library Holdings	81,586	992	(2)	82,576
Equipment	652	-	-	652
Construction and Software in Progress	834,593	596,465	(261,341)	1,169,717
Infrastructure	12,218,692	177,616	(21,758)	12,374,551
Total capital assets, not being depreciated	15,290,966	893,209	(283,163)	15,901,012
Capital assets, being depreciated:				
Land Improvements	120,789	13,845	(363)	134,271
Buildings and Improvements	1,871,669	85,862	(187)	1,957,344
Equipment	738,067	75,371	(35,869)	777,569
Totals	2,730,526	175,078	(36,419)	2,869,184
Less accumulated depreciation for:				
Land Improvements	54,967	6,165	(246)	60,887
Buildings and Improvements	702,687	49,659	(125)	752,221
Equipment	437,562	54,428	(31,726)	460,264
Totals	1,195,216	110,252	(32,096)	1,273,372
Total Capital Assets, being depreciated, net	1,535,310	64,826	(4,323)	1,595,813
Governmental activities capital assets, net	$ 16,826,276	$ 958,035	$ (287,486)	$ 17,496,825
Business-type activities:				
Capital assets, not being depreciated:				
Land and Land Improvements	$ 133,347	$ 2,471	$ (15)	$ 135,804
Library Holdings	1,088,150	23,420	(5,031)	1,106,539
Construction and Software in Progress	238,523	376,371	(117,821)	497,073
Total Capital Assets, not being depreciated	1,460,020	402,263	(122,867)	1,739,416
Capital assets, being depreciated:				
Land Improvements	9,492	33	(5)	9,520
Buildings	4,934,315	298,557	(86,997)	5,145,875
Equipment	951,576	82,584	(25,802)	1,008,358
Totals	5,895,382	381,175	(112,805)	6,163,753
Less accumulated depreciation for:				
Land Improvements	7,835	195	(5)	8,024
Buildings	2,034,760	150,785	(13,218)	2,172,327
Equipment	684,136	69,115	(21,483)	731,768
Totals	2,726,731	220,094	(34,707)	2,912,118
Total Capital Assets, being depreciated, net	3,168,651	161,081	(78,098)	3,251,634
Business-type activities capital assets, net	$ 4,628,671	$ 563,344	$ (200,965)	$ 4,991,050

In addition to the capital assets reported by governmental and business-type activities, the fiduciary funds reported gross capital assets of $5,793 thousand at June 30, 2010, with accumulated depreciation totaling $3,232 thousand.

Depreciation Expense

Depreciation expense was charged to the primary government as follows (in thousands):

Governmental Activities		
Commerce	$	807
Education		3,013
Transportation		7,564
Environmental Resources		10,115
Human Relations and Resources		61,275
General Executive		7,298
Judicial		2,599
Legislative		399
Internal Service Funds		17,115
Total depreciation expense - governmental activities	$	110,185

Business-type Activities		
University of Wisconsin System	$	200,220
Lottery		48
Veterans Mortgage Loan Repayment		30
Injured Patients and Families Compensation		4
Environmental Improvement		2
Other Business-Type		12,775
Total depreciation expense - business-type activities	$	213,080

Construction and Software in Progress

Construction and software in progress of the primary government reported in the government-wide statement of net assets at June 30, 2010 included the following projects (in thousands):

	Allotments	Expended to June 30, 2010	Encumbrances Outstanding	Unencumbered Allotment Balance
Governmental Activities:				
Reported through capital projects funds:				
Interstate 94 North and South Corridor Reconstruction	$ 110,399	$ 110,399	$ -	$ -
High Speed Rail	47,500	4,599	42,890	11
Armed Forces Reserve Center	45,599	16,061	15,785	13,753
State Highway Rehabilitation	28,111	28,111	-	-
Capital Heating Power Plant – Facility Renovate and Upgrade	19,202	3,072	-	16,131
Wisconsin Resource Center – Female Treatment Center	19,030	5,348	7,367	6,315
Major Highway Projects	14,586	14,586	-	-
Winnebago Corrections Facility Replacement	13,900	1,440	7,946	4,515
Other projects with allotments totaling less than $10 million		44,074		
Subtotal		227,690		
Projects funded through sources other than capital projects funds:				
Transportation-related		914,706		
Department of Natural Resources		11,841		
Department of Administration		6,789		
Department of Health Services		5,129		
Other agency projects		3,562		
Total construction and software in progress – governmental activities		$ 1,169,717		
Business-type Activities:				
Reported through capital projects funds - University of Wisconsin System:				
Charter Heating Plant Rebuild – Madison	244,267	9,379	4,688	230,200
Biochemistry II Building – Madison	112,450	53,834	44,027	14,589
Union South Replacement – Madison	94,675	49,939	39,566	5,170
School of Human Ecology Building and Renovation	52,950	7,287	31,729	13,934
Institute for Discovery – Madison	50,188	39,657	-	10,531
Davies Center Redevelopment – Eau Claire	48,802	3,102	-	45,700
Lakeshore Hall and Food Service – Madison	48,170	1,928	-	46,242
Academic Building – Oshkosh	45,449	17,392	20,671	7,386
Chazen Museum of Art Addition – Madison	43,799	15,960	17,168	10,670
New Residence Hall – La Crosse	38,418	6,843	21,950	9,625
New Academic Building – La Crosse	38,380	19,274	11,461	7,645
New Residence Hall – Whitewater	36,960	32,708	1,545	2,707
Communication Arts Renovate and Addition – Parkside	34,156	8,599	20,605	4,952
Education Building Renovation – Madison	33,837	28,134	2,876	2,827
Gordon Commons Redevelopment – Madison	33,056	1,172	-	31,884
New Residence Hall – Oshkosh	31,500	1,484	1,271	28,745
New Academic Building – Superior	26,780	13,507	10,853	2,420
Suite Style Residence Hall – Stevens Point	25,550	8,986	12,495	4,069
South Forks Suite Addition – River Falls	18,935	639	-	18,296
Sterling Hall Renovation – Madison	18,873	16,835	219	1,818
Chadbourne & Barnard Hall – Madison	13,724	12,317	1,371	36
Hovlid Hall Renovation – Stout	13,600	11,793	1,675	132
Fischer and Weller Renovation – Whitewater	10,505	357	185	9,963
Multi-Building Energy Conservation – Milwaukee	10,319	5,386	4,236	697
Projects with allotments totaling less than $10 million:				
University of Wisconsin System		80,941		
Other		15,516		
Subtotal		462,969		
UW software funded through sources other than capital projects funds		28,279		
Total construction and software in progress – business-type activities		$ 491,248		

Construction and software in progress of the University of Wisconsin System and of the other business-type activities as reported in the financial statements totaled $481.5 million and $15.6 million as of June 30, 2010, respectively.

Component Units

Capital Assets balance of the Wisconsin Housing and Economic Development Authority at June 30, 2010, the University of Wisconsin Hospitals and Clinics Authority at June 30, 2010, the University of Wisconsin Foundation at December 31, 2009, and the State Fair Park Exposition Center, Inc. at December 31, 2009 were as follows (in thousands)

	Amount
Capital Assets, not being depreciated:	
Land and Land Improvements	$ 18,735
Construction in Progress	4,788
Total Capital Assets, not being depreciated	23,523
Capital Assets, being depreciated:	
Buildings	529,002
Equipment	251,236
Totals	780,238
Less accumulated depreciation for:	
Buildings	212,798
Equipment	175,892
Totals	388,690
Total Capital Assets, being depreciated, net	391,548
Component Units Capital Assets, net	$ 415,071

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. The annual spending rate is currently 4.0 percent. 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, 2010, net appreciation of $13.7 million was available to be spent.

For University of Wisconsin System-controlled, donor-restricted endowments, the Uniform Prudent Management of Institutional Funds Act as adopted, permits the Board of Regents of the University of Wisconsin System to appropriate for current spending, an amount of realized and unrealized endowment appreciation as they determine to be prudent. Realized and unrealized appreciation in excess of that amount appropriated for current spending is retained by the endowments.

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. 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, 2010 was $370.7 million including an unrealized gain of $38.4 million when fair values as of June 30, 2010 are compared to asset acquisition costs. This compares to a fair value as of June 30, 2009 of $336.9 million. The net increase in fund balance during 2009-10 was $33.8 million.

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, 2010, 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	$ 156.5
Realized Gains – Undistributed	180.4
Book Value	336.9
Unrealized Net Gains/Losses - Undistributed	33.8
Fair Value	$ 370.7

On June 30, 2010, the portfolio at market, for the Long Term Fund, contained 38.4 percent in common stock and convertible securities, 14.7 percent in bonds and preferred stock, 19.4 percent in alternative assets, 19.4 percent in tactical allocation strategies, and 8.1 percent in short-term investments. The total return on the principal Long Term Fund including capital appreciation was 12.0 percent.

On June 30, 2010, the portfolio at market, for the Intermediate Fund, contained 12.6 percent in common stock and convertible securities, 83.0 percent in bonds and preferred stock, and 4.4 percent in short-term investments. The total return on the principal Intermediate Fund including capital appreciation was 12.0 percent.

External investment counsel was furnished for funds representing 84.7 percent of market value principal.

Component Unit

University of Wisconsin Foundation

The University of Wisconsin Foundation's (the Foundation) endowment consists of 3,067 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the Uniform Management of Institutional Funds Act (UPMIFA) as requiring the preservation of fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently-restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently-restricted net assets is classified as temporarily-restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Endowment Net Asset Composition by Type of Fund as of December 31, 2009 (in millions):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	$(38.2)	$175.0	$749.5	$886.3

Endowment Related Activities by Type of Fund as of December 31, 2009 (in millions):

	Un-restricted	Temporarily Restricted	Permanently Restricted	Total
Beginning net assets	$ (72.8)	$179.2	$ 714.1	$820.6
Reclassification of assets per change in law	(1.1)	1.1	--	--
Net assets after reclassification	$(73.8)	$180.3	$714.1	$820.6
Investment return	35.7	47.1	--	82.8
Contributions	--	--	29.8	29.8
Appropriation of assets for expenditure	--	(48.7)	--	(48.7)
Transfers in for matching	--	--	2.2	2.2
Net transfers and adjusting entries	--	(3.6)	3.3	(.3)
Ending net assets	$(38.2)	$175.0	$749.4	$886.3

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were $38.2 million as of December 31, 2009. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a diversified equity-related benchmark while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return that outpaces spending, inflation, and expenses annually. Actual returns in any given year will vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a great emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 4.75 percent of its endowment fund's average fair value over the prior twelve quarters through the quarter-end preceding the quarter in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 3.0 percent annually. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The Foundation amended its spending policy effective July 1, 2010. Under the amended policy, the distribution rate will be 4.5 percent of its endowment fund's average fair value over the 16 quarters through the quarter-end preceding the quarter in which the distribution is planned. The additional number of quarters used in calculating the average value will be transitioned in over a one-year period beginning on the effective date of the amended policy.

Celebrate Children Foundation, Inc

The Celebrate Children Foundation Inc., (CCF) endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors of the CCF has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the CCF classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the CCF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the CCF, and (7) the CCF's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The CCF has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt

securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5 percent once the assets in the board designated fund reach $5.0 million, while growing the funds if possible. Therefore, the CCF expects its endowment assets, over time, to produce an average rate of return of approximately 8 percent annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

In accordance with the donor's stipulations, investment return from the permanently restricted endowment assets is unrestricted revenue to the CCF. The CCF chose to place the investment return earned from the permanently restricted assets in a board designated endowment fund. The CCF's spending policy for its board designated endowment indicates that no funds will be spent until the board designated endowment reaches $5.0 million. Thereafter, no more than 5 percent of the interest accumulated annually may be spent. In establishing this policy, the CCF considered the long-term expected return on its investment assets, the nature and duration of the endowment funds, some of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The CCF expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 3 percent annually. This is consistent with the CCF's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition as of June 30, 2010:

	Unrestricted	Permanently Restricted	Total
Donor-restricted	$ --	$1,083,214	$1,083,214
Unrestricted			
Board-designated	(14,812)	--	(14,812)
Total	$(14,812)	$1,083,214	$1,068,402

Changes in endowment net assets as of June 30, 2010 are:

	Permanently Restricted	Board-Designated	Total
Balance July 1, 2009	$977,239	$(121,042)	$856,197
Contributions	105,975	--	105,975
Investment return:			
Interest and dividends	--	22,348	22,348
Unrealized gain	--	88,278	88,278
Realized loss	--	(4,396)	(4,396)
End of Year	$1,083,214	$(14,812)	$1,068,402

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances as of or for the year ended June 30, 2010 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, 2010 were as follows (in thousands):

	Due to Other Funds:											
Due from Other Funds:	General	Trans-portation	Common School	Nonmajor Govern-mental	Injured Patients and Families Compensation	Environ-mental Improve-ment	University of Wisconsin System	Unemploy-ment Reserve	Nonmajor Enterprise	Internal Service	Fiduciary	**Total**
General	$ -	$ 55,029	$ 1,417	$ 10,602	$ 10	$ 369	$ 43,703	$ 7,944	$ 30,037	$ 1,673	$ 68,173	$ 218,956
Transportation	15,831	-	-	34,295	-	-	388	-	-	20	-	50,534
Common School	725	-	-	144	-	-	-	-	-	-	-	869
Nonmajor Governmental	45,290	15,460	275	7,415	-	1,665	186	-	19,498	1,635	-	91,423
Environmental Improvement	-	-	-	204	-	-	-	-	-	-	-	204
University of Wisconsin System	41,724	1,693	14	1,215	-	-	-	-	7	36	-	44,688
Unemployment Reserve	518	-	-	-	-	-	-	-	-	-	-	518
Nonmajor Enterprise	13,019	54	-	2,304	-	-	-	-	361	48	3	15,788
Internal Service	36,339	2,767	-	4,290	6	30	1,056	-	495	398	1,212	46,594
Fiduciary	26,627	4,193	-	2,541	5	6	17,961	-	3,022	624	393	55,372
Total	$ 180,071	$ 79,194	$ 1,706	$ 63,011	$ 21	$ 2,071	$ 63,294	$ 7,944	$ 53,420	$ 4,435	$ 69,781	$ 524,946

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.

B. Due from/to Component Units

Receivables and payables between funds and component units at June 30, 2010 were as follows (in thousands);

	Due from Component Unit				Due from Primary Government	
	General	University of Wisconsin System	Internal Service	Fiduciary	University of Wisconsin Hospitals and Clinics Authority	Total
Due to Primary Government:						
University of Wisconsin Hospitals and Clinics Authority	$ 6	$ 4,018	$ 97	$ 3,816	$ -	$ 7,936
Wisconsin Housing and Economic Development Authority	225	-	-	-	-	225
Due to Component Unit:						
University of Wisconsin System	-	-	-	-	1,420	1,420
Total	$ 231	$ 4,018	$ 97	$ 3,816	$ 1,420	$ 9,582

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, 2010 were as follows (in thousands):

	University of Wisconsin System	Fiduciary	Total
Interfund Payables:			
General	$ 231,962	$ -	$ 231,962
Nonmajor Governmental	15,390	-	15,390
Nonmajor Enterprise	57,463	-	57,463
Internal Service	87,141	-	87,141
Fiduciary	-	154,370	154,370
Total	$ 391,956	$ 154,370	$ 546,326

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, 2010 were as follows (in thousands):

	Advances from Other Funds (liability):			
	General	Nonmajor Governmental	Fiduciary	Total
Advances to Other Funds (asset):				
General	$ -	$ -	$ 167	$ 167
Injured Patients and Families Compensation	202,588	-	-	202,588
Environmental Improvement	-	2,477	-	2,477
Nonmajor Enterprise	657	-	-	657
Internal Service	-	2,789	-	2,789
Total	$ 203,245	$ 5,266	$ 167	$ 208,679

E. Interfund Transfers

Interfund Transfers in and out that occurred during Fiscal Year 2010 were as follows (in thousands):

	Transfers in:									
	General	Trans-portation	Common School	Nonmajor Governmental	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System	Nonmajor Enterprise	Internal Service	**Total**
Transfers out:										
General	$ -	$ 2,765	$ 15,000	$ 310,117	$ 202,588	$ -	$ 1,004,783	$ 71,465	$ 5,708	$ 1,612,427
Transportation	85,314	-	-	40,266	-	-	-	-	-	125,581
Common School	1,392	-	-	275	-	-	-	-	-	1,666
Nonmajor Governmental	75,281	16,259	-	65,402	-	23,687	166,934	8,150	539	356,252
Injured Patients and Families Compensation	-	-	-	14	-	-	-	-	-	14
Environmental Improvement	-	-	-	15,098	-	-	-	-	-	15,098
University of Wisconsin System	111,392	-	-	49,756	-	-	-	-	5	161,153
Unemployment Reserve	4,558	-	-	-	-	-	-	-	-	4,558
Nonmajor Enterprise	27,678	-	-	6,076	-	-	-	213	362	34,330
Internal Service	23,034	-	-	1,340	-	-	9	-	534	24,916
Fiduciary	-	-	-	333	-	-	-	-	9	342
Timing Difference due to Different Fiscal Year-ends	-	-	-	(577)	-	-	-	-	-	(577)
Total	$ 328,649	$ 19,023	$ 15,000	$ 488,100	$ 202,588	$ 23,687	$ 1,171,726	$ 79,829	$ 7,157	$ 2,335,761

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, 2010, transfers considered non-routine or inconsistent with the fund making the transfer included the following (in thousands):

Transfers in to the General Fund:

Funds Reporting the Transfer Out	Amount
University Wisconsin System	$ 85,385
Transportation	84,770
Recycling	25,925
Petroleum Inspection	21,973
Environmental	14,590
Technology Services	8,200
Fleet Services	4,700
Facilities Operations and Maintenance	3,600
Risk Management	3,000
Financial Services	1,800
Agrichemical Management	1,555
Homes for Veterans	1,239
Universal Service	1,237
Agricultural Chemical Cleanup	1,144
Other Funds	1,063

Transfer out from the General Fund:

Fund Reporting the Transfer In	Amount
Environmental	12,864

Transfers out from the Petroleum Inspection Fund:

Funds Reporting the Transfer In	Amount
Transportation	10,000
Recycling	2,000
Environmental	230

Transfer out from the General Fund in response to Supreme Court decision:

Fund Reporting the Transfer In	Amount
Injured Patients and Families Compensation	202,588

NOTE 10. CHANGES IN LONG-TERM LIABILITIES

During the year ended June 30, 2010, the following changes occurred in long-term liabilities (in thousands):

Primary Government

Governmental Activities	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Amounts Due Within One Year
Bonds Payable:					
General Obligation Bonds for Governmental Funds	$ 3,984,813	$ 815,652	$ 316,284	$ 4,484,181	$ 325,543
General Obligation Bonds for Internal Services Funds	150,247	7,692	9,151	148,788	10,162
Annual Appropriation Bonds	3,379,710	-	20,020	3,359,690	25,835
Revenue Bonds	1,599,874	282,460	168,134	1,714,200	86,219
Less Deferred Amounts:					
Issuance Premiums and Discounts	246,514	59,607	36,373	268,778	-
Refundings	(43,280)	696	(5,602)	(36,982)	-
Total Bonds Payable	9,317,880	1,166,107	544,361	9,938,655	447,759
Other Liabilities:					
Future Benefits and Loss Liability	103,119	21,376	29,648	94,847	32,428
Capital Leases	32,263	10,720	11,410	31,572	995
Installment Contracts	475	1,428	1,174	729	690
Compensated Absences	147,984	62,500	50,107	160,378	57,093
Other Postemployment Benefits	102,903	36,539	-	139,441	-
Claims, Judgments and Commitments	1,188	2,033	-	3,220	-
Pollution Remediation Obligations	15,610	-	1,619	13,991	700
Total Governmental Activities Long-term Liabilities	$ 9,721,421	$ 1,300,702	$ 638,318	$ 10,382,835	$ 539,664

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 2010. 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, 2009	Additions	Reductions	Balance June 30, 2010	Amounts Due Within One Year
Bonds Payable:					
General Obligation Bonds	$ 1,098,038	$ 193,140	$ 75,744	$ 1,215,433	$ 43,033
Revenue Bonds	805,305	131,175	81,855	854,625	70,690
Less Deferred Amounts:					
Issuance Premiums and Discounts	59,836	11,811	8,973	62,675	-
Refundings	(16,663)	-	(1,508)	(15,156)	-
Total Bonds Payable	1,946,517	336,125	165,064	2,117,578	113,723
Other Liabilities:					
Future Benefits and Loss Liability	970,123	194,779	137,448	1,027,454	138,827
Capital Leases	110,110	2,878	78,149	34,839	6,194
Compensated Absences	130,399	17,783	3,748	144,435	68,681
Other Postemployment Benefits	110,571	41,013	-	151,584	-
Total Business-type Activities Long-term Liabilities	$ 3,267,720	$ 592,580	$ 384,409	$ 3,475,891	$ 327,425

Component Units

The following table presents the changes in long-term liabilities of the Wisconsin Housing and Economic Development Authority at June 30, 2010, the Wisconsin Health Care Liability Insurance Plan at December 31, 2009, the University of Wisconsin Hospitals and Clinics Authority at June 30, 2010, the University of Wisconsin Foundation at December 31, 2009, and the State Fair Park Exposition Center, Inc. at December 31, 2009:

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Amounts Due Within One Year
Revenue Bonds and Notes	$ 3,211,632	$ 368,070	$ 422,556	$ 3,157,146	$ 87,004
Future Benefits and Loss Liability	17,612	4,394	401	21,605	4,505
Capital Leases	7,953	--	2,084	5,869	1,711
Compensated Absences	8,732	8,600	8,197	9,135	9,135
Split-interest Agreement	33,221	2,540	--	35,761	--
Other Post Employment Benefits	7,654	4,541	--	12,195	--
Pension Related	65,119	1,940	2,627	64,432	4,805
Total Component Units Long-term Liabilities	$ 3,351,923	$ 390,085	$ 435,865	$ 3,306,143	$ 107,160

NOTE 11. BONDS, NOTES AND OTHER DEBT OBLIGATIONS

The following schedule summarizes outstanding long-term bonds and notes payable at June 30, 2010 (in thousands):

Primary Government	
Governmental Activities:	
General Obligation Bonds	$ 4,779,727
Annual Appropriation Bonds	3,357,795
Revenue Bonds:	
Transportation	1,671,255
Petroleum Inspection	129,878
Total Governmental Activities	9,938,655
Business-type Activities:	
General Obligation Bonds:	
University of Wisconsin System	936,147
Other Business-type	299,263
Revenue Bonds:	
Environmental Improvement	882,167
Total Business-type Activities	2,117,577
Total Primary Government	12,056,232
Component Units:	
Wisconsin Housing and Economic Development Authority Revenue Bonds	2,915,353
University of Wisconsin Hospitals And Clinics Authority Revenue Bonds	237,291
University of Wisconsin Foundation Note Payable	4,503
Total Component Units	3,157,147
Total at June 30, 2010	$15,213,379

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. Section 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, 2010, $5,424.3 million of general obligation bonds were authorized but unissued.

General obligation bonds issued and outstanding as of June 30, 2010 were as follows (in thousands):

Fiscal Year Issued	Series	Dates	Interest Rates	Maturity Through	Amount Issued	Amount Outstanding
1991	1991 Series B	5/91	6.85	5/11	117,136	6,921
1992	1992 Refunding Issue	3/92	6.25	5/15	448,935	8,810
1993	1992 2;	10/92;	5.2 to 6.5	5/15	143,505	44,880
	1993 2	3/93				
1994	1993 Refunding Issue 3	8/93	5.3	11/12	302,050	50,130
1998	1997 D;	9/97	6.95 to 7.25	11/28	79,005	12,450
	1998 C	5/98				
1999	1998 Series 1, E and F;	8/98; 10/98; 10/98	4.75 to 7.25	11/30	274,525	101,610
	1999 Series 1, and B	5/99; 5/99				
2000	1999 D	11/99	7.7	11/30	65,000	7,095
2001	2000 Series B and E;	7/00;11/00;	4.5 to 8.05	11/31	259,030	24,845
	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	330,015
	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;	3.8 to 5.25	5/33	415,190	172,645
	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 5.25	5/34	1,305,096	866,528
	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	913,540
	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	568,630
	2006 Series 1 and A	1/06; 3/06				
2007	2006 Series B, C and D;	7/06; 8/06; 9/06;	4.25 to 5.76	5/37	867,570	848,581
	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;12/07	2.65 to 6.26	5/38	389,315	364,735
	2008 Series 1, A, AW, B and BW	6/08; 4/08;3/08; 5/08; 6/08				
2009	2008 Series C and D	9/08;12/08;	2.0 to 6.2	5/30	521,875	510,505
	2009 Series AW, A and B	1/09;6/09;609				
2010	2009 Series C, D and 1;	9.09;9/09;9/09;	2.0 to 5.9	5/40		
	2010 Series1, A, B and AW	3/10;4/10;4/10;4/10			1,016,483	1,016,483
Total					8,766,610	5,848,403
Premiums/Discounts					--	212,173
Deferred Amount on Refunding					--	(45,438)
Total General Obligation Bonds					$ 8,766,610	$ 6,015,138

As of June 30, 2010, 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
2011	$ 307,471	$ 221,662	$ 39,920	$ 60,379
2012	358,500	205,798	49,077	58,191
2013	353,401	189,533	51,247	55,899
2014	344,706	173,295	50,449	53,504
2015	357,027	157,008	49,606	51,122
2016-2020	1,477,476	554,999	316,525	213,054
2021-2025	964,893	252,670	325,055	134,166
2026-2030	461,781	64,372	235,644	56,601
2031-2035	7,715	442	65,060	18,810
2036-2040	--	--	32,850	5,175
Total	4,632,969	1,819,780	1,215,433	706,899
Premiums/Discounts	183,740	--	28,433	--
Deferred Amount on Refunding	(36,982)	--	(8,457)	--
Total	$ 4,779,727	$ 1,819,780	$ 1,235,410	$ 706,899

Zero Coupon Bonds

The general obligation bonds of 1991, Series B, are zero coupon bonds recorded in the amount of $6.9 million. The bonds mature on May 1 through the year 2011.

Qualified Build America Bonds

The State has issued three series of general obligation bonds, in the aggregate amount of $459.4 million, that are “qualified Build America Bonds” pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Code). Based on the credit allowed for “qualified Build America Bonds”, the State has elected to receive from the United States Treasury on each payment date a direct payment in the amount of 35 percent of the interest payable by the State with respect to such date, and the credit will not be allowed to the taxpayers holding the bonds.

- The interest rates on the 2009 Series B bonds, in the amount of $54.5 million, range from 5.15 percent to 5.40 percent payable semiannually on May 1 and November 1 beginning with the first interest payment date of November 1, 2009. These bonds are callable at par on May 1, 2019 or any date thereafter. The bonds mature beginning May 1, 2023 through 2030.

- The interest rates on the 2009 Series D bonds, in the amount of $225.8 million, range from 4.9 percent to 5.9 percent payable semiannually on May 1 and November 1 beginning with the first interest payment date of May 1, 2010. These bonds are callable at par on May 1, 2020 or any date thereafter. The bonds mature beginning May 1, 2023 through 2040.

- The interest rates on the 2010 Series B bonds, in the amount of $179.1 million, range from 4.3 percent to 5.65 percent payable semiannually on May 1 and November 1 beginning with the first interest payment date of November 1, 2010. These bonds are callable at par on May 1, 2020 or any date thereafter. The bonds mature beginning May 1, 2020 through 2030.

B. Annual Appropriation Bonds

2003 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 outstanding principal 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 outstanding principal amount of $481.4 million ("2008 Series A Bonds"), bear interest at rates from 3.479 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 outstanding principal amount 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 outstanding principal amount of $205.4 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, 2010, the debt service requirements for principal and interest on these bonds are as follows (in millions):

Fiscal Year Ended June 30	Principal	Interest
2011	$ 20.1	$ 101.8
2012	26.9	101.0
2013	286.5	99.8
2014	72.8	86.3
2015	10.4	83.0
2016 - 2020	527.9	361.6
2021 - 2025	353.8	244.9
2026 - 2030	428.4	103.0
2031 - 2035	110.0	8.4
Total	1,836.8	1,189.8
Unamortized Prem./Discount	(1.6)	--
Total, net	$ 1,835.2	$ 1,189.8

Derivatives

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. All interest rate agreements at June 30, 2010, are classified as effective cash flow hedges. Since the interest rate exchange agreements qualify as an effective hedge, changes to fair value are not reported in the statement of activities, and, therefore, no restatement of beginning net assets is necessary as a result of implementation of GASB Statement No. 53 in Fiscal Year 2010. The State has contracted with a third party advisor to provide estimates of the fair value of the aggregate swap agreements as of June 30, 2010.

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 of June 30, 2010, interest rate

exchange agreements remain to reduce the interest rate risk in connection with $496 million in floating rate notes.

Terms – Nearly all of the outstanding 2008 Series B Bonds and 2008 Series C Bonds are subject to the interest rate exchange agreements with a notional amount totaling $496.4 million as of June 30, 2010. 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, 2011 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, 2010, the aggregate fair value of the interest exchange agreements was negative $130.7 million, a decrease of $40.0 million compared to the aggregate fair value of negative $90.7 million reported as of June 30, 2009. Since the interest rate exchange agreements qualify as effective cash flow hedges, a deferred outflow of resources and a liability are reported in the statement of net assets for the fair value of the swap agreements. Changes in the fair value are not reported in the statement of activities. 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. 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, 2010, debt service requirements are presented for the 2008 Series B Bonds 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
2011	$ 3.4	$ 7.6	$ 24.8	$ 35.8
2012	4.6	7.5	24.7	36.8
2013	5.9	7.4	24.5	37.8
2014	1.1	7.4	24.2	32.7
2015	1.1	7.4	24.2	32.7
2016 - 2020	5.5	36.6	120.2	162.3
2021 - 2025	48.9	34.8	115.1	198.8
2026 - 2030	316.9	22.3	74.3	413.5
2031 - 2035	109.0	2.0	6.5	117.5
	$ 496.4	$ 133.0	$ 438.5	$ 1,067.9

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 Bonds and 2008 Series C Bonds until their maturity.

Credit Risk – As of June 30, 2010, the State was exposed to only a minimal amount of credit risk, as the fair values of all 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 three different counterparties. The lowest rating assigned to these counterparties is, as of June 30, 2010, A1 by Moody's, A+ by Standard & Poor's, and A+ by Fitch Ratings. 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, 2010, 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.

Foreign Currency Risk – The State's swap agreements are not subject to foreign currency risk.

2009 Annual Appropriation Bonds

In April 2009, the State issued $1.5 billion of General Fund Annual Appropriation Bonds. These appropriation obligations were authorized by Wisconsin Statutes for the purpose of purchasing the tobacco settlement revenues that had been sold by the Secretary of Administration to the Badger Tobacco Asset Securitization Corporation pursuant to Wis. Stat. Section 16.63. The 2009 General Fund Annual Appropriation Bonds bear interest rates from 3.00 percent to 6.25 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.

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.

As of June 30, 2010, the debt service requirements for principal and interest on these bonds are as follows (in millions):

Fiscal Year Ended June 30	Principal	Interest
2011	$ 5.8	$ 86.8
2012	5.9	86.6
2013	6.6	86.4
2014	7.5	86.2
2015	18.3	85.9
2016 - 2020	136.0	412.3
2021 - 2025	187.5	374.4
2026 - 2030	302.5	312.8
2031 - 2035	568.8	193.3
2036 - 2040	284.0	26.3
Total	1,522.9	1,751.0
Unamortized Premium/Discount	(.3)	--
Total, net	$ 1,522.6	$ 1,751.0

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 $3,009.8 million of revenue bonds. Presently, there are fifteen issues of Transportation Revenue Bonds totaling $1,596.7 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, 2010 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2009B	10/09	3.5 to 5.8	7/30	$ 147,130	$ 147,130
2009A	10/09	3.5 to 4.0	7/14	17,870	17,870
2008A	8/08	5.0	7/29	185,000	185,000
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	136,205
2005A	3/05	3.0 to 5.25	7/25	235,585	234,205
2004 1	9/04	5.25	7/17	95,905	70,920
2003A	11/03	5.0	7/24	166,230	124,455
2002A	10/02	4.6 to 5.0	7/23	119,785	78,645
2002 1& 2	4/02	4.1 to 5.75	7/15 & 7/19	200,080	95,620
2001A	11/01	4.0 to 5.0	7/22	106,450	43,620
1998A	8/98	5.5	7/16	130,590	86,605
1993A	9/93	4.75 to 5.0	7/12	116,450	20,855
				2,035,085	1,596,740
Unamortized Premium				--	74,515
Total				$2,035,085	$1,671,255

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.

As of June 30, 2010, PIF Bonds outstanding are $117.5 million. Debt service payments are secured by petroleum inspection fees.

The PIF revenue bonds issued and outstanding as of June 30, 2010 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2009-1	10.09	2.5 to 5.0	7/17	$ 117,460	$ 117,460
Unamortized Premium				--	12,418
Total				$ 117,460	$ 129,878

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 $2,363.3 million in Revenue Bonds. At June 30, 2010, there were fifteen issues of Revenue Bonds outstanding totaling $882.2 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, 2010 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2010-3	2/10	3.0 to 5.0	6/25	$ 49,690	$ 49,690
2010-2	2/10	5.0	6/21	14,070	14,070
2010-1	2/10	3.95 to 5.44	6/31	67,415	67,415
2008-3	12/08	3.0 to 5.5	6/26	92,210	89,225
2008-2	2/08	5.0	6/18	27,335	27,335
2008-1	2/08	4.0 to 5.0	6/28	100,000	93,885
2006-2	11/06	4.0 to 5.0	6/27	100,000	90,465
2006-1	3/06	3.5 to 5.0	6/27	80,000	72,375
2004-2	1/05	3.25 to 5.25	6/20	107,025	94,590
2004-1	3/04	4.0 to 5.0	6/24	116,795	81,070
2002-2	8/02	3.0 to 5.5	6/16	85,575	34,905
2002-1	5/02	4.0 to 5.25	6/23	100,000	48,005
2001-1	4/01	4.5 to 5.25	6/21	70,000	3,265
1998-2	8/99	4.0 to 5.5	6/17	104,360	67,895
1991-1	4/91	5.4 to 6.9	6/11	225,000	20,435
				1,339,475	854,625
Unamortized Premium				--	34,241
Less: Unamortized discount and Charge					(6,699)
Total, net of discount, charge and premium				$1,339,475	$ 882,167

As of June 30, 2010, 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
2011	$ 77,195	$ 79,500	$ --	$ 6,700	$ 70,690	$ 42,614
2012	81,200	73,353	--	5,597	54,465	38,874
2013	88,665	69,014	--	5,597	55,355	36,230
2014	93,315	64,367	24,165	5,007	52,280	33,574
2015	97,940	59,431	25,345	3,817	52,765	30,851
2016-2020	484,430	225,454	67,950	4,148	262,810	114,340
2021-2025	470,915	103,975	--	--	203,765	54,770
2026-2030	189,795	24,684	--	--	102,495	13,129
2031-2035	13,285	388	--	--	--	--
Total	1,596,740	700,166	117,460	30,866	854,625	364,382
Unamortized Premium	74,515	--	12,418	--	34,461	--
Unamortized Discount/Charge	--	--	--	--	(6,919)	--
Total, net	$ 1,671,255	$ 700,166	$ 129,878	$ 30,866	$ 882,167	$ 364,382

Qualified Build America Bonds

The 2009 Series B (taxable) Transportation Revenue Bonds in the amount of $147.3 million, are "qualified Build America Bonds" pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Code). Based on the credit allowed for "qualified Build America Bonds", the State has elected to receive from the United States Treasury on each payment date a direct payment in the amount of 35 percent of the interest payable by the State with respect to such date, and the credit will not be allowed to the taxpayers holding the bonds. The interest rates on the bonds range from 3.5 percent to 5.8 percent payable semiannually on January 1 and July 1 beginning with the first interest payment date of July 1, 2010. These bonds are callable at par on July 1, 2019 or any date thereafter. The bonds mature beginning July 1, 2015 through 2030.

The 2010 Clean Water Revenue, Series 3 bonds in the amount of $49.7 million, are "qualified Build America Bonds" pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Code). Based on the credit allowed for "qualified Build America Bonds", the State has elected to receive from the United States Treasury on each payment date a direct payment in the amount of 35 percent of the interest payable by the State with respect to such date, and the credit will not be allowed to the taxpayers holding the bonds. The interest rates on the bonds range from 3.957 percent to 5.441 percent payable semiannually on June 1 and December 1 beginning with the first interest payment date of June 1, 2010. These bonds are callable at par on June 1, 2020 or any date thereafter. The bonds mature beginning June 1, 2017 through 2025.

Component Units – Discrete Presentation

Wisconsin Housing and Economic Development Authority

Bonds and notes payable at June 30, 2010 of the Wisconsin Housing and Economic Development Authority (Authority) consisted of the following (in thousands):

Revenue bonds and notes	$	2,914,544
Special obligation and subordinated special obligation		3,410
Total		2,917,954
Less: Deferred amount on refunding		(2,601)
Total, net	$	2,915,353

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, 2010 consisted of the following (in thousands):

Series/ Issue	Date	Rates	Maturity Through	Outstanding
Housing Revenue Bonds:				
1998 A,B&C	2/98	5.3 to 6.88	2032	$ 13,410
1999 A&B	10/99	5.45 to 6.18	2031	23,765
2002 A,B&C	5/02	4.5 to 5.6	2033	34,320
2003 A&B	12/03	Variable	2034	5,850
2003 C	12/03	3.7 to 5.25	2043	13,185
2003 D&E	12/03	Variable	2044	19,545
2005 A,B&C	12/05	3.2	2035	9,390
2005 D&E	12/05	3.7 to 5.15	2045	38,335
2005 F	12/05	4.31	2030	115,980
2006 A&B	12/06	3.5 to 4.75	2047	16,860
2006 C&D	12/06	Variable	2037	8,625
2007 A&B	12/07	Variable	2042	17,330
2007 C,D&E	12/07	Variable	2038	8,415
2007 F&G	12/07	Variable	2042	16,125
2008 A,B,C,D, E, F&G	6/08	Variable	2033	47,215
2009 A	12/09	Variable	2042	14,035
				402,385
Home Ownership Revenue Bonds:				
1998 D&E	6/98	5.35	2028	11,535
1999 C,D&E	4/99	4.75 to 5.0	2017	3,955
1999 F,G&H	7/99	5.65	2024	4,245
2000 A,B&C	3/00	5.75 to 5.8	2013	745
2000 D,E&F	6/00	5.75 to 7.91	2029	3,235
2000 F	7/00	Variable	2015	2,265
2000 H	11/00	Variable	2024	8,595
2000 G & H	11/00	7.21	2031	965
2001 A,B&C	5/01	5.65 to 6.4	2032	10,050
2002 A&C	2/02	4.55 to 5.45	2022	25,735
2002 B	2/02	Variable	2032	5,905
2002 C	2/02	Variable	2016	4,185
2002 E&G	3/03	4.05 to 4.85	2017	17,815
2002 I	10/02	3.8 to 4.85	2022	9,600
2002 E & F	7/02	Variable	2032	31,010
2002 I	10/02	Variable	2032	34,750
2003 A	4/03	Variable	2033	57,365
2003 B	7/03	Variable	2034	59,815
2003 C	11/03	Variable	2034	51,285
2003 D	11/03	Variable	2028	12,105
2004 A	4/04	Variable	2035	75,170
2004 A	4/04	3.7 to 3.95	2011	1,535
2004 C&D	7/04	3.65 to 5.1	2024	9,245
2004 D	7/04	Variable	2035	94,185
2004 E	11/04	Variable	2035	72,270
2005 A	4/05	4.0 to 4.95	2025	8,200
2005 A	4/05	Variable	2036	89,825
2005 C	6/05	Variable	2033	139,325
2005 C	6/05	4.875	2036	28,100
2005 D	9/05	4.875	2036	18,220
2005 D&E	9/05	Variable	2036	100,690
2006 A&B	1/06	Variable	2037	172,500
2006 C&D	5/06	4.85 to 6.0	2037	173,245
2006 E&F	10/06	4.7 to 5.727	2037	139,180
2007 A&B	4/07	4.65 to 5.75	2038	115,960
2007 B	4/07	Variable	2026	28,785
2007 C&D	4/07	Variable	2038	145,050
2007 C&D	4/07	5.125 to 5.2	2038	41,485
2007 E&F	12/07	4.43 to 6.0	2038	73,910
2007 E&F	12/07	Variable	2038	39,240
2008 A&B	5/08	Variable	2038	101,815
2008 A&B	5/08	5.3 to 5.625	2031	59,555
2009 A	12/09	Variable	2041	255,970
				2,338,620
Business Development Bonds:				
1995 2,6, & 7	Various	Variable	2015	965
				965
Multifamily Housing Bonds:				
2006 A&B	7/06	Variable	2036	7,200
2007 A&B	6/07	Variable	2040	11,520
2007 C	8/07	Variable	2048	6,290
2008 A&B	8/08	Variable	2046	13,810
2009 A	6/09	1.5 to3.5	2018	4,115
2009 A	6/09	Variable	2035	15,885
2009 B	12/09	Variable	2043	69,030
				127,850
Notes Payable	Various	Variable	Various	32,059
Fac. Refunding	6/09	Variable	2017	12,665
Authority's Total Revenue Bonds and Notes				$2,914,544

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, 2010 consist of the following (in thousands):

Series/ Issue	Date	Rates	Maturity Through	Outstanding
Home Ownership Revenue Bonds:				
1998 F&G	10/98	4.75 to 5.2	2018	$ 3,410
Total Special Obligation Bonds				$ 3,410

Debt service requirements for principal and interest for the Authority at June 30, 2010 are as follows (in thousands):

Fiscal Year Ended	Principal	Interest
2011	$ 80,479	$ 53,469
2012	51,230	50,948
2013	44,975	49,627
2014	41,645	48,835
2015	44,780	48,184
2016 - 2020	333,940	225,757
2021 - 2025	430,740	183,038
2026 - 2030	610,595	125,078
2031 - 2035	645,210	66,644
2036 - 2040	264,735	11,655
2041 - 2045	348,985	939
Thereafter	20,640	134
Total	2,917,954	864,308
Deferred Amount on Refunding	(2,601)	--
Total	$ 2,915,353	$ 864,308

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, 2010 the Authority had issued 83 series of such bonds in an aggregate principal amount of $73.9 million for economic projects in Wisconsin.

A Construction Plus line of credit bears interest at the rate of 2.58 percent at June 30, 2010. Both line of credit rates are based on the 30 day Eurodollar rate.

Derivatives

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, 2010 are classified as effective cash flow hedges. 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, 2010, 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
2011	$ 52,815	$ 4,874	$ 52,806	$ 110,495
2012	49,885	4,655	50,812	105,352
2013	48,985	4,456	49,109	102,550
2014	59,395	4,275	47,352	111,022
2015	59,035	4,077	45,004	108,116
2016 - 2020	281,235	17,244	191,990	490,469
2021 - 2025	211,120	12,964	146,713	370,797
2026 - 2030	286,235	8,839	99,456	394,530
2031 - 2035	301,750	3,891	41,418	347,059
2036 - 2040	78,390	558	5,872	84,820
2041 - 2045	4,695	26	336	5,057
Totals	$1,433,540	$ 65,859	$ 730,868	$2,230,267

The following table outlines information related to agreements in place as of June 30, 2010 (in thousands):

Program and Bond Issue	Notional Value at 6/30/10	Effective Date	Swap Termination Date	Counterparty Credit Rating	Percent Fixed Rate Paid	Variable Rate/Index Received	Swap Termination Market Value at 6/30/10
Housing Revenue Bonds							
2008 Series G	$ 21,920	5/21/2002	11/1/2033	A/A2	4.68	70% of one month London Interbank Offered Rate (LIBOR)	$ (1,510)
2003 Series D	8,430	1/5/2005	5/1/2044	AA-/Aa1	4.21	65% of one month LIBOR + 25 basis points	(766)
2003 Series E	11,205	1/5/2005	5/1/2043	AA-/Aa1	4.05	63.5% of one month LIBOR + 20 basis points	(1,004)
2005 Series F	77,000	1/17/2006	11/1/2030	AA-/Aa1	5.21	One month LIBOR	(15,710)
2006 Series C	3,740	12/14/2006	11/1/2016	AA-/Aa1	3.64	SIFMA + 2 Basis Points	(344)
2006 Series D	4,885	12/14/2006	11/1/2016	AA-/Aa1	3.64	SIFMA + 2 Basis Points	(449)
2007 Series A	10,110	12/19/2007	11/1/2042	AA-/Aa1	4.72	SIFMA + 6 Basis Points	(135)
2007 Series B	7,220	12/19/2007	11/01/2039	AA-/Aa1	4.58	SIFMA + 2 Basis Points	(97)
2007 Series F	10,950	12/19/2007	11/01/2025	AA-/Aa1	4.01	SIFMA + 2 Basis Points	(1,245)
2007 Series G	5,175	12/19/2007	11/01/2025	AA-/Aa1	4.01	SIFMA + 6 Basis Points	(589)
							(21,849)
Multifamily Housing Bonds							
2006 Series A&B	7,200	7/19/2006	10/1/2013	AA-/Aa1	4.21	SIFMA + 2 Basis Points	(678)
2007 Series A	7,580	6/29/2007	10/1/2022	AA-/Aa1	4.43	SIFMA + 6 Basis Points	(1,181)
2007 Series B	3,940	6/29/2007	10/1/2022	AA-/Aa1	5.9	SIFMA + 2 Basis Points	(1,087)
2007 Series C	6,290	8/2/2007	10/1/2024	AA-/Aa1	4.33	SIFMA + 2 Basis Points	(955)
2008 Series A	6,870	8/28/2008	10/1/2026	AA-/Aa2	3.89	SIFMA + 7 Basis Points	(758)
2008 Series A	4,415	8/28/2008	10/1/2026	AA-/Aa2	3.89	SIFMA + 7 Basis Points	(488)
2008 Series B	2,525	8/28/2008	10/1/2026	AA-/Aa2	5.08	SIFMA + 7 Basis Points	(523)
							(5,670)
1987 Home Ownership Revenue Bonds							
2002 Series B	5,905	2/6/2002	3/1/2020	AA-/Aa1	5.88	One month LIBOR + 35 Basis Points	(677)
2002 Series C	4,185	2/6/2002	9/1/2012	AA-/Aa1	3.69	67 percent of one month LIBOR	(129)
2002 Series I	34,750	10/17/2002	9/1/2032	A+/Aa3	4.07	70 percent of one month LIBOR	(1,918)
2003 Series B	59,815	7/29/2003	9/1/2034	AA-/Aa1	3.94	65 percent of one month LIBOR + 25 Basis Points	(4,872)
2004 Series A	31,020	4/29/2004	9/1/2022	AA-/Aa1	4.47	SIFMA + 8 basis points	(3,024)
2004 Series A	9,720	4/29/2004	9/1/2012	AA-/Aa1	2.87	65 percent of one month LIBOR + 25 Basis Points	(231)
2004 Series A	34,430	4/29/2004	3/1/2035	AA-/Aa1	4.27	65 percent of one month LIBOR + 25 Basis Points	(3,350)
2005 Series A	89,825	4/12/2005	3/1/2036	A/A2	3.79	65 percent of one month LIBOR + 25 Basis Points	(5,945)
2005 Series D	81,030	9/29/2005	9/1/2036	AAA/Aa3	3.70	65 percent of one month LIBOR + 25 Basis Points	(4,928)
2007 Series B	28,785	4/10/2007	9/1/2026	AAA/Aa3	5.20	One month LIBOR + 35 Basis Points	(4,387)
2007 Series E	27,980	12/18/2007	9/1/2038	AAA/Aa3	3.96	62 percent of one month LIBOR + 38 Basis Points	(2,811)
2007 Series F	11,260	12/18/2007	9/1/2014	AAA/Aa3	4.43	One month LIBOR	(1,093)
							(33,365)
1988 Home Ownership Revenue Bonds							
2002 Series E	2,310	7/11/2002	3/1/2011	AA-/Aa1	3.24	70 percent of one month LIBOR	(25)
2002 Series E	23,890	7/11/2002	9/1/2032	AA-/Aa1	4.67	70 percent of one month LIBOR	(230)
2002 Series F	4,810	7/11/2002	9/1/2014	AA-/Aa1	5.20	Three months LIBOR + 40 Basis Points	(265)
2003 Series A	13,335	4/3/2003	9/1/2014	A/A2	2.98	65 percent one month LIBOR + 25 Basis Points	(483)
2003 Series A	26,110	4/3/2003	9/1/2030	A/A2	4.26	65 percent one month LIBOR + 25 Basis Points	(238)
2003 Series A	17,920	4/3/2003	9/1/2033	A/A2	4.17	65 percent one month LIBOR + 25 Basis Points	(171)
2003 Series C	34,560	11/4/2003	3/1/2034	A/A2	4.08	65 percent one month LIBOR + 25 Basis Points	(1,544)
2003 Series C	16,725	11/4,2003	3/1/2019	A/A2	3.32	65 percent one month LIBOR + 25 Basis Points	(781)
2004 Series D	94,185	7/27/2004	9/1/2035	A/A2	3.84	65 percent one month LIBOR + 25 Basis Points	(5,975)
2004 Series E	72,270	7/27/2004	9/1/2035	AA-/Aa1	3.99	65 percent one month LIBOR + 25 Basis Points	(7,578)
2005 Series C	76,635	8/3/2005	3/1/2024	AA-/Aa1	3.34	65 percent one month LIBOR + 25 Basis Points	(5,150)
2005 Series C	62,690	8/3/2005	9/1/2033	AA-/Aa1	4.07	65 percent one month LIBOR + 25 Basis Points	(2,446)
2006 Series A	86,660	1/19/2006	3/1/2029	AA-/Aa1	3.65	65 percent one month LIBOR + 25 Basis Points	(7,262)
2006 Series A	52,480	1/9/2006	9/1/2037	AA-/Aa1	4.27	65 percent one month LIBOR + 25 Basis Points	(2,742)
2007 Series C	20,860	6/28/2007	9/1/2017	AA-/Aa1	4.32	SIFMA + 8 Basis Points	(825)

(continued)

(continued)

Program and Bond Issue	Notional Value at 6/30/10	Effective Date	Swap Termination Date	Counterparty Credit Rating	Percent Fixed Rate Paid	Variable Rate/Index Received	Swap Termination Market Value at 6/30/10
2007 Series C	22,575	6/28/2007	9/1/2023	AA-/Aa1	4.63	SIFMA + 8 Basis Points	(2,416)
2007 Series C	37,270	6/28/2007	9/1/2016	AA-/Aa1	4.11	SIFMA + 8 Basis Points	(2,710)
2007 Series D	23,760	6/28/2007	9/1/2027	AA-/Aa1	6.48	100 percent of one month LIBOR	(2,825)
2007 Series D	21,855	6/28/2007	9/1/2016	AA-/Aa1	5.62	100 percent of one month LIBOR	(2,445)
2007 Series D	18,730	6/28/2007	9/1/2028	AA-/Aa1	6.01	100 percent of one month LIBOR	(4,212)
2008 Series A	33,815	5/15/2008	3/1/2019	AA/Aa2	3.35	SIFMA + 8 Basis Points	(2,712)
2008 Series A	52,025	5/15/2008	9/1/2038	AAA/Aa1	3.86	62 percent of one month LIBOR + 38 Basis Points	(3,260)
							(56,295)
						Total Swap Termination Market Value	($117,179)

Swap Valuation — The Swap Termination Market Values presented above were estimated by either the Authority's counterparties to the swap agreements or by a third-party consultant, using proprietary valuation models based on industry valuation methodology, including the use of forward yield curves, zero curve rates, and market implied volatility assumptions. The synthetic instrument method and the regression analysis method were used to determine whether the derivative was hedgeable or not based on criteria provided by GASB Statement No. 53 "Accounting and Financial Reporting for Derivative Instruments". The fair values of the hedgeable derivatives are presented in the Statements of Revenue, Expenses and Changes in Fund Net Assets. The market values in the table above represent the termination payments that would have been due had the swaps terminated on June 30, 2010. 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, 2010, 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, 2010, the counterparty or counterparty guarantor in 58 percent of the outstanding swaps were rated AA-/Aa1, 22 percent were rated A/A2, 14 percent were rated AAA/Aa3, and the remaining counterparties were rated AA/Aa2 and A+/Aa3 by S&P and Moody's, respectively. A collateral agreement has been entered into with all but one of the swap counterparties, to help reduce the Authority's exposure to credit risk. Collateral is required based on the counterparty's credit rating and the allowed threshold under each credit rating level. As of June 30, 2010, the counterparty rated AA-/Aa1, has collateral requirements starting at BBB+/Baa1 and a posting threshold of $500,000. The counterparty rated A/A2 has collateral requirements starting at AA-/Aa3 and a posting threshold of $50.0 million. Based on the current rating of A/A2 the posting threshold level is lowered to $40.0 million. The counterparty rating of AA/Aa2 has collateral requirements starting at A+/A1 and a posting threshold of $10.0 million. The counterparty rating of A+/Aa3 has collateral requirements starting at BBB+/Baa1 and a posting threshold of $500,000. The counterparty rated AAA/Aa3 does not have a collateral agreement with the Authority. Based on the fair values as of June 30, 2010, no collateral is required from any counterparty.

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 (SIFMA) 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. The Authority's swap agreements have limited rollover risk. For HORB issues, 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 HRB and 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 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
1988 HORB 2007 Series C	9/1/2035	9/1/2016
1988 HORB 2007 Series D	3/1/2034	9/1/2016
1988 HORB 2007 Series D	3/1/2038	9/1/2028
1988 HORB 2008 Series A	9/1/2038	3/1/2019
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
2006 MHB 2007 Series A&B	10/1/2040	10/1/2022
2006 MHB 2007 Series C	10/1/2048	9/1/2024
2006 MHB 2008 Series A&B	4/1/2046	10/1/2026

University of Wisconsin Hospitals and Clinics Authority (the Hospital)

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 5.5 percent and 5.7 percent in 2010 and 2009, 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. 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, secured by a commercial bank Standby Bond Purchase Agreement. Interest on the Bond Issue Series 2002A was payable at the end of each Rate Period. In March 2009, the Hospital refunded $55.6 million of the outstanding Series 2002A bonds with Variable Rate Demand Revenue Bonds, Series 2009A. The refunding of the Series 2002A bonds resulted in the recognition of a loss of $1.7 million due to the unamortized insurance premium and recognition of a deferred loss of $641 thousand for other unamortized deferred costs of the Series 2002A. Principal payments on the Series 2002B Bonds range from $1.6 million to $1.9 million due annually commencing in April 2011 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 2002A Bonds was 2.5 percent in 2009. The effective annual interest rate was 5.9 percent in 2010 and 5.5 percent in 2009.

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, 2010 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 70.0 percent of one-month LIBOR per annum, payable monthly. As of June 30, 2010 the interest rate received by the Hospital was .2 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 credit 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 $(2.9) million at June 30, 2010. At June 30, 2010 the Hospital was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the Hospital would be exposed to credit risk in the amount of the swap's fair value. Under the swap provision, either party has the option, but not the obligation, to terminate the swap transaction if the other party gets downgraded below BBB- by S&P or below Baa by Moody's. At June 30, 2010, the Hospital's rating is A+ from S&P and A1 from Moody's and the counterparty's rating is AA- from S&P and Aa1 from Moody's. The Hospital elected to classify the swap agreement as ineffective and reports the change in fair value as nonoperating revenue.

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 $26.5 million at June 30, 2010, 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 70.0 percent of one-month LIBOR per annum, payable monthly. In 2010, the effective interest rate received by the Hospital was .2 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

$(2.8) million at June 30, 2010. Under the swap provision, either party has the option, but not the obligation, to terminate the swap transaction if the other party gets downgraded below BBB- by S&P or below Baa by Moody's. At June 30, 2010, the Hospital's rating is A+ from S&P and A1 from Moody's and the counterparty's rating is AA- from S&P and Aa1 from Moody's. The Hospital elected to classify the swap agreement as ineffective and reports the change in fair value as nonoperating revenue.

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 3.1 percent in 2009. In March 2009, the Hospital refunded $58.1 million of the outstanding Series 2005 bonds with Variable Rate Demand Hospital Revenue Bonds, Series 2009B and transferred the April 2009 principal payment of $495 thousand into escrow. The refunding of the Series 2005 Bonds resulted in the recognition of a loss of $889 thousand due to the unamortized insurance premium and recognition of a deferred loss of $423 thousand for other unamortized deferred costs of the Series 2005 Bonds.

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. This swap has been applied to the Series 2009B with the refunding of the Series 2005 Bonds. The notional amount of the swap agreement was $59.8 million at June 30, 2010, 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 .5 percent in 2010. The Hospital will be exposed to variable rates if the counterparty to the swap defaults or if the swap is terminated. Under the swap provision, either party has the option, but not the obligation, to terminate the swap transaction if the other party gets downgraded below BBB- by S&P or below Baa by Moody's. At June 30, 2010, the Hospital's rating is A+ from S&P and A1 from Moody's and the counterparty's rating is AA- from S&P and Aa1 from Moody's. The Hospital does not intend to terminate the agreement. The swap exposes the hospital to basis risk should the relationship between LIBOR and variable rate coverage, changing the synthetic rate on the bonds. The fair value of the swap agreement was $(6.4) million at June 30, 2010. As of June 30, 2010, the Hospital was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the Hospital would be exposed to credit risk in the amount of the swap's fair value. The Hospital elected to classify the swap agreement as ineffective and reports the change in fair value as nonoperating revenue

In March 2009, insurance on the 2005 swap agreement was removed and the collateral posting provisions of the swap agreement became effective. The collateral amount required is determined based on the fair value of the swap, less the applicable threshold of $7.0 million at the Hospital's current rating. Collateral valuations are performed daily, based on the official market closing curve. While the counterparty holds the collateral, the funds will earn the overnight Federal Funds interest rate, payable monthly.

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 $515 thousand to $5.2 million are due annually in April 2011 through April 2026. Interest is payable semi-annually. In 2010, the effective interest rate was 5.3 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 2010, the effective interest rate was .2 percent.

In September 2008, the Hospital entered into an equipment financing agreement with GE Government Finance, Inc., in the amount of $9.3 million. Principal and interest payments are made monthly commencing on November 1, 2008, for seven years. In 2010, the effective interest rate was 4.5 percent.

In March 2009, the Hospital issued $57.1 million of Variable Rate Demand Revenue Refunding Bonds, Series 2009A ("Series 2009A Bonds"), secured by an irrevocable transferable direct-pay letter of credit issued by a commercial bank. The bond proceeds were used to refund $55.6 million of Hospital Revenue Bonds consisting of Short-Term Adjustable Rate Securities, Series 2002A. Principal payments on the Series 2009A Bonds, ranging from $500 thousand to $4.0 million, are due annually in April 2013 through April 2032. Series 2009A Bonds bear interest at a weekly rate determined by a remarketing agent. Interest is payable monthly. In 2010, the effective interest rate was 0.2 percent.

In March 2009, the Hospital issued $59.3 million of Variable Rate Demand Revenue Refunding Bonds, Series 2009B ("Series 2009B Bonds"). The bond proceeds were used to refund $58.1 million of Variable Rate Demand Revenue Refunding

Bonds, Series 2005. Principal payments on the Series 2009B Bonds ranging from $1.96 million to $8.2 million, are due annually in April 2011 through April 2029. Series 2009B Bonds bear interest at a weekly rate determined by a remarketing agent. Interest is payable monthly. In 2010, the effective interest rate was 0.2 percent.

In June 2009, the Hospital issued $5.3 million of Fixed Rate Hospital Revenue Bonds, Series 2009C ("Series 2009C Bonds") through a private placement. The bond proceeds were designated to finance qualified capital projects. Principal payments on the Series 2009C Bonds, ranging from $248 thousand to $478 thousand, are due bi-annually beginning in April 2011 through October 2024. Series 2009C Bonds bear interest from June 30, 2009 through October 1, 2012, at the initial fixed rate of 5.07 percent per annum. The interest rate will be reset every three years and is payable bi-annually. In 2010, the effective interest rate was 5.1 percent.

The Series 2000 Bonds, Series 2002 Bonds, Series 2008A Bonds, Series 2008B, 2009A and 2009B 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, 2010.

The Series 2008B, Series 2009A Bonds, and Series 2009B Bonds with variable interest rates are secured by irrevocable transferable direct-pay letters of credit issued by a commercial bank. The initial letter of credit agreements have stated expiration dates of five (5) years. The letter of credit securing the 2008B bonds requires draws to be repaid on the earliest of the following dates to occur: (A) the date the bond is remarketed; (B) the date sixty (60) months from the date of the draw; or (C) the stated expiration date of the letter of credit. The letters of credit securing the 2009A and 2009B bonds do not require any principal payments within the first year of the draw; interest payments are due monthly. Outstanding principal payments under the letters of credit would revert to a Term Out Loan after the first year. Any obligations under the Term Out Loans are repayable in equal quarterly installments based on a four year straight-line amortization commencing on the 367th day after the draw with final payments of the outstanding balances on the earliest to occur of: (A) the date on which the letter of credit is replaced or substituted; (B) five (5) years following the date of the draw preceding such Term Out Loan; (C) the date the bonds are successfully remarketed; or (D) the date on which all amounts due have been accelerated pursuant to the letters of credit. At June 30, 2010, there were no amounts outstanding under the letters of credit.

Legislation which had limited the Hospital's total borrowings, exclusive of amounts payable to the State, to 235.0 million, with limited exceptions, 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 swaps based on the effective interest rate, are as follows (in thousands):

Fiscal Year Ended	Principal	Interest	Interest Rate Swap, Net	Total
2011	$ 7,481	$ 4,107	$ 3,147	$ 14,735
2012	7,840	3,817	3,076	14,733
2013	8,190	3,528	2,995	14,713
2014	8,562	3,247	2,882	14,691
2015	8,931	3,038	2,685	14,654
2016-2020	41,955	12,266	9,922	64,143
2021-2025	49,863	6,694	4,360	60,917
2026-2030	58,700	1,261	1,222	61,183
2031-2034	58,985	287	--	59,272
Deferred loss on refunding of 2000 Bonds	(5,856)	--	--	(5,856)
Deferred loss on refunding of 1997 Bonds	(242)	--	--	(242)
Deferred loss on refunding of 2004 Bonds	(428)	--	--	(428)
Deferred loss on refunding of 2002A Bonds	(605)	--	--	(605)
Deferred loss on refunding of 2005 Bonds	(395)	--	--	(395)
Premium on 2002B Bonds	177	--	--	177
	$243,158	$ 38,245	$ 30,289	$311,692

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, 2010 are as follows (in thousands):

Fiscal Year Ended	Principal	Interest
2011	$ 5,770	$ 6,980
2012	6,199	6,709
2013	6,903	6,410
2014	7,899	6,075
2015	8,654	5,694
2016-2020	41,735	22,145
2021-2025	49,795	11,048
2026-2030	58,700	2,483
2031-2034	58,985	287
Total	244,640	67,831
Deferred loss on refunding	(7,526)	--
Premium/Discount	177	--
Total	$ 237,291	$ 67,831

University of Wisconsin Foundation

Long-term debt of the University of Wisconsin Foundation consists of two notes payable. 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, 2009 is $1.8 million.

Interest of one-month LIBOR plus 1.25 percent (effective rate of 1.48 percent at December 31, 2009) is payable on the entire outstanding principal amount. In addition, the notional amount $1.1 million and amortizing thereafter (representing the "notional amount") is subject to an interest rate swap, converting the floating interest rate to a fixed rate. Interest on the notional amount of the swap effectively changes the one-month LIBOR plus 1.25 percent floating rate to a fixed rate of 5.24 percent. The fair value of the interest rate swap is an unrealized loss of $5,977 as of December 31, 2009.

ASC 815, *Derivatives and Hedging*, requires a not-for-profit organization to recognize all derivative contracts on its statement of financial position at their fair value, and changes in the fair value of all derivatives are reported as a change in temporarily restricted net assets on its statement of activities in the period of change.

The note was amended in February 2010. The amended note is payable in monthly installments of $19,738, including interest of 5.18 percent, with a balloon payment due in February 2015.

The second note is payable in five annual installments of $532,731, with a final payment due in January 2014. All payments on the note apply to principal. The balance outstanding as of December 31, 2009 is $2.7 million.

Future maturities of long-term debt as of December 31, 2009 are as follows:

Year ended December 31	Total Principal
2010	$ 755,748
2011	769,591
2012	769,591
2013	769,591
2014	769,591
Thereafter	669,143
Total	$ 4,503,255

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.

Current Year Refundings/General Obligation Bonds

In September 2009, the State issued $54.3 million of general obligation refunding bonds (2009 Series 1), the proceeds of which were used to current refund on November 1, 2009 principal of various general obligation bonds in the amount of $56.9 million. The refunding resulted in an increase in total debt service payments by $5.0 million and an economic gain or loss was not incurred.

In March 2010, the State issued $201.2 million of general obligation refunding bonds (2010 Series 1), the proceeds of which were used to current refund on May 1, 2010 principal of various general obligation bonds in the amount of $226.1 million. The refunding resulted in an increase in total debt service payments by $43.6 million and an economic gain or loss was not incurred.

Current Year Refundings/Revenue Bonds

In October, 2009, the Petroleum Inspection Fee Revenue Bonds issued $117.5 million of 2009 Series 1 revenue bonds. A portion of the proceeds, plus $14.3 million of original issue premium, net of the underwriter's discount, were used to fund previously issued extendible municipal commercial paper and a portion of the proceeds were deposited with the Trustee to provide for the current refunding of various outstanding petroleum inspection revenue bonds and refunding bonds. The refunding resulted in an economic gain of $1.1 million. This analysis does not address or include the bond proceeds used to fund previously issued extendible municipal commercial paper.

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, 2010, approximately $749.3 million of general obligation bond principal have been defeased.

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, 2010, revenue bonds outstanding of $247.2 million have been defeased.
- Transportation revenue bonds – At June 30, 2010, revenue bonds outstanding of $442.8 million have been defeased.

Prior Year Refundings/Component Units

Badger Tobacco Asset Securitization Corporation

In April, 2009, the Badger Tobacco Asset Securitization Corporation's (BTASC) deposited securities in an irrevocable trust with an escrow agent to provide for all future debt service payments on the BTASC bonds. As a result, the $1.3 billion of BTASC bonds are considered to be legally defeased and the liability for those bonds has been removed from the financial statements. Any gain or loss on the refunding has not been determined as the future cash flows of the old debt are not estimable due to the uncertainty of future Tobacco Settlement Revenues (TSRs).

Wisconsin Housing and Economic Development Authority

In 1990 the Wisconsin Housing and Economic Development Authority (the Authority) defeased $48.4 million of Insured Mortgage Revenue Bonds, as of June 30, 2010, the remaining outstanding defeased debt is $20.6 million.

University of Wisconsin Hospital and Clinics Authority (the Hospital)

On September 20, 2005, the Hospital issued $59.8 million in Variable Rate Demand Revenue Refunding Bonds, Series 2005 with an initial interest rate of 2.69 percent per annum at the time of issuance to advance refund $52.5 million of outstanding Bond Issue Series 2000 with an interest rate range of 5.6 percent to 5.85 percent. The net proceeds of $58.2 million (after payment of $1.6 million in issuance costs) were used to purchase state and local government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the Fixed Rate Serial and Term Hospital Revenue Bonds, Series 2000 with maturity dates on or after April 1, 2011. As a result, the refunded portion of the Bond Issue Series 2000 is considered to be defeased and the liability for those bonds has been removed from the balance sheet. The amount outstanding related to the

defeased portion of the 2000 Series Bond is $.0 million at June 30, 2010.

Early Extinguishments/Redemptions

Component Units

Wisconsin Housing and Economic Development Authority

During 2010, 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 2010
Home Ownership Revenue Bond Resolutions:	
1987	$ 123,610
1988	159,960
All Other	6,070
Facility Refunding Bonds	2,635
Housing Revenue Bonds	2,010
Multifamily Housing Bonds	130
General Fund	1,725

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, 2010, the amount of general obligation commercial paper notes outstanding was $193.5 million which had interest rates ranging from .24 percent to .37 percent and maturities ranging from July 1, 2010 to October 8, 2010.

Short-term debt activity for the year ended June 30, 2010 for the general obligation commercial paper notes was as follows (in millions):

Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
$ 198.6	$ --	$ 5.1	$ 193.5

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, 2010, the amount of the general obligation extendible municipal commercial paper outstanding was $413.6 million which had interest rates ranging from .35 percent to .50 percent and maturities ranging from July 8, 2010, to October 8, 2010.

Short-term debt activity for the year ended June 30, 2010 for the general obligation extendible municipal commercial paper was as follows (in millions):

Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
$ 422.2	$ --	$ 8.6	$ 413.6

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, 2010, the amount of petroleum inspection fee revenue extendible commercial paper outstanding was $71.2 million which had interest rates ranging from .38 percent to .44 percent and maturities ranging from July 8, 2010 to September 10, 2010.

Short-term debt activity for the year ended June 30, 2010 for the petroleum inspection fee revenue extendible municipal commercial paper was as follows (in millions):

Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
$ 142.3	$ --	$ 71.2	$ 71.2

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, 2010, the amount of transportation revenue commercial paper notes outstanding was $162.5 million which had interest rates ranging from .33 percent to .34 percent and maturities ranging from July 8 to October 8, 2010.

Short-term debt activity for the year ended June 30, 2010 for the transportation revenue commercial paper notes was as follows (in millions):

Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
$ 177.6	$ --	$ 15.1	$ 162.5

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, 2010, the following parity Master Lease certificates were outstanding:

- Master Lease Certificates of Participation of 2006, Series A, in the amount of $29.3 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 2010, Series A (Revolving Credit Agreement – Taxable) in the amount of $25.2 million. This Master Lease certificate evidences the State's obligation to repay advances under a Revolving Credit Agreement, dated June 22, 2007, as amended 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, as amended, is September 1, 2013. 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 and Master Lease Certificates of Participation of 2008 Series A (Revolving Credit Agreement-Tax Exempt) in the amount of $9.6 million. These Master Lease certificates of participation evidence the State's obligation to repay certain advances under a Revolving Credit Agreement, dated June 22, 2007, as amended 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, as amended. The scheduled termination date under the revolving credit agreement is September 1, 2013. This master lease certificates 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, 2010, the State has not deposited with the Trustee amounts, that when invested, will terminate lease schedules.

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, 2010, a liability for arbitrage rebate did not exist.

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 $100.8 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, 2010, $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, 2010 for capital leases (in thousands):

Fiscal Year	Governmental Activities	Business-type Activities
2011	$ 10,580	$ 7,808
2012	9,731	7,417
2013	7,701	6,928
2014	6,360	6,529
2015	1,965	5,664
2016 - 2020	684	5,722
2021 - 2025	-	-
2026 - 2030	-	-
2031 - 2035	-	-
2036 - 2040	-	-
Total minimum future payments	37,022	40,067
Less: Interest	(5,449)	(5,227)
Present value of net minimum lease payments	$ 31,572	$ 34,839

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, 2010 (in thousands):

Fiscal Year	Governmental Activities	Business-type Activities
Land and Land Improvements	$ 376	$ -
Buildings and Improvements	1,000	70,950
Machinery and Improvements	100,712	9,539
Less: Accumulated Depreciation	(36,166)	(32,998)
Carrying Amount	$ 65,922	$ 47,491

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, 2010 was as follows:

Balance Due	Average Life (Weighted Term)
$64,204,149	2.5 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, 2010 for amounts related to this agreement was $5.9 million.

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 2010 were $66.0 million. Of this amount, $65.4 million relates to minimum rental payments stipulated in lease agreements, $600 thousand relates to contingent rentals, and $206 thousand relates to sublease rental payments received. Component unit rental expenses under operating leases were $18.7 million, of which $18.6 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	Govern-mental Activities	Business-type Activities	Fiduciary Funds	Com-ponent Units
2011	$ 46,911	$ 24,886	$ 135	$ 12,231
2012	38,567	14,652	34	5,734
2013	32,794	10,633	12	2,800
2014	27,287	9,686	3	1,470
2015	22,256	7,840	-	1,221
2016 - 2020	49,263	33,229	-	4,483
2021 - 2025	9,192	29,904	-	-
2026 - 2030	436	30,143	-	-
2031 - 2035	375	15,179	-	-
2036 - 2040	385	-	-	-
2041 - 2045	331	-	-	-
2046 - 2050	342	-	-	-
Thereafter	252	-	-	-
Minimum lease payments	$ 228,392	$ 176,152	$ 185	$ 27,939

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, 2010 for installment purchases (in thousands):

Fiscal Year	Governmental Activities
2011	$ 696
2012	40
Total minimum future payments	736
Less: Interest	(7)
Present value of net minimum installment payments	$ 729

NOTE 13. POLLUTION REMEDIATION OBLIGATIONS

The State implemented the Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* in Fiscal Year 2009. This Statement establishes accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the standard excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation obligations that are required upon retirement of an asset, such as landfill closure and post closure care and nuclear power plant decommissioning.

Measurement of Obligations

GASB 49 requires the State to calculate pollution remediation obligations using the expected cash flow technique. These estimates are subject to change over time. Costs may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations and other factors. Recoveries from other responsible parties may reduce the State's obligation. In accordance with the standard, if the State cannot reasonably estimate a pollution remediation obligation, it does not report a liability. Under specific circumstances capital assets may be created when pollution remediation is performed. The State has adopted a minimum reporting threshold of $1.0 million. Therefore, only remediation sites with outlays estimated to meet or exceed that amount are reported in the financial statements.

During fiscal year 2010, the State did not recognize additional estimated liabilities for pollution remediation. The State expended $1.6 million to clean up sites in FY 2010, therefore, the beginning liability of $15.6 million was reduced to $14.0 million. There were no recoveries received from other responsible parties during fiscal year 2010 and none are expected for the identified obligations.

Identified Remediation Obligations:

Pollution remediation liabilities are updated annually and are based on engineering studies and the judgment of agency officials. The following table shows liabilities included in the Statement of Net Assets as of June 30, 2010 (in millions):

Nature and Source of Pollution	Estimated Liability	Estimated Recovery
Contract agreement with EPA to clean up Superfund site of former wood treatment facility	$ .5	--
Voluntary commencement by the State to clean up heavy metal contamination of canal near former industrial site	7.0	--
State agreement with EPA to clean up PCB sediments in Milwaukee's Lincoln Park	6.5	--
Total estimated obligations	$14.0	--

In addition to the liability reported in the table above, the State expects to incur estimated costs of $27,000 per year indefinitely to pump and treat contamination at a former chrome plating facility. The State also expects to incur estimated costs of $70,000 per year indefinitely to operate and maintain a closed landfill. Both are Superfund sites and estimated total remediation costs for them cannot be reasonably determined. Therefore, a liability has not been reported in the Statement of Net Assets for either site.

NOTE 14. 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, 2009, is available at www.etf.wi.gov or may be obtained upon request from:

Department of Employee Trust Funds
801 West Badger Road
P.O. Box 7931
Madison, WI 53707-7931.

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, 2009, the number of participating employers was:

State Agencies	59
Cities	152
Counties	71
4th Class Cities	36
Villages	256
Towns	232
School Districts	427
Wisconsin Technical College System Board Districts	16
Cooperative Educational Service Agencies	12
Other	208
Total Employers	1,469

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 (3.2 percent for Executives and Elected Officials, 5.5 percent for Protective Occupations with Social Security, and 3.9 percent for Protective Occupations without Social Security) to the plan as of June 30, 2010. 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, 2009, 2008, and 2007 were as follows (in millions):

	2009	2008	2007
Employer current service	$ 192.5	$ 196.2	$ 182.9
Percent of payroll	5.0%	5.1%	5.1%
Employer prior service	$ 3.2	$ 3.1	$ 2.8
Percent of payroll	0.1%	0.1%	0.1%
Employee required	$ 191.1	$ 191.2	$ 178.4
Percent of payroll	5.0%	5.0%	5.0%
Benefit adjustment contributions	$ 30.0	$ 33.2	$ 31.0
Percent of payroll	0.8%	0.9%	0.9%
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 for employers in the WRS prior to 2009. Liabilities for employers joining the WRS effective April 5, 2008, are amortized over 30 years. 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, 2010 and 2009, the WRS's unfunded actuarial accrued liability was $0.2 billion and $0.2 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 15. 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) allows 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 is available at www.swib.state.wi.us or may be obtained upon request from:

State of Wisconsin Investment Board
P.O. Box 7842
Madison, Wisconsin 53707-7842

NOTE 16. 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 2009 (most recent actuarial valuation date), there were 54,598 active, and 20,592 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 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 $564.50 to $1,074.00 for single coverage and $1,407.50 to $2,681.60 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 June 30, 2010, the ARC was $130.5 million while the employer contributions were $46.5 million, and the ARC adjustment, with interest, was $14.7 million.

Annual OPEB Cost

As of January 1, 2009 (most recent actuarial valuation date), 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):

Year	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	$124,294	$46,487	37.4%	$291,875
2009	158,699	48,795	30.8	214,068
2008	148,497	44,333	29.9	104,164

Interest on the net OPEB obligation was $8.6 million while the net OPEB obligation increased $77.8 million.

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2009 (most recent actuarial valuation date) was as follows (in thousands):

Actuarial accrued liability (AAL)	$1,329,526
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	$1,329,526
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	$3,053,972
UAAL as a percentage of covered payroll	43.5%

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, 2009, (most recent actuarial valuation date) the Medicare part D portion included in the actuarial accrued liability is $497.4 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, 2009 actuarial valuation, the entry age normal actuarial cost method 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 9.07 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, 2008. 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 17. 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 16 – *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 2009 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, 2009 financial report 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

NOTE 18. 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, 2009.

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 372 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 187 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 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 2009 (in millions):

	Health Insurance		Income Continuation Insurance		Long-term Disability Insurance		Pharmacy Benefits	
	2009	2008*	2009	2008	2009	2008	2009	2008*
Unpaid claims at beginning of the calendar year	$ 4.9	$ 3.5**	$ 76.7	$ 68.7	$ 138.6	$ 135.8	$ (2.3)	$ (1.1)
Incurred claims:								
Provision for insured events of the current calendar year	25.9	30.5	33.4	22.4	50.2	31.1	134.8	124.0
Changes in provision for insured events of prior calendar years	(2.3)	(0.3)	(21.8)	0.5	(8.9)	(7.9)	(0.1)	2.5
Total incurred claims	23.6	30.2	11.6	22.9	41.3	23.2	134.7	126.5
Payments:								
Claims and claim adjustment expenses attributable to insured events of the current calendar year	21.6	25.7	5.5	5.1	1.7	1.1	139.1	126.3
Claims and claim adjustment expenses attributable to insured events of prior calendar years	2.6	3.1	10.0	9.8	21.9	19.3	(2.4)	1.4
Total payments	24.2	28.8	15.5	14.9	23.6	20.4	136.7	127.7
Total unpaid claims expenses at end of the calendar year	$ 4.3	$ 4.9	$ 72.8	$ 76.7	$ 156.3	$ 138.6	$ (4.3)***	$ (2.3)***

* Starting in 2006, in accordance with GASB 43, the local retiree health program and the state retiree health program are reported separately in an agency fund and in a private-purpose trust fund respectively, and are not included with the active health information in this table.
** Due to a prior period adjustment the unpaid claims at the beginning of 2008 do not match the total unpaid claims at the end of 2007.
*** Total unpaid claims at the end of 2009 is the net of $3.9 million in unpaid claims and $8.2 million in rebates due from pharmaceutical companies; total unpaid claims at the end of 2008 is the net of $5.5 million in unpaid claims and $7.8 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, 2009 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

NOTE 19. 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 $3.0 million per occurrence and $3.2 million annual aggregate. When claims, which exceed $25,000 per occurrence, total $3.2 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 2010, 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, 2010 are estimated to total $3.3 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 2010 was $49 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, 2010 are estimated to total $21.2 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, 2010 are estimated to total $71.7 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):

	2010	2009
Beginning of fiscal year liability	$ 103,119	$ 95,000
Current year claims and changes in estimates	21,376	41,508
Claim payments	(28,278)	(28,089)
	96,217	108,419
Excess insurance reimbursable	(1,370)	(5,300)
Balance at fiscal year-end	$ 94,847	$ 103,119

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, 2010 is $8.3 million.

NOTE 20. 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, 2010 the Local Government Property Insurance Fund insured 1,108 local governmental units. The total amount of insurance in force as of June 30, 2010 was $49.9 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, 2010, the fund had $26.3 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 Loss Liabilities - The Local Government Property Insurance Fund establishes the unpaid loss liability titled future benefits and loss liabilities on the financial statements based on estimates of the ultimate cost of losses (including future loss adjustment expenses) that have been reported but not settled, and of losses that have been incurred but not reported. Estimated amounts of excess-of-loss insurance recoverable on unpaid losses are deducted from the liability for unpaid losses. Loss liabilities are recomputed periodically to produce current estimates that reflect recent settlements, loss 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.

Excess-of-Loss Insurance Coverage - The Local Government Property Insurance Fund purchases excess-of-loss insurance coverage, the operation of which is analogous to “reinsurance,” to reduce its exposure to large losses on all types of insured events. Excess-of-loss insurance permits recovery of a portion of losses from the excess-of-loss insurers, although it does not discharge the primary liability of the fund as direct insurer of the risks reinsured. The fund does not report excess-of-loss insured risks as liabilities unless it is probable that those risks will not be covered by excess-of-loss insurers. As of June 30, 2010 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 excess-of-loss insurers, which is netted against premium revenue (charges for goods and services in the financial statements), amounted to $5.2 million during the fiscal year. Excess-of-loss and adjusting expense recoveries earned would typically reduce claims paid (benefit expense on the financial statements); however, during the fiscal year the Local Government Property Insurance Fund did not earn any excess-of-loss insurance recoveries, which increased claims paid.

Unpaid Loss 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 loss expenses. The following represents changes in those aggregate liabilities for the fund during the past two fiscal years (in thousands):

	2010	2009
Unpaid loss liabilities at beginning of the year	$9,506	$18,118
Less: Excess-of-loss insurance recoverable	(2,716)	(5,088)
Net unpaid loss liabilities at beginning of year	6,790	13,030
Incurred losses and loss expenses:		
Provision for insured events of the current year	12,113	11,372
Increase (decrease) in provision for insured events of prior years	4	254
Total incurred losses and loss expenses	12,117	11,626
Payments:		
Losses and loss expenses attributable to insured events of the current year	6,228	6,896
Losses and loss expenses attributable to insured events prior years	6,404	10,970
Total payments	12,632	17,866
Net unpaid loss liabilities at end of year	6,275	6,790
Plus: Excess-of-loss liabilities recoverable	--	2,716
Total unpaid loss liabilities at end of year	$6,275	$9,506

Trend Information

Historical trend information showing revenue and claims development information is presented in the Office of the Commissioner of Insurance June 30, 2010 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	$ 9,773	$ 7,290
1967-1976	31,663	16,482
1977-1985	75,090	23,460
1986-1994	50,741	8,531
1995-2008	41,629	5,163
2009+	2,249	113
	$ 211,145	$ 61,039

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
1995-2008	4.0	1980 CSO, ALB, Aggregate
2009+	4.0	2001 CSO, ALB, Aggregate

* Age Next Birthday

All of the State Life Insurance Fund's 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, 2009 were $89.6 million and the statutory capital and surplus was $7.3 million, and the fund equity at June 30, 2010 was $20.2 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 recommended by a consulting actuary. 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, 2010 as follows (in thousands):

Projected ultimate loss liability	$ 1,484,313
Less: Net loss paid from inception	(772,632)
Less: Liability for reported losses	(56,028)
Liability for incurred but not reported losses	$ 655,653

The Future Benefits and Loss Liability account also includes a provision for the estimated future payment of the costs to settle claims. The actuary estimates the ultimate loss adjustment expense (LAE) using data available through September 30 of the fiscal year. The actuary estimates LAE at 18 percent of the estimated unpaid loss liabilities as of June 30, 2010. Since the actuary estimate occurs before the end of the fiscal year and are based on an estimate of the cumulative payments, the percentage used by the actuary in determining LAE will differ slightly from the percentages used in financial statements since actual LAE payments are used for financial reporting. The LAE 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, 2010 as follows (in thousands):

Projected ultimate loss adjustment expense liability	$ 194,767
Less: Loss adjustment expense paid from inception	(69,848)
Liability for loss adjustment expense	$ 124,919

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 0.820, 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, 2010 (in thousands):

Estimated liability for Incurred But Not Reported (IBNR)	$ 655,653
Estimated liability for reported losses	56,028
Estimated unpaid loss adjustment expense	124,919
Total estimated loss liabilities	836,600
Less: Amount representing interest	(150,588)
Discounted loss liabilities	$ 686,012

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.

Once every three years, the Office of the Commissioner of Insurance contracts for an actuarial audit of the Injured Patients and Families Compensation Fund. This audit includes a review by another actuary of the reasonableness of the actuarial methodology and assumptions used in developing estimates of the Fund's liabilities. The actuarial audits have concluded that the Fund's loss liability estimates are reasonable, although conservative. The Fund's contracted actuary has considered the recommendations made in the actuarial audits and appropriately incorporated any necessary changes based on those recommendations into the actuarial methodology and assumptions used to calculate the Fiscal Year 2010 liabilities estimate.

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 if a settlement or judgment provides for future medical expense payments in excess of $100,000. The accounts are managed by the Fund and earn a proportionate share of the Fund's interest. Any account balance remaining when a claimant dies reverts back the Fund. 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. This amount is held as a liability to the Fund until a payment on the claim is made.

The breakdown of Future Benefit and Loss Liabilities, including the portions that are estimated as current and noncurrent as of June 30, 2010 (in thousands), is as follows:

Discounted loss liabilities	$ 686,012
Future medical expense liability	35,059
Contributions being held liability	--
Total estimated loss liabilities	721,071
Current portion	(86,335)
Noncurrent portion	$ 634,736

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 2010 (in thousands):

Liability at the beginning of the year	$ 675,407
Incurred claims and related expenses for the current year and the change in estimated amounts for claims incurred in prior years	49,205
Less: current year payments attributable to claims incurred in current and prior years	(3,541)
Liability at the end of the year	$ 721,071

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, 2009.

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, 2008, and December 31, 2009, are as follows (in thousands):

	2009	2008
Balance at January 1	$ 17,612	$ 37,122
Incurred related to:		
Current year	4,594	4,502
Prior years	630	(21,877)
Total Incurred	5,224	(17,375)
Paid related to:		
Current year	89	108
Prior years	1,141	2,027
Total paid	1,230	2,135
Balance at December 31	$ 21,606	$ 17,612

There is inherent uncertainty in medical malpractice claims when establishing the estimates of unpaid losses and unpaid loss adjustment expenses. In 2008, 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 21. 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, 2010 is presented below (in thousands):

Condensed Balance Sheet

Assets:		
Current Assets	$	162,393
Other Assets		945,395
Total Assets	$	1,107,788
Liabilities:		
Due to Other Funds	$	1,500
Other Current Liabilities (Including Current Portion of Long-term Debt)		74,242
Noncurrent Liabilities		812,677
Total Liabilities		888,419
Fund Equity:		
Restricted		219,369
Total Fund Equity		219,369
Total Liabilities and Fund Equity	$	1,107,788

Condensed Statement of Revenues, Expenses and Changes in Fund Equity

Operating Revenues (Expenses):		
Interest Income used as Security for Revenue Bonds	$	19,885
Interest Expense		(39,387)
Other Operating Expenses		(1,603)
Operating Income (Loss)		(21,105)
Nonoperating Revenues (Expenses):		
Investment Income		14,318
Income (Loss) before Transfers		(6,787)
Transfers In (Out)		15,243
Change in Fund Equity		8,456
Beginning Fund Equity		210,913
Ending Fund Equity	$	219,369

Condensed Statement of Cash Flows

Net Cash Provided (Used) by :		
Operating Activities	$	(3,254)
Noncapital Financing Activities		29,535
Investing Activities		4,486
Net Increase (Decrease)		30,767
Beginning Cash and Cash Equivalents		118,045
Ending Cash and Cash Equivalents	$	148,812

NOTE 22. COMPONENT UNITS – CONDENSED FINANCIAL INFORMATION

Significant financial data for the State's five discretely presented component units for the year ended December 31, 2009 or June 30, 2010 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 and Deferred Outflows:						
Cash, Investments and Other Assets	$ 3,589,284	$ 73,142	$ 376,877	$ 2,410,222	$ 240	$ 6,449,764
Due from Primary Governments	-	-	1,420	-	-	1,420
Cash and Investments with Other Component Units	-	-	248,233	-	-	248,233
Capital Assets, net	15,808	-	392,004	7,251	7	415,071
Deferred Outflows of Resources	117,179	-	-	-	-	117,179
Total Assets and Deferred Outflows	$ 3,722,271	$ 73,142	$ 1,018,534	$ 2,417,473	$ 247	$ 7,231,667
Liabilities:						
Accounts Payable and Other Current Liabilities	$ 137,624	$ 24,179	$ 96,038	$ 48,847	$ 213	$ 306,901
Due to Primary Government	225	-	7,936	-	-	8,161
Amounts Held for Other Component Units	-	-	-	215,773	-	215,773
Other Liabilities	117,179	-	12,249	-	-	129,428
Long-term Liabilities (Current and Noncurrent portions)	2,915,885	21,606	328,388	40,264	-	3,306,143
Total Liabilities	3,170,913	45,785	444,611	304,885	213	3,966,407
Fund Equity:						
Invested in Capital Assets, Net of Related Debt	3,143	-	150,496	7,251	7	160,898
Restricted	543,809	27,357	8,415	1,927,074	-	2,506,655
Unrestricted	4,406	-	415,012	178,263	26	597,708
Total Fund Equity	551,358	27,357	573,923	2,112,588	34	3,265,261
Total Liabilities and Fund Equity	$ 3,722,271	$ 73,142	$ 1,018,534	$ 2,417,473	$ 247	$ 7,231,667
Condensed Statement of Revenues, Expenses and Changes in Fund Equity						
Program Expenses:						
Depreciation	$ 7,505	$ -	$ 48,874	$ 467	$ 934	$ 57,780
Payments to Primary Government	-	-	2,640	250,985	-	253,625
Other	327,954	21,411	908,367	29,017	4,174	1,290,922
Total Program Expenses:	335,459	21,411	959,881	280,469	5,108	1,602,327
Program Revenues:						
Charges for Goods and Services	6,372	5,756	1,002,272	-	3,881	1,018,281
Investment and Interest Income	152,791	3,727	-	267,057	-	423,576
Operating Grants and Contributions	176,772	-	519	156,119	-	333,410
Capital Grants and Contributions	-	-	1,091	-	-	1,091
Miscellaneous	13,817	178	16,346	406	5,448	36,196
Total Program Revenues	349,752	9,661	1,020,228	423,583	9,330	1,812,553
Net Program Revenue/(Expense)	14,293	(11,750)	60,347	143,114	4,222	210,226
General Revenues:						
Interest and Investment Earnings	9,653	-	8,151	-	153	17,957
Miscellaneous	-	-	-	-	-	-
Loss on Unamortized Bond Insurance Premium			-			-
Contributions to Endowments	-	-	111	-	-	111
Change in Fund Equity	23,946	(11,750)	68,609	143,114	4,375	228,294
Fund Equity, Beginning of Year	527,412	39,107	505,314	1,969,475	(4,341)	3,036,967
Fund Equity, End of Year	$ 551,358	$ 27,357	$ 573,923	$ 2,112,588	$ 34	$ 3,265,261

* The University of Wisconsin Hospital and Clinics Authority adjusted beginning net assets by $(8.3) million due to a change in method of accounting for derivative instruments.

NOTE 23. 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 2009 Comprehensive Annual Financial Report to the beginning-of-year fund balances/fund equity/net assets reported for Fiscal Year 2010 (in thousands):

A. Fund Statements – Governmental Funds

	Major Funds				
	General	Transportation	Common School	Nonmajor Funds	Total Governmental
Fund Balances June 30, 2009 as reported in the 2009 Comprehensive Annual Financial Report	$ (2,711,626)	$ 531,592	$ 786,199	$ (463,971)	$ (1,857,805)
Correction of accrual for tobacco settlement receivable	(71,643)	-	-	-	(71,643)
Correction of accrual for due to other governments	-	(24,847)	-	-	(24,847)
Other adjustments of assets and liabilities as of June 30, 2009	6,038	-	-	-	6,038
Fund Balances July 1, 2009 as restated	$ (2,777,230)	$ 506,745	$ 786,199	$ (463,971)	$ (1,948,257)
Effect of prior period adjustments on the amount of excess revenues and other sources over expenditures and other uses of Fiscal Year 2009	$ (65,291)	$ (24,847)	$ -	$ -	$ (90,138)

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, 2009 as reported in the 2009 Comprehensive Annual Financial Report	$ (108,982)	$ 1,492,284	$ 4,599,726	$ (247,920)	$ 439,672	$ 6,174,780	$ (17,250)
Other adjustments of assets and liabilities as of June 30, 2009	-	-	-	-	(1,822)	(1,822)	290
Fund Equity July 1, 2009 as restated	$ (108,982)	$ 1,492,284	$ 4,599,726	$ (247,920)	$ 437,851	$ 6,172,959	$ (16,960)
Effect of prior period adjustments on the amount of net change in fund equity of Fiscal Year 2009	$ -	$ -	$ -	$ -	$ (1,882)	$ (1,882)	$ 290

C. Fund Statements – Fiduciary Funds

	Pension and Other Employee Benefit Trust	Investment Trust	Private Purpose Trust	Total Fiduciary
Net Assets June 30, 2009 as reported in the 2009 Comprehensive Annual Financial Report	$ 61,237,935	$ 3,337,647	$ 1,928,416	$ 66,503,998
Other adjustments of assets and liabilities as of June 30, 2009	215	-	-	215
Net Assets July 1, 2009 as restated	$ 61,238,150	$ 3,337,647	$ 1,928,416	$ 66,504,213
Effect of prior period adjustments on the amount of net increase (decrease) in net assets of Fiscal Year 2009	$ (49)	$ -	$ -	$ (49)

D. Government-wide Statements

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
Net Assets June 30, 2009 as reported in the 2009 Comprehensive Annual Financial Report	$ 5,658,256	$ 6,173,012	$ 11,831,268	$ 3,045,312
Correction of accrual for tobacco settlement receivable	(71,643)	-	(71,643)	-
Correction of accrual for due to other governments	(24,847)	-	(24,847)	-
Department of Transportation restatement of capital assets and infrastructure	(16,005)	-	(16,005)	-
Cumulative effect of change in method of accounting for derivative instruments for implementation of GASB 53	-	-	-	(8,345)
Other adjustments of assets and liabilities as of June 30, 2009	5,713	(1,822)	3,891	-
Net Assets July 1, 2009 as restated	$ 5,551,473	$ 6,171,190	$ 11,722,663	$ 3,036,967
Effect of prior period adjustments on the amount of net increase (decrease) in net assets of Fiscal Year 2009	$ (90,258)	$ (1,882)	$ (92,140)	$ -

NOTE 24. 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 $3.7 million on June 30, 2010 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 $.9 million at June 30, 2010.

The U.S. Department of Agriculture (USDA) determined that certain costs of services for the Supplemental Nutrition Assistance Program (SNAP), administered by the State of Wisconsin Department of Health Services, were not eligible for participation in that program. Therefore, a liability for $2.8 million is reported at June 30, 2010, $2.3 million as a claims and judgments in the government-wide statements and $.5 million as a "Due to Other Governments" in the General Fund.

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.

Notice of Transferee Liability – In September 2008, the Internal Revenue Service (IRS) provided the State of Wisconsin Investment Board (SWIB) a Notice of Transferee Liability. This claim seeks taxes, penalties and interest relating to the sale of Shockley Communications Corporation (SCC) stock in 2001.

The IRS asserts that the shareholders' sale of SCC stock in 2001 should have been characterized as a sale of assets by SCC, on which SCC should have paid income taxes. The IRS asserts that the former SCC shareholders, including SWIB, would be liable for those taxes, plus penalties and interest. The SWIB's liability, as a putative transferee of SCC assets, would be limited to $28.3 million plus interest.

The SWIB believes that the loss, if any, resulting from the claim being upheld will not have a material impact on net investment assets or net income in future years. Due to uncertainty in predicting an outcome, a liability has not been recorded.

Child Support Disallowances - In November 2008, the Federal Government notified the State that it had disallowed certain costs that were not reimbursed in accordance with federal requirements. The State is disputing these findings and currently awaiting a final decision. Because a fiscal impact cannot be readily determined and due to uncertainty in predicting an outcome if appeals were to proceed, a liability has not been recorded.

Taxability of Custom Software - In July 2008, the Wisconsin Supreme Court decided in favor of the Menasha Corporation in the case regarding the taxability of custom software. While it was initially estimated that the State could potentially receive requests for refund claims in excess of $270.0 million, actual refunds paid in Fiscal Year 2009 and Fiscal Year 2010 totaled $37.2 million. The State estimates that it will pay out an additional $4.3 million in claims during Fiscal Year 2011; therefore, a liability for $4.3 million is reported at June 30, 2010, in the General Fund as a tax refund payable. Refund claims not yet received, or remaining to be settled could reach up to $7.7 million, however, a liability for this amount is not reported.

Transfer from Injured Patients and Families Compensation Fund – 2007 Wisconsin Act 20, which was signed into law October 2007, required a transfer of $200 million from the Injured Patients and Families Compensation Fund to the General 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. After being dismissed in December 2008, the case was appealed to the Wisconsin Supreme Court. In July, 2010, the Wisconsin Supreme Court ruled that the plaintiffs had a property interest in the transferred funds, and that the transfer therefore, constituted an unlawful taking under the Wisconsin Constitution. The Court ruling requires that the $200 million, plus interest and lost earnings, be returned to the Injured Patients and Families Compensation Fund. The matter has been remanded to the Circuit Court to determine the amount of interest and lost earnings due. A liability of $202.6 million is reported as an "Advance from Other Funds" in the General Fund. The amount reported does not include lost earnings, which have yet to be determined.

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, 2010, reported as Fund Balance - Reserved for Encumbrances, additional obligations at June 30, 2010 representing multi-year, long-term commitments included (in thousands):

Transportation Fund	$ 482,759
Transportation Revenue Bonds Capital Projects Fund	54,813
General Fund – Department of Commerce programs, including economic and community development programs	49,897
Environmental	3,289

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 $270.1 million as of June 30, 2010. 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 defaults on annuity payments. One of the fund's annuity providers defaulted on $100 thousand in annuity payments through June 30, 2010, 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, 2010. 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, 2010 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, 2010, the appropriation available totaled $43.0 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.

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, 2010, outstanding loan guarantees totaled $30.4 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, 2010, $6.4 million of loan guarantees had been approved with outstanding loan guarantees of $6.2 million.

NOTE 25. SUBSEQUENT EVENTS

Primary Government

Short-term Debt

Operating Notes – In July 2010, 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, 2011.

Long-term Debt

General Obligation Bonds - In September 2010, the State issued $146.7 million of 2010 Series C general obligation bonds 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, 2011.

In September 2010, the State issued $309.7 million of 2010 Series D general obligation bonds 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 3.5 percent to 5.1 percent payable semiannually, beginning May 1, 2011. The bonds mature May 1 of the years 2022 through 2041. These bonds are "qualified Build America Bonds" pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended. The State will receive 35 percent of the interest payable to bondholders from the United States Treasury.

In December 2010, the State will issue $15.0 million of general obligation bonds to the State of Wisconsin Environmental Improvement Fund, the debt service of which is used to address the difference between loan repayments received in the Clean Water Fund Program's leveraged loan portfolio and the debt service due on revenue obligations issued to fund loans from this Clean Water Fund Program portfolio. The interest rate is 5.955 percent payable semiannually beginning May 1, 2011. The bonds mature May 1 of the years 2030 and 2031.

Revenue Bonds - In November 2010, the State issued Clean Water Revenue Bonds, 2010 Series 4 in the amount of $116.3 million. The interest rates ranged from 2.0 percent to 5.0 percent, interest is payable semiannually. The bonds mature June 1 of the years 2012 through 2031. The bonds are being used to make loans to municipalities primarily for construction or improvement of their wastewater treatment facilities. In November 2010, the State issued Clean Water Revenue Refunding Bonds, 2010 Series 5 in the amount of $36.8 million. The interest rates are 5.0 percent, interest is payable semiannually. The bonds mature June 1 of the years 2018 through 2023. The bonds are being used for the advance refunding of bonds previously issued to make loans to municipalities primarily for construction or improvement of their wastewater treatment facilities.

In December 2010, the State will issue 2010 Series A Transportation Revenue Bonds in the amount of $76.1 million. The fixed interest rate is 5.0 percent payable semiannually. The bonds are due in various maturities beginning in 2012, with final maturity in 2021. The proceeds will be used to finance certain State transportation facilities and highway projects and to pay costs of issuance.

In December 2010, the State will issue 2010 Series B taxable Transportation Revenue Bonds in the amount of $123.9 million. The 2010 Series B bonds are "qualified Build America Bonds" pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended. The State will receive 35 percent of the interest payable to bondholders from the United States Treasury. Fixed interest rates range from 4.7 percent to 6.0 percent payable semiannually. The bonds are due in various maturities beginning in 2022, with final maturity in 2031. The proceeds will be used to finance certain State transportation facilities and highway projects and to pay costs of issuance.

Component Units

Wisconsin Housing and Economic Development Authority (the Authority) – Subsequent to June 30, 2010, the Authority redeemed the following bonds (in thousands):

Program/Bond Resolution	Amount Redeemed
Home Ownership Revenue Bonds:	
1999 Series F, G, H & I	$ 270
1998 Series F & G	2,085

In addition, subsequent to June 30, 2010, the Authority early retired the following bonds (in thousands):

Program/Bond Resolution	Redemptions Amount Retired
Home Ownership Revenue Bonds:	
1987	$ 55,180
1988	65,400
All Other	4,740
Housing Revenue Bonds	3,590
Multifamily Stand Alone Bonds	175
Line of Credit – Mortgage Financing	23,858
Facility Refunding Bond	12,665
BDB Bonds	75

In addition, subsequent to June 30, 2010, the Authority issued the following bonds (in thousands):

Program/Bond Resolution	Issuances
Home Ownership Revenue Bonds:	
2009	$ 40,000
Line of Credit – Mortgage Financing	63,561
Facility Refunding Bond	12,665

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)
1/1/2009	$ 0	$ 1,329,526	$ 1,329,526	0.0%	$ 3,053,972	43.5%
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 5,000 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)
2010	11,200	9.3*	15.0	5.7
2009	11,200	6.9	15.0	8.1
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

*The increase in the percentage of roads rated poorly is partially attributable to the use of new equipment used in assessing the IRI. DOT officials believe the current data collection methods provide a more accurate view of existing ride quality because of improvements in equipment and methodology.

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)
2010	$ 660.7	$ 669.1	$ (8.4)
2009	647.7	624.4	23.3
2008	531.8	537.3	(5.5)
2007	501.8	441.6	60.2
2006	495.7	367.5	128.2
2005	366.6	333.8	32.8
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. Estimated costs for 2005 and actual costs for 2005 through 2008 have been restated from amounts reported in prior years due to an error in classification of costs on a capital project as maintenance/preservation costs.

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)
2010	5,000	4.1	15.0	10.9
2009	5,000	3.8	15.0	11.2
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)
2010	$ 91.7	$ 93.0	$ (1.3)
2009	55.9	56.9	(1.0)
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, 2010

(In Thousands)

	Original Budget	Final Budget	Actual Amounts
Unexpended Budgetary Fund Balances, Beginning of Year			$ 505,075
Revenues and Transfers (Inflows):			
Taxes	$ 12,371,404	$ 12,156,781	12,156,840
Departmental:			
Tribal Gaming	19,477	19,227	25,095
Other	15,149,589 (A)	15,237,792 (A)	14,736,145
Transfers from:			
Transportation Fund	(A)	(A)	84,770
Nonmajor Governmental Funds	(A)	(A)	158,916
Nonmajor Enterprise Funds	(A)	(A)	317
Total Revenues and Transfers (Inflows)	27,540,470	27,413,799	27,162,082
Amounts Available for Appropriation			27,667,157
Appropriations (Outflows):			
Commerce	385,294	615,987	303,822
Education	11,577,970	11,884,855	11,217,390
Environmental Resources	343,640	205,000	169,044
Human Relations and Resources	10,450,988	12,671,856	11,539,870
General Executive	1,347,977	1,482,742	1,030,803
Judicial	136,256	132,470	130,341
Legislative	73,818	65,998	65,930
Tax Relief and Other General	2,351,994	2,319,622	2,291,777
Transfers to:			
Nonmajor Governmental Funds	23,800	23,800	23,800
Total Appropriations (Outflows)	$ 26,691,736	$ 29,402,330	26,772,777
Fund Balances, End of Year			894,380
Less Encumbrances Outstanding at June 30, 2010			(716,009)
Fund Balances, End of Year Budgetary Basis			$ 178,371

Reconciliation of the End of Year, Budgetary Basis, Fund Balance to the Detail Reported in the Annual Fiscal Report:	
General Purpose:	
Designated	$ 78,496
Undesignated	70,980
Total General Purpose	149,476
Program Revenue	28,895
Fund Balances, End of Year Budgetary Basis	$ 178,371

(A) Interfund transfers to the General Fund were budgeted under departmental revenue during Fiscal Year 2010.

Budgetary Comparison Schedule
Transportation Fund
For the Fiscal Year Ended June 30, 2010

(In Thousands)

	Original Budget	Final Budget	Actual Amounts
Unexpended Budgetary Fund Balances, Beginning of Year			$ 418,581
Revenues (Inflows):			
Taxes	$ 1,008,681	$ 1,008,681	1,008,681
Departmental	1,907,041	1,907,041	1,907,041
Transfers from:			
Nonmajor Governmental Funds	10,000	10,000	10,000
Total Revenues (Inflows)	2,925,722	2,925,722	2,925,722
Amounts Available for Appropriation			3,344,303
Appropriations and Transfers (Outflows):			
Environmental Resources	4,200,128	5,870,385	2,680,892
General Executive	1,990	1,936	1,509
Tax Relief and Other General	24,399	21,862	22,821
Transfers to:			
General Fund	45,370	84,770	84,770
Total Appropriations and Transfers (Outflows)	$ 4,271,887	$ 5,978,952	2,789,992
Fund Balances, End of Year			554,311
Less Encumbrances Outstanding at June 30, 2010			(1,603,381)
Fund Balances, End of Year Budgetary Basis			$ (1,049,070)

Notes To Required Supplementary Information

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, 2010 is presented below (in thousands):

	General Fund	Transportation Fund
Fund balance June 30, 2010 (budgetary basis – budgetary fund structure):		
General Purpose Revenue – fund balance per budgetary basis *Annual Fiscal Report*		
Undesignated fund balance	$ 70,980	
Designated fund balance	78,496	
Total General Purpose Revenue fund balance	149,476	
Program Revenue – fund balance per budgetary basis *Annual Fiscal Report*	28,895	
Fund balance June 30, 2010 (budgetary basis – budgetary fund structure) As reported on the budgetary comparison schedule	178,371	$(1,049,070)
Reclassifications:		
To eliminate the effect of encumbrances that were reported as expenditures under budgetary reporting (*basis difference*)	716,009	1,603,381
To reclassify activities of the Medical Assistance Trust, Hospital Assessment, Budget Stabilization, and Permanent Endowment Funds (reported as special revenue funds under budgetary reporting) as part of the General Fund (*perspective difference*)	40,818	--
To reclassify activities reported in another GAAP fund type (*perspective differences*):		
Enterprise funds (except for the University of Wisconsin System)	55,232	--
University of Wisconsin System	(658,719)	--
Internal Service funds	50,017	--
Fiduciary funds	(653)	--
Transportation Revenue Bonds capital project fund	--	3,353
Fund balance June 30, 2010 (GAAP fund structure – budgetary basis, excluding encumbrances treated as expenditures at year end)	381,075	557,664
Adjustments (*basis differences*):		
To accrue receivables and establish payables for individual income taxes (net)	(990,462)	--
To defer revenues for gross receipts public utility taxes	(240,560)	--
To adjust revenues and expenditures for tax-related items and other tax credit/aid programs (net)	(414,404)	(10,557)
To adjust expenditures for the municipal and county shared revenue program	(528,177)	--
To adjust expenditures for State property tax credit program	(677,023)	--
To record a loan for the monies received in prior years from the Injured Patients and Families Compensation Fund	(202,588)	--
To accrue unpaid Medicaid payments to providers (net of receivable from federal government)	(171,269)	--
To adjust revenues and expenditures for certain major Health Services, and Children and Families human services payments to local governments	(93,543)	--
To recognize the tobacco settlement revenue receivable	72,159	--
To accrue State educational aids payments deferred until the subsequent year	(75,000)	--
To adjust revenues and expenditures for other items (net)	(3,512)	103,041
Fund balance June 30, 2010 (GAAP fund structure – GAAP basis) as reported on the governmental fund statements	$(2,943,303)	$ 650,148

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 Medical Assistance Trust, Hospital Assessment, Budget Stabilization and Permanent Endowment 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 and Normal School funds are budgeted.

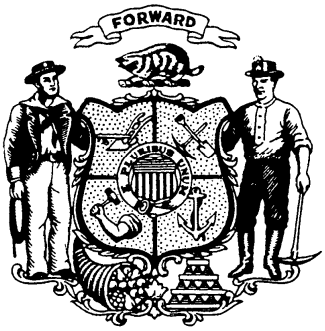
The State's biennial budget was enacted and published on June 29, 2009. This legislation is recognized by State officials as the original budget and is treated as such on the Budgetary Comparison Schedules.

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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